

# OMINTO, INC.

## FORM 10-Q (Quarterly Report)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015, or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 0-49801

OMINTO, INC.



(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of  
incorporation or organization)

13-4067623

(I.R.S. Employer  
Identification No.)

1100-112th Avenue NE, Suite 350  
Bellevue, WA 98004  
(Address of principal executive offices)

561-362-2381  
(Registrant's telephone number, including area code)

DUBLI, INC.



6750 N. Andrews Ave, Suite 200  
Ft. Lauderdale, FL 33309  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 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. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

The number of shares outstanding of each of the issuer's classes of stock, as of August 14, 2015 is as follows:

Number of shares of Preferred Stock outstanding: 185,000

Number of shares of Common Stock outstanding: 537,371,821



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**PART I: FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Ominto, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets**

	June 30, 2015 (unaudited)	September 30, 2014
<b><u>ASSETS</u></b>		
Current assets		
Cash and cash equivalents	\$ 2,433,474	\$ 2,111,812
Restricted cash	1,267,777	904,465
Other receivables and prepaid expenses	1,083,738	441,153
Deferred costs	6,053,807	3,387,549
Land held for sale	-	1,225,269
Total current assets	<u>10,838,796</u>	<u>8,070,248</u>
Property and equipment, net	1,335,625	1,442,708
Other assets	-	45,045
<b>TOTAL ASSETS</b>	<b><u><u>\$ 12,174,421</u></u></b>	<b><u><u>\$ 9,558,001</u></u></b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u></b>		
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 785,233	\$ 1,916,297
Amounts payable to Business Associates	2,078,293	1,820,905
Customer deposits	1,608,355	1,054,190
Other payables and accrued liabilities	2,959,728	2,383,661
Note payable	-	500,000
Amounts due to related parties	5,057,055	6,438,948
Deferred subscription fee revenues	12,611,143	6,141,882
Deferred advertising revenues	70,227	1,052,845
Liabilities of discontinued operations	212,347	652,419
<b>TOTAL LIABILITIES</b>	<b><u><u>25,382,381</u></u></b>	<b><u><u>21,961,147</u></u></b>
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock		
25 million shares authorized, \$0.01 par value, 185,000 shares issued and outstanding	1,850	1,850
Common stock		
700 million (2015) and 500 million (2014) shares authorized, \$0.001 par value, 452 million (2015) and 432 million (2014) shares issued and outstanding	452,371	432,204
Additional paid-in-capital	27,488,664	25,115,841
Accumulated other comprehensive income (loss)	796,279	(353,051)
Accumulated deficit	(41,947,124)	(37,599,990)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b><u><u>(13,207,960)</u></u></b>	<b><u><u>(12,403,146)</u></u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b><u><u>\$ 12,174,421</u></u></b>	<b><u><u>\$ 9,558,001</u></u></b>

See accompanying notes to condensed consolidated financial statements (unaudited).

**Ominto, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
<b>Revenues:</b>				
Business license fees	\$ 1,218,352	\$ 390,437	\$ 3,305,784	\$ 1,885,386
Membership subscription fees and commission income	3,495,656	470,517	9,074,147	1,235,332
Advertising and marketing programs	51,012	268,045	949,884	268,045
Others	9,776	(36,849)	21,668	146,594
	<u>4,774,796</u>	<u>1,092,150</u>	<u>13,351,483</u>	<u>3,535,357</u>
Cost of revenues	3,102,014	686,255	8,738,903	1,507,724
	<u>1,672,782</u>	<u>405,895</u>	<u>4,612,580</u>	<u>2,027,633</u>
Gross income				
Selling, general and administrative expenses	2,989,706	1,924,280	9,265,426	6,642,011
	<u>(1,316,924)</u>	<u>(1,518,385)</u>	<u>(4,652,846)</u>	<u>(4,614,378)</u>
Loss from operations				
Interest expense	19,624	10,103	79,820	19,277
	<u>(1,336,548)</u>	<u>(1,528,488)</u>	<u>(4,732,666)</u>	<u>(4,633,655)</u>
Loss before income taxes				
Income taxes	-	-	-	-
	<u>(1,336,548)</u>	<u>(1,528,488)</u>	<u>(4,732,666)</u>	<u>(4,633,655)</u>
Loss from continuing operations				
Income from discontinued operations, net of taxes	136,641	994,003	385,532	5,268,086
	<u>(1,199,907)</u>	<u>(534,485)</u>	<u>(4,347,134)</u>	<u>634,431</u>
Net income (loss)				
<b>Earnings (loss) per share</b>				
Basic and diluted:				
Continuing operations	\$ 0.00	\$ 0.00	\$ (0.01)	\$ (0.01)
Discontinued operations	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01
	<u>442,856,852</u>	<u>432,204,678</u>	<u>435,794,422</u>	<u>432,188,306</u>
Weighted average shares outstanding				
Basic and diluted				

See accompanying notes to condensed consolidated financial statements (unaudited).

**Ominto, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
Net income (loss)	\$ (1,199,907)	\$ (534,485)	\$ (4,347,134)	\$ 634,431
Foreign currency translation adjustment	(536,322)	44,587	1,149,329	(123,695)
Comprehensive income (loss)	<u>\$ (1,736,229)</u>	<u>\$ (489,898)</u>	<u>\$ (3,197,805)</u>	<u>\$ 510,736</u>

*See accompanying notes to condensed consolidated financial statements (unaudited).*

**Ominto, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

	Nine Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Loss from continuing operations	\$ (4,732,666)	\$ (4,633,655)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	156,297	148,940
Stock-based compensation	392,990	476,315
Gain on sale of land	(17,321)	-
Changes in operating assets and liabilities:		
Restricted cash	(363,312)	85,061
Other receivables and prepaid expenses	(642,585)	(213,834)
Deferred costs	(2,666,258)	(290,460)
Other assets	45,045	50,432
Accounts payable	(1,131,063)	1,126,747
Amounts payable to Business Associates	257,388	(1,168,769)
Customer deposits	554,165	370,295
Other payables and accrued liabilities	576,067	729,098
Amounts due to related parties – services rendered	(381,893)	973,469
Deferred subscription fee revenues	6,469,261	531,599
Deferred advertising revenues	(982,618)	(264,559)
Long term payable	-	150,000
Net cash flows from continuing operations	<u>(2,466,503)</u>	<u>(1,929,321)</u>
Income from discontinued operations	385,532	5,268,086
Net change in asset and liabilities of discontinued operations	(440,072)	(5,356,925)
Net cash flows from discontinued operations	<u>(54,540)</u>	<u>(88,839)</u>
Net cash flows from operating activities	<u>(2,521,043)</u>	<u>(2,018,160)</u>
Cash flows from investing activities:		
Purchase of equipment and software	(43,912)	(21,342)
Proceeds from sale of land	1,242,590	812,537
Net cash flows from investing activities	<u>1,198,678</u>	<u>791,195</u>
Cash flows from financing activities:		
Proceeds from common stock issuances	2,000,000	-
Repayment of note payable – related party	(1,000,000)	-
Repayment of note payable – third party	(500,000)	-
Proceeds from note payable and advances – related party	-	761,347
Proceeds from note payable – third party	-	500,000
Net cash flows from financing activities	<u>500,000</u>	<u>1,261,347</u>
Effect of exchange rate changes	1,144,027	(123,440)
Net change in cash and cash equivalents	<u>321,662</u>	<u>(89,058)</u>
Cash and cash equivalents, beginning of period	2,111,812	131,422
Cash and cash equivalents, end of period	<u>\$ 2,433,474</u>	<u>\$ 42,364</u>

*See accompanying notes to condensed consolidated financial statements (unaudited).*



**Ominto, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

**1. The Company**

On June 26, 2015, the Company changed its name to Ominto, Inc. from DubLi, Inc. Ominto, Inc., (“Ominto,” the “Company,” “we,” or “us”), through its wholly owned subsidiaries, is a global E-commerce Cashback and network marketing company which operates a worldwide shopping portal. We market membership subscriptions directly to consumers and through partnership programs including our network marketing subsidiary. The Company is organized in Nevada and its principal executive offices are located in Bellevue, Washington. The Company’s wholly owned subsidiaries are incorporated in Florida, the British Virgin Islands, Cyprus, the United Arab Emirates, India and Singapore.

Our E-commerce Cashback transactions throughout the world are conducted through DubLi.com’s shopping portal websites. Beginning, September 2015, we will add an Ominto.com website which will also offer Cashback transactions. We have a large network of independent Business Associates that sell our E-commerce Cashback products.

Effective March 28, 2013 the Company discontinued its auctions program. Prior to March 28, 2013, Ominto’s principal business included reverse auctions conducted online that were designed to: (i) sell its proprietary electronic gift cards; and (ii) enable consumers to purchase merchandise through its shopping portals from online retailers at discount prices.

Mr. Michael Hansen, who is a director, has a direct ownership of approximately 79.8 million shares of our common stock and 185,000 shares of our Super Voting Preferred Stock as of June 30, 2015. Each share of our Super Voting Preferred votes as 2,000 shares of common stock. As a result, Mr. Hansen had the power to cast approximately 55% of the votes that could be cast by our stockholders. Accordingly, he has the power to influence or control the outcome of important corporate decisions or matters submitted to a vote of our stockholders, including, but not limited to, increasing the authorized capital stock of the Company, the dissolution or merger of the Company, sale of all of the Company’s assets or changing the size and composition of the Board of Directors.

*Liquidity*

The Company incurred accumulated losses for the period from our inception through June 30, 2015 of approximately \$41.9 million. As a result, the Company had stockholders’ equity and working capital deficits of approximately \$13.2 million and \$14.5 million, respectively, as of June 30, 2015. However, the calculation of working capital deficit includes \$12.7 million of deferred revenues resulting from our sales of yearly membership subscriptions which we recognize ratably and which are not subject to a repayment or refund. Our adjusted working capital deficit net of deferred revenues would be \$1.9 million.

We continue to refine our Cashback product offerings and improve our shopping portal, which places additional demands on future cash flows and may decrease liquidity. Our future liquidity and capital requirements will depend on numerous factors including market acceptance of our shopping portal and revenues generated from our operations, the impact of competitive product offerings, and whether we are successful in acquiring additional customers on a large scale basis through partners. We also intend to increase our efforts to recruit Business Associates; we expect that a larger number of Business Associates will increase sales of our E-commerce Cashback products. The marketing efforts will place additional demands on our cash flows and liquidity. We cannot offer any assurance that we will be successful in generating revenues from operations, adequately addressing competitive pressures, acquiring additional customers through partners or growing our network of Business Associates.

On May 12, 2015, the Company sold 20 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$2 million to two unaffiliated foreign investors. The proceeds were used for working capital.

On June 28, 2015, the Company closed the sale of a parcel of land in Dubai to an unaffiliated purchaser for approximately \$1.2 million and did not realize any significant gain on the disposal.

As of June 30, 2015, we owed Mr. Hansen a total of approximately \$4.8 million in loans, advances and deferred salary for services rendered. Mr. Hansen has also provided a revolving loan commitment to fund up to \$5 million through December 31, 2015; \$3.5 million is available to be drawn down and \$1.5 million has been borrowed. During July and August 2015, the Company made a total cash repayment of \$2.5 million to Mr. Hansen for amounts due to him on the unsecured note, advances and services rendered. In addition, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

On August 13, 2015, the Company sold 20 million shares of common stock at \$0.10 per share for a total cash consideration of \$2 million to a former substantial stockholder. In conjunction with the sale, a warrant was also issued for the purchase of up to 25 million shares of common stock at \$0.10 per share, exercisable for a period of one year from the date of issuance of the warrant.

On August 13, 2015, the Company sold 5 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$0.5 million to a former lender to the Company. In conjunction with the sale, a warrant was also issued for the purchase of up to 5 million shares of common stock at \$0.05 per share, exercisable for a period of sixty days from the date of issuance of the warrant.

## 2. Summary of Significant Accounting Policies

### *Basis of Presentation and Consolidation*

The accompanying interim condensed consolidated financial statements are unaudited. These condensed consolidated financial statements reflect all adjustments (which are of a normal recurring nature) that, in the opinion of Management, are necessary to fairly present the Company's financial position, results of operations and cash flows as of and for the periods presented. The results of operations for these interim periods are not necessarily indicative of the operating results for future periods, including the fiscal year ending September 30, 2015.

These condensed consolidated financial statements and notes are presented in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC") relating to interim financial statements and in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Certain information and note disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted in these condensed financial statements pursuant to SEC rules and regulations, although the Company believes that the disclosures made herein are adequate to make the information not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2014.

The condensed consolidated financial statements include the accounts of Ominto, Inc. and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

### *Use of Estimates*

The preparation of these condensed consolidated financial statements, in conformity with US GAAP requires Management to make estimates and assumptions that affected the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

### *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board, ("FASB"), issued Accounting Standards Update No. 2014-09 *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU 2014-09 is effective for annual periods beginning after December 15, 2017 and shall be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. Early adoption is permitted as of the effective date. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15 *Presentation of Financial Statements—Going Concern (Subtopic 205-40)* ("ASU 2014-15"). ASU 2014-15 requires that for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). The amendments in ASU 2014-15 are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The adoption of this guidance will not have a material impact on the Company's consolidated financial statements.

In November 2014, the FASB issued Accounting Standards Update No. ASU 2014-17 *Business Combinations (Topic 805): Pushdown Accounting (a consensus of the FASB Emerging Issues Task Force)* ("ASU 2014-17"). This ASU 2014-17 provides an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. The amendments in ASU 2014-17 are effective November 18, 2014 and an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event. The effects of ASU 2014-17 will depend on any future events whereby we obtain control of an entity and elect to apply pushdown accounting.

In January 2015, the FASB issued Accounting Standards Update No. 2015-01 *Income Statement -Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* (“ASU 2015-01”). This ASU 2015-01 is part of the FASB’s initiative to reduce complexity in accounting standards and eliminates from US GAAP the concept of extraordinary items, which were previously required to be segregated from the results of ordinary operations and shown separately in the income statement, net of tax, after income from continuing operations. Entities were also required to disclose applicable income taxes for the extraordinary item and either present or disclose earnings-per-share data applicable to the extraordinary item. Items which are considered both unusual and infrequent will now be presented separately within income from continuing operations in the income statement or disclosed in notes to the financial statements. This update is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Companies may apply ASU 2015-01 prospectively, or may also apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The adoption of this guidance will not have a material impact on the Company’s consolidated financial statements.

In February 2015, the FASB issued Accounting Standards Update No. 2015-02 *Consolidation (Topic 810): Amendments to the Consolidation Analysis* (“ASU 2015-02”). This ASU 2015-02 changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. It is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

#### *Foreign Currency*

Financial statements of foreign subsidiaries operating in other than highly inflationary economies are translated at period-end exchange rates for assets and liabilities and historical exchange rates during the period for income and expense accounts. The resulting translation adjustments are recorded within accumulated other comprehensive income or loss. Financial statements of subsidiaries operating in highly inflationary economies are translated using a combination of current and historical exchange rates and any translation adjustments are included in current earnings. Gains or losses resulting from foreign currency transactions are recorded in operating expense. The Company has no subsidiaries operating in highly inflationary economies.

In accordance with Accounting Standards Codification (“ASC”) 830, *Foreign Currency Matters*, companies with foreign operations or foreign currency transactions are required to prepare the statement of cash flows using the exchange rates in effect at the time of the cash flows. The Company uses an appropriately weighted average exchange rate for the period for translation if the result is substantially the same as if the rates at the dates of the cash flows were used. The condensed consolidated statement of cash flows reports the effect of exchange rate changes on cash balances held in foreign currencies as a separate part of the reconciliation of the change in cash and cash equivalents during the period.

#### *Earnings (Loss) per Share*

The Company computes basic earnings (loss) per share by dividing the income (loss) attributable to holders of common stock for the period by the weighted average number of shares of common stock outstanding during the period. The potential impact of all common stock equivalents were excluded from the number of shares outstanding used for purposes of computing net loss per share as the impact of such equivalents was anti-dilutive due to the loss from continuing operations. Potential dilutive securities, which consisted of outstanding stock options and other compensation arrangements not included in dilutive weighted average shares for the three months ended June 30, 2015 and 2014 were approximately 117,000 and nil, respectively, and for the nine months ended June 30, 2015 and 2014, were approximately 13,000 and 200,000, respectively.

#### *Segment Policy*

The Company derives its revenues from the E-Commerce cashback and Memberships segment which includes business license fees, membership subscription fees, commission income, and, advertising and marketing programs; and Auctions segment (reported as discontinued operations) as described in Note 12 - Segment Information.

### **3. Restricted Cash**

Restricted cash represents chargeback reserves held by the Company’s credit card processor. Amounts of restricted cash held, by type of currency were as follows:

	June 30, 2015	September 30, 2014
Euro	\$ 119,218	\$ 206,312
Australian Dollar	15,988	77,563
United States Dollar	1,132,571	620,590
<b>Total</b>	<b>\$ 1,267,777</b>	<b>\$ 904,465</b>

#### 4. Deferred Costs

Deferred costs represent commission costs which are directly related to: (i) unearned subscription fees which are expensed ratably over the subscription periods; and (ii) advertising and marketing programs which are expensed when all services and obligations are fulfilled. Deferred costs expensed are included in cost of revenues.

#### 5. Land Held for Sale

	June 30, 2015	September 30, 2014
Cost	\$ -	\$ 2,114,412
Less: Valuation allowance	-	(889,143)
	<u>\$ -</u>	<u>\$ 1,225,269</u>

On August 14, 2012, the Company acquired two mixed-use parcels of vacant land in Dubai, United Arab Emirates at a fair value of approximately \$3.5 million. During fiscal 2013, the carrying value of approximately \$3.5 million exceeded its revised fair value and as a result the carrying value was reduced to its new fair value of approximately \$2 million. On March 12, 2014, the Company disposed of the first parcel of land for a cash consideration which equaled to its carrying value of approximately \$0.8 million. Upon completion of the sale of the first parcel, the cost of the second parcel was recorded at approximately \$2.1 million less a valuation allowance of approximately \$0.9 million.

On February 9, 2015, the Company entered into a Property Sale Agreement – Memorandum of Understanding for the sale of the second parcel with an unaffiliated third party for approximately \$1.2 million. The transaction closed on June 28, 2015 and the gain on sale of approximately \$17,000 was recorded in selling, general and administration expenses.

#### 6. Property and Equipment

Property and equipment comprised the following:

	June 30, 2015	September 30, 2014
Land:		
Held for sales incentives	\$ 3,562,500	\$ 3,562,500
Less: Valuation allowance	(2,687,752)	(2,687,752)
	<u>874,748</u>	<u>874,748</u>
Computers and equipment	346,491	308,004
Computer software	690,565	690,565
Furniture and fixtures	108,230	102,805
	<u>1,145,286</u>	<u>1,101,374</u>
Accumulated depreciation	(684,409)	(533,414)
	<u>460,877</u>	<u>567,960</u>
Total	<u>\$ 1,335,625</u>	<u>\$ 1,442,708</u>

##### *Land Held for Sales Incentives*

The Company acquired a land parcel consisting of 15 lots in the Cayman Islands in March 2010. As of June 30, 2015, the land value of approximately \$0.9 million consisted of the contract price and land filled cost of approximately \$3.6 million less a valuation allowance of approximately \$2.7 million that was based on Management's evaluation of the estimated fair value.

The investment in the land parcel in the Cayman Islands is intended to provide incentive rewards to the best performing DubLi Business Associates upon attaining certain performance objectives.

##### *Depreciation*

Depreciation expense was \$51,721 and \$49,653, for the three months ended June 30, 2015 and 2014, respectively, and \$156,297 and \$148,940 for the nine months ended June 30, 2015 and 2014, respectively.

## 7. Amounts Due to Related Parties

Amounts due to related parties comprised the following:

	June 30, 2015	September 30, 2014
Unsecured note payable to Mr. Hansen	\$ 1,500,000	\$ 2,500,000
Amounts due for advances by Mr. Hansen	2,566,735	2,566,735
Amounts due for services rendered	990,320	1,372,213
	<u>\$ 5,057,055</u>	<u>\$ 6,438,948</u>

The unsecured note payable to Mr. Hansen amounting to \$1.5 million as of June 30, 2015 will mature on December 31, 2015 and carries interest at the rate of 6% per annum. On October 17, 2014, the Company repaid the principal amount of \$1 million borrowed during fiscal 2013.

During July and August 2015, the Company made a total cash repayment of \$2.5 million to Mr. Hansen for amounts due to him on the unsecured note, advances and services rendered. In addition, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

Amounts due for services rendered are comprised of accrued compensation due to the officers of the Company. The amounts due for advances and services rendered are non-interest bearing and have no terms of repayment.

## 8. Discontinued Operations

The Company discontinued all auctions activities effective March 28, 2013. As a result, the operating results for the auctions program have been reclassified to income from discontinued operations in the condensed consolidated statements of operations.

During the three months ended June 30, 2015 and 2014, income from discontinued operations, net of taxes recognized from Credits breakage amounted to approximately \$137,000 and \$994,000, respectively, and during the nine months ended June 30, 2015 and 2014 amounted to approximately \$0.4 million and \$5.3 million, respectively. All the costs associated with the Credits have been fully expensed as of the effective date of the termination.

Included in liabilities of discontinued operations at June 30, 2015 and September 30, 2014 are unused Credits of approximately \$0.2 million and \$0.7 million, respectively.

## 9. Income Taxes

We conduct business globally and operate in a number of foreign jurisdictions in addition to the United States. For the three months and nine months ended June 30, 2015 and 2014, our reported income tax rate was lower than the US federal statutory rate primarily due to lower income tax rates in the foreign jurisdictions where we operate, and as a result of net income or losses for the periods, the utilization of net operating loss carry-forwards and the valuation allowance against deferred tax assets.

## 10. Common Stock

As of June 30, 2015, a total of approximately 3.8 million shares were committed for issuance and reflected as issued on the books of the Company, but stock certificates were not issued due to certain administrative and documentation requirements. The shares of common stock were in respect of the following: (a) the receipt of cash proceeds from an investor for \$6,000, or \$0.10 per share, (b) the receipt of cash proceeds totaling approximately \$294,000 from the exercise of stock options at a price of \$0.15 per share, (c) the issuance of a stock award pursuant to a consulting agreement valued at \$95,000 or \$0.19 per share, (d) the payment of bonus incentive for \$100,000 or \$0.09 per share, and (e) the issuance of stock for services amounting to \$25,000 or \$0.15 per share. Certificates for these shares committed for issuance are expected to be issued during fiscal year 2015.

On June 9, 2015, the Company's stockholders approved to increase the number of: (i) shares of common stock authorized for issuance from 500 million to 700 million, and (ii) shares of common stock reserved for issuance under the Company's Amended and Restated 2010 Omnibus Equity Compensation Plan ("Omnibus Plan") from 50 million to 150 million.

## 11. Stock-Based Compensation

On June 9, 2015, the Company's stockholders approved an increase of shares of common stock reserved for issuance under the Company's Omnibus Plan from 50 million to 150 million. The Omnibus Plan's participants include board members, executives, employees and certain consultants and advisers of the Company and the Omnibus Plan has been implemented in order to attract, incentivize and retain highly qualified individuals and keep the Company competitive with other companies with respect to executive compensation. Awards under the Omnibus Plan may be made to participants in the form of (i) incentive stock options; (ii) non-qualified stock options; (iii) stock appreciation rights; (iv) restricted stock; (v) deferred stock; (vi) stock awards; (vii) performance shares; (viii) other stock-based awards; and (ix) other forms of equity-based compensation as may be provided and are permissible under the Omnibus Plan and the law.

Stock-based compensation expense for the three months ended June 30, 2015 and 2014 was \$355,748 and \$73,782, respectively, and for the nine months ended June 30, 2015 and 2014, was \$392,990 and \$476,315, respectively. During the three months ended June 30, 2015, the Company granted 22 million stock options to two current employees and one former employee. Unamortized stock option compensation expense at June 30, 2015 was approximately \$3.1 million and is expected to be recognized over a period of 4.9 years.

## 12. Segment Information

The Company divides its product and service lines into two segments: (i) E-Commerce and Memberships segment which includes business license fees, membership subscription fees, commission income, and, advertising and marketing programs; and (ii) Auctions segment (reported as discontinued operations).

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
<b>E-Commerce and memberships</b>				
Revenues	\$ 4,774,796	\$ 1,092,150	\$ 13,351,483	\$ 3,535,357
Cost of revenues	3,102,014	686,255	8,738,903	1,507,724
Gross income from continuing operations	<u>\$ 1,672,782</u>	<u>\$ 405,895</u>	<u>\$ 4,612,580</u>	<u>\$ 2,027,633</u>
<b>Discontinued operations</b>				
Revenues	\$ 136,641	\$ 994,003	\$ 385,532	\$ 5,268,086
Cost of revenues	-	-	-	-
Income from discontinued operations, net of taxes	<u>\$ 136,641</u>	<u>\$ 994,003</u>	<u>\$ 385,532</u>	<u>\$ 5,268,086</u>

The total revenues recorded in our four geographic regions are summarized as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2015	2014	2015	2014
<b>Revenues:</b>				
European Union	\$ 817,428	\$ 926,307	\$ 2,317,928	\$ 2,949,858
North America	2,919,041	945,993	8,491,876	4,207,689
Australia	202,785	77,437	598,903	268,004
Global	972,183	136,416	2,328,308	1,377,892
	<u>\$ 4,911,437</u>	<u>\$ 2,086,153</u>	<u>\$ 13,737,015</u>	<u>\$ 8,803,443</u>
<b>Represented by revenues from:</b>				
Continuing operations	\$ 4,774,796	\$ 1,092,150	\$ 13,351,483	\$ 3,535,357
Discontinued operations	136,641	994,003	385,532	5,268,086
	<u>\$ 4,911,437</u>	<u>\$ 2,086,153</u>	<u>\$ 13,737,015</u>	<u>\$ 8,803,443</u>

### **13. Subsequent Events**

#### *Repayment to Related Parties*

During July and August 2015, the Company made a total cash repayment of \$2.5 million to Mr. Hansen for amounts due to him on the unsecured note, advances and services rendered. In addition, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

#### *Sale of Securities*

On August 13, 2015, the Company sold 20 million shares of common stock at \$0.10 per share for a total cash consideration of \$2 million to a former substantial stockholder. In conjunction with the sale, a warrant was also issued for the purchase of up to 25 million shares of common stock at \$0.10 per share, exercisable for one year from the date of issuance of the warrant.

On August 13, 2015, the Company sold 5 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$0.5 million to a former lender to the Company. In conjunction with the sale, a warrant was also issued for the purchase of up to 5 million shares of common stock at \$0.05 per share, exercisable for a period of sixty days from the date of issuance of the warrant.

#### *Grant of Securities*

On August 14, 2015, the Company granted its founder, and former President and Chief Executive Officer, Michael Hansen, 40 million shares of common stock which shares will be legended as restricted securities. The issuance of shares to Mr. Hansen is to recognize his contributions to the Company and the shares are fully vested. The Company's Board of Directors had approved issuance of 35 million shares of its common stock in 2014, and was unable to issue such shares to Mr. Hansen for reasons unrelated to Mr. Hansen's outstanding service to the Company. The current board evaluated the assistance that Mr. Hansen provided outside of his employment contract that included loaning necessary funds to the Company and arranging for Company financing when the Company had no collateral or commercial borrowing power. These services enabled the Company to remain in business.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Introductory Note Concerning Forward-Looking Statements

The discussion contained in this Quarterly Report on Form 10-Q ("Report") under the Securities Exchange Act of 1934 as amended ("Exchange Act"), contains forward-looking statements that involve risks and uncertainties. Our actual results could differ significantly from those discussed herein. These include statements about our expectations, beliefs, intentions or strategies for the future, which we indicate by words or phrases such as "anticipate," "expect," "intend," "plan," "will," "believe," and similar language, including those set forth in the discussions under "Notes to Condensed Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as those discussed elsewhere in this Report. The forward-looking statements reflect our current view about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement.

The following important factors could prevent us from achieving our goals and cause the assumptions underlying the forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements:

- our inability to sell enough Cashback products, generate enough customers or enough purchasing activity for our shopping portal;
- our inability to maintain a growing base of Business Associates;
- our inability to generate sufficient cash flows from operations or to secure sufficient capital to enable us to maintain our current operations or support our intended growth;
- our failure to adapt to technological changes;
- increased competition;
- increased operating costs;
- changes in legislation applicable to our business;
- our failure to improve our internal controls; and
- our failure to maintain registration of shares of our Common Stock under the Exchange Act.

For information concerning these factors and related matters, see Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in this Report, and the following sections of our Annual Report on Form 10-K for the year ended September 30, 2014: Item 1A "Risk Factors" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations". However, other factors besides those referenced could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by us herein speak as of the date of this Report. We do not undertake to update any forward-looking statement, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

#### Introduction

The following discussion and analysis summarizes the significant factors affecting: (i) our condensed consolidated results of operations for the three months and nine months ended June 30, 2015 compared to the three months and nine months ended June 30, 2014; and (ii) financial liquidity and capital resources. This discussion and analysis should be read in conjunction with our condensed consolidated financial statements and notes included in this Report.

#### Overview

Ominto, Inc. has created a framework for attracting and maintaining customers around the world through an E-commerce Cashback based shopping and travel community. Ominto adapts to changes in the E-commerce marketplace, has established a global shopping portal and has expertise in understanding and capitalizing on international economic trends and changing consumer behaviors.

Ominto is a global E-commerce Cashback and network marketing company that operates an online shopping portal through which our customers search and purchase products offered by various online stores, including consumer products, travel related products and services. Our worldwide online transactions are conducted through the DubLi.com shopping portal. We have a large international network of independent Business Associates that sell and use our various E-commerce Cashback products.

During an October 2014 sales conference, the Company introduced a promotional campaign which offered additional commission incentives to Business Associates for sales of membership subscriptions through their respective network of Business Associates. The promotional campaign generated increased sales activity and as a result we reported an increase in revenues and a corresponding increase in cost of revenues (principally commissions) during the three months and nine months ended June 30, 2015.



During the three months and nine months ended June 30, 2015 and 2014, our revenues from continuing operations were generated primarily from (a) business license fees paid by Business Associates and partner program participants; (b) membership subscription fees; (c) commission income from participating online shops and stores affiliated with our online shopping portal arising from the purchase transactions our customers generated; and (d) advertising and marketing programs. Our revenues from discontinued operations during the three months and nine months ended June 30, 2015 and June 30, 2014 were recognized from Credits breakage associated with inactive Business Associates.

The components of revenues for the three months and nine months ended June 30, 2015 are summarized as follows:

	June 30, 2015	
	Three Months Ended	Nine Months Ended
<b>E-Commerce and Memberships</b>		
Business license fees	\$ 1,218,352	\$ 3,305,784
Membership subscription fees and commission income	3,495,656	9,074,147
Advertising and marketing programs	51,012	949,884
Other	9,776	21,668
	<u>4,774,796</u>	<u>13,351,483</u>
Discontinued operations	136,641	385,532
<b>Total revenues</b>	<b><u>\$ 4,911,437</u></b>	<b><u>\$ 13,737,015</u></b>

Business license fees arise from fees paid by our Business Associates and our partner program participants. The fees from Business Associates enable them to sell Ominto's products. Fees paid by our partners allow them to receive either a white label solution or a referral program that their customers or donors can use to make cashback purchases through our online shopping portal. The partner earns commissions derived from membership subscription fees as well as a portion of the commission income received from our affiliates. Generally, our partner program participants pay a monthly maintenance fee to remain as an active member.

Effective April 2014, our Business Associates were required to purchase our membership subscription products in the form of qualifying vouchers or membership packages for Business Associates or membership packages for Ominto's customers as described below. Prior to this they paid a monthly maintenance fee.

Membership subscription fees are paid by customers to receive a higher level of cashback (compared to free users) when they use our cashback shopping portal to make purchases. We offer choices of a free membership package and two different paid membership subscription packages (Premium and V.I.P.), to customers that enable them to earn cash back from all the purchases that they make online through our shopping portal. The Premium and V.I.P. membership subscription packages allow our customers to earn a higher percentage of cashback on their purchases. For the Premium members, we charge a monthly subscription fee and for the V.I.P. members we charge an annual subscription fee.

Commission income is the amounts we receive from affiliates for purchases made on our shopping portal. We share this commission income with our customers in the form of cashback.

Our network marketing organization of Business Associates is represented in approximately 100 countries throughout the world. Our Business Associates market a variety of Cashback products to their customers, many of whom are also recruited to become Business Associates themselves. Business Associates earn commissions both on Premium and V.I.P. products that they sell directly, as well as on "downstream" sales of products made by Business Associates that they recruit into the marketing network. Business Associates also earn commissions on purchase transactions from their customers and downstream customers who shop on our shopping portal.

#### *Trends in Our Business*

We continue to focus our resources on potentially more profitable programs related to our E-commerce shopping portal. We believe that shopping transactions continue to shift from traditional to online retailers as the digital economy evolves. This shift has enabled us to provide a continued growth in revenue. However, our revenue growth rate to date may not be sustainable due to factors, including increasing competition, and increasing maturity of the online shopping portal market. We plan to continue to invest in our shopping portal and increase our customer base through partner programs and our Business Associates, but cannot provide any assurance that such investments will result in increased revenues or net income.

In order to increase the sale of our Cashback products, we are working to add dedicated private-label Cashback shopping portals that businesses can use to offer consumer products, travel related products and services, which will increase the number of consumers purchasing products and services through our offerings. We have also begun to implement incentive offerings to attract new customers to increase revenues from commissions as well as to introduce new advertising programs to increase our advertising revenues.

Traditional retail seasonality has affected our results of operations, and is likely to continue to do so. Online shopping generally slows during the summer months, and shopping (whether traditional or E-commerce) typically increases significantly during the holiday season in the fourth quarter of each calendar year. These seasonal trends have caused, and will likely continue to cause fluctuations in our quarterly results.

Increasing our revenues involves investment in our data centers, corporate facilities, information technology infrastructure, and human resources. We expect the following to be important components in our business strategy: (i) "Partner" programs whereby we partner with large retail customer bases interested in earning additional revenues by co-branding our shopping and travel related shopping portal; and (ii) expansion in new markets and countries. We expect that the gross cost of revenues will increase and may also increase as a percentage of revenues in future periods, primarily due to forecasted increases in costs, including customer acquisition costs, data center costs, credit card and other transaction fees, and content acquisition costs.

As we expand our shopping programs and other products to international markets, we continue to increase our exposure to fluctuations in foreign currency to US dollar exchange rates.

### Results of Operations

#### Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

##### Consolidated Results

Net loss for the three months ended June 30, 2015 and 2014 were approximately \$1.2 million and \$0.5 million, respectively. The increase in the net loss was primarily due to a reduction in income from discontinued operations of approximately \$0.9 million. Loss from continuing operations decreased \$0.2 million. Further discussions on the results from continuing operations and discontinued operations are provided in the following paragraphs.

##### Continuing Operations

Revenues were approximately \$4.8 million and \$1.1 million for the three months ended June 30, 2015 and 2014, respectively. The increase was primarily due to an increase in: (i) business license fees from Business Associates and partner program participants as a result of higher Business Associates and partner headcounts; (ii) membership subscription fees from increased sales of membership packages partly from an ongoing promotional campaign undertaken during October 2014; and (iii) commission income received from online shops and stores as a result of higher purchase transactions by our customers shopping through our shopping portal.

Gross income was approximately \$1.7 million and \$0.4 million for the three months ended June 30, 2015 and 2014, respectively. The increase was primarily due to higher revenues recorded during the three months ended June 30, 2015 as described above. There was no material variance in the gross income as a percentage of revenues.

Selling, general and administrative ("SGA") expenses were approximately \$3.0 million and \$1.9 million for the three months ended June 30, 2015 and 2014, respectively. The increase was primarily due to an increase of \$0.4 in outside service fees and \$0.8 million in payroll costs. Details of our SGA expenses are summarized as follows:

(All amounts in \$ thousands)	For the three months ended June 30,		
	2015	2014	Change
Advertising and marketing costs	\$ 24	\$ 17	\$ 7
Depreciation	51	50	1
Outside service fees	867	486	381
Payroll costs	1,881	1,046	835
Rent and office expenses	207	51	156
Banking and processing fees	204	119	85
Foreign exchange	(381)	5	(386)
Travel expenses and others	136	150	(14)
<b>Total</b>	<b>\$ 2,989</b>	<b>\$ 1,924</b>	<b>\$ 1,065</b>

### *Discontinued Operations*

The Company recognized Credits breakage associated with inactive Business Associates during the three months ended June 30, 2015 of \$0.1 million as compared to \$1.0 million for the three months ended June 30, 2014. The decrease was due to fewer inactive Business Associates that met the criteria of recognition of revenue for breakage.

### *Foreign Currency Translation Adjustment*

Our net revenues and related expenses generated from international locations are denominated in the functional currencies of the local countries, primarily in Euros. The results of operations and certain of our intercompany balances associated with our international locations are exposed to foreign exchange rate fluctuations. The consolidated statements of operations of our international subsidiaries are translated into US dollars at the average exchange rates in each applicable period. To the extent the US dollar weakens against foreign currencies, this translation methodology results in these foreign current transactions increasing the revenues, operating expenses and net income or loss. Similarly, our consolidated revenues, operating expenses and net income or loss will decrease when the US dollar strengthens against foreign currencies.

The US dollar average rate weakened against the Euro during the three months ended June 30, 2015 which resulted in a loss on translation of approximately \$0.5 million as compared to a strengthened US dollar for the three months ended June 30, 2014 which resulted in a gain on translation of approximately \$45,000.

### **Nine Months Ended June 30, 2015 Compared to Nine Months Ended June 30, 2014**

#### *Consolidated Results*

Net loss for the nine months ended June 30, 2015 was approximately \$4.3 million as compared to a net income of approximately \$0.6 million for the nine months ended June 30, 2014. The increase in net loss was primarily due to a reduction in income from discontinued operations of approximately \$4.9 million and an increase in loss from continuing operations of approximately \$0.1 million. Further discussions on the results from continuing operations and discontinued operations are provided in the following paragraphs.

#### *Continuing Operations*

Revenues were approximately \$13.4 million and \$3.5 million for the nine months ended June 30, 2015 and 2014, respectively. The increase was primarily due to an increase in: (i) business license fees from Business Associates and partner program participants as a result of higher Business Associates and partner headcounts; (ii) membership subscription fees from increased sales of membership packages partly from a promotional campaign to Business Associates undertaken during October 2014; (iii) commission income received from online shops and stores as a result of higher purchase transactions by our customers shopping through our shopping portal; and (iv) revenues recognized from breakage associated with inactive Business Associates under the advertising and marketing programs.

Gross income was approximately \$4.6 million and \$2.0 million for the nine months ended June 30, 2015 and 2014, respectively. The increase was primarily due to higher revenues recorded during the nine months ended June 30, 2015 as described above. During the nine months ended June 30, 2015 and 2014, gross income as a percentage of revenues (after adjusting for certain components of non-commission revenues of approximately \$1.0 million for the nine months ended June 30, 2014) were approximately 34% and 38%, respectively. The decrease was primarily due to a promotional campaign the Company undertook which resulted in an additional bonus commission payout to Business Associates during the nine months ended June 30, 2015. No comparable promotion was undertaken during the nine months ended June 30, 2014.

SGA expenses were approximately \$9.3 million and \$6.6 million for the nine months ended June 30, 2015 and 2014, respectively. The increase was primarily due to approximately: (i) \$1.2 million in outside service fees relating to audit, legal, IT and other business consultants; (ii) \$0.8 million in banking and processing fees as a result of higher transactions processed, and (iii) \$0.9 million in payroll costs. Details of our SGA expenses are summarized as follows:

(All amounts in \$ thousands)	For the nine months ended June 30,		
	2015	2014	Change
Advertising expenses	\$ 41	\$ 155	\$ (114)
Depreciation	156	149	7
Outside service fees	2,769	1,572	1,197
Payroll costs	4,408	3,469	939
Rent and office expenses	490	598	(108)
Banking and processing fees	1,161	386	775
Foreign exchange	(368)	(36)	(332)
Travel expenses and others	608	349	259
<b>Total</b>	<b>\$ 9,265</b>	<b>\$ 6,642</b>	<b>\$ 2,623</b>

#### *Discontinued Operations*

Income from discontinued operations was approximately \$0.4 million and \$5.3 million for the nine months ended June 30, 2015 and 2014, respectively. The decrease was primarily due to lower revenues recognized for Credits breakage associated with inactive Business Associates.

#### *Foreign Currency Translation Adjustment*

Our net revenues and related expenses generated from international locations are denominated in the functional currencies of the local countries, primarily in Euros. The results of operations and certain of our intercompany balances associated with our international locations are exposed to foreign exchange rate fluctuations. The consolidated statements of operations of our international subsidiaries are translated into US dollars at the average exchange rates in each applicable period. To the extent the US dollar weakens against foreign currencies, this translation methodology results in these foreign current transactions increasing the revenues, operating expenses and net income or loss. Similarly, our consolidated revenues, operating expenses and net income or loss will decrease when the US dollar strengthens against foreign currencies.

The US dollar average rate strengthened against the Euro during the nine months ended June 30, 2015 which resulted in a gain on translation of approximately \$1.1 million as compared to a weakened US dollar for the nine months ended June 30, 2014 which resulted in a loss on translation of approximately \$0.1 million.

#### *Liquidity and Capital Resources*

##### *Liquidity*

We incurred accumulated losses for the period from our inception through June 30, 2015 of approximately \$42 million. We continue to require additional financing to meet our working capital and capital expenditures requirements. We can provide no assurance that such additional financing will be available in an amount or on terms acceptable to us. If we are unable to obtain additional funds when they are needed or if such funds cannot be obtained on terms acceptable to us, we will be unable to execute upon our business plan and pay our costs and expenses as they are incurred, which could have a material, adverse effect on our business, financial condition and results of operations.

We continue to refine our Cashback product offerings and improve our shopping portal, which places additional demands on future cash flows and may decrease liquidity. Our future liquidity and capital requirements will depend on numerous factors including market acceptance of our shopping portal and revenues generated from our operations, the impact of competitive product offerings, and whether we are successful in acquiring additional customers on a large scale basis through partner. We also intend to increase our efforts to recruit Business Associates; we expect that a larger number of Business Associates will increase sales of our E-commerce Cashback products. The marketing efforts will place additional demands on our cash flows and liquidity. We cannot offer any assurance that we will be successful in generating revenues from operations, adequately addressing competitive pressures, acquiring additional customers through partners or growing our network of Business Associates.

On May 12, 2015, the Company sold 20 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$2 million to two unaffiliated foreign investors. The proceeds were used for working capital.

On August 13, 2015, the Company sold 20 million shares of common stock at \$0.10 per share for a total cash consideration of \$2 million to a former substantial stockholder. In conjunction with the sale, a warrant was also issued for the purchase of up to 25 million shares of common stock at \$0.10 per share, exercisable for a period of one year from the date of issuance of the warrant.

On August 13, 2015, the Company sold 5 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$0.5 million to a former lender to the Company. In conjunction with the sale, a warrant was also issued for the purchase of up to 5 million shares of common stock at \$0.05 per share, exercisable for a period of sixty days from the date of issuance of the warrant.



As of June 30, 2015, we owed Mr. Hansen a total of approximately \$4.8 million in loans, advances and deferred salary for services rendered. Mr. Hansen has also provided a revolving loan commitment to fund the Company up to \$5 million through December 31, 2015; \$3.5 million is available to be drawn down and \$1.5 million has been borrowed. During July and August 2015, the Company made a total cash repayment of \$2.5 million to Mr. Hansen for amounts due to him on the unsecured note, advances and services rendered. In addition, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

The Company closed the sale of a parcel of land in Dubai for approximately \$1.2 million. The proceeds were primarily used for working capital.

#### *Cash in Foreign Subsidiaries*

The Company has significant operations outside the United States. As a result, cash generated by and used in the Company's foreign operations is used only in amounts sufficient to pay general and administrative expenses in the US, or to fund certain US operational costs. As of June 30, 2015, the Company held approximately \$1.8 million of unrestricted and approximately \$1.3 million of restricted cash in foreign subsidiaries.

Should foreign cash be repatriated, the Company will be subject to US tax at the applicable US federal statutory rate on the amount treated as a dividend for US income tax purposes. Dividend treatment will largely be the result of the collective financial position of the foreign subsidiaries at the time of repatriation. Any US income tax attributable to repatriated earnings may be offset by foreign income taxes paid on such earnings. Due to the significance of our foreign operations, the Company does not presently foresee a need to repatriate foreign cash in excess of our US funding needs.

#### ***Subsequent Events***

##### *Repayment to Related Parties*

During July and August 2015, the Company made a total cash repayment of \$2.5 million to Mr. Hansen for amounts due to him on the unsecured note, advances and services rendered. In addition, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

##### *Sale of Securities*

On August 13, 2015, the Company sold 20 million shares of common stock at \$0.10 per share for a total cash consideration of \$2 million to a former substantial stockholder. In conjunction with the sale, a warrant was also issued for the purchase of up to 25 million shares of common stock at \$0.10 per share, exercisable for a period of one year from the date of issuance of the warrants.

On August 13, 2015, the Company sold 5 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$0.5 million to a former lender to the Company. In conjunction with the sale, a warrant was also issued for the purchase of up to 5 million shares of common stock at \$0.05 per share, exercisable for a period of sixty days from the date of issuance of the warrant.

##### *Grant of Securities*

On August 14, 2015, the Company granted its founder, and former President and Chief Executive Officer, Michael Hansen, 40 million shares of common stock which shares will be legended as restricted securities. The issuance of shares to Mr. Hansen is to recognize his contributions to the Company and the shares are fully vested. The Company's Board of Directors had approved issuance of 35 million shares of its common stock in 2014, and was unable to issue such shares to Mr. Hansen for reasons unrelated to Mr. Hansen's outstanding service to the Company. The current board evaluated the assistance that Mr. Hansen provided outside of his employment contract that included loaning necessary funds to the Company and arranging for Company financing when the Company had no collateral or commercial borrowing power. These services enabled the Company to remain in business.

#### ***Off-Balance Sheet Arrangements***

At June 30, 2015 and 2014, we had no off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The information to be reported under this item is not required of smaller reporting companies.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our Management, including our principal executive officer and our principal financial and accounting officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15 (e) under the Exchange Act) as of the end of the period covered by this Report. Based on the foregoing, our principal executive officer and principal financial and accounting officer concluded that our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act, (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission ("SEC") rules and forms, and (ii) accumulated and communicated to Management, including the principal executive officer and principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosure.



### *Changes in Internal Control over Financial Reporting*

As previously reported in our Form 10-K for the year ended September 30, 2014, as a result of our principal executive officer's and principal financial and accounting officer's assessment of the effectiveness of our internal control over financial reporting as of September 30, 2014, we identified the material weaknesses in internal control over financial reporting as of September 30, 2014. These material weaknesses had not been remediated as of June 30, 2015. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Remediation Plans**

To address the identified material weakness discussed in our Form 10-K for the year ended September 30, 2014, we have taken the following measures:

1. Engaged an internal audit firm to assist with control assessment and remediation;
2. Commenced a reorganization of our finance, accounting and other support staff to improve work flow and enhance internal controls;
3. Hired a Director of Compliance to evaluate and implement corrective action on our material weaknesses; and
4. Hired a Chief Technology Officer to oversee and implement proper internal control over IT and our business operating systems.

In addition, we have improved or are in the process of improving our internal controls as follows:

#### Control Environment

- (a) We have implemented a whistle-blower program and are in the process of implementing other programs to identify and manage fraud risks;
- (b) Formalized job descriptions have been developed for all finance and accounting personnel that specifically: (i) identify required financial reporting roles, responsibilities, and necessary competencies; and (ii) clarify responsibilities for maintaining our internal controls over financial information; and
- (c) We have increased the utilization of the features and controls provided in our Enterprise Resource Planning ("ERP") system and reduce the use of spreadsheets.

#### Monitoring of internal control over financial reporting, and period end financial closing

- (a) We continue to review and update our policies and procedures with respect to the review, supervision and monitoring of our accounting operations;
- (b) We are completing a risk assessment process in order to improve our monitoring function in conjunction with our ERP system; and
- (c) We are developing forecasts and plans by which our Management can measure achievement against formalized benchmarks.

If the remedial measures described above are insufficient to address any of the identified material weaknesses or are not implemented effectively, or additional deficiencies arise in the future, material misstatements in our interim or annual consolidated financial statements may occur in the future and we may continue to be delinquent in our filings. We are currently working to improve and simplify our internal processes and implement enhanced controls, as discussed above, to address the material weaknesses in our internal control over financial reporting and to remedy the ineffectiveness of our disclosure controls and procedures. Key factors in the success of our remediation efforts are our ability to recruit and retain qualified individuals, and to make the investments required to enhance our financial reporting systems. Therefore, the success of our remediation efforts will also be dependent in part upon our ability to obtain sufficient funding. Among other things, any un-remediated material weaknesses could result in material post-closing adjustments in future financial statements.

## **PART II: OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

In the ordinary course of business, the Company and its subsidiaries including its directors and officers may be defendants in or parties to pending or threatened legal actions and proceedings, including actions brought on behalf of various classes of claimants.

There were no material legal proceedings during the three months ended June 30, 2015.

### **ITEM 1A. RISK FACTORS**

There has been no material change to the risk factors relating to our business as disclosed in our Form 10-K for the year ended September 30, 2014.



## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On May 12, 2015, the Company sold 20 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$2 million to two unaffiliated foreign investors. The proceeds were used for working capital.

On August 13, 2015, the Company sold 20 million shares of common stock at \$0.10 per share for a total cash consideration of \$2 million to a former substantial stockholder. In conjunction with the sale, a warrant was also issued for the purchase of up to 25 million shares of common stock at \$0.10 per share, exercisable for one year from the date of issuance of the warrant.

On August 13, 2015, the Company sold 5 million shares of common stock at \$0.10 per share in a private placement for a total cash consideration of \$0.5 million to a former lender to the Company. In conjunction with the sale, a warrant was also issued for the purchase of up to 5 million shares of common stock at \$0.05 per share, exercisable for a period of sixty days from the date of issuance of the warrant.

On August 13, 2015, pursuant to a Conversion Agreement signed between the Company and Michael Hansen, \$2 million of advances from Mr. Hansen were converted to 20 million shares of common stock at \$0.10 per share.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

## ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

## ITEM 5. OTHER INFORMATION

On August 14, 2015, the Company granted its founder, and former President and Chief Executive Officer, Michael Hansen, 40 million shares of common stock which shares will be legended as restricted securities. The issuance of shares to Mr. Hansen is to recognize his contributions to the Company and the shares are fully vested. The Company's Board of Directors had approved issuance of 35 million shares of its common stock in 2014, and was unable to issue such shares to Mr. Hansen for reasons unrelated to Mr. Hansen's outstanding service to the Company. The current board evaluated the assistance that Mr. Hansen provided outside of his employment contract that included loaning necessary funds to the Company and arranging for Company financing when the Company had no collateral or commercial borrowing power. These services enabled the Company to remain in business.

## ITEM 6. EXHIBITS

No.	Description
3.1	Certificate of Amendment to Articles of Incorporation of DubLi, Inc. as filed with the Nevada Secretary of State on June 15, 2015 (incorporated by reference to Exhibit 3.1 included in our Current Report on Form 8-K/A filed on June 19, 2015).
3.2	Certificate of Amendment to Articles of Incorporation of DubLi, Inc. dated June 26, 2015 (incorporated by reference to Exhibit 3.1 included in our Current Report on Form 8-K filed on July 2, 2015).
4.1	Amended and Restated 2010 Omnibus Equity Compensation Plan (incorporated by reference to our DEF 14C filed on May 19, 2015).
10.1	Employment Agreement dated as of May 5, 2015, between DubLi, Inc. and Ivan Braiker.
10.2	Employment Agreement dated as of May 5, 2015, between DubLi, Inc. and Thomas Virgin.
10.3	Separation Agreement and General Release dated May 29, 2015, between DubLi, Inc. and Eric Nelson.
10.4	Stock Purchase Agreement dated as of April 30, 2015 between DubLi, Inc., Rune Evensen and David Hong Chuan Goh.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

Date: August 14, 2015

**Ominto, Inc.**

By: /s/ IVAN BRAIKER

Ivan Braiker

President and Chief Executive Officer

## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made effective as of the 5<sup>th</sup> day of May 2015 (the "Effective Date") by and between IVAN BRAIKER, an individual ("Employee") and DUBLI, INC., a Nevada corporation ("Company").

## RECITALS

Company wishes to employ Employee, and Employee wishes to be employed by Company, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of Employee and Company hereby agree as follows:

1. Employment. Company hereby employs Employee and hereby affirms the employment of Employee as the Chief Executive Officer and President of the Company, and Employee hereby affirms, renews and accepts such employment, for the "Term" (as defined in Section 3 below), upon the terms and conditions set forth herein.

2. Position and Duties. During the Term of this Agreement, the Employee shall be employed and serve as the Chief Executive Officer and President of Company, and shall have such duties typically associated with such title and shall exercise such power and authority as may, from time to time, be delegated to him by the Board of Directors of Company. The Employee shall devote his full business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of Company. The Employee shall not engage in any other business or occupation during the Term, including, without limitation, any activity that (i) conflicts with the interests of Company and its affiliated entities, (ii) interferes with the proper and efficient performance of his duties for Company, or (iii) interferes with the exercise of his judgment in Company's best interest. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Employee to (x) serve on civic or charitable boards or committees, (y) deliver lectures, fulfill speaking engagements or teach at educational institutions on a part-time basis approved by the Board of Directors, or (z) manage personal investments, so long as such activities do not significantly interfere with or significantly detract from the performance of the Employee's responsibilities to Company in accordance with this Agreement.

3. Term. The "Term" of this Agreement shall commence on the Effective Date and continue thereafter for a term of five (5) years (the "Initial Term", as may be extended or earlier terminated pursuant to the terms and conditions of this Agreement. The Term of this Agreement shall automatically renew for successive one (1) year periods after the first five (5) years from the Effective Date unless, within sixty (60) days of the expiration of the then existing Term, Company or Employee provides written notice to the other party that it elects not to renew the Term. Upon delivery of such notice, this Agreement shall continue until expiration of the Term, whereupon this Agreement shall terminate.

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4. Compensation.

4.1 Salary. Company shall pay to Employee a total minimum annual salary of Three Hundred Thousand Dollars (\$300,000.00) (the "Minimum Salary"), payable in equal installments at the end of such regular payroll accounting periods as are established by Company, or in such other installments upon which the parties hereto shall mutually agree. The Minimum Salary shall be paid to Employee by the Corporation, subject to the terms set out below. In addition, Company may pay additional salary from time to time, and award bonuses in cash, stock or stock options or other property and services, as Company may determine in its sole discretion or pursuant to separate agreements with Employee.

4.2 Stock Option. The Company shall issue a Stock Option Agreement to Employee to grant 12.5 million options which options shall vest in 60 equal monthly installments and be exercisable at a price equal to the market price of the Company's common stock on the date that the Stock Option Agreement is approved by the Board (or Compensation Committee) of the Company.

4.3 Benefits. During the Term, Employee shall be entitled to participate in all medical and other employee benefit plans, including vacation, sick leave, retirement accounts, profit sharing, stock option plans, stock appreciation rights, and other employee benefits, provided by Company to employees similarly situated. In addition, during such period that the Company does not offer health insurance to employees, then Company shall reimburse Employee for his monthly health insurance premium covering Employee and his spouse.

4.4 Expense Reimbursement. Company shall reimburse Employee for reasonable and necessary expenses incurred by him on behalf of Company in the performance of his duties hereunder during the Term, provided that such expenses are adequately documented in accordance with Company's then customary reimbursement policies.

5. Indemnification.

5.1 Third Party Actions. Subject to limitations imposed by law, Company shall indemnify and hold harmless the Employee to the fullest extent permitted by law from and against any and all claims, damages, expenses (including reasonable attorneys' fees), judgments, penalties, fines, settlements, and all other liabilities incurred or paid by him in connection with the investigation, defense, prosecution, settlement or appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and to which the Employee was or is a party or is threatened to be made a party by reason of the fact that the Employee is or was an officer, Employee or agent of Company, or by reason of anything done or not done by the Employee in any such capacity or capacities, provided that the Employee acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner he reasonably believed to be in or not opposed to the best interests of Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Company also shall pay any and all expenses (including reasonable attorney's fees) incurred by the Employee as a result of the Employee being called as a witness in connection with any matter involving Company and/or any of its officers or directors.

5.2 Company Expense Reimbursement. Company shall advance to Employee any expenses (including reasonable attorneys' fees), judgments, penalties, fines, settlements, and other liabilities incurred by the Employee in investigating, defending, settling or appealing any action, suit or proceeding described in this Section 5.2 in advance of the final disposition of such action, suit or proceeding and as set forth in the following sentence. Company shall promptly pay the amount of such expenses to the Employee on a monthly basis as such expenses are incurred by Employee, but in no event later than 10 days following the Employee's delivery to Company of a written request for an advance pursuant to this Section 5.2, together with a reasonable accounting of such expenses.

5.3 Employee Reimbursement of Expenses. The Employee hereby undertakes and agrees to repay to Company any advances made pursuant to this Section 24 if and to the extent that it shall ultimately be found that the Employee is not entitled to be indemnified by Company for such amounts.

5.4. Insurance. Company shall purchase and maintain directors' and officers' insurance which includes Employee as an insured against liability asserted against or incurred by Employee in any capacity or arising out of Employee's status as such, whether or not Company has the power to indemnify Employee against that liability under the provisions of this Section 5. Such insurance shall be maintained while Employee is employed by Company and for one (1) year after termination of Employee's employment.

5.5 Survival. The provisions of this Section 5 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.

6. Confidential Information/ Inventions.

6.1 Confidentiality. During the Term of this Agreement and for three (3) years thereafter, Employee shall not, in any manner, for any reason, either directly or indirectly, divulge or communicate to any person, firm or corporation, any confidential information concerning any matters not generally known in Company's industry or otherwise made public by Company which affects or relates to Company's business, finances, marketing and/ or operations, research, development, inventions, products, designs, plans, procedures, or other data (collectively, "Confidential Information") except in the ordinary course of his duties for Company or as required by applicable law. Without regard to whether any item of Confidential Information is deemed or considered confidential, material, or important, the parties hereto stipulate that as between them, to the extent such item is not generally known in the Company's industry, such item is important, material, and confidential and affects the successful conduct of Company's business and good will, and that any breach of the terms of this Section 6.1 shall be a material and incurable breach of this Agreement.

6.2 Documents Owned by Company. Employee further agrees that all documents and materials furnished to Employee by Company and relating to Company's business or prospective business are and shall remain the exclusive property of Company as the case may be. Employee shall deliver all such documents and materials to Company upon demand therefore and in any event upon expiration or earlier termination of this Agreement. Any payment of sums due and owing to Employee by Company upon such expiration or earlier termination shall be conditioned upon returning all such documents and materials, and Employee expressly authorizes Company to withhold any payments due and owing pending return of such documents and materials.

6.3 Inventions. All ideas, inventions, and other developments or improvements conceived or reduced to practice by Employee, alone or with others, during the term of this Agreement, whether or not during working hours, that are within the scope of the business of Company or that relate to or result from any of Company's work or projects or the services provided by Employee to Company pursuant to this Agreement, shall be the exclusive property of Company. Employee agrees to assist Company during the Term of this Agreement, at Company's expense, to obtain patents and copyrights on any such ideas, inventions, writings, and other developments, and agrees to execute all documents necessary to obtain such patents and copyrights in the name of Company.

7. Covenant Not to Compete. During the Term of this Agreement, Employee shall not engage in any of the following competitive activities: (a) engaging directly or indirectly in any business or activity substantially similar to any business or activity engaged in by Company as of the date of this Agreement; (b) soliciting the services of, hiring or taking away any employee, agent, representative, contractor, supplier, vendor, customer, franchisee, lender officer, director or investor of Company or its affiliated companies or successors either on behalf of himself or for any other person, firm or corporation, or attempting to so solicit, hire or take away; (c) otherwise interfering with any contractual or other relationship between Company and any employee, agent, representative, contractor, supplier, vendor, customer, franchisee, lender or investor; or (d) using, for the benefit of any person or entity other than the Company, any Confidential Information of the Company.

8. Survival of Covenant Not to Compete. Employee agrees that the provisions of Section 7 shall survive expiration or earlier termination of this Agreement for any reason, whether voluntary or involuntary, with or without cause, and shall remain in full force and effect for a period of one (1) year following the date this Agreement is terminated. In addition, during the two-year period following such expiration or earlier termination, Employee shall not make or permit the making of any negative statement of any kind concerning the Company.

9. Injunctive Relief. Employee acknowledges and agrees that the covenants and obligations of Employee set forth in Sections 6 and 7 with respect to non-competition, non-solicitation, confidentiality and the Company's property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause Company irreparable injury for which adequate remedies are not available at law. Therefore, Employee agrees that Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations referred to in this Section 9. These injunctive remedies are cumulative and in addition to any other rights and remedies Company may have at law or in equity.

10. Termination

10.1 Termination by Employee. Employee may terminate this Agreement without cause at any time and for "good reason". For purposes of this Agreement, the term "good reason" for termination by Employee shall mean (a) any material reduction in the amount or type of compensation paid to the Employee or material reduction in benefits inconsistent with benefit reductions taken by other members of Company's senior management; or (b) the Board or Company requests the Employee to engage in actions that would constitute illegal or unethical acts; or (c) any material breach of any written agreement entered into between the Employee and Company, including this Agreement, which is not remedied by Company within thirty (30) days after receipt of notice thereof given by the Employee. Company will have thirty (30) days in which to cure the reason(s) provided by the Employee. At the end of the 30-day period, if Company has not cured the Good Reason cause of the Employee's termination, the Employee's employment will terminate following a reasonable transition period specified by Company not to exceed thirty (30) days. The written notice given hereunder by Employee to Company shall specify in reasonable detail the cause for termination. The Employee shall be entitled to voluntarily terminate his employment with Company prior to the end of the Employment Term upon ninety (90) days prior written notice from the Employee to the Company.

10.2 Termination by Company. Company may terminate its employment of Employee under this Agreement without cause at any time and for any reason upon ninety (90) days' written notice to Employee. Company may terminate its employment of Employee under this Agreement for cause at any time by written notice to Employee. For purposes of this Agreement, the term "cause" for termination by Company shall be the Employee's (a) commission of a felony or other crime involving moral turpitude, or the commission of any other act or omission involving dishonesty or fraud with respect to Company or any of its respective customers or suppliers; (b) breach of fiduciary duty, willful misconduct or gross negligence with respect to Company; (c) substantial and repeated failure to perform duties as reasonably directed in writing by the Board of Directors; *provided, however*, that if any such breach is subject to cure, Employee shall be entitled to written notice of and an opportunity to cure such breach to the Board of Directors' reasonable satisfaction within 30 calendar days of notice of such breach; (d) material breach of this Agreement; *provided, however*, that if any such breach is subject to cure, Employee shall be entitled to written notice of and an opportunity to cure such breach to the Board of Directors' reasonable satisfaction within 30 calendar days of notice of such breach; (e) any action taken against Employee by a regulatory body or self-regulatory organization that materially impairs the Employee from performing his duty for a period of more than 180 days; or (f) alcoholism or drug addiction which materially impairs the Employee's ability to perform his duties.

An act or failure to act shall not be "willful" if (A) done by the Employee in good faith and (B) the Employee reasonably believed that such action or inaction was in the best interests of Company. The written notice given hereunder by Company to Employee shall specify in reasonable detail the cause for termination. In the case of a termination for the cause described in (a) above, such termination shall be effective upon receipt of the written notice.

10.3 Severance. Upon a termination of this Agreement with cause by Company, Company shall immediately pay to Employee all accrued and unpaid compensation as of the date of such termination, and Employee shall not be entitled to a "Severance Payment." Upon a termination of this Agreement with "good reason" by Employee or without cause by Company, Company shall immediately pay to Employee all accrued and unpaid compensation as of the date of such termination plus the Severance Payment. The accrued compensation due and payable at termination shall bear interest at the lesser of six percent (6%) per annum or the maximum rate permitted by law until such amounts are paid in full. If this Agreement is terminated with "good reason" by Employee or for any reason by Company, the "Severance Payment" shall equal the total amount of salary payable to Employee under Section 4.1 of this Agreement from the date of such termination until three (3) months after termination payable in equal installments at the end of such regular payroll accounting periods as are established by Company, or in such other installments upon which the parties hereto shall mutually agree. After one year of employment, the "Severance Payment" shall increase to the total amount of salary payable to Employee under Section 4.1 of this Agreement from the date of such termination until six (6) months after termination. If this Agreement is terminated for any reason by Employee or Company, all vested stock options then held by the Employee will remain exercisable for a period of ninety (90) days from the date of such termination, but in no event later than the expiration date of the option.

11. Termination Upon Death. If Employee dies during the term of this Agreement, this Agreement shall terminate, except that Employee's legal representatives shall be entitled to receive any earned but unpaid compensation due hereunder. All vested stock options then held by the Employee will remain exercisable for a period of three (3) years from the date of the Employee's death, but in no event later than the expiration date of the option.

12. Termination Upon Disability. If, during the term of this Agreement, Employee suffers and continues to suffer from a "Disability" (as defined below), then Company may terminate this Agreement by delivering to Employee sixty (60) calendar days prior written notice of termination based on such Disability, setting forth with specificity the nature of such Disability and the determination of Disability by Company. For the purposes of this Agreement, "Disability" means Employee's inability, with reasonable accommodation, to substantially perform Employee's duties, services and obligations under this Agreement due to physical or mental illness or other disability for a continuous, uninterrupted period of ninety (90) calendar days. All vested stock options held by the Employee will remain exercisable for a period of ninety (90) days from the date of termination due to Disability, but in no event later than the expiration date of the option.

13. Personnel Policies, Conditions, And Benefits. Except as otherwise provided herein, Employee's employment shall be subject to the personnel policies and benefit plans which apply generally to Company's employees as the same may be interpreted, adopted, revised or deleted from time to time, during the term of this Agreement, by Company in its sole discretion. Each year during the term hereof, Employee shall receive vacation at the rate of four (4) weeks per year; provided that any unused vacation shall accrue until March 30 of the following calendar year.



14. Beneficiaries of Agreement. This Agreement shall inure to the benefit of Company and any affiliates, successors, assigns, parent corporations, subsidiaries, and/or purchasers of Company as they now or shall exist while this Agreement is in effect. This Agreement shall be not be assignable by Employee.

15. No Waiver. No failure by either party to declare a default based on any breach by the other party of any obligation under this Agreement, or failure of such party to act quickly with regard thereto, shall be considered to be a waiver of any such obligation, or of any future breach.

16. Modification. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the parties to be charged therewith.

17. Choice Of Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the headquarters of Company, without regard to any conflict-of-laws principles. Company and Employee hereby consent to personal jurisdiction before all courts in the County of Company's headquarters, and hereby acknowledge and agree that a court in the county of the Company's headquarters is and shall be the most proper forum to bring a complaint before a court of law.

18. Taxes. All payments made pursuant to this Agreement shall be subject to withholding of applicable income and employment taxes.

19. Counterparts and Facsimile. This Agreement may be executed in counterparts and by facsimile.

20. Confidentiality and Trading Restrictions. The parties agree the existence and negotiation of this Agreement, and any non-public information exchanged in connection therewith, are confidential and they will not disclose any confidential information except as provided herein. Either party may disclose such confidential information to its employees and advisors who are required to have the information for the purpose of providing assistance in the negotiations. Company may disclose the existence of the negotiations and this Agreement at such time as it determines public disclosure is required under the applicable securities laws. The parties will not use any confidential information except for the decision whether to enter into an employment relationship and negotiating the terms of employment. Executive will refrain from trading in the Company's securities until 72 hours after public disclosure by Company of this Agreement. Thereafter, Employee may trade in Company's securities only in compliance with Company's Insider Trading Policy.

21. Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, including but not limited to those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's

22. Entire Agreement. This Agreement embodies the whole agreement between the parties hereto and there are no **inducements, promises, terms, conditions, or obligations made or entered** into by Company or Employee other than contained herein.

23. Severability. All agreements and covenants contained herein are severable, and in the event any of them, with the exception of those contained in Sections 1 and 4 hereof, shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.

24. Headings. The headings contained herein are for the convenience of reference and are not to be used in interpreting this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

DUBLI, INC.

EMPLOYEE:

By: \_\_\_\_\_  
Michael Hansen, President

By: \_\_\_\_\_  
Ivan Braiker

## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made effective as of the 5<sup>th</sup> day of May 2015 (the "Effective Date") by and between THOMAS VIRGIN, an individual ("Employee") and DUBLI, INC., a Nevada corporation ("Company").

## RECITALS

Company wishes to employ Employee, and Employee wishes to be employed by Company, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of Employee and Company hereby agree as follows:

1. Employment. Company hereby employs Employee and hereby affirms the employment of Employee as the Chief Financial Officer of Company, and Employee hereby affirms, renews and accepts such employment, for the "Term" (as defined in Section 3 below), upon the terms and conditions set forth herein.

2. Position and Duties. During the Term of this Agreement, the Employee shall be employed and serve as the Chief Financial Officer of Company, and shall have such duties typically associated with such title and shall exercise such power and authority as may, from time to time, be delegated to him by the Chief Executive Officer of Company. The Employee shall devote his full business time, attention and efforts to the performance of his duties under this Agreement, render such services to the best of his ability, and use his reasonable best efforts to promote the interests of Company. The Employee shall not engage in any other business or occupation during the Term, including, without limitation, any activity that (i) conflicts with the interests of Company and its affiliated entities, (ii) interferes with the proper and efficient performance of his duties for Company, or (iii) interferes with the exercise of his judgment in Company's best interest. Notwithstanding the foregoing or any other provision of this Agreement, it shall not be a breach or violation of this Agreement for the Employee to (x) serve on civic or charitable boards or committees, (y) deliver lectures, fulfill speaking engagements or teach at educational institutions on a part-time basis approved by the Board of Directors, or (z) manage personal investments, so long as such activities do not significantly interfere with or significantly detract from the performance of the Employee's responsibilities to Company in accordance with this Agreement.

3. Term. The "Term" of this Agreement shall commence on the Effective Date and continue thereafter for a term of five (5) years (the "Initial Term", as may be extended or earlier terminated pursuant to the terms and conditions of this Agreement. The Term of this Agreement shall automatically renew for successive one (1) year periods after the first five (5) years from the Effective Date unless, within sixty (60) days of the expiration of the then existing Term, Company or Employee provides written notice to the other party that it elects not to renew the Term. Upon delivery of such notice, this Agreement shall continue until expiration of the Term, whereupon this Agreement shall terminate.

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4. Compensation.

4.1 Salary. Company shall pay to Employee a total minimum annual salary of Two Hundred and Fifty Thousand Dollars (\$250,000.00) (the "Minimum Salary"), payable in equal installments at the end of such regular payroll accounting periods as are established by Company, or in such other installments upon which the parties hereto shall mutually agree. The Minimum Salary shall be paid to Employee by the Corporation, subject to the terms set out below. In addition, Company may pay additional salary from time to time, and award bonuses in cash, stock or stock options or other property and services, as Company may determine in its sole discretion or pursuant to separate agreements with Employee.

4.2 Stock Option. The Company shall issue a Stock Option Agreement to Employee to grant 5 million options which options shall vest in 60 equal monthly installments and be exercisable at a price equal to the market price of the Company's common stock on the date that the Stock Option Agreement is approved by the Board (or Compensation Committee) of the Company.

4.3 Benefits. During the Term, Employee shall be entitled to participate in all medical and other employee benefit plans, including vacation, sick leave, retirement accounts, profit sharing, stock option plans, stock appreciation rights, and other employee benefits, provided by Company to employees similarly situated.

4.4 Expense Reimbursement. Company shall reimburse Employee for reasonable and necessary expenses incurred by him on behalf of Company in the performance of his duties hereunder during the Term, provided that such expenses are adequately documented in accordance with Company's then customary reimbursement policies.

5. Indemnification.

5.1 Third Party Actions. Subject to limitations imposed by law, Company shall indemnify and hold harmless the Employee to the fullest extent permitted by law from and against any and all claims, damages, expenses (including reasonable attorneys' fees), judgments, penalties, fines, settlements, and all other liabilities incurred or paid by him in connection with the investigation, defense, prosecution, settlement or appeal of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and to which the Employee was or is a party or is threatened to be made a party by reason of the fact that the Employee is or was an officer, Employee or agent of Company, or by reason of anything done or not done by the Employee in any such capacity or capacities, provided that the Employee acted in good faith, in a manner that was not grossly negligent or constituted willful misconduct and in a manner he reasonably believed to be in or not opposed to the best interests of Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Company also shall pay any and all expenses (including reasonable attorney's fees) incurred by the Employee as a result of the Employee being called as a witness in connection with any matter involving Company and/or any of its officers or directors.

5.2 Company Expense Reimbursement. Company shall advance to Employee any expenses (including reasonable attorneys' fees), judgments, penalties, fines, settlements, and other liabilities incurred by the Employee in investigating, defending, settling or appealing any action, suit or proceeding described in this Section 5.2 in advance of the final disposition of such action, suit or proceeding and as set forth in the following sentence. Company shall promptly pay the amount of such expenses to the Employee on a monthly basis as such expenses are incurred by Employee, but in no event later than 10 days following the Employee's delivery to Company of a written request for an advance pursuant to this Section 5.2, together with a reasonable accounting of such expenses.

5.3 Employee Reimbursement of Expenses. The Employee hereby undertakes and agrees to repay to Company any advances made pursuant to this Section 24 if and to the extent that it shall ultimately be found that the Employee is not entitled to be indemnified by Company for such amounts.

5.4. Insurance. Company shall purchase and maintain directors' and officers' insurance which includes Employee as an insured against liability asserted against or incurred by Employee in any capacity or arising out of Employee's status as such , whether or not Company has the power to indemnify Employee against that liability under the provisions of this Section 5. Such insurance shall be maintained while Employee is employed by Company and for one (1) year after termination of Employee's employment.

5.5 Survival. The provisions of this Section 5 shall survive the termination of the Term of Employment or expiration of the term of this Agreement.

6. Confidential Information/ Inventions.

6.1 Confidentiality. During the Term of this Agreement and for three (3) years thereafter, Employee shall not, in any manner, for any reason, either directly or indirectly, divulge or communicate to any person, firm or corporation, any confidential information concerning any matters not generally known in Company's industry or otherwise made public by Company which affects or relates to Company's business, finances, marketing and/ or operations, research, development, inventions, products, designs, plans, procedures, or other data (collectively, "Confidential Information") except in the ordinary course of his duties for Company or as required by applicable law. Without regard to whether any item of Confidential Information is deemed or considered confidential, material, or important, the parties hereto stipulate that as between them, to the extent such item is not generally known in the Company's industry, such item is important, material, and confidential and affects the successful conduct of Company's business and good will, and that any breach of the terms of this Section 6.1 shall be a material and incurable breach of this Agreement.

6.2 Documents Owned by Company. Employee further agrees that all documents and materials furnished to Employee by Company and relating to Company's business or prospective business are and shall remain the exclusive property of Company as the case may be. Employee shall deliver all such documents and materials to Company upon demand therefore and in any event upon expiration or earlier termination of this Agreement. Any payment of sums due and owing to Employee by Company upon such expiration or earlier termination shall be conditioned upon returning all such documents and materials, and Employee expressly authorizes Company to withhold any payments due and owing pending return of such documents and materials.

6.3 Inventions. All ideas, inventions, and other developments or improvements conceived or reduced to practice by Employee, alone or with others, during the term of this Agreement, whether or not during working hours, that are within the scope of the business of Company or that relate to or result from any of Company's work or projects or the services provided by Employee to Company pursuant to this Agreement, shall be the exclusive property of Company. Employee agrees to assist Company during the Term of this Agreement, at Company's expense, to obtain patents and copyrights on any such ideas, inventions, writings, and other developments, and agrees to execute all documents necessary to obtain such patents and copyrights in the name of Company.

7. Covenant Not to Compete. During the Term of this Agreement, Employee shall not engage in any of the following competitive activities: (a) engaging directly or indirectly in any business or activity substantially similar to any business or activity engaged in by Company as of the date of this Agreement; (b) soliciting the services of, hiring or taking away any employee, agent, representative, contractor, supplier, vendor, customer, franchisee, lender officer, director or investor of Company or its affiliated companies or successors either on behalf of himself or for any other person, firm or corporation, or attempting to so solicit, hire or take away; (c) otherwise interfering with any contractual or other relationship between Company and any employee, agent, representative, contractor, supplier, vendor, customer, franchisee, lender or investor; or (d) using, for the benefit of any person or entity other than the Company, any Confidential Information of the Company.

8. Survival of Covenant Not to Compete. Employee agrees that the provisions of Section 7 shall survive expiration or earlier termination of this Agreement for any reason, whether voluntary or involuntary, with or without cause, and shall remain in full force and effect for a period of one (1) year following the date this Agreement is terminated. In addition, during the two-year period following such expiration or earlier termination, Employee shall not make or permit the making of any negative statement of any kind concerning the Company.

9. Injunctive Relief. Employee acknowledges and agrees that the covenants and obligations of Employee set forth in Sections 6 and 7 with respect to non-competition, non-solicitation, confidentiality and the Company's property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause Company irreparable injury for which adequate remedies are not available at law. Therefore, Employee agrees that Company shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations referred to in this Section 9. These injunctive remedies are cumulative and in addition to any other rights and remedies Company may have at law or in equity.

10. Termination

10.1 Termination by Employee. Employee may terminate this Agreement without cause at any time and for "good reason". For purposes of this Agreement, the term "good reason" for termination by Employee shall mean (a) any material reduction in the amount or type of compensation paid to the Employee or material reduction in benefits inconsistent with benefit reductions taken by other members of Company's senior management; or (b) the Board or Company requests the Employee to engage in actions that would constitute illegal or unethical acts; or (c) any material breach of any written agreement entered into between the Employee and Company, including this Agreement, which is not remedied by Company within thirty (30) days after receipt of notice thereof given by the Employee. Company will have thirty (30) days in which to cure the reason(s) provided by the Employee. At the end of the 30-day period, if Company has not cured the Good Reason cause of the Employee's termination, the Employee's employment will terminate following a reasonable transition period specified by Company not to exceed thirty (30) days. The written notice given hereunder by Employee to Company shall specify in reasonable detail the cause for termination. The Employee shall be entitled to voluntarily terminate his employment with Company prior to the end of the Employment Term upon ninety (90) days prior written notice from the Employee to the Company.

10.2 Termination by Company. Company may terminate its employment of Employee under this Agreement without cause at any time and for any reason upon ninety (90) days' written notice to Employee. Company may terminate its employment of Employee under this Agreement for cause at any time by written notice to Employee. For purposes of this Agreement, the term "cause" for termination by Company shall be the Employee's (a) commission of a felony or other crime involving moral turpitude, or the commission of any other act or omission involving dishonesty or fraud with respect to Company or any of its respective customers or suppliers; (b) breach of fiduciary duty, willful misconduct or gross negligence with respect to Company; (c) substantial and repeated failure to perform duties as reasonably directed in writing by the Board of Directors; *provided, however*, that if any such breach is subject to cure, Employee shall be entitled to written notice of and an opportunity to cure such breach to the Board of Directors' reasonable satisfaction within 30 calendar days of notice of such breach; (d) material breach of this Agreement; *provided, however*, that if any such breach is subject to cure, Employee shall be entitled to written notice of and an opportunity to cure such breach to the Board of Directors' reasonable satisfaction within 30 calendar days of notice of such breach; (e) any action taken against Employee by a regulatory body or self-regulatory organization that materially impairs the Employee from performing his duty for a period of more than 180 days; or (f) alcoholism or drug addiction which materially impairs the Employee's ability to perform his duties.

An act or failure to act shall not be "willful" if (A) done by the Employee in good faith and (B) the Employee reasonably believed that such action or inaction was in the best interests of Company. The written notice given hereunder by Company to Employee shall specify in reasonable detail the cause for termination. In the case of a termination for the cause described in (a) above, such termination shall be effective upon receipt of the written notice.

10.3 Severance. Upon a termination of this Agreement with cause by Company, Company shall immediately pay to Employee all accrued and unpaid compensation as of the date of such termination, and Employee shall not be entitled to a "Severance Payment." Upon a termination of this Agreement with "good reason" by Employee or without cause by Company, Company shall immediately pay to Employee all accrued and unpaid compensation as of the date of such termination plus the Severance Payment. The accrued compensation due and payable at termination shall bear interest at the lesser of six percent (6%) per annum or the maximum rate permitted by law until such amounts are paid in full. If this Agreement is terminated with "good reason" by Employee or for any reason by Company, the "Severance Payment" shall equal the total amount of salary payable to Employee under Section 4.1 of this Agreement from the date of such termination until three (3) months after termination payable in equal installments at the end of such regular payroll accounting periods as are established by Company, or in such other installments upon which the parties hereto shall mutually agree. After one year of employment, the "Severance Payment" shall increase to the total amount of salary payable to Employee under Section 4.1 of this Agreement from the date of such termination until six (6) months after termination. If this Agreement is terminated for any reason by Employee or Company, all vested stock options then held by the Employee will remain exercisable for a period of ninety (90) days from the date of such termination, but in no event later than the expiration date of the option.

11. Termination Upon Death. If Employee dies during the term of this Agreement, this Agreement shall terminate, except that Employee's legal representatives shall be entitled to receive any earned but unpaid compensation due hereunder. All vested stock options then held by the Employee will remain exercisable for a period of three (3) years from the date of the Employee's death, but in no event later than the expiration date of the option.

12. Termination Upon Disability. If, during the term of this Agreement, Employee suffers and continues to suffer from a "Disability" (as defined below), then Company may terminate this Agreement by delivering to Employee sixty (60) calendar days prior written notice of termination based on such Disability, setting forth with specificity the nature of such Disability and the determination of Disability by Company. For the purposes of this Agreement, "Disability" means Employee's inability, with reasonable accommodation, to substantially perform Employee's duties, services and obligations under this Agreement due to physical or mental illness or other disability for a continuous, uninterrupted period of ninety (90) calendar days. All vested stock options held by the Employee will remain exercisable for a period of ninety (90) days from the date of termination due to Disability, but in no event later than the expiration date of the option.

13. Personnel Policies, Conditions, And Benefits. Except as otherwise provided herein, Employee's employment shall be subject to the personnel policies and benefit plans which apply generally to Company's employees as the same may be interpreted, adopted, revised or deleted from time to time, during the term of this Agreement, by Company in its sole discretion. Each year during the term hereof, Employee shall receive vacation at the rate of four (4) weeks per year; provided that any unused vacation shall accrue until March 30 of the following calendar year.



14. Beneficiaries of Agreement. This Agreement shall inure to the benefit of Company and any affiliates, successors, assigns, parent corporations, subsidiaries, and/or purchasers of Company as they now or shall exist while this Agreement is in effect. This Agreement shall be not be assignable by Employee.

15. No Waiver. No failure by either party to declare a default based on any breach by the other party of any obligation under this Agreement, or failure of such party to act quickly with regard thereto, shall be considered to be a waiver of any such obligation, or of any future breach.

16. Modification. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the parties to be charged therewith.

17. Choice Of Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the headquarters of Company, without regard to any conflict-of-laws principles. Company and Employee hereby consent to personal jurisdiction before all courts in the County of Company's headquarters, and hereby acknowledge and agree that a court in the county of the Company's headquarters is and shall be the most proper forum to bring a complaint before a court of law.

18. Taxes. All payments made pursuant to this Agreement shall be subject to withholding of applicable income and employment taxes.

19. Counterparts and Facsimile. This Agreement may be executed in counterparts and by facsimile.

20. Confidentiality and Trading Restrictions. The parties agree the existence and negotiation of this Agreement, and any non-public information exchanged in connection therewith, are confidential and they will not disclose any confidential information except as provided herein. Either party may disclose such confidential information to its employees and advisors who are required to have the information for the purpose of providing assistance in the negotiations. Company may disclose the existence of the negotiations and this Agreement at such time as it determines public disclosure is required under the applicable securities laws. The parties will not use any confidential information except for the decision whether to enter into an employment relationship and negotiating the terms of employment. Executive will refrain from trading in the Company's securities until 72 hours after public disclosure by Company of this Agreement. Thereafter, Employee may trade in Company's securities only in compliance with Company's Insider Trading Policy.

21. Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, including but not limited to those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control. Subject to the foregoing, Employee will sign within ten (10) days of presentation by the Company, the Company's standard Employee Proprietary Information Agreement.

22. Entire Agreement. This Agreement embodies the whole agreement between the parties hereto and there are no **inducements, promises, terms, conditions, or obligations made or entered** into by Company or Employee other than contained herein.

23. Severability. All agreements and covenants contained herein are severable, and in the event any of them, with the exception of those contained in Sections 1 and 4 hereof, shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.

24. Headings. The headings contained herein are for the convenience of reference and are not to be used in interpreting this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written.

DUBLI, INC.

EMPLOYEE:

By: \_\_\_\_\_  
Michael Hansen, President

By: \_\_\_\_\_  
Thomas Virgin

DubLi, Inc.

**Stock Option Agreement**

This **Stock Option Agreement** certifies that, pursuant to the DubLi, Inc. (the "Company") **Omnibus Equity Compensation Plan** (the "Plan"), the Compensation Committee has granted an option to purchase shares of common stock, par value \$0.001 per share (the "Common Stock"), of the Company as stated below. Capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Plan.

**Optionee:** Eric Nelson

**Address:** 2910 NW 28th Terrace  
Boca Raton, FL 33434

**Number of Shares:** 2,500,000 shares of the Common Stock (the "Option Shares")

**Option Exercise Price:** US 0.19 per share of Common Stock (the "Per Share Exercise Price")

**Grant Date:** May 5, 2015 (the "Grant Date")

**DUBLI, INC.**

Dated: As of May 29, 2015

By: /s/ Thomas Virgin  
 Name: Thomas Virgin  
 Title: Chief Financial Officer

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof as described in Exhibit A attached hereto and made a part hereof. The undersigned hereby acknowledges receipt of a copy of the Plan , a copy of which is attached hereto as Exhibit B , and agrees to be bound by the terms of such Plan.

**OPTIONEE**

Dated: As of May 29, 2015

/s/ Eric Nelson  
 Name: Eric Nelson



## EXHIBIT A

### Terms and conditions of the Non-Qualified Stock Option Agreement for Eric Nelson

Section 1. Grant of Option. DubLi, Inc., a Nevada corporation (the "Company"), hereby grants to the Optionee, as of the Grant Date an option (the "Option"), pursuant to the Plan, to purchase the Option Shares at the Per Share Exercise Price, purchasable as set forth in and subject to the terms and conditions of this Option and the Plan. Except where the context otherwise requires, the term "Company" shall include all future subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended or replaced from time to time (the "Code").

Section 2. Non-Qualified Stock Option. The Option shall constitute and be treated at all times by the Optionee and the Company as a "non-qualified stock option" for U.S. Federal income tax purposes and shall not constitute and shall not be treated as an "incentive stock option" as defined under Section 422(b) of the Code.

Section 3. Exercise of Option and Provisions for Termination; Vesting Schedule. Subject to the terms set forth herein, the Option shall vest and become exercisable eight (8) days after the date of Optionee's execution of the Severance Agreement between Company and Optionee (the "Start Date"). Except as otherwise provided in this Agreement, this Option may be exercised at any time during the period (the "Exercise Period") commencing on the Start Date and terminating on June 4, 2018 (the "Expiration Date"). This Option may not be exercised at any time on or after the Expiration Date.

Section 4. Exercise Procedure. Subject to the conditions set forth in this Agreement and the Plan, this Option shall be exercised by the Optionee's delivery of written notice of exercise to the General Counsel of the Company, specifying the number of Option Shares to be purchased and the purchase price to be paid therefor (the "Purchase Price"). Such notice must be signed and dated and be accompanied by payment in full of the Purchase Price in accordance with Section 4 of this Agreement. Such exercise shall be effective upon receipt by the General Counsel of the Company of such written notice together with the Purchase Price. The Optionee may purchase less than the number of Shares covered hereby, provided that no partial exercise of this Option may be for any fractional Share.

Section 5. Payment of Purchase Price. Payment of the Purchase Price for the Shares purchased upon the exercise of this Option shall be made by delivery to the Company of one or some combination of the following items of consideration with a value on the date of exercise equal to the Purchase Price of the subject Shares:

- a. cash;
- b. a certified check or bank check; or
- c. a cash equivalent instrument that is reasonably acceptable to the Company.

### Section 6. Delivery of Option Shares: Compliance with Securities Law, Etc.

a. General. The Company shall, upon payment of the option price for the number of Option Shares purchased and paid for, make prompt delivery of such Option Shares to the Optionee, *provided that* if any law or regulation require the Company to take any action with respect to such Option Shares before the issuance thereof, then the date of delivery of such Option Shares shall be extended for the period necessary to complete such action.

b. Listing Qualifications, Securities Law Compliance, Etc. Notwithstanding anything to the contrary in this Agreement, no shares of Common Stock purchased upon exercise of the Option, and no certificate representing such shares, shall be issued or delivered if (a) such shares have not been admitted to listing upon official notice of issuance on each stock exchange, if any, upon which shares of that class are then listed, or (b) in the opinion of counsel to the Company, such issuance or delivery would (i) cause the Company to be in violation of or to incur liability under any federal, state or other securities law, or any other requirement of law or any requirement of any stock exchange regulations or listing agreement to which the Company is a party, or of any administrative or regulatory body having jurisdiction over the Company or (ii) require registration (apart from any registrations as have been theretofore completed by the Company covering such shares) under any federal, state, or other securities or similar law.

Section 7. Rights as a Shareholder. The Optionee shall have no rights as a shareholder with respect to any Option Shares which may be purchased by exercise of this Option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such Option Shares) unless and until a certificate representing such Option Shares is duly issued and delivered to the Optionee. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such certificate is issued.

Section 8. Adjustment Provisions.

a. General. If, through or as a result of any consolidation of shares of Common Stock, merger or consolidation of the Company or its Subsidiaries or sale or other disposition by the Company or its Subsidiaries of all or a portion of its assets, any other change in the Company's or its Subsidiaries' corporate structure, or any distribution to shareholders other than a cash dividend results in the outstanding shares of Common Stock, or any securities exchanged therefor or received in their place, being exchanged for a different number or class of shares of Common Stock or other securities of the Company, or for shares of Common Stock or other securities of any other Company; or new, different or additional shares or other securities of the Company or of any other Company being received by the holders of outstanding shares of Common Stock, the Optionee shall, with respect to this Option or any unexercised portion hereof, be entitled to the rights and benefits, and be subject to the limitations, set forth in the Plan.

b. Board Authority to Make Adjustments. Any adjustments under this Section 9 will be made by the Board of Directors and/or the Compensation Committee, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive. No fractional Shares will be issued pursuant to this Option on account of any such adjustments.

Section 9. Withholding Taxes. The Company's obligation to deliver Option Shares upon the exercise of this Option shall be subject to the Optionee's satisfaction of all applicable, federal, state and local income and other tax withholding requirements.

Section 10. Representations. The Optionee represents, warrants and covenants that:

a. Any Option Shares purchased upon the exercise of this Option shall be acquired for the Optionee's account for investment only, and not with a view to, or for sale in connection with, any distribution of the Option Shares in violation of the Securities Act, or any rule or regulation under the Securities Act.

b. The Optionee has had such opportunity as he or she has deemed adequate to obtain from representatives of the Company such information as is necessary to permit the Optionee to evaluate the merits and risks of his or her investment in the Company.

c. The Optionee is able to bear the economic risk of holding such Option Shares acquired pursuant to the exercise of this Option for an indefinite period.

d. The Optionee understands the tax consequences of the granting of the Option, the acquisition of rights to exercise the Option with respect to any Option Shares, the exercise, release or other disposal of the Option and purchase of Option Shares hereunder, and the subsequent sale or other disposition of any Option Shares acquired hereunder. In addition, the Optionee understands that the Company may be required to pay, or account for taxes in respect of any compensation income, or other income or gain realized by the Optionee upon exercise of the Option granted hereunder. To the extent that the Company is required to pay, account for or withhold any such taxes, then, unless both the Optionee and the Compensation Committee have otherwise agreed upon alternate arrangements, the Optionee hereby agrees that the Company may deduct from any payments of any kind otherwise due to the Optionee an amount equal to the total taxes required to be so paid, accounted for or withheld (as permitted by law), or if such payments are inadequate to satisfy such taxes, or if no such payments are due or to become due to the Optionee, then the Optionee agrees to provide the Company with cash funds or make other arrangements satisfactory to the Company regarding such payment. It is understood that all matters with respect to the total amount of taxes to be withheld in respect of any such compensation income shall be determined by the Company in its sole discretion.

By making payment upon exercise of this option, the Optionee shall be deemed to have reaffirmed, as of the date of such payment, the representations made in this Section 10.

Section 11. Restrictions on Transfer of Option Shares.

a. The Optionee hereby acknowledges and agrees that the Option shall not be transferable by the Optionee other than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the Optionee only by him or by his guardian or legal representative.

b. The Optionee hereby acknowledges that in connection with any public offering of the Company's Common Stock, the underwriters for the Company may require that the Company's officers, directors, and/or certain other shareholders not sell their Shares for a certain period of time before or after the effectiveness of any registration statement of the Company filed in connection with such offering. The Optionee hereby agrees that upon the Company's request in connection with any such public offering, that the Optionee will not, directly or indirectly, offer, sell, contract to sell, make subject to any purchase option, or otherwise dispose of any Option Shares for a period requested by the underwriter or its representative, not to exceed ten (10) days before and 90 days after the date of the effectiveness of any such registration statement, without the prior written consent of the underwriter or its representative.

Section 12. Legends. All stock certificates representing Option Shares issued to the Optionee upon exercise of this Option shall have affixed thereto legends substantially in the following form, in addition to any other legends required by applicable state law:

"The shares of stock represented by this certificate are subject to certain restrictions on transfer contained in an Option Agreement, a copy of which will be furnished upon request by the issuer."

Section 13. Effectiveness of the Grant of the Option. The grant of the Option by the Company to the Optionee shall not become effective until (i) Optionee and the Company both execute and deliver the Severance Agreement whereby the Option is granted and such Severance Agreement is not revoked by Optionee pursuant to Paragraph 6 of the Severance Agreement, or otherwise, and (ii) the Optionee executes the cover page of this Agreement and returns this Agreement with the executed cover page to the Company. In the event the Optionee fails to execute and return this Agreement to the Company within one month after the Grant Date, this Agreement shall immediately terminate in all respects and this Agreement shall immediately cease to be an operative contract.

Section 14. Plan Documents. This Agreement is qualified in its entirety by reference to the provisions of the Plan, as amended from time to time, which are hereby incorporated herein by reference. The interpretation and construction by the Compensation Committee of the Plan, this Agreement, the Option granted hereunder, and such rules and regulations as may be adopted by the Compensation Committee for the purpose of administering the Plan, shall be final, binding and conclusive. Until the Option shall expire, terminate, or be exercised in full, the Company shall, upon written request therefor, send a copy of the Plan, in its then-current form, to the Optionee or any other person or entity then entitled to exercise the Options.

Section 15. Miscellaneous.

a. This Agreement may (except as provided in the Plan) only be amended, altered or modified by a written instrument signed by the parties hereto, or their respective successors, and it may not be terminated (except as provided herein or in the Plan).

b. This Agreement is subject to the authorization of the necessary amount of shares by the appropriate bodies and an amendment of the Plan covering the required amount of Shares to fulfill this Agreement.

c. All notices under this Option shall be mailed or delivered by hand to (i) the Company at the address set forth below, (ii) the Optionee at the address set forth on the first page of this option, or (iii) at such other address as may be designated in writing by either of the parties to one another.

If to the Company:                 DubLi, Inc.  
6750 North Andrews Avenue, Suite 200  
Ft. Lauderdale, FL 33309

If to the Optionee:                See address of Optionee on the cover page of this Agreement.

Section 16. Applicable Law. This Option shall be governed by and construed in accordance with the laws of the State of Florida, but without regard to the principle of conflict of laws thereof. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. The parties hereto hereby submit themselves to the exclusive jurisdiction of the state or Federal courts located in Miami-Dade County, Florida and (a) agree and acknowledge that any claim, action or proceeding regarding the Company or this Agreement shall be brought in such courts, and (b) hereby waive any objections to such venue, including, without limitation, any objections based on such venue being an inconvenient forum.

Section 17. Entire Agreement. This Agreement constitutes the entire agreement between the Company and the Optionee and supersedes any prior agreements and understandings, oral or written, between the Company and the Optionee concerning the subject matter of this Agreement.

Section 18. Construction. The section headings contained in this Agreement are for reference only and shall have no effect on the interpretation of any of the provisions of this Agreement.

Section 19. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company and upon the legal representatives, executors, administrators, heirs, legatees and any permitted assignee of the Optionee.

**EXHIBIT B**

**COMPANY'S OMNIBUS EQUITY COMPENSATION PLAN**

*[See Attached]*



STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement") is made as of April 30, 2015, by and between DubLi, Inc., a Nevada corporation ("DubLi" or "Company"), and each of the persons signatory hereto (each a "Buyer" and, collectively, the "Buyers").

IN CONSIDERATION of the premises and mutual covenants contained herein, Buyers and DubLi agree as follows:

1. Purchase of Stock. Each Buyer hereby agrees to purchase from DubLi, and DubLi hereby agrees to sell to Buyer the number of shares set forth after its name on the signature page hereto of shares of Common Stock of DubLi (the "Stock"), at a price of ten cents (US\$.10) per share of Stock, and to concurrently deliver the purchase price set forth next to their name on the signature line (payable in United States Dollars) to DubLi. Pursuant to this Agreement, the Company is selling a total of twenty million (20,000,000) shares of Stock to the Buyers for total consideration of two million dollars (US\$2,000,000)

2. Representations and Warranties of Buyers. Each Buyer represents and warrants to DubLi as follows:

2.1 Investment. The Stock is being acquired for investment for Buyer's own account, not as a nominee or agent, and not with a view to the sale or distribution of all or any part thereof.

2.2 Not Registered. Buyer understands that the Stock is not registered under the Securities Act of 1933 (the "Act") or under any other applicable blue sky or state securities law, on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from registration under the Act pursuant to Section 4(2) thereof and the regulations thereunder and are exempt from qualification pursuant to comparable available exceptions in various states, and that DubLi's reliance on such exemptions is predicated on Buyer's representations set forth herein.

2.3 Status. Each Buyer is a sophisticated investor (as described in Rule 506(b)(2)(ii) of Regulation D) and an accredited investor (as defined in Rule 501 of Regulation D), and each Buyer has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Stock. Each Buyer acknowledges that an investment in the Stock is speculative and involves a high degree of risk. No Buyer is an officer, director or Affiliate (as that term is defined in Rule 405 of the Act) of the Company.

2.4 Resale. Each Buyer represents that he or it (a) has liquid assets sufficient to assure that the purchase of the Stock will cause no undue financial difficulties, (b) can afford the complete loss of his or its investment, and (c) can provide for current needs and possible contingencies without the need to sell or dispose of the Stock.

2.5 Control. Buyers are aware that DubLi is controlled by Michael Hanson (the "Principal"), who owns over 50% of its voting control.

2.6 Access to Information. Each Buyer represents and warrants that he (a) is aware of the character, business acumen and general business and financial circumstances of DubLi; (b) has the requisite knowledge and experience to assess the relative merits and risks of a purchase of the Stock; (c) has received and has carefully read and evaluated copies of all documents relevant to the purchase and sale contemplated hereby, including without limitation this Agreement and the documents filed by the Company with the SEC pursuant to the Securities and Exchange Act of 1934 (the "34 Act"); and (d) has had full opportunity to ask questions and receive answers concerning the transactions contemplated hereby and thereby, and concerning DubLi, its business and financial condition.

2.7 Risk Factors. Each Buyer has read and understands the Risk Factors which are included in the Company's most recent filings under the 34 Act (including the Annual Report on Form 10-K filed on April 15, 2015), and hereby represents and warrants that in purchasing the Stock, Buyers is solely and fully undertaking the risk of investment in the Stock.

2.8 Legends. Each Stock certificate shall bear the following legends (unless DubLi receives an acceptable opinion of counsel that any such legend is not required):

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 OR THE LAWS OF ANY STATE, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT AND APPLICABLE STATE LAWS, OR AN EXEMPTION FROM THE REGISTRATION AND QUALIFICATION REQUIREMENTS THEREOF.

2.9 Taxes. Each Buyer (a) understands that there may be tax consequences resulting from the purchase, ownership and/or sale of the Stock, and (b) represents and warrants that (i) he or it has had a full opportunity to seek the advice of independent counsel respecting this investment and the tax risks and implications thereof, (ii) he or it has not relied only upon such independent tax advice and not upon any tax counsel from, or discussions with, DubLi or DubLi's representatives, and (iii) he or it has never been notified by the Internal Revenue Service that Buyer is subject to 20% backup withholding.

2.10 Acknowledgment of Concurrent Offering at Lower Price. Each Buyer acknowledges that they have been informed that the Company is currently negotiating the private placement of shares of its Common Stock to other buyers and that the price being offered to those buyers is approximately half of Buyer's purchase price for Stock in this Agreement.

### 3. General Provisions

3.1 Complete Agreement; Modifications. This Agreement and any documents referred to herein or executed contemporaneously herewith constitute the parties' entire agreement with respect to the subject matter hereof and supersede all prior or contemporaneous agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof. This Agreement may not be amended, altered or modified except by a writing signed by the parties.

3.2 Additional Documents. Each party hereto agrees to execute any and all further documents and writings and to perform such other actions which may be or become necessary or expedient to effectuate and carry out this Agreement.

3.3 Notices. Unless otherwise specifically permitted by this Agreement, all notices under this Agreement shall be in writing and shall be delivered by personal service, telecopy, federal express or comparable overnight service, certified mail (if such service is not available, then by first class mail), postage prepaid, or email to DubLi's corporate offices, and to the address of Buyers as set forth on the signature page of this Agreement. Any notice sent by certified mail shall be deemed to have been given three (3) days Mier the date on which it is mailed. All other notices shall be deemed given when received. No objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a party.

3.4 Disputes.

3.4.1 Governing Law; Jurisdiction. All questions with respect to the Agreement and the rights and liabilities of the parties will be governed by the laws of the state of the Company's headquarters, regardless of the choice of law provisions of any other jurisdiction. Any and all disputes between the parties which may arise pursuant to this Agreement not covered by arbitration will be heard and determined before an appropriate federal or state court located within 25 miles of the Company's headquarters. The parties hereto acknowledge that such court has the jurisdiction to interpret and enforce the provisions of this Agreement and the parties waive any and all objections that they may have as to personal jurisdiction or venue in any of the above courts.

3.4.2 Arbitration as Exclusive Remedy. Except for actions seeking injunctive relief, which may be brought before any court having jurisdiction, any claim arising out of or relating to (i) this Agreement, including without limitation its validity, interpretation, enforceability or breach whether based on breach of covenant, breach of an implied covenant or intentional infliction of emotional distress or other tort of contract theories, which are not settled by agreement between the parties, shall be settled by arbitration located within 25 miles of the Company's headquarters before a single arbitrator in accordance with the American Arbitration Association then in effect. The parties hereby (i) consent to the in personam jurisdiction of the Superior Court of the state of the Company's headquarters for purposes of confirming any such award and entering judgment thereon and (ii) agree to use their best efforts to keep all matters and relating to any arbitration hereunder confidential. Each party agrees that the arbitration provisions of this Agreement are its exclusive remedy and expressly waives any right to seek redress in another forum. The fees of the arbitrator shall be borne equally by each party.

3.4.3 Attorneys' Fees. In any dispute between the parties hereto or their representatives concerning any provision of this Agreement or the rights and duties of any person or entity hereunder, the party or parties prevailing in such dispute shall be entitled, in addition to such other relief as may be granted, to the reasonable attorneys' fees and court costs incurred by reason of such litigation.

3.5 Waivers Strictly Construed. With regard to any power, remedy or right provided herein or otherwise available to any party hereunder (i) no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party; and (ii) no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise, or by any other indulgence.

3.6 Fees and Expenses. Company and each Buyer agree to pay its own expenses incident to the performance of its obligations hereunder.

3.7 Brokerage. The Company on one hand and each Buyer on the other hand represents to the other that it has had no dealings in connection with this transaction with any finder or broker who will demand payment of any fee or commission from the other.

3.8 Use of Proceeds. The primary use of proceeds is for working capital and repayment of outstanding advances from the Principal, Company's largest shareholder.

3.9 US Dollars. All references to currency in this Agreement refer to United States dollars.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

3.10 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages received by pdf of facsimile shall be considered original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

DubLi, Inc.

By: \_\_\_\_\_  
Michael Hansen, CEO

Buyers (Name, Number of shares of Stock purchased, and Address of Buyer):

Rune Evensen: 13.5 Million shares for US\$ 1,350,000  
35 Jurong East Avenue 1  
Apt 08-06  
Singapore 609774

Signature: /s/ Rune Evensen

David Hong Chuan Goh: 6.5 Million shares for US\$ 650,000  
192 Depot Road  
Apt 11-23  
Singapore 109690

Signature: /s/ David Hong Chuan  
Goh

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ivan Braiker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ominto, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or have caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting ; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

DATE: August 14, 2015

/s/ IVAN BRAIKER

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tom Virgin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ominto, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or have caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

DATE: August 14, 2015

/s/ TOM VIRGIN

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C.  
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Ominto, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ivan Braiker, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DATE: August 14, 2015

/s/ IVAN BRAIKER

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C.  
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Ominto, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom Virgin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DATE: August 14, 2015

/s/ TOM VIRGIN  
\_\_\_\_\_  
Tom Virgin  
Chief Financial Officer