Risk Factors Comparison 2024-03-29 to 2023-03-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following risk factors and other information included in this Annual Report on Form 10- K should be carefully considered. **These risk factors are not exhaustive.** Many of these risks relate to our new businesses and will be increasingly critical as we invest additional funds in these businesses ~~and acquire additional mortgage loans~~. If any of the following risks actually occur, our business, operating results and financial condition could be materially adversely affected **. The Company may face additional risks and uncertainties that are not presently known to it, or that AAMC currently deems immaterial, which may also impair the Company' s business or financial condition** . We face a variety of risks that are substantial and inherent in our businesses. The following is a summary of some of the more important factors that could affect our businesses: ~~Market~~ **Operational Electric Vehicle Intellectual Property Assets** • ~~General economic developments~~ **There is no guarantee that we will be able to further develop or monetize our intellectual property rights related to components and technology used, or useful, in electric vehicles, or, if we are able to further advance and develop those rights that we will ultimately realize the revenues and other benefits we expect. • The value of our intellectual property assets, and our future growth, is largely dependent on the demand for, and upon consumers' willingness to adopt, electric vehicles. • If we, or our partners, are unable to design, develop, and market products and technologies that utilize our intellectual property assets in the electric vehicle space, or other product offerings that address other market opportunities, our business, prospects and operating results will suffer. • If we, or our partners, are unable to keep up with advances in electric vehicle technology, we may suffer** ~~and~~ **an inability to obtain a competitive position in the market or suffer a decline in our competitive position. • The demand for electric vehicles depends, in part, on the continuation of current** trends ~~and the performance~~ **resulting from historical dependence on fossil fuels. Extended periods** of **low petroleum- based fuel prices could** ~~the housing, real estate, mortgage finance, and broader financial markets may~~ adversely affect **demand** ~~our business and the value of, and returns on, real estate- related and other assets we own or may acquire and could also negatively impact our business and financial results. • Federal and state legislative and regulatory developments and the actions of governmental authorities and entities may adversely affect our business and the value of, and the returns on, mortgages, mortgage- related securities, and other assets we own or may acquire in the future. • Unpredictability of the credit markets may restrict our access to capital and may make it difficult or impossible~~ for **vehicles that would utilize our technology** ~~us to obtain any required additional financing. Operational • We may not be successful in entering into new businesses~~ and ~~markets~~ **intellectual property rights** , which could adversely affect our business, **prospects,** ~~results of operations and~~ financial condition **and operating results** . • **Developments in alternative technologies** ~~Our use of leverage may expose us to substantial risks. • Operational risks, including those associated with our~~ **or improvements** ~~business model, may disrupt our businesses, result~~ in ~~losses or limit our growth. • We will be dependent on~~ the **internal combustion engine may** ~~terms of the lines of credit and access to the capital provided by the lines of credit could be restricted based on our financial performance. • We depend on key personnel to manage our business, and the loss of any key person' s services, combined with our inability to identify and retain a suitable replacement for such person, could~~ materially adversely affect ~~us. Additionally,~~ the ~~cost to retain~~ **demand for electric vehicles and components that would utilize our intellectual property assets. • The unavailability, reduction** ~~our~~ **or** ~~key personnel~~ **elimination of government and economic incentives** could ~~put pressure~~ **have a material adverse effect** on our **business, prospects, financial condition and** operating ~~margins~~ **results** . ~~()~~ • Our ~~inability~~ **business success will depend in part on the success of our, and our partners, strategic relationships with third parties. We may not be able** to ~~manage~~ **identify adequate strategic relationship opportunities, or form strategic relationships, in the** future ~~growth effectively~~ **. • If electric vehicles and components that utilize our technology fail to perform as expected, our ability to further develop, market and license our technology and intellectual property rights** could **be harmed. • Our intellectual property and electric vehicle focused business model has yet to be tested and any failure to commercialize our strategic plans would** have an adverse ~~impact~~ **effect** on our **operating results and** business, **harm our reputation and could** ~~results~~ **result** ~~of~~ **in substantial liabilities that exceed our resources. • Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology. General** ~~operations~~ **Operational • Information technology failures or data security breaches could harm our business** and ~~financial condition~~ **result in substantial costs** . • If we fail to develop, enhance and implement strategies to adapt to changing conditions in the real estate and capital markets, our business, results of operations and financial condition may be materially and adversely affected. ~~Investing~~ **() Alternative Private Credit Loan Operations and Assets** • The nature of the assets we hold and the investments we make expose us to credit risk that could negatively impact the value of those assets and investments, our earnings, dividends, cash flows, and access to liquidity, or otherwise negatively affect our business. • We may have concentrated credit risk in certain geographical regions and may be disproportionately affected by an economic or housing downturn, natural disaster, terrorist event, climate change, or any other adverse event specific to those regions. • The timing of credit losses can harm our economic returns. • Our efforts to manage credit risks may fail ~~. • Our ability to identify and enter into forward commitments with purchasers of loans~~ . • Multifamily and business purpose mortgage loan borrowers that have been negatively impacted by the pandemic may not make payments of principal and interest relating to their mortgage loans on a timely basis, or at all, which could negatively impact our business. • ~~Changes in prepayment rates of mortgage loans could reduce our earnings, dividends, cash flows, and access to liquidity. • Interest rate fluctuations can have various negative effects on us and could lead to reduced earnings and increased volatility in our earnings. • Our growth may be limited if assets are not available or not available at attractive prices. • We may change our investment~~

~~strategy or financing plans, which may result in riskier investments and diminished returns. •~~ The performance of the assets we own will vary and may not meet our earnings or cash flow expectations. In addition, the cash flows and earnings from, and market values of loans, we own may be volatile ~~. • The inability to access financial leverage through warehouse and repurchase facilities, credit facilities, or other forms of debt financing may inhibit our ability to execute our business plan, which could have a material adverse effect on our financial results, financial condition, and business. • Entering into hedging activities may subject us to increased regulation~~ . • Our results could be adversely affected by counterparty credit risk. ~~Internal •~~ **General economic developments** ~~We remain in outstanding litigation with one of the holders of our Series A Convertible Preferred Stock (" Series A Shares ") related to their purported notices under the Certificate of Designations of the Series A Shares (the " Certificate ") to redeem an~~ **and trends and** ~~aggregate of $ 144. 2 million liquidation preference of our Series A Shares in March 2020. If we are required to pay damages or redeem a portion of their~~ -- **the** ~~Series A Shares~~ **performance of the housing** , ~~it could materially~~ **real estate, mortgage finance,** and **broader financial markets may** adversely affect our ~~ongoing~~ **existing mortgage** business and ~~liquidity~~ **the value of, and returns on, real estate- related and other assets we own or may acquire and could also negatively impact our business and financial results** . **• Federal and state legislative and regulatory developments and the actions of governmental authorities and entities may adversely affect our business and the value of, and the returns on, mortgages, mortgage- related securities, and other assets we own or may acquire in the future. Internal** • We are subject to the risks of securities laws liability and related civil litigation ~~. • An unidentified material weakness in our internal control over financial reporting could, if not remediated, result in material misstatements in our financial statements. • We may become subject to the requirements of the Investment Company Act, which would limit our business operations and require us to spend significant resources to comply with such act~~ . • Failure to retain the tax benefits provided by the USVI would adversely affect our financial performance. • Our USVI operations may become subject to United States federal income taxation. • Our cash balances are held at a number of financial institutions that expose us to their credit risk. • Our failure to meet the continued listing requirements of the **New York Stock Exchange ("** NYSE ~~American~~ **")** could result in a delisting or a halt in the trading of our common stock. • The market price and trading volume of our common stock may be volatile and may be affected by market conditions beyond our control. RISKS RELATED TO OUR ~~MARKET GENERALLY~~ **ELECTRIC VEHICLES INTELLECTUAL PROPERTY OPERATIONS** Our ~~level~~ **intellectual property rights relate primarily to technology and components that are intended to be integrated into electric vehicles and used by electric vehicle manufacturers. Our intellectual property assets are not yet in a commercial state and are not generating any revenue for the Company. We believe our technology will be an important component to improve and maximize utility and value from electric vehicles. However, if we, or our partners, are unable to successfully develop, promote, market and eventually monetize our intellectual property rights, or, if third party manufacturers customers do not consider it valuable or do not use it as intended, we may not achieve the benefits we expect from our intellectual property assets, and our revenues may never materialize or may be lower than expected, all** of **which could adversely affect our** business ~~activity~~ **, prospects, financial condition, results of operations** and **cash flows. Our future growth is largely dependent on the demand for, and upon consumers' willingness to adopt electric vehicles, and even if electric vehicles become more mainstream, consumers choosing electric vehicles that incorporate and utilize our intellectual property rights and assets. Demand for electric vehicles may be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles such as sales and financing incentives, prices of raw materials and parts and components, cost of fuel and governmental regulations, including tariffs, import regulation and** ~~the~~ **other** ~~profitability of~~ **taxes. Volatility in demand may lead to lower vehicle unit sales, which may result in downward price pressure and adversely affect** our business **, prospects, financial condition and operating results. In addition, the demand for vehicles that utilize our technology and intellectual property rights will depend upon the adoption by consumers of new energy vehicles in general and electric vehicles in particular. The market for new energy vehicles is still rapidly evolving, characterized by rapidly changing technologies, competitive pricing and competitive factors, evolving government regulation and industry standards, and changing consumer demands and behaviors. Other factors that may influence the adoption of alternative fuel vehicles, and specifically electric vehicles, include: • perceptions about electric vehicle quality, safety, design, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of electric vehicles, whether or not such vehicles are produced by us or other manufacturers; • range anxiety; • the availability of new energy vehicles, including plug- in hybrid electric vehicles; • the environmental consciousness of consumers, and their adoption of electric vehicles; • changes in the cost of oil and gasoline; • government regulations and economic incentives, including a change in the administrations and legislations of federal and state governments, promoting fuel efficiency and alternate forms of energy; • perceptions about and the actual cost of alternative fuel; and • macroeconomic factors. Any of the factors described above may cause current or potential customers not to purchase electric vehicles in general. If the market for electric vehicles does not develop as we hope or develops more slowly than we anticipate, our business, prospects, financial condition and operating results will likely be affected. We, and our partners, may not be able to successfully develop products or otherwise advance or utilize our intellectual property assets. We will need to develop and market our technology such that it is deemed attractive and useful in the electric vehicle marketplace. Successfully developing technologies for, or useful in, the electric vehicle market requires delivering a technology or product that is deemed superior (whether due to price, characteristics, or otherwise) or otherwise competitive with other similar technologies. Because the electric vehicle market is relatively new and is developing, acceptance of our technologies and products utilizing our technologies, it is difficult to project demand and market acceptance and our ability to monetize our intellectual property assets in a volume or manner we currently intend. Our failure to address existing or additional market opportunities would harm our business, financial condition, operating results and prospects. There are companies in the electric vehicle industry that have developed or are developing**

technologies that compete, or will compete, with our technology and vehicles that may utilize and incorporate technologies and vehicles manufactured, in part, using our intellectual property assets. These competitors could be able to provide products and services similar to those that would utilize our technologies more efficiently or at greater scale. We may be unable to keep up with changes in the electric vehicle technology sector and, as a result, may suffer a decline in our current or prospective competitive position. Any failure to keep up with advances in electric vehicle technology would result in a decline in our competitive position, which would materially and adversely affect our business, prospects, operating results and financial condition. Our, and our partners', research and development efforts may not be sufficient to adapt to changes in electric vehicle technology. As technologies change, we anticipate that our intellectual property assets and rights can be applied to upgraded or adopted vehicle models, or new vehicle models in order to continue to provide vehicles with the latest technology. However, components and vehicles utilizing our intellectual property assets may not compete effectively with alternatives if we, or our partners, are unable to modify, and integrate the latest technology into products utilizing our intellectual property assets. We believe that much of the present and projected demand for electric vehicles results from concerns about volatility in the cost of petroleum- based fuel, the dependency of the United States on oil from unstable or hostile countries, government regulations and economic incentives promoting fuel efficiency and alternative forms of energy , as well as the ~~values of,~~ **belief that poor air quality** and ~~the cash flows~~ **climate change results in part** from ~~,~~ the **burning of fossil fuels** ~~assets we own, are affected by developments in the U~~ . **If** ~~S. economy and~~ the ~~broader global economy. As a result~~ **cost of petroleum- based fuel decreased significantly** , ~~negative~~ **or the long- term supply of oil in the United States improved, the government may eliminate or modify its regulations or** economic **incentives related** ~~developments are likely~~ to **fuel efficiency and alternative forms of energy. If there is a change in the perception that the burning of fossil fuels does not** negatively impact **the environment, the demand for commercial zero- emission electric vehicles could be reduced, and** our business and ~~financial results~~ **revenue may be harmed** . ~~There are a number~~ **Diesel and other petroleum- based fuel prices have been extremely volatile, and we believe this continuing volatility will persist. Lower diesel or other petroleum- based fuel prices over extended periods** of ~~factors~~ **time may lower the current perception in government and the private sector** that **cheaper, more readily available energy alternatives should be developed and produced. If diesel or other petroleum- based fuel prices remain at deflated levels for extended periods of time, the demand for electric vehicles may decrease, which** could contribute to negative economic developments, including...... actions, policies, and directives can have an adverse effect on ~~these markets and on~~ our business ~~and the value of~~ , **prospects** ~~and the returns on~~ , ~~mortgages~~ **financial condition and operating results. Significant developments in alternative technologies** , ~~mortgage- related securities~~ **such as advanced diesel** , **ethanol** and other **renewable fuels** ~~assets we own or may acquire in the future~~ , ~~which effects~~ **fuel cells or compressed natural gas, or improvements in the fuel economy of the internal combustion engine,** may ~~be material~~ **materially** ~~. Ultimately, we cannot assure you of the impact that governmental actions may have on our business or the financial markets~~ and ~~, in fact, they may~~ adversely affect **our business and prospects in ways we do not currently anticipate. For example, compressed natural gas or propane, which are abundant and relatively inexpensive in North America, may emerge as consumers' preference. Any failure by** us **to develop or acquire new or enhanced intellectual property rights** , ~~possibly~~ **technologies or processes, or an inability to react to changes in existing technologies, could** materially **decrease demand** ~~. We cannot predict whether or~~ **for** ~~when~~ **our intellectual property assets or delay our ability to monetize our intellectual property assets, which would likely decrease the value of our intellectual property assets and adversely affect our financial performance and results of operations. Any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, or the reduced need for** such ~~actions may occur~~ **subsidies and incentives due to the perceived success of the electric vehicle or** ~~or~~ **for** ~~what unintended~~ **other reasons, may result in the diminished competitiveness of the alternative fuel and electric vehicle industry generally and, in turn, demand** ~~or~~ **for** ~~unanticipated impacts, if any, such actions~~ **our intellectual property rights and assets. This** could ~~have on~~ **materially and adversely affect the growth of the alternative fuel automobile markets and** our business ~~and~~ **, prospects,** financial **condition and operating** results. ~~Even after governmental actions~~ **While certain tax credits and other incentives for alternative energy production, alternative fuel and electric vehicles** have been ~~taken~~ **available in the past, there is no guarantee these programs will be available in the future. If current tax incentives are not available in the future, our financial position could be harmed. Our business success will depend in part on our ability to successfully manage** and **enter into productive strategic relationships with third parties. We do not expect to directly manufacture control systems to be utilized in electric vehicles. Instead,** we ~~believe~~ **expect to attempt to license or sell our intellectual property assets to third party manufacturers. Therefore,** we ~~understand the impacts of those actions~~ **will depend on various third parties to manufacture** , ~~prevailing interpretations may shift,~~ **market and sell products that utilize** ~~or~~ **our intellectual property assets. We have not yet entered into any formal relationships with third parties, or manufacturers of components or vehicles that would utilize and integrate our technology. Identifying, entering, maintaining and expanding strategic relationships with third parties is critical to our success. Further, relationships** we **enter with third parties** may **ultimately be non- exclusive and in such a case would** not ~~be~~ **prohibit the other party from working with our competitors. These relationships also may not result in additional customers or** ~~able~~ **enable us** to ~~effectively respond to~~ **generate significant revenue. Identifying suitable business partners and negotiating and documenting relationships with** them ~~so~~ **require significant time and resources. If we are unsuccessful in establishing or maintaining our relationships with these third parties, our ability to successfully monetize our intellectual property assets, compete in the marketplace or to establish and grow our revenue could be impaired and our operating results would suffer. Vehicles or components that utilize our technology and intellectual property rights may not perform in a manner that is consistent with our customers' expectations for a variety of reasons. If electric vehicles that utilize or integrate our technologies were to contain defects in design and manufacture that cause them not**

to perform as **expected or that require repair, or experience any other failure** to ~~avoid a negative impact~~ **perform as expected, it could harm our reputation and result in delivery delays, product recalls, product liability claims, significant warranty and other expenses, which could, in part, be blamed** on ~~our~~ - **or** ~~business~~ **attributed to** ~~or~~ **our Company** ~~financial results. We intend to borrow money from lenders to fund our origination~~ and ~~purchase of mortgage loans. The domestic and international credit markets can be unpredictable. In the event that we need additional capital for our business~~ , ~~we may~~ **in turn,** have a **material** ~~difficult time obtaining it and / or the terms upon which we can obtain it may be unfavorable, which would have an~~ adverse impact on our **ability to develop, market and license our technology to electric vehicle manufacturers. While we expect that we, or our partners, will perform extensive internal testing, there currently is no frame of reference by which to evaluate the long- term performance of vehicles that will utilize or integrate our technologies. There can be no assurance that we will be able to detect and fix any defects in our technology prior to their integration into vehicles that are ultimately sold to customers. Further, the performance of our electronic vehicles may be negatively impacted by other factors, such as limitations inherent in existing battery technology and extreme weather conditions. Any vehicle product defects or any other failure of our technology and products / vehicles utilizing our technology to perform as expected could harm our reputation and result in development delays, product recalls, product liability claims, significant warranty and other expenses, customer losses and lost revenue, any of which could have a material adverse impact on our business,** financial ~~performance~~ **condition, operating results and prospects. Investors should be aware of the difficulties normally encountered when an enterprise enters into a new business line or industry, many of which are beyond our control, including substantial risks and expenses while establishing or entering new markets, setting up operations and undertaking marketing activities. When we entered into the PTL Agreement with System73 in October 2023, we essentially began to operate and focus on an entirely new line of business as it relates to the Company. The likelihood of our success in monetizing our intellectual property rights and assets must be considered in light of these risks, expenses, complications, delays and the competitive environment in which we operate. There is, therefore, nothing at this time upon which to base an assumption that our new business model will prove successful, and we may not be able to generate significant revenue (or any revenue), raise additional capital or operate profitably. We will continue to encounter risks and difficulties frequently experienced by early commercial stage companies, including scaling up our infrastructure, and may encounter unforeseen expenses, difficulties or delays in connection with implementing our new business plan. In addition, we can be expected to continue to sustain substantial operating expenses without generating sufficient (or any) revenues to cover expenditure. Any investment in our company is therefore highly speculative and could result in the loss of your entire investment. Our success and ability to compete depend in part upon our intellectual property. We primarily rely on intellectual property laws, including trade secret, copyright, trademark and patent laws in the United States and abroad, and use contracts, confidentiality procedures, non- disclosure agreements, employee disclosure and invention assignment agreements and other contractual rights to protect our intellectual property. However, the steps we take to protect our intellectual property rights may be inadequate, or we may be unable to secure intellectual property protection for all of our products and services. If we are unable to protect our intellectual property, our competitors could use our intellectual property to market products, services or products and services similar to ours and our ability to compete effectively would be impaired. Moreover, others may independently develop technologies that are competitive to ours or infringe our intellectual property. Any of our intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. The enforcement of our intellectual property rights depends on our legal actions against these infringers being successful, but these actions may not be successful, even when our rights have been infringed. In addition, we might be required to spend significant resources to monitor and protect our intellectual property rights, and our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Litigation to protect and enforce our intellectual property rights could be costly, time- consuming and distracting to management, whether or not it is resolved in our favor, and could ultimately result in the impairment or loss of portions of our intellectual property. Any patents issued in the future may not provide us with competitive advantages or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective protection of our intellectual property may not be available to us in every country in which our products and services are available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the U. S., and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property** . RISKS RELATED TO OUR **GENERAL** OPERATIONS ~~Our new strategy focuses on the purchase and origination of mortgage loans. Given our focus across the real estate industry, these initiatives could increase our costs and expose us to new market risks and legal and regulatory requirements. These loans have different economic structures than our previous businesses and will require different strategies and policies and procedures. These activities also may impose additional compliance burdens on us, subject us to enhanced regulatory scrutiny and expose us to greater reputation and litigation risk. The success of our growth strategy will depend on, among other things: • Our ability to correctly originate and purchase mortgage loans that appeal to end investors; • The diversion of management' s time and attention into the growth of such new businesses; • Management' s ability to spend time developing and integrating the new business and the success of the integration effort; • Our ability to identify and manage risks in new lines of businesses; • Our ability to obtain requisite approvals and licenses from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays; and • Our ability to successfully negotiate and enter into beneficial arrangements with our counterparties. In some instances, we may determine that growth in a specific area is best achieved through the acquisition of an existing business or a smaller scale~~

~~lift out of an origination team to enhance our platform. Our ability to consummate an acquisition will depend on our ability to identify and value potential acquisition opportunities accurately and successfully compete for these businesses against companies that may have greater financial resources. Even if we are able to identify and successfully negotiate and complete an acquisition, these transactions can be complex, and we may encounter unexpected difficulties or incur unexpected costs. In addition, if a new business or venture developed internally or by acquisition is unsuccessful, we may decide to wind down, liquidate and / or discontinue it. Such actions could negatively impact our relationships with our counterparties in those businesses, could subject us to litigation or regulatory inquiries, and can expose us to additional expenses, including impairment charges. We intend to use indebtedness as a means to finance our future business operations, which will expose us to the risks associated with using leverage. We are dependent on financial institutions extending credit to us on reasonable terms to finance our new business. There is no guarantee that such institutions will extend credit to us or that we will be able to refinance any new obligations when they mature. As borrowings under any future credit facility or any other indebtedness mature, we may be required to either refinance them by entering into a new facility or issuing additional debt, which could result in higher borrowing costs, or issuing additional equity, which would dilute existing stockholders. We could also repay them by using cash on hand, cash provided by our continuing operations or cash from the sale of our assets, which could reduce dividends to our stockholders. We could have difficulty entering into new facilities or issuing debt or equity securities in the future on attractive terms, or at all. Information technology failures or data security breaches could harm our business and result in substantial costs.~~ We use information technology and other computer resources to carry out important operational activities and to maintain our business records. Our computer systems, including our back- up systems, are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches (through cyber- attacks from computer hackers and sophisticated organizations), catastrophic events such as fires, tornadoes and hurricanes, usage errors by our employees, or cyber- attacks or errors by third party vendors who have access to our confidential data or that of our customers. While to our knowledge we have not experienced a significant cyber- attack, we are continuously working to improve our information technology systems and provide employee awareness training around phishing, malware, and other cyber risks to enhance our levels of protection, to the extent possible, against cyber risks and security breaches, and monitor to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have an impact on our business, there is no assurance that advances in computer capabilities, new technologies, methods or other developments will detect or prevent security breaches and safeguard access to proprietary or confidential information. The frequency and sophistication of cyber- attacks on companies has increased in recent years, including significant ransomware attacks and foreign attacks on prominent companies and computer software programs. If our computer systems and our back- up systems are damaged, breached, or cease to function properly, or if there are intrusions or failures of critical infrastructure such as the power grid or communications systems, we could suffer extended interruptions in our operations. Any such disruption could damage our reputation, result in lost customers, lost revenue and market value declines, lead to legal proceedings against us by affected third parties resulting in penalties or fines and require us to incur significant costs to remediate or otherwise resolve these issues. In addition, the costs of maintaining adequate protection and insurance against such threats, as they develop in the future (or as legal requirements related to data security increase) could be material. Breaches of our computer or data systems, including those operated by third parties on our behalf, could result in the unintended public disclosure or the misappropriation of our proprietary information or personal and confidential information, about our employees, customers and business partners, requiring us to incur significant expense to address and resolve. The misappropriation and / or release of confidential information may also lead to legal or regulatory proceedings against us by affected individuals and the outcome of such proceedings could include penalties or fines and require us to incur significant costs to remediate or otherwise resolve. Depending on its nature, a particular breach or series of breaches of our systems may result in the unauthorized use, appropriation or loss of confidential or proprietary information on a one- time or continuing basis, which may not be detected for a period of time. ~~Our success is largely dependent on the skills, experience, and performance of our key personnel. The business acumen, expertise, and business relationships of our key personnel are critical elements in developing our new businesses. Financial services professionals are in high demand, and we face significant competition for qualified employees. The loss of services of any of our key personnel for any reason, combined with our inability to identify and retain a suitable replacement for such person, could have a material adverse effect on our business, results of operations, and financial condition. Moreover, to retain key personnel, we may be required to increase compensation to such individuals, resulting in additional expense. Our ability to grow will depend on our management' s ability to originate and / or acquire investor real estate loans. In order to do this, we will need to identify, hire, train, supervise and manage new employees. Any failure to effectively manage our future growth, including a failure to successfully expand our loan origination activities could have a material and adverse effect on our business, results of operations and financial condition.~~ The manner in which we compete and the loans for which we compete are affected by changing conditions, which can take the form of trends or sudden changes in our industry, regulatory environment, changes in the role of government- sponsored entities, changes in the role of credit rating agencies or their rating criteria or process or the United States economy more generally. If we do not effectively respond to these changes, or if our strategies to respond to these changes are not successful, our business, results of operations and financial condition may be materially and adversely affected. RISKS RELATED TO OUR ~~INVESTING~~ **ALTERNATIVE PRIVATE CREDIT LOAN OPERATIONS AND ASSETS** STRATEGY ~~The nature of the assets we hold and the expected investments we make could potentially expose us to credit risk that could negatively impact the value of those assets and investments, our earnings, dividends, cash flows, and access to liquidity, or otherwise negatively affect our business. Overview of credit risk~~ We assume credit risk primarily through the ownership of business purpose and multifamily real estate loans. Credit losses on these types of real estate loans can occur for many reasons, including: fraud; poor underwriting; poor servicing practices; weak economic conditions; increases in payments required to be made by borrowers; declines in the value of real estate; declining rents and / or

elevated delinquencies associated with single- and multifamily rental housing; the outbreak of highly infectious or contagious diseases; natural disasters, the effects of climate change (including flooding, drought, wildfires, and severe weather) and other natural events; uninsured property loss; over- leveraging of the borrower; costs of remediation of environmental conditions, such as indoor mold; changes in zoning or building codes and the related costs of compliance; acts of war or terrorism; changes in legal protections for lenders and other changes in law or regulation; and personal events affecting borrowers, such as reduction in income, job loss, divorce, or health problems. In addition, the amount and timing of credit losses could be affected by loan modifications, delays in the liquidation process, documentation errors, and other actions by servicers. Weakness in the U. S. economy or the housing market could cause our credit losses to increase beyond levels that we currently anticipate. Credit losses on business purpose and multifamily real estate loans can occur for many of the reasons noted above. Moreover, these types of real estate loans may not be fully amortizing, and therefore, the borrower' s ability to repay the principal when due may depend upon the ability of the borrower to refinance or sell the property at maturity. Business purpose and multifamily real estate loans and real estate loans collateralizing business purpose and multifamily securities are particularly sensitive to conditions in the rental housing market and to demand for residential rental properties. For loans we own directly, we will most likely be in a position to incur credit losses- should they occur- only after losses are borne by the owner of the property (e. g., by a reduction in the owner' s equity stake in the property). We may take actions available to us in an attempt to protect our position and mitigate the amount of credit losses, but these actions may not prove to be successful and could result in our increasing the amount of credit losses we ultimately incur on a loan. Additionally, loans to small, privately owned businesses such as borrowers from our business purpose loan origination platforms involve a high degree of business and financial risk. Often, there is little or no publicly available information about these businesses. Accordingly, we must rely on our own due diligence to obtain information in connection with our investment decisions. A borrower' s ability to repay its loan may be adversely impacted by numerous factors, including a downturn in its industry or other negative local or more general economic conditions. Deterioration in a borrower' s financial condition and prospects may be accompanied by deterioration in the collateral for the loan. These factors may have an impact on loans involving such businesses, and can result in substantial losses, which in turn could have a material and adverse effect on our business, results of operations and financial condition. A decline in the economy or difficulties in certain real estate markets, such as a high level of foreclosures in a particular area, are likely to cause a decline in the value of multifamily properties in that market. This, in turn, will increase the risk of delinquency, default, and foreclosure on real estate loans we may hold with properties in those regions. This may then adversely affect our credit loss experience and other aspects of our business, including our ability to securitize (or otherwise sell) real estate loans and securities. The occurrence of a natural disaster (such as an earthquake, tornado, hurricane, flood, landslide, or wildfire), or the effects of climate change (including flooding, drought, and severe weather), may cause decreases in the value of real estate (including sudden or abrupt changes) and would likely reduce the value of the properties collateralizing real estate loans we own. For example, in recent years, hurricanes have caused widespread flooding in Florida and Texas and wildfires and mudslides in northern and southern California have destroyed or damaged thousands of homes. Since certain natural disasters may not typically be covered by the standard hazard insurance policies maintained by borrowers, the borrowers may have to pay for repairs due to the disasters. Borrowers may not repair their property or may stop paying their mortgage loans under those circumstances, especially if the property is damaged. This would likely cause foreclosures to increase and lead to higher credit losses on our loans. The timing of credit losses can be a material factor in our economic returns from real estate loans, investments, and securities. If unanticipated losses occur within the first few years after a loan is originated, those losses could have a greater negative impact on our investment returns than unanticipated losses on more seasoned loans. The timing of credit losses could be affected by the creditworthiness of the borrower, the borrower' s willingness and ability to continue to make payments, and new legislation, legal actions, or programs that allow for the modification of loans or rental obligations, or ability for borrowers or tenants to get relief through forbearance, bankruptcy or other avenues. We will attempt to manage risks of credit losses by continually evaluating our investments for impairment indicators and establishing reserves under GAAP for credit and other risks based upon our assessment of these risks. We cannot establish credit reserves for tax accounting purposes. The amount of reserves that we establish may prove to be insufficient, which would negatively impact our financial results and would result in decreased earnings. In addition, cash and other capital we hold to help us manage credit and other risks and liquidity issues may prove to be insufficient. If these increased credit losses are greater than we anticipated, and we need to increase our credit reserves, our GAAP earnings might be reduced. Increased credit losses may also adversely affect our cash flows, ability to invest, asset fair values, access to short- term borrowings, and ability to finance assets. Changes in consumer behavior, bankruptcy laws, tax laws, regulation of the mortgage industry, and other laws may exacerbate loan or investment losses. In most cases, the value of the underlying property will be the sole effective source of funds for any recoveries. Other changes or actions by judges or legislators regarding mortgage loans and contracts, including the voiding of certain portions of these agreements, may reduce our earnings, impair our ability to mitigate losses, or increase the probability and severity of losses. Any expansion of our loss mitigation efforts could increase our operating costs and the expanded loss mitigation efforts may not reduce our future credit losses. Multifamily and business purpose **mortgage loan borrowers that have been negatively impacted by the pandemic, macro- economic conditions, or by other events may not make payments of principal and interest relating to their mortgage** loans ~~we are to own~~ **on a timely basis, or at all, which could negatively impact our business. Multifamily and business purpose loans** could be subject to similar risks as those described above and could likely be impaired, potentially materially to the extent multifamily and business purpose loan borrowers have been negatively impacted by the pandemic **, economic events or other conditions affecting their liquidity** and do not timely remit payments of principal and interest relating to their mortgage loans. In addition, if tenants who rent their residence from a multifamily or business purpose loan borrower are unable to make rental payments, are unwilling to make rental payments, or a waiver of the requirement to make rental payments on a timely basis, or at all, is available under the terms of any applicable forbearance or

waiver agreement or program (which rental payment forbearance or waiver program may be available as a result of a government- sponsored or- imposed program or under any such agreement or program a landlord may otherwise offer to tenants), then the value of multifamily and business purpose loans we own will likely be impaired, potentially materially. Moreover, to the extent the economic impact of any such pandemic impacts local, regional or national economic conditions, the value of multifamily and residential real estate that secures multifamily and business purpose loans is likely to decline, which would also likely negatively impact the value of mortgage loans we own, potentially materially. Additionally, a significant amount of the business purpose loans that we own are short- term bridge loans that are secured by residential properties that are undergoing rehabilitation or construction and not occupied by tenants. Because these properties are generally not income producing (e. g., from rental revenue), in order to fund principal and interest payments, these borrowers may seek to renegotiate the terms of their mortgage loan, including by seeking payment ~~forbearances~~ - **forbearance** , waivers, or maturity extensions as a result of being negatively impacted by the pandemic. Moreover, planned construction or rehabilitation of these properties may not be able to proceed on a timely basis or at all due to operating disruptions or government mandated moratoriums on construction, development or redevelopment. All of the foregoing factors would also likely negatively impact the value of mortgage loans we own, potentially materially. ~~The economic returns we earn from most of the real estate loans we own are affected by the rate of prepayment of the mortgage loans. Prepayments are difficult to accurately predict and adverse changes in the rate of prepayment could reduce our cash flows, earnings, and dividends. Adverse changes in cash flows would likely reduce the fair values of many of our assets, which could reduce our ability to borrow against our assets and may cause market valuation adjustments for GAAP purposes, which could reduce our reported earnings. While we will estimate prepayment rates to determine the effective yield of our assets and valuations, these estimates are not precise and prepayment rates do not necessarily change in a predictable manner as a function of interest rate changes. Prepayment rates can change rapidly. As a result, changes can cause volatility in our financial results, affect our ability to securitize assets, affect our ability to fund acquisitions, and have other negative impacts on our ability to generate earnings. Some of the business purpose loans we originate or hold may allow the borrower to make prepayments without incurring a prepayment penalty and some may include provisions allowing the borrower to extend the term of the loan beyond the originally scheduled maturity. Because the decision to prepay or extend a business purpose loan is controlled by the borrower, we may not accurately anticipate the timing of these events, which could affect the earnings and cash flows we anticipate and could impact our ability to finance these assets. Changes in interest rates, the interrelationships between various interest rates, and interest rate volatility could have negative effects on our earnings, the fair value of our assets and liabilities, loan prepayment rates, and our access to liquidity. Changes in interest rates can also harm the credit performance of our assets. We may seek to hedge some but not all interest rate risks. Our hedging may not work effectively and we may change our hedging strategies or the degree or type of interest rate risk we assume. Some of the loans we may own or acquire may have adjustable- rate coupons (i. e., they may earn interest at a rate that adjusts periodically based on an interest rate index). The cash flows we receive from these assets may vary as a function of interest rates, as may the reported earnings generated by these loans. We also may acquire loans and securities for future sale, as assets we are accumulating for securitization, or as a longer- term investment. We may fund assets with a combination of equity, fixed rate debt and adjustable rate debt. To the extent we use adjustable rate debt to fund assets that have a fixed interest rate (or use fixed rate debt to fund assets that have an adjustable interest rate), an interest rate mismatch could exist and we could, for example, earn less (and fair values could decline) if interest rates rise, at least for a time. We may or may not seek to mitigate interest rate mismatches for these assets with hedges such as interest rate agreements and other derivatives and, to the extent we do use hedging techniques, they may not be successful. Higher interest rates generally will reduce the fair value of many of our assets. This may affect our earnings results, reduce our ability to sell our assets, or reduce our liquidity. Higher interest rates could reduce the ability of borrowers to make interest payments or to refinance their loans. Higher interest rates could reduce property values and increased credit losses could result. Higher interest rates could reduce mortgage originations, thus reducing our opportunities to acquire new assets. It can be difficult to predict the impact on interest rates of unexpected and uncertain global political and economic events, such as the outbreak of pandemic or epidemic disease, warfare (including the recent outbreak of hostilities between Russia and Ukraine), economic and international trade conflicts or sanctions, the change in the U. S. presidential administration and political makeup of the Congress, or changes in the credit rating of the U. S. government; however, increased uncertainty or changes in the economic outlook for, or rating of, the creditworthiness of the U. S. government may have adverse impacts on, among other things, the U. S. economy, financial markets, the cost of borrowing, the financial strength of counterparties we transact business with, and the value of assets we hold. Any such adverse impacts could negatively impact the availability to us of short- term debt financing, our cost of short- term debt financing, our business, and our financial results. To reinvest the proceeds from principal repayments we receive on our existing loans and deploy capital we raise, we may seek to originate, invest in, or acquire new assets. If the availability of new assets is limited, we may not be able to originate, invest in, or acquire assets that will generate attractive returns. Generally, asset supply can be reduced if originations of a particular product are reduced or if there are fewer sales in the secondary market of seasoned product from existing portfolios. In particular, assets we believe have a favorable risk / reward ratio may not be available for purchase (or origination by our business purpose loan origination platform). We originate business purpose loans, but we may not be willing to provide the level of loan proceeds to the borrower or interest rate that borrowers find acceptable or that matches our competitors, which would likely reduce the volume of these types of loans that we originate. We may change our investment strategy or financing plans at any time, which could result in our making investments that are different from, and possibly riskier than, the investments we are currently planning to make. A change in our investment strategy or financing plans may increase our exposure to interest rate and default risk and real estate market fluctuations. Decisions to employ additional leverage could increase the risk inherent in our investment strategy. Furthermore, a change in our investment strategy could result in our making investments in new asset categories or in different proportions among asset categories than management' s current~~

strategy. Alternatively, we could determine to change our investment strategy or financing plans to be more risk averse, resulting in potentially lower returns, which could also have an adverse effect on our financial returns. We seek to manage certain of the risks associated with acquiring, originating, holding, selling, and managing real estate loans. No amount of risk management or mitigation , **;** however, can change the variable nature of the cash flows of, fair values of, and financial results generated by these loans. Changes in the credit performance of, or the prepayments on, these real estate loans, and changes in interest rates impact the cash flows on these loans, and the impact could be significant for our loans with concentrated risks. Changes in cash flows lead to changes in our return on investment and also to potential variability in and level of reported income. The revenue recognized on some of our assets is based on an estimate of the yield over the remaining life of the asset. Thus, changes in our estimates of expected cash flow from an asset will result in changes in our reported earnings on that asset in the current reporting period. We may be forced to recognize adverse changes in expected future cash flows as a current expense, further adding to earnings volatility . Our ability to fund our business depends on our securing warehouse, repurchase, or other forms of debt financing (or leverage) on acceptable terms. For example, pending the sale of a pool of mortgage loans we intend to generally fund those mortgage loans through borrowings from warehouse, repurchase, and credit facilities, and other forms of short- term financing. We cannot assure you that we will be successful in establishing sufficient sources of short- term debt when needed. In addition, because of its short- term nature, lenders may decline to renew our short- term debt upon maturity or expiration, and it may be difficult for us to obtain continued short- term financing. To the extent our business calls for us to access financing and counterparties are unable or unwilling to lend to us, then our business and financial results will be adversely affected. It is also possible that lenders who provide us with financing could experience changes in their ability to advance funds to us, independent of our performance or the performance of our loans, in which case funds we had planned to be able to access may not be available to us. Under the Dodd- Frank Act, there is increased regulation of companies that enter into interest rate hedging agreements and other hedging instruments and derivatives. This increased regulation could result in us being required to register and be regulated as a commodity pool operator or a commodity trading advisor. If we are not able to maintain an exemption from these regulations, it could have a negative impact on our business or financial results. Moreover, rules requiring central clearing of certain interest rate swap and other transactions, as well as rules relating to margin and capital requirements for swap transactions and regulated participants in the swap markets, as well as other swap market regulatory reforms, may increase the cost or decrease the availability to us of hedging transactions . We have credit risks that are generally related to the counterparties with which we do business. There is a risk that counterparties will fail to perform under their contractual arrangements with us, and this risk is usually more pronounced during an economic downturn. The economic impact of the pandemic and the associated volatility in the financial markets has at times triggered, and is likely to trigger additional periods of economic slowdown or recession, and such conditions could jeopardize the solvency of counterparties with which we do business. Those risks of non- performance may differ materially from the risks entailed in exchange- traded transactions, which generally are backed by clearing organization guarantees, daily mark- to- market and settlement of positions, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between parties generally do not benefit from those protections, and expose the parties to the risk of counterparty default. Furthermore, there may be practical and timing problems associated with enforcing our rights to assets in the case of an insolvency of a counterparty. In the event a counterparty to our borrowings becomes insolvent, we may fail to recover the full value of our pledged collateral, thus reducing our earnings and liquidity. In addition, the insolvency of one or more of our financing counterparties could reduce the amount of financing available to us, which would make it more difficult for us to leverage the value of our assets and obtain substitute financing on attractive terms or at all. A material reduction in our financing sources or an adverse change in the terms of our financings could have a material adverse effect on our financial condition and results of operations. In the event a counterparty to our interest rate agreements or other derivatives becomes insolvent or interprets our agreements with it in a manner unfavorable to us, our ability to realize benefits from the hedge transaction may be diminished, any cash or collateral we pledged to the counterparty may be unrecoverable, and we may be forced to unwind these agreements at a loss. In the event a counterparty that sells us mortgage loans becomes insolvent or is acquired by a third party, we may be unable to enforce our loan repurchase rights in connection with a breach of loan representations and warranties and we may suffer losses if we must repurchase delinquent loans. In the event that one of our sub- servicers becomes insolvent or fails to perform, loan delinquencies and credit losses may increase, and we may not receive the funds to which we are entitled. We will attempt to diversify our counterparty exposure, although we may not always be able to do so. Our counterparty risk management strategy may prove ineffective and, accordingly, our earnings and cash flows could be adversely affected. **contribute to negative** economic developments,including,but not limited to,U.S.fiscal and monetary policy changes,including Federal Reserve policy shifts and changes in benchmark interest rates,changing U.S.consumer spending patterns,negative developments in the housing,single- family rental (" SFR "),multifamily,and real estate markets,rising unemployment,rising government debt levels,changing expectations for,or the occurrence of,inflation and deflation,or adverse global political and economic events,such as the outbreak of pandemic,epidemic disease,or warfare **(including the recent outbreak of hostilities between Russia and Ukraine)** .Rising inflation and elevated U.S.budget deficits and overall debt levels,including as a result of federal pandemic relief and stimulus legislation and / or economic or market and supply chain conditions,can put upward pressure on interest rates and could be among the factors that could lead to higher interest rates in the future.Higher interest rates could adversely affect our overall business,income,including by reducing the fair value of many of our assets.This may affect our earnings results,reduce our ability to securitize,re- securitize,or sell our assets,or reduce our liquidity.Higher interest rates could also reduce the ability of borrowers to make interest payments or to refinance their loans.Real estate values,and the ability to generate returns by owning or taking credit risk on loans secured by real estate,are important to our business. Federal and state legislative and regulatory developments and the actions of governmental authorities and entities may adversely affect our existing mortgage business and the value of,and the returns on,mortgages,mortgage- related securities,and other assets we own

or may acquire in the future. As noted above,our existing mortgage business is affected by conditions in the housing,business purpose,multifamily,and real estate markets and the broader financial markets,as well as by the financial condition and resources of other participants in these markets.These markets and many of the participants in these markets are subject to,or regulated under,various federal and state laws and regulations.In some cases,the government or government- sponsored entities,such as Fannie Mae and Freddie Mac,directly participate in these markets.In particular,because issues relating to residential housing and real estate finance can be areas of political focus,federal,state and local governments may be more likely to take actions that affect residential housing,the markets for financing residential housing,and the participants in residential housing- related industries than they would with respect to other industries.As a result of **the government' s statutory and regulatory oversight of the markets we participate in and the government' s direct and indirect participation in these markets,federal and state governmental actions,policies,and directives can** SPECIFIC RISKS RELATING TO US Between January 31, 2020 and February 3, 2020, we received purported notices from all of the holders of our Series A Shares requesting us to redeem an aggregate of $ 250. 0 million liquidation preference of our Series A Shares on March 15, 2020. We did not have legally available funds to redeem all of the Series A Shares on March 15, 2020. As a result, we do not believe, under the terms of the Certificate, that we are obligated to redeem any of the Series A Shares under the Certificate, and, consistent with the exclusive forum provisions of our Third Amended and Restated Bylaws, we have filed a claim for declaratory relief in the Superior Court of the Virgin Islands, Division of St. Croix, against Luxor Capital Group, LP and certain of its funds and managed accounts (collectively, " Luxor ") to confirm our interpretation of the Certificate. On February 3, 2020, Luxor filed a complaint in the Supreme Court of the State of New York, County of New York, against AAMC for breach of contract, specific performance, unjust enrichment, and related damages and expenses. AAMC intends to continue to pursue its strategic business initiatives despite this litigation. See " Item 1. Business. " If Luxor were to prevail in its lawsuit, we may need to cease or curtail our business initiatives, and our liquidity could be materially and adversely affected. For more information on the legal proceedings with Luxor, see " Item 3. Legal Proceedings " in this Annual Report on Form 10- K. We may be subject to risk of securities litigation and derivative actions from time to time as a result of being publicly traded, including the actions set forth in " Note 8 **6** - Commitments and contingencies **Contingencies** . " There can be no assurance that any settlement or liabilities in any future lawsuits or claims against us would be covered or partially covered by our insurance policies, which could have a material adverse effect on our earnings in one or more periods. The range of possible resolutions for any potential legal actions could include determinations and judgments against us or settlements that could require substantial payments by us, including the costs of defending such suits, which could have a material adverse effect on our financial condition, results of operations and cash flows . 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 company' s annual or interim financial statements will not be prevented or detected on a timely basis. Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a- 15 (f) under the Exchange Act. There can be no assurance that material weaknesses will not arise in the future or that any remediation efforts will be successful. If additional material weaknesses or significant deficiencies in our internal controls are discovered in the future, we could be required to restate our financial results or experience a decline in the price of our securities. Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. The Investment Company Act defines an " investment company " as an issuer that is engaged in the business of investing, reinvesting, owning, holding or trading in securities and owns investment securities having a value exceeding 40 % of the issuer' s unconsolidated assets, excluding cash items and securities issued by the federal government. While the Investment Company Act also has several exclusions and exceptions that we would seek to rely upon to avoid being deemed an investment company, our reliance on any such exclusions or exceptions may be misplaced resulting in violation of the Investment Company Act, the consequences of which can be significant. The ramifications of becoming an investment company, both in terms of the restrictions it would have on us and the cost of compliance, would be significant. For example, in addition to expenses related to initially registering as an investment company, the Investment Company Act also imposes various restrictions with regard to our ability to enter into affiliated transactions, the diversification of our assets and our ability to borrow money. If we became subject to the Investment Company Act at some point in the future, our ability to continue pursuing our business plan would be severely limited . We are incorporated under the laws of the USVI and are headquartered in the USVI. The USVI has an Economic Development Commission (the " EDC ") that provides benefits (" EDC Benefits ") to certain qualified businesses in the USVI that enable us to avail ourselves of significant tax benefits for a thirty **30** - year period. We received our certificate to operate as a company that qualifies for EDC Benefits as of February 1, 2013, which provides us with a 90 % tax credit on USVI- source income so long as we comply with the requirements of the EDC and our certificate of benefits. It is possible that we may not be able to retain our qualifications for the EDC Benefits or that changes in U. S. federal, state, local or USVI taxation statutes or applicable regulations may cause a reduction in or an elimination of the EDC Benefits, all of which could result in a significant increase to our tax expense and, therefore, adversely affect our financial condition and results of operations. Our parent company is incorporated under the laws of the USVI and intends to operate in a manner that will cause us to be treated as not engaging in a trade or business within the United States, which will cause us to be exempt from current United States federal income taxation on our net income. However, because there are no definitive standards provided by the U. S. Internal Revenue Code, regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the

United States, and as any such determination is essentially factual in nature, we cannot assure you that the Internal Revenue Service (" IRS ") will not successfully assert that we are engaged in a trade or business within the United States. If the IRS were to successfully assert that we have been engaged in a trade or business within the United States in any taxable year, various adverse tax consequences could result, including the following: • We may become subject to current United States federal income taxation on our net income from sources within the United States; • We may be subject to United States federal income tax on a portion of our net investment income, regardless of its source; • We may not be entitled to deduct certain expenses that would otherwise be deductible from the income subject to United States taxation; and • We may be subject to United States branch profits tax on profits deemed to have been distributed out of the United States. ~~United States persons who own shares may be subject to United States federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of shares. Significant potential adverse United States federal income tax consequences generally apply to any United States person who owns shares in a passive foreign investment company (" PFIC "). We cannot provide assurance that we will not be a PFIC in any future taxable year. In general, we would be a PFIC for a taxable year if either (i) 75 % or more of our income constitutes " passive income " or (ii) 50 % or more of our assets produce " passive income. " Passive income generally includes interest, dividends and other investment income. We believe that we are currently operating, and intend to continue operating, our business in a way that should not cause us to be a deemed PFIC; however, we cannot assure you the IRS will not successfully challenge this conclusion. United States persons who, directly or indirectly or through attribution rules, own 10 % or more of our shares (" United States 10 % Stockholders "), based on either voting power or value, may be subject to the controlled foreign corporation (" CFC ") rules. Under the CFC rules, each United States 10 % stockholder must annually include his pro rata share of the CFC' s " Subpart F income, " even if no distributions are made. Also, all capital gains from the sale of PFIC shares will be treated as ordinary income for federal income tax purposes and thus are not eligible for preferential long-term capital gains rates. We believe that the dispersion of our ordinary shares among holders will generally prevent new stockholders who acquire shares from being United States 10 % Stockholders. We cannot assure you, however, that these rules will not apply to you. If you are a United States person, we strongly urge you to consult your own tax adviser concerning the CFC rules. United States tax- exempt organizations who own shares may recognize unrelated business taxable income. If you are a United States tax- exempt organization, you may recognize unrelated business taxable income with respect to our insurance- related income if a portion of our Subpart F income is allocated to you. In general, Subpart F income will be allocated to you if we are a CFC and you are a United States 10 % Stockholder and certain exceptions do not apply. Although we do not believe that any United States persons will be allocated Subpart F income, we cannot assure you that this will be the case. If you are a United States tax- exempt organization, we advise you to consult your own tax adviser regarding the risk of recognizing unrelated business taxable income. We may in the future become subject to the Global Intangible Low- Taxed Income provisions. The Tax Cuts and Job Reform Act requires U. S. stockholders of CFCs to include in income, as a deemed dividend, the global intangible low- taxed income (" GILTI ") of the CFCs. The GILTI regime is designed to decrease the incentive for a U. S. group to shift corporate profits to low- taxed jurisdictions. We are not currently impacted by the GILTI provisions, as the entirety of the aggregate net income for each of our CFCs is excluded from our " net tested income " (the basis on which the tax is calculated), as it constitutes Subpart F income and is subject to an effective foreign tax rate greater than 90 % of the maximum U. S. corporate income tax rate. We cannot rule out the possibility that we will in the future find ourselves subject to the GILTI rules, should the income of our CFCs no longer be entirely Subpart F income and be taxed at a foreign tax rate greater than 90 % if the U. S. corporate income tax rate. Changes to U. S. or state tax laws, our failure to adequately comply with U. S. or state tax laws, or the outcome of any audits or regulatory disputes with respect to our compliance with U. S. or state tax laws could adversely affect us. Changes to U. S. or state tax law could be enacted in the future that could have a material adverse effect on our business, results of operations, and financial condition. Further, we are subject to potential tax audits in various jurisdictions and in such event, tax authorities may disagree with certain positions we have taken and assess penalties or additional taxes. While we assess the likely outcomes of these potential audits, there can be no assurance that we will accurately predict the outcome of a potential audit, and an audit could have a material adverse impact on our business, results of operations, and financial condition. Change in United States tax laws may be retroactive and could subject us and / or United States persons who own shares to United States income taxation on our undistributed earnings. The tax laws and interpretations regarding whether we are engaged in a United States trade or business, are a CFC or a PFIC are subject to change, possibly on a retroactive basis. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming from the IRS. We are not able to predict if, when or in what form such guidance will be provided and whether such guidance will have a retroactive effect. The impact of the initiative of the Organization for Economic Cooperation and Development to eliminate harmful tax practices is uncertain and could adversely affect our tax status in the United States Virgin Islands. The Organization for Economic Cooperation and Development has published reports and launched a global dialogue among member and non- member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. While the USVI is currently a jurisdiction that has substantially implemented internationally agreed tax standards, we are not able to predict if additional requirements will be imposed and, if so, whether changes arising from such additional requirements will subject us to additional taxes.~~ We maintain our cash and cash equivalents at financial or other intermediary institutions. The combined account balances at each institution typically exceed FDIC insurance coverage of $ 250, 000 per depositor, and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. At December 31, ~~2022~~ **2023**, substantially all of our cash and cash equivalent balances held at financial institutions exceeded FDIC insured limits. On March 10, 2023, the FDIC took control and was appointed receiver of Silicon Valley Bank (" SVB "), and on March 12, 2023, the FDIC took control and was appointed receiver of Signature Bank, and on March 16, 2023, First Republic Bank received a commitment for a $ 30 billion deposit infusion, each case due primarily to liquidity concerns. As of March 13, 2023, the

Company did not have any direct exposure to SVB, Signature Bank, or First Republic. However, if other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability, and the ability of our customers, clients and vendors, to access existing cash, cash equivalents and investments, or to access existing or enter into new banking arrangements or facilities, may be threatened and could have a material adverse effect on our business and financial condition. **Our failure to meet the continued listing requirements of the NYSE could result in a delisting or a halt in the trading of our common stock.** We must continue to satisfy the NYSE ~~American~~ ' s continued listing requirements. If we fail to satisfy the continued listing requirements of the NYSE ~~American~~, the NYSE ~~American~~ may take steps to delist our common stock or halt the trading of our common stock. Such a delisting or trading halt would likely have a negative effect on the price of our common stock and would impair a shareholder' s ability to sell or purchase our common stock when they wish to do so. We cannot assure the shareholders that we will continue to meet the existing listing requirements of the NYSE ~~American~~ because some of the requirements, like the number of shareholders and the trading price of our common stock, are outside of our control. On November 30, 2021, the NYSE ~~American~~ halted trading in our common stock. Although the NYSE ~~American~~ allowed trading to resume on March 21, 2022, shareholders were unable to trade our common stock while the trading halt was in place. Any further trading halt would prevent shareholders from selling the stock until the trading halt is lifted and the trading price may be adversely affected if trading in the stock begins again **. On November 30, 2023, the Company received a written notice (the " Notice ") from the NYSE that the NYSE would delist the Company' s shares of common stock (the " Securities ") from the Exchange. NYSE Regulation staff had determined that the Company was no longer qualified for listing pursuant to Section 1009 (a) of the NYSE American Company Guide, citing non- compliance with the Stockholders' Equity requirements provided in Sections 1003 (a) (i), (ii) and (iii) thereof. As a result of the transactions provided in the Settlement Agreement (see Note 11- Subsequent Events), including the surrender of the Preferred Shares, which transactions have the effect of increasing the Company' s Stockholders' Equity, the NYSE informed the Company on January 192, 2024 that it had rescinded the Notice and that the Company' s Securities would not be delisted from the Exchange pursuant to such Notice. A similar issue could occur in the future** . The price at which our common stock trades has fluctuated, and may continue to fluctuate, significantly. The market price of our common stock may fluctuate in response to many things, including but not limited to, the following: • Variations in actual or anticipated results of our operations, liquidity or financial condition; • Changes in, or the failure to meet, our financial estimates or those of by securities analysts; • Actions or announcements by our competitors; • Potential conflicts of interest, or the discontinuance of our strategic relationships; • Actual or anticipated accounting problems; • Regulatory actions; • Lack of liquidity; • An inability to develop or obtain new businesses or client relationships, respectively; • Changes in the market outlook for the real estate, mortgage or housing markets; • Technology changes in our business; • Changes in interest rates that lead purchasers of our common stock to demand a higher yield; • Actions by our stockholders; • Speculation in the press or investment community; • General market, economic and political conditions, including an economic slowdown or dislocation in the global credit markets; • Failure to maintain the listing of our common stock on the ~~New York Stock Exchange (“~~ NYSE ~~”) American~~ ; • Changes in accounting principles; • Passage of legislation or other regulatory developments that adversely affect us or our industry; and • Departure of our key personnel. The market prices of securities of alternative lenders have experienced fluctuations that often have been unrelated or disproportionate to the operating results of these companies. These market fluctuations could result in extreme volatility in the market price of our common stock. Furthermore, our small size and different investment characteristics may not continue to appeal to our current investor base that may seek to dispose of large amounts of our common stock. There is no assurance that there will be sufficient buying interest to offset those sales, and, accordingly, the market price of our common stock could be depressed and / or experience periods of high volatility. RISKS RELATED TO OUR MANAGEMENT AND OUR RELATIONSHIPS Our Directors have the right to engage or invest in the same or similar businesses as ours. Our Directors may have other investments and business activities in addition to their interest in, and responsibilities to, us. Under the provisions of our Charter and our bylaws (the " Bylaws "), our Directors have no duty to abstain from exercising the right to engage or invest in the same or similar businesses as ours or employ or otherwise engage any of the other Directors. If any of our Directors who are also directors, officers or employees of any company acquires knowledge of a corporate opportunity or is offered a corporate opportunity outside of his capacity as one of our Directors, then our Bylaws provide that such Director will be permitted to pursue that corporate opportunity independently of us, so long as the Director has acted in good faith. Our Bylaws provide that, to the fullest extent permitted by law, such a Director will be deemed to have satisfied his fiduciary duties to us and will not be liable to us for pursuing such a corporate opportunity independently of us. This may create conflicts of interest between us and certain of our Directors and result in less than favorable treatment of us and our stockholders. As of this date, none of our Directors is directly involved as a director, officer or employee of a business that competes with us, but there can be no assurance that will remain unchanged in the future.