



**eGames, Inc.**  
**2000 Cabot Boulevard West, Suite 110**  
**Langhorne, Pennsylvania 19047-2408**

March 1, 2010

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders of eGames, Inc. (the "Company") which will be held at 10 a.m. Eastern time on Tuesday, April 13, 2010 at the Company's offices, 2000 Cabot Boulevard West, Suite 110, Langhorne, Pennsylvania. The official notice of the meeting together with a proxy statement and form of proxy are enclosed. Please give this information your careful attention.

To assure your representation at the meeting, whether or not you expect to attend, please vote as soon as possible. Most shareholders have three options for submitting their vote: (1) via the Internet at [www.proxyvote.com](http://www.proxyvote.com); (2) by phone, as indicated on your proxy card; or (3) by mail, using the paper proxy card enclosed with the Proxy Statement.

Your copy of the Company's Fiscal 2009 Annual Report is also enclosed. We appreciate your interest in the Company. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald W. Klein".

Gerald W. Klein  
President and  
Chief Executive Officer

**EGAMES, INC.**  
**2000 CABOT BOULEVARD WEST, SUITE 110**  
**LANGHORNE, PA 19047-2408**  
**(215) 750-6606**

Notice of Annual Meeting of Shareholders  
March 1, 2010

To Our Shareholders:

The Annual Meeting of Shareholders of eGames, Inc. (the "Company") will be held at 10 a.m. Eastern Standard Time on Tuesday, April 13, 2010, at the Company's offices, 2000 Cabot Boulevard West, Suite 110, Langhorne, Pennsylvania, for the following purposes:

1. To elect four (4) directors;
2. To vote on the ratification of the appointment of Stockton Bates, LLP as the Company's auditors for the fiscal year ending June 30, 2010; and
3. To act upon such other business as may properly come before the meeting.

The Board of Directors has fixed February 18, 2010 as the record date for the determination of shareholders entitled to vote at the meeting. Only shareholders of record as of that date will be entitled to receive notice of the meeting and to vote at the meeting.

You are invited to attend the meeting in person. All shareholders are cordially invited to attend the Annual Meeting in person, but whether or not you plan to attend, please vote as soon as possible. Most shareholders have three options for submitting their vote: (1) via the Internet at [www.proxyvote.com](http://www.proxyvote.com); (2) by phone, as indicated on your proxy card; or (3) by mail, by using the paper proxy card enclosed with this notice (which requires no postage if mailed in the United States). Voting by Internet, phone or proxy card does not deprive you of the right to attend the Annual Meeting and vote your shares in person.

By Order of the Board of Directors,



Thomas W. Murphy  
Vice President, Chief Financial Officer and Secretary

March 1, 2010

**EGAMES, INC.**  
**2000 CABOT BOULEVARD WEST, SUITE 110**  
**LANGHORNE, PA 19047-1811**

**PROXY STATEMENT**

eGames, Inc. (the "Company") is providing to its shareholders this proxy statement and the accompanying proxy card in connection with the solicitation of proxies on behalf of the Board of Directors of the Company for use in voting at the Annual Meeting of Shareholders (the "Annual Meeting"). The Meeting will be held at the Company's offices, 2000 Cabot Boulevard West, Suite 110, Langhorne, Pennsylvania on April 13, 2010 at 10 a.m. Eastern Time, or at any adjournment or postponement of the meeting. These proxy materials are first being mailed to shareholders on or about March 1, 2010.

**VOTE REQUIRED AND PROXY INFORMATION**

Proxies in the form enclosed, if properly submitted and not revoked, will be voted as directed on the proxies. Any proxy not directing to the contrary will be voted "for" the Company's nominees as directors and "for" approval of each of the other proposals. Sending in a signed proxy will not affect a shareholder's right to attend the meeting and vote in person, since the proxy is revocable.

A proxy statement given pursuant to the solicitation may be revoked at any time before it is voted. Proxies may be revoked by: (i) filing with the Secretary of the Company, at or before the meeting, a written notice of revocation bearing a date later than the proxy; (ii) duly executing a subsequent proxy relating to the same shares and delivering it to the Secretary of the Company at or before the Meeting; or (iii) attending the Meeting and voting in person (although attendance at the Meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered to Secretary, eGames, Inc., 2000 Cabot Boulevard West, Suite 110, Langhorne, Pennsylvania 19047-1811.

All shares of the Company's Common Stock present in person or represented by proxy and entitled to vote at the meeting, no matter how they are voted or whether they abstain from voting, will be counted in determining the presence of a quorum for each of the matters on which shareholders will vote at the Meeting. If the Meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the Meeting is adjourned for one or more periods aggregating at least 15 days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened Meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the Notice of Annual Meeting.

*Election of Directors.* On this matter, the quorum for the meeting is the presence of shareholders, in person or represented by proxy, entitled to cast a majority of the votes that all shareholders are entitled to cast in the election. Directors shall be elected by a plurality, and the four nominees who receive the most votes will be elected. Votes may be cast in favor of or withheld from any or all nominees. Votes that are withheld will be excluded entirely from the

vote and will have no effect, other than for purposes of determining the presence of a quorum. Abstentions will be considered present and entitled to vote at the meeting, but will not be counted as votes cast in the affirmative. A broker non-vote occurs when no instructions are given to a broker as to how to vote the shares held in street name on non-routine matters on which brokers do not have discretionary authority. The New York Stock Exchange determines whether brokers have discretionary authority to vote on a given proposal.

*Ratification of Auditors.* On this matter, the quorum for the meeting is the presence of shareholders, in person or represented by proxy, entitled to cast a majority of the votes that all shareholders are entitled to cast on the approval of auditors. The matter will be approved if a majority of the votes cast are for approval. Since abstentions are counted as a vote present and entitled to vote, but are not counted as voted for the proposal, they will have the effect of a vote against this proposal. Brokers have discretionary authority to vote on this proposal and, therefore, there will be no broker non-votes on this proposal.

The Company will pay the cost of this solicitation. In addition to solicitation by mail, proxies may be solicited in person or by telephone or facsimile by directors, officers or employees of the Company and its subsidiaries without additional compensation. The Company will, on request, reimburse shareholders of record who are brokers, dealers, banks or voting trustee, or their nominees, for their reasonable expenses in sending proxy materials and annual reports to the beneficial owners of the shares they hold of record.

*Householding.* Certain shareholders who share the same address may receive only one copy of this proxy statement and the Company's annual report, unless the shareholder provided contrary instructions to the bank, broker or other record holder of the shares. This practice, known as "householding," is designed to reduce printing and postage costs. Once you have received notice from your bank, broker or other record holder that they will be "householding" communications to your address, this practice will continue until you are notified otherwise or until you revoke your consent. If you own your shares through a bank, broker or other holder of record and wish either to stop or begin householding, you may do so by notifying the record holder of your shares. You may also request a separate copy of the proxy statement or the Annual Report, either by contacting your bank, broker or other holder of record or by contacting us by telephone at 215-750-6606, extension 113, or in writing to eGames, Inc., 2000 Cabot Boulevard West, Suite 110, Pennsylvania 19047, Attention: Secretary.

**PROPOSAL ONE  
ELECTION OF DIRECTORS**

The Company currently has four directors. The nominees named below were designated by the Board for election at the Annual Meeting to serve for one-year terms until the next Annual Meeting and until their respective successors are elected and qualified. The Board of Directors has recommended and approved the nominees identified in the following table. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to a nominee) will be voted at the Meeting “for” the election of the nominees identified below. If a nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why any nominee may be unable to serve, if elected. There is no family relationship between any nominee and any other nominee or executive officer of the Company.

*Nominees:*

All of the nominees have served as directors of the Company since the last annual meeting of shareholders. The names of the nominees and certain information about them are set forth below. The information about the Company’s nominees for election as directors is based, in part, upon information furnished by the nominees.

<u>Director Name</u>	<u>Age</u>	<u>Title</u>	<u>Since</u>
Gerald W. Klein	62	Director, President and Chief Executive Officer	1994
Eugene H. Mauro(1)(2)	40	Director	2005
Thomas D. Parente (2)(3)	63	Director	1995
Lambert C. Thom (1)(2)	65	Director	1997

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- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Chairman of Audit Committee

Gerald W. Klein has served as President and Chief Executive Officer of eGames since June 1998. He joined eGames as Vice President and Chief Financial Officer in February 1996 and has been a Director since August 1994. Prior to joining eGames, Mr. Klein was President, Chief Executive Officer and a Director of Megamation Incorporated, a publicly traded company that manufactured automation work cells used in various industries. From August 1991 to October 1994, Mr. Klein served as President and Chief Executive Officer of PricePoint, Inc., a start-up company engaged in the development of electronic retail pricing systems developed to replace paper shelf labels in supermarkets and other retail markets. From 1979 to 1991, Mr. Klein was employed by Checkpoint Systems, Inc., a provider of security and access control systems to retailers, commercial businesses, and libraries and was President and Chief Operating Officer of that company from April 1986 to July 1991.

Eugene H. Mauro is a 14-year veteran of the interactive entertainment industry and has served on the eGames Board since December 2005. During this time he has managed a consumer Internet and video game consulting business, Mauro Media Inc., and has also held operational roles at game companies including: gamerDNA, an online game network where he served as Vice President Marketing and Business Development from October 2008 to October 2009; Bunchball Inc., where Mr. Mauro launched the first social games on Facebook as Vice President of Business Development from December 2006 until June of 2008; Myelin Media, LLC, a video game publishing company where Mr. Mauro served as Chief Executive Officer and Executive Producer from March 2004 until September 2005; and Capital Entertainment Group, an independent video game production studio where Mr. Mauro was the founder and served as CEO from May 2001 until December 2003.

Thomas D. Parente has served as a Director of eGames since June 1995. He served as Chairman of the Board from August 1998 until December 2000, at which time former director Robert M. Aiken, Jr. was elected as Chairman of the Board. Mr. Parente was again elected as Chairman of the Board in December 2005 upon Mr. Aiken's retirement. Mr. Parente is Corporate Secretary and Director of Corporate Development for Ole Hansen & Sons, Inc., a privately owned holding company, a position he has held since December 1996. From May 1995 to November 1996, he was self-employed as a financial consultant to businesses. From April 1988 until April 1996, he was a Vice-President and the Chief Financial Officer of Suvar Corporation, a manufacturer of specialty chemicals for the printing and coatings markets. From June 1970 until April 1988, Mr. Parente was employed by KPMG LLP and was a partner with that firm from April 1979 until April 1988. Mr. Parente is a certified public accountant.

Lambert C. Thom joined eGames as a Director in December 1997. He has served as Vice President and Managing Director of Bangert, Dawes, Reade, Davis & Thom, Incorporated, a private investment firm, since 1975. From 1989 to 1995, Mr. Thom served as Vice President of John Hancock Capital Growth Management, Inc., an investment management firm.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF ALL NOMINEES.**

**PROPOSAL TWO**  
**RATIFICATION OF THE APPOINTMENT OF AUDITORS**

The Company's Audit Committee has reappointed Stockton Bates, LLP as the independent public accounting firm to audit the Company's financial statements for the fiscal year ending June 30, 2010. The Board of Directors has proposed that the shareholders ratify the appointment of Stockton Bates, LLP.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF STOCKTON BATES, LLP.

**OTHER MATTERS**

The Company currently knows of no other business that will be presented for consideration at the Annual Meeting. If any other business is properly brought before the meeting, it is intended that proxies in the enclosed form will be voted in respect thereof in accordance with the judgment of the person voting the proxies. If any such matters are presented at the meeting, then the proxy agents named in the enclosed proxy card will vote in accordance with their judgment.

EVERY PERSON SOLICITED HEREUNDER CAN OBTAIN A COPY OF THE COMPANY'S ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2009, WHICH IS POSTED ON OUR WEBSITE AT [WWW.EGAMES.COM](http://WWW.EGAMES.COM). YOU CAN ALSO OBTAIN A COPY, WITHOUT CHARGE, BY SENDING A WRITTEN REQUEST TO THOMAS W. MURPHY, SECRETARY, AT 2000 CABOT BOULEVARD WEST, SUITE 110, LANGHORNE, PA 19047.

By order of the Board of Directors,

Thomas W. Murphy  
Vice President, Chief Financial Officer, and Secretary