

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Act Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange of 1934

For the Nine Months Ended March 31, 2001

Commission File Number 0-9047

GLOBAL GAMING TECHNOLOGY, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)
Number)

02-0314487
(IRS Employer Identification
Number)

1200 N Federal Highway #200, Boca Raton, FL 33432
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code : (561) 447-8222

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 12 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

X YES NO

As of December 31, 2000 there was issued and outstanding 26,328,028 shares of Common Stock of Registrant. The aggregate market value of the shares of Common Stock held by non-affiliates (without admitting that any person whose shares are not included in determining such value is an affiliate) was not available because the prices for such shares are not quoted by the National Association of Securities Dealers through NASDAQ, its automated system for reporting quotes.

Global Gaming Technology, Inc.
Form 10-Q
Quarter Ended March 31, 2001

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PART I

**Global Gaming Technology, Inc.
Financial Statements
March 31, 2001**

| | | | |
|--|--|---|--|
| | | Global Gaming Technology, Inc. | |
| | | Balance Sheet | |
| | | March 31, 2001 and June 30, 2000 | |

| | | | | |
|--|---------------------------|--|-------------|-----------|
| | | | | |
| | | | | |
| | | | 3/31/2001 | 6/30/2000 |
| | | | (Unaudited) | |
| ASSETS | | | | |
| Current Assets: | | | | |
| | Cash | | 47,368 | \$ 15,867 |
| | Accounts Receivable | | 10,200 | |
| | Inventories (Note 5) | | 305,390 | 4,000 |
| | Total Current Assets | | 362,958 | 19,867 |
| Other Assets: | | | | |
| | Deposits | | 200 | 300 |
| | Total Other Assets | | 200 | 300 |
| TOTAL ASSETS | | | \$ 363,158 | \$ 20,167 |
| | | | | |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | | | |
| Current Liabilities: | | | | |
| | Accounts Payable/Accruals | | \$ 196,225 | \$ 9,969 |
| | Accrued Interest Payable | | 1,237,135 | 1,185,016 |
| | Unearned Revenue (Note 6) | | 122,450 | |

| | | | |
|--|--|-------------|-------------|
| | Notes Payable (Note 4) | 860,935 | 860,935 |
| | Total Current Liabilities | 2,416,745 | 2,055,920 |
| | | | |
| | Stockholders' Deficit: | | |
| | Preferred Stock, \$.01 par value, 1,000,000 | | |
| | Shares authorized, none issued. | 0 | 0 |
| | Common Stock, \$.01 par value, 27,000,000 | | |
| | Shares authorized, 26,328,028 issued | | |
| | and outstanding | 263,280 | 263,280 |
| | Additional Paid-in-Capital | 3,395,568 | 3,395,568 |
| | Accumulated Deficit | (5,712,435) | (5,694,601) |
| | Total Stockholders' Deficit | (2,053,587) | (2,035,753) |
| | | | |
| | TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 363,158 | \$ 20,167 |
| | | | |

Global Gaming Technology, Inc.

Statement of Operations and Deficit

| | | For the Three Months Ended March 31, 2001 and 2000 | | | | | |
|---------------------|----------------------------|--|--------|------------|-------------------|--------|------|
| | | And the Nine Months Ended March 31, 2001 and 2000 | | | | | |
| | | (Unaudited) | | | | | |
| | | Three Months Ended | | | Nine Months Ended | | |
| | | March 31 | | | March 31 | | |
| | | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| Revenue & Income: | | | | | | | |
| | Sales | \$ 247,900 | | \$ 247,900 | | | |
| | Interest Income | 0 | 0 | 646 | | 0 | |
| | Total Revenue | 247,900 | \$0.00 | 248,546 | | \$0.00 | |
| Cost of Sales: | | | | | | | |
| | Cost of Sales | 146,500 | 0 | 146,500 | | 0 | |
| | Transportation & Warehouse | 3,009 | 0 | 3,009 | | 0 | |
| | Total Cost of Sales | 149,509 | 0 | 149,509 | | 0 | |
| | Gross Profit | 98,391 | 0 | 99,037 | | 0 | |
| Operating Expenses: | | | | | | | |
| | Commissions | 0 | | 6,500 | | | |
| | Licenses & Taxes | 525 | | 2,925 | | | |

| | | | | | |
|--|----------------------------------|-----------------------|----------------|---------------|----------------|
| | Professional Services | 475 | 625 | 5,134 | 7,288 |
| | Rent | 630 | | 1,751 | |
| | Travel | 3,245 | | 9,797 | |
| | Insurance | 2,500 | | 2,500 | |
| | Interest | 17,120 | 17,310 | 52,119 | 52,310 |
| | Transfer Fees | 2,000 | 1,250 | 4,500 | 2,774 |
| | Salaries | 18,500 | 4,875 | 26,625 | 14,625 |
| | Payroll Tax Expense | 1,782 | 583 | 2,673 | 1,645 |
| | Miscellaneous | 1,690 | 261 | 2,347 | 349 |
| | Total Costs & Expenses | <u>\$ 48,467</u> | 24,904 | 116,871 | 78,991 |
| | | | | | |
| | Net Income (Loss) for the Period | 49,924 | (24,904) | (17,834) | (78,991) |
| | | | | | |
| | Deficit Beginning of Period | (5,762,359) | (5,644,917) | (5,694,601) | (5,590,830) |
| | | | | | |
| | Deficit End of Period | <u>\$ (5,712,435)</u> | \$ (5,669,821) | (5,712,435) | \$ (5,669,821) |
| | | | | | |
| | Income (Loss) per Common Share | \$ 0.002 | \$ (0.001) | \$ (0.001) | \$ (0.003) |
| | Weighted Average Number of | | | | |
| | Common Shares Outstanding | 26,328,028 | 26,328,028 | \$ 26,328,028 | 26,328,028 |

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | | |
|---|--------------------------|-------------------|-------------|
| Global Gaming Technology, Inc. | | | |
| Statement of Cash Flows | | | |
| For the Nine Months Ended March 31, 2001 and 2000 | | | |
| (Unaudited) | | | |
| | | | |
| | | | |
| | | Nine Months Ended | |
| | | March 31 | |
| | | 2001 | 2000 |
| Cash Flow From Operating Activities: | | | |
| | Net Income (Loss) | \$ (17,834) | \$ (78,991) |
| Changes in: | | | |
| | Accounts Receivable | (10,200) | |
| | Inventories | (301,390) | |
| | Deposits | 100 | |
| | Unearned Revenue | 122,450 | |
| | Accounts Payable | 186,256 | (641) |
| | Accrued Interest Payable | 52,119 | 52,309 |
| | Net Operating Cash | 31,501 | (27,323) |
| Cash Flows from Investing Activities: | | | |

| | | |
|---------------------------------------|-----------|-----------|
| Capital Expenditures | 0 | 0 |
| | | |
| Cash Flows from Financing Activities: | | |
| Principal Payments on Debt | 0 | 0 |
| | | |
| Net Increase (Decrease) in Cash | 31,501 | (27,323) |
| | | |
| Cash at Beginning of Period | 15,867 | 50,700 |
| | | |
| Cash at End of Period | \$ 47,368 | \$ 23,377 |
| | | |
| Supplemental Disclosures | | |
| Interest Expense | \$ 52,119 | \$ 52,310 |
| | | |

Global Gaming Technology, Inc.
Notes to Financial Statements
March 31, 2001

NOTE 1 Summary of Significant Accounting Policies:

Global Gaming and Technology, Inc. (The "Company") was incorporated in the State of Delaware in 1973 and has elected June 30th as its year end. The Company, although dormant until recently, is engaged in the research, development, manufacture, and marketing of electronic gaming devices.

The preparation of financial statements in conformity with general accepted accounting

principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

Income or loss per share was computed by dividing the net income or loss by the weighted average of shares outstanding during the period.

NOTE 2 Organization's Ability to Continue as a Going Concern:

The Company had been dormant for the past several years and lacked the resources to be competitive in the gaming industry. As of March 31, 2001, the Company has negative working capital of \$2,053,787 and Stockholders' Deficit of \$2,053,587.

The Company initiated a patent infringement lawsuit but the case was lost on appeal in March, 2001.

NOTE 3 Related Party Transactions:

Accounts Payable include \$176,500 due Gamemasters, a company in which Michael Wichinsky, a stockholder of Global Gaming Technology, holds an ownership interest.

Notes payable at March 31, 2001 and 2000 consist of \$841,491 due to stockholders bearing interest at 8% and 10% and are due on demand. Accrued interest at March 31, 2001 and 2000 was \$1,237,136 and \$1,185,016 and the Company incurred interest expense of \$17,120 and \$17,310 in the three months then ended. See "Note 4- Notes Payable" for details.

**Global Gaming Technology Inc.
Notes to Financial Statements
March 31, 2001**

| <u>NOTE 4 Notes Payable:</u> | <u>Current</u> | <u>Non-Current</u> | |
|--|-------------------|---------------------|------------|
| | <u>Maturities</u> | <u>— Maturities</u> | Total |
| Michael Wichinsky Payable upon demand. Interest payable quarterly at 8%. | \$ 511,644 | \$ 0 | \$ 511,644 |
| Michael Wichinsky Payable upon demand. Interest payable quarterly at 10%. | 105,490 | 0 | 105,490 |
| Estate of William T. O'Donnell, Sr. | | | |

| | | | |
|---|-------------------|-------------|-------------------|
| Payable upon demand. Interest payable quarterly at 8%. | 224,357 | 0 | 224,357 |
| State of New Jersey Payable in monthly installments of \$1,363 including interest. This note is in arrears. | <u>19,444</u> | <u>0</u> | <u>19,444</u> |
| TOTAL | <u>\$ 860,935</u> | <u>\$ 0</u> | <u>\$ 860,935</u> |

The Company incurred interest totaling \$17,120 and \$17,310 on these notes during the three months ended March 31, 2001 and 2000, respectively.

NOTE 5 Inventories:

As part of a contract-of sale for a total of 230 machines with Sho-Ka-Wah Casino in Hopland, CA., in November, 2000, the Company purchased 80 used, reconditioned gaming devices at a cost of \$271,390.00. In January, 2001, 150 additional gaming devices were purchased at a cost of \$174,000. In March, 2001, 120 of these machines were delivered to Sho-Ka-Wah Casino leaving a balance of 110 machines in inventory.

Global Gaming Technology, Inc.
Notes to Financial Statements
March 31, 2001

The Company also has inventory consisting of ten (10) slot machines from a settlement arising out of litigation with Universal Distributing of Nevada, Inc. Pursuant to SFAS 121 (Accounting for the Impairment of Long-Lived Assets to be disposed of", the Company evaluated the recoverability of the long-lived assets. Due to rapid changes in gaming technology, the machines did not hold their value. The estimated fair value of \$4,000 was based on a recent offer to purchase the machines.

NOTE 6 Unearned Revenue:

On October 6, 2000, the company entered into a Contract For Sale of Goods with the Hopland Sho-Ka-Wah Casino, located in Hopland, California, for the purchase of 230 used, reconditioned machines for a total price of \$720,300 and collected a 50% downpayment of \$360,150. On March 26, 2001, 120 gaming devices were delivered at a sales price of \$237,700, representing 33% of the transaction. There remains a balance of \$122,450 in Unearned Revenue.

NOTE 7 Income Taxes:

The benefit for income taxes is different than the amount computed by applying the statutory federal income tax rate to net loss before taxes. A reconciliation of the net income tax benefit follows:

| | Nine Months Ended | |
|--|-------------------|-----------------|
| | <u>3/31/01</u> | <u>3/31/00</u> |
| Computed tax benefit at federal statutory rate | \$ 6,063 | \$ 27,647 |
| Deferred income tax valuation allowance | <u>(6,063)</u> | <u>(27,647)</u> |
| Provision for Federal Income taxes | <u>\$ 0</u> | <u>\$ 0</u> |

The Provision for federal income taxes consisted of the following:

| | <u>3/31/01</u> | <u>3/31/00</u> |
|----------|----------------|----------------|
| Current | \$ 0 | \$ 0 |
| Deferred | <u>0</u> | <u>0</u> |
| Total | <u>\$ 0</u> | <u>\$ 0</u> |

Global Gaming Technology, Inc.
Notes to Financial Statements
March 31,2001

The Deferred Tax Asset consisted of the following:

| | | |
|----------------------------------|------------------|------------------|
| Tax Benefit of NOL carryforwards | \$914,200 | \$888,293 |
| Valuation allowance | <u>(914,200)</u> | <u>(888,293)</u> |
| Net deferred tax asset | <u>\$0</u> | <u>\$ 0</u> |

The Company has a net operating loss carryforward ("NOL") for federal income tax reporting purposes at June 30, 2000 of \$2,688,846. A portion of the NOL expires after each year. \$226,859 will expire at June 30, 2001 if not utilized.

Global Gaming Technology, Inc.

ITEM II Management's Discussion and Analysis of Financial Condition And Results of Operations

As of March 31, 2001, the Company had negative working capital of \$2,053,787. The Company has no commitments for capital expenditures.

As of March 31, 2001, the Company had a stockholders' deficit of \$2,053,587.

During the three months ended March 31, 2001, the Company realized \$247,900 in sales revenue with related cost of sales of \$146,500, for a gross profit of \$98,391. These sales are a part of an October, 2000, contract with the Sho-Ka-Wah Casino, located in Hopland, California, for the sale of 230 used and reconditioned machines. There remains 110 gaming devices to be delivered in May, 2001. Also included in sales are 100 machine stands sold to Hopland for \$10,000. This amount is unpaid as of March 31, 2001 and reflected in Account Receivable. Expenses for the three months totaled \$48,467, of which \$17,120 is accrued interest expense.

Global Gaming and Technology, Inc. has been engaged in the design, manufacture, and marketing of electronic microprocessor-controlled gaming machines. The Company, which was incorporated in Delaware in 1973, maintains its principal offices at 1200 N. Federal Highway, Boca Raton, Florida 33432.

Primary North American markets for gaming devices are Las Vegas, Nevada, and Atlantic City, New Jersey. The Company does not have the resources to apply for licenses in Nevada and New Jersey. However, based upon the opportunities which the Directors perceive to exist in the California Indian Tribal casinos, the Company registered with the California Department of Justice in June, 2000. The Company intends to register in other Indian gaming jurisdictions.

The Company had litigation concerning patents that expired in July, 1995, but that case was lost on appeal in March, 2001.

The Company employs one full- time and two part- time employee.

Global Gaming and Technology, Inc.

PART II OTHER INFORMATION

ITEM 1 Legal Proceedings

The Company initiated a patent infringement case which was lost on appeal in March, 2001.

ITEM 2 Changes in Securities

None.

ITEM 3 Defaults Upon Senior Securities

Not Applicable.

ITEM 4 Submission of Matters to a Vote of Security Holders

None.

ITEM 5 Related Party Transactions

Michael Wichinsky (19% stockholder) has a note to the Company with a current balance of \$511,644, 8% interest, payable upon demand. Michael Wichinsky has a second note to the Company in the amount of \$105,490, 10% interest, payable upon demand. The Estate of William T. O'Donnell, Sr. (17% stockholder) has a note to the Company with a current balance of \$224,357, 8% interest, payable upon demand. There were no principal or interest payments on these notes during the three months ended March 31, 2001. Accrued interest payable on these notes as of March 31, 2001, amounts to \$1,237,135,, of which \$1,185,256 is payable to Wichinsky and \$51,879 is payable to O'Donnell.

ITEM 6 Exhibits and Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL GAMING TECHNOLOGY, INC.

By: /s/ Glenn Wichinsky Date: May 8,
2001

Glenn E Wichinsky
President, Secretary and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons as a majority of the members of the Board of Directors of the registrant and in the capacities and on the dates indicated.

By: /s/ Claudia D Wichinsky Date: May 8, 2001
Claudia D Wichinsky, Director

By: /s/ Constance Koplow Date: May 8, 2001
Constance Koplow, Director

