

Partial list of Risks

Thanks for your interest in MasterCoin!

You should be aware that investing in currency experiments is really, absurdly risky. There are a huge number of things that could go wrong. I'll list a few of them here, but this is by no means all of them:

- I could lose the bitcoins and thus not be able to continue funding this project. While I'm taking every precaution I can think of to make sure funds sent to the Exodus Address are not lost or stolen (the wallet is backed up and only accessed from an offline-only computer), history shows that people have a hard time keeping their bitcoins safe.
- Your own bitcoin wallet could be lost or stolen, taking your MasterCoins with it.
- I could be slow. I don't plan on quitting my job (unless millions of dollars are raised), and regardless of how much money is raised, I have three small children and my lovely wife who take priority over anything else.
- Someone else could do it better. I may have first-mover advantage, but first-mover is rarely the long-term winner. Especially if I am slow, there is a big risk someone else will take the lead.
- My protocol ideas might not work. I think they will, but that remains to be proven.
- There could be legal trouble. If the government tells me to quit working on this, I probably will. I'd gladly hand over the project to someone else, but there's no guarantee that someone will step up.
- Future bitcoin changes might break MasterCoin. I've been careful to only use the most basic bitcoin features, but MasterCoin could be negatively impacted if bitcoin starts doing things in a radically different way.

Please also be aware that MasterCoins are not in any way equity. They don't give you ownership of any company I might start, and they certainly don't give you voting or control over this project. I plan to be the biggest MasterCoin purchaser, but even if someone else buys more than I do, that doesn't give them majority ownership, or any other rights or privileges.

MasterCoins are an experimental currency built on top of another experimental currency (bitcoin). The risks (and potential rewards) are extreme.

Finally, anything I say here or anywhere else should not be considered investment advice. Please consult a financial advisor before investing in MasterCoin (they will probably have a heart attack at the thought).