We would rather tell you this now than have you find out later.

Risks are grouped into four categories. Each entry carries a short summary followed by the full disclosure.

CAPITAL AND RETURNS 03

There is no revenue at launch, most companies will fail, and early distributions will be small.

+ No cash flow exists at launch.

Token holders are funding deployment into companies that have not yet been contracted.

There is no revenue, no distribution history, and no assurance that any distribution will ever occur. Capital raised at launch funds sourcing, diligence, and deployment into businesses that are not yet under contract.

Any figure presented anywhere on this site is illustrative arithmetic, not a forecast, projection, or promise of return.

+ Most portfolio companies will fail.

A material portion of deployed capital will be permanently lost. That is the expected outcome, not a worst case.

Small business failure rates are high across every category Mainstreet intends to underwrite. The strategy assumes that a minority of companies produce the majority of distributions and that the rest return nothing.

Holders should size any position on the assumption that individual company outcomes are total losses.

+ Distributions will be small at first.

Early per-holder distributions may amount to single-digit dollars annually.

Distributions are a function of company net profit, the share owners choose to distribute, and Mainstreet's contracted interest in that distribution. Each of those is small in the first years of a portfolio.

Anyone expecting meaningful income in the first several years will be disappointed.

MARKET AND LIQUIDITY 03

Token prices are sentiment-driven, and the underlying equity cannot be sold to defend them.

+ Token prices are speculative and may go to zero.

Both $MAIN and company tokens will trade on sentiment rather than book value.

Underlying equity does not establish a price floor and will not prevent significant loss. Secondary market prices may diverge from any reasonable estimate of portfolio value in either direction, for extended periods.

+ Illiquidity.

Private company equity cannot be sold quickly or at a predictable price.

Mainstreet cannot liquidate positions to support token prices, meet redemptions, or fund distributions during a shortfall. Exits, where they occur at all, are negotiated over months or years.

+ Early concentration.

Until the portfolio reaches scale, aggregate distributions depend on a small number of companies.

A single failure materially affects holders. Diversification is a stated objective, not a present condition, and the portfolio may remain concentrated for a long time.

OPERATING AND COUNTERPARTY 03

Outcomes depend on individual founders honoring covenants that are slow and expensive to enforce.

+ Founder dependence.

Company token values are substantially driven by public perception of individual founders.

A departure, reputational loss, or simple disengagement may impair a token independent of how the underlying business performs.

+ Enforcement risk.

Distribution covenants require enforcement, and enforcement is slow and expensive.

An uncooperative founder may delay reporting, restructure operations, or divert activity outside the agreement. Legal remedies exist but consume time and capital that would otherwise go to holders.

+ ### Key person risk.

Mainstreet depends on a small team for sourcing, diligence, and portfolio support.

The service commitments described in the whitepaper do not scale linearly with portfolio size. Growth may degrade the support each company receives.

LEGAL AND REGULATORY 02

The tokens may be securities, and nothing here creates a binding commitment to continue.

+ ### Regulatory risk.

The tokens described here may constitute securities in one or more jurisdictions.

Regulatory action could restrict transfer, force restructuring, or end the project entirely. The structure is subject to securities counsel review and may change materially as a result.

+ ### No obligation to continue.

Nothing here creates a binding commitment to fund any company or make any distribution.

Mainstreet may pause deployment, wind down operations, or discontinue distributions at any time. Statements of intent are not contractual obligations to holders.