Risk Factors Comparison 2024-04-25 to 2023-04-11 Form: 10-K

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We have high customer retention levels and have generated a considerable number of broader revenue opportunities through direct and specific interaction with our customer base. We have negotiated pricing with several long- term recurring contractor customers, which have accounted for a majority of our revenues. There can be no assurance that we will maintain or improve the relationships with those customers. If we cannot maintain long- term relationships with major customers or replace major customers from period to period with equivalent customers, the loss of such sales could have an adverse effect on our business, financial condition and results of operations. Please also see Item 1A " Risk Factors — Risks Related to Our **Construction** ~~Custom Carpentry~~ Business — The loss of any of our key customers could have a materially adverse effect on our results of operations. " We primarily rely on direct consumer marketing and our extensive relationships with local builders to market our products. We also maintain websites at www. kylescabinets. com and www. innovativecabinetsanddesign. com and conduct social media marketing through Facebook pages. Competition The finished carpentry industry consists of contractors that provide specialist finish carpentry services, such as on- site construction and the installation of doors, windows, stairs, shelving, cupboards, cabinets and decks. Carpenters experience steep competition from do- it- yourself (DIY) homeowners in the housing alterations and additions market and from other skilled tradespeople in the new building construction market, such as general building contractors' in- house staff. We compete with numerous competitors in our primary markets, with reputation, price, workmanship and services being the principal competitive factors. We primarily compete with other specialty builders in our markets, such as Franklin' s, Western Idaho, and to a lesser extent against national retail chains such as Home Depot and Lowes. Barriers to entry exist from other similar companies coming into the regions given the pool of available labor working in finished carpentry in the regions, and the close working relationships that exist between industry players in the regions. These barriers to entry are also experienced by larger competitors from outside the regions, providing them with substantial challenges in establishing a foothold. As a result of the implementation of our business strategy, which is delivering high value, quality products and customized solutions and installations, we anticipate that we will continue to effectively compete against the aforementioned competition. Competitive Strengths Based on management' s belief and experience in the industry, we believe that the following competitive strengths enable us to compete effectively. ● Superior name and reputation. We are well established in our markets (including for over 40 years in the Boise market), and have built strong reputations for best- in- class processes, product quality, and timeliness. We have strong visibility both online and among industry professionals. Over our many years in business, we have established a stellar reputation for integrity, superior service, and genuine concern for our clients and their businesses. ● Established blue- chip clients. We have customer lists that include many regional contractors in the areas that we service, many of whom have used us as their go- to vendors for many years. ● Streamlined operations. We believe that our processes and operational systems have led to higher than average efficiencies, accuracy and profitability. ● Diversified capabilities. We have diversified capabilities to support large homebuilders of single- family homes and commercial and multi- family developers, providing flexibility toward trending markets and growth opportunities. ● Outstanding growth opportunities. Our portfolio, brand and reputation, and streamlined operational platform can be leveraged for expansion, both in existing regions, and other high- value surrounding areas. ● Strong regional presence. We operate in the in the greater Reno- Sparks- Fernley metro area, which is one of the fastest growing economic regions in the Western U. S. due to its day drive distance to many of the largest commercial centers and port facilities in the United States and favorable tax and business regulation environment. There are multiple national homebuilders and multi- family developers ~~are~~ active in the region. We are among the largest custom carpentry companies in this region. Growth Strategies We will strive to grow our business by pursuing the following growth strategies. ● Product line expansion. There are a number of opportunities to expand our product and servicing offerings. Notably, as discussed above, we intend to expand our window installation services, which has a large market potential. ● Geographic expansion. With more service requests in the surrounding area, there is immediate opportunities for expansion to homeowners and contractors located near Twin Falls, McCall, and Sun Valley areas of Idaho, as well as Northern Nevada. We believe that we are well positioned to expand into these surrounding areas. ● Expansion to commercial projects. There are opportunities for us to exploit additional opportunities in the commercial real estate sector. That could be office buildings and hotel and resort properties. In the Boise market, we primarily focus on the residential single family, new construction segment of the construction market. Evidence of market demand is ongoing for multi- family projects, both within our current customer markets and within other potential customers. Given appropriate infrastructure to support the market' s volume, immediate market penetration for multi- family projects could be achieved. ● Capacity and infrastructure expansion. In the Boise market, we plan to purchase more machinery and build a separate finishing facility with automated spray finishing for stains, clear lacquers and pigmented lacquers. In the Reno market, we are in the process **of** expanding our warehouse space and operations. Employees As of December 31, ~~2022~~ **2023** , our **construction** ~~custom carpentry~~ companies employed **189** ~~174 full-time~~ employees. None of the employees are represented by labor unions, and we believe that our custom carpentry companies have excellent relationships with their employees. Regulation The facility in Boise, Idaho is subject to Idaho Department of Environmental Quality in connection with air quality and regulations relating to pollution and the protection of the environment, including those governing emissions to air, discharges to water, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. We believe that we are in substantial compliance with all applicable requirements. However, our efforts to comply with environmental requirements do not remove the risk that we may be held liable, or incur fines or penalties, and that the amount of liability, fines or penalties may be material, for, among other

things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for contamination discovered at any of our properties from activities conducted by previous occupants. Permits are required for certain of our operations, and these permits are subject to revocation, modification and renewal by issuing authorities. Governmental authorities have the power to enforce compliance with their regulations, and violations may result in the payment of fines or the entry of injunctions, or both. Changes in environmental laws and regulations or the discovery of previously unknown contamination or other liabilities relating to our properties and operations could result in significant environmental liabilities. In addition, we might incur significant capital and other costs to comply with increasingly stringent air emission control laws and enforcement policies which would decrease our cash flow **EYEWEAR PRODUCTS BUSINESS Our eyewear products business is operated by ICU Eyewear,which we acquired in the first quarter of 2023.ICU Eyewear** ,which was founded in 1956 and is headquartered in Hollister,California,is a leading designer of **over- the-counter,or** OTC **,** non- prescription reading glasses,sunglasses,blue light blocking eyewear,sun readers and outdoor specialty sunglasses,as well as select health and personal care items,such as surgical face masks.We sell our products to big- box national retail chains,through various distributors,as well as online direct to consumer sales.We believe that we are the only OTC eyewear supplier in the U.S.to have meaningful penetration in all significant retail channels including grocery,specialty,office supply,pharmacy,and outdoor sports stores. ~~Products~~ We design and sell a broad range of products comprised of OTC reader eyeglasses,blue light blocking eyewear,sun readers,outdoor specialty sunglasses,and accessories.Reader Eyeglasses and Specialty Sunglasses We design and sell an extensive selection of OTC non- prescription reading glasses,sunglasses,sun reading glasses,as well as active and sport sunglasses.Our distinctive eyewear is marketed under several distinct brand names,each of which addresses a particular product category and price point.Our brand names include “ ICU Eyewear,” “ Studio by ICU Eyewear,” “ ICU Eco Eyewear,” “ Dr.Dean,” “ Wink by ICU Eyewear,” “ SOL,” “ Fisherman,” “ Guideline Eyegear,” “ ICU Health,” and “ Screen Vision.” Most of our sales come from the “ ICU Eyewear Brand.” We believe that our distinctive eyewear and eyewear merchandising has led to our success as an OTC eyewear provider at Target,as well as becoming the exclusive provider of personal care products to Target.Eyeglass Accessories We have an array of existing eye health and accessories products,including contact lens cases and spray lens cleaners that we sell in tandem with our existing eyeglasses products.Personal Care Items In 2020,we began selling personal care items such as surgical face masks and other personal protective equipment,or PPE,to serve the needs of our existing and new customers.We sold both surgical masks as well as the N95 respirators to the United States government,as well as private retailers. **In 2021,this business continued,with large retailers continuing to place significant orders and committing to purchase masks and other personal care categories,through at least 2023.** We also sell a variety of products,including eye masks,eye pillows,white noise machines,and reusable silicone earplugs through our brand “ Sleep Well by ICU.” The products in our Sleep Well line also include bath salts,bath bombs,body butters,and vapor drops. ~~Manufacturing~~ All of our manufacturing is outsourced to contract manufacturers.We believe we have developed meaningful,long- term relationships with our manufacturing vendors,some of which have worked with us for over 20 years,and which provide valuable collaboration in new product development ideas and formulations.We believe that our high- quality standards for our products ensure that customers are receiving the best products on the market.Our Hollister,California facility shipped 5. ~~4~~ **7** million units in ~~2023~~ **2022** and has the capacity to ship up to 10 million units per year across an array of product categories,made possible by our partnerships with our suppliers.Our manufacturing operations are designed to allow low- cost production of a wide variety of products while maintaining a high level of customer service and quality.We ~~believe that our manufacturing facilities generally have sufficient capacity to meet our current business requirements and our currently anticipated sales.Vendor / Supplier Relationships We~~ have developed long term relationships with our top four contact manufacturers based in China,Taiwan and the United States.All materials are sourced by the contract manufacturers.The following table sets forth the vendors and suppliers that accounted for more than 10 % of our purchases for the year ended December 31, ~~2023 and~~ 2022:Supplier Product Total Purchases **(** ~~2023~~ **2021)** ~~Percent of Purchases 2023~~ Total Purchases **(** 2022 **)** Percent of Purchases **(** 2022 **)** Contour Optik Inc.Reading Glasses $ ~~2~~ **4** , ~~855~~ **453** , **915** ~~437 47 %~~ $ 4,118,692 49 % Prosben Inc.Accessories / Private Label 1, ~~563~~ **027** , **890** ~~988 26 %~~ 1,294,240 15 % Indiana Face Mask PPE ~~731~~ **140** , **550** ~~287 12 %~~ 1,645,479 19 % While we work primarily with a small,select group of trusted partners to ensure our quality and reliability,we are under no exclusive supplier contracts,and we have working relationships with a variety of second-source alternatives for all product manufacturing needs.We believe that our strong relationships with suppliers yield high quality,competitive pricing and overall good service to our customers.Although we cannot be sure that our sources of supply will be adequate in all circumstances,we believe that we can develop alternate sources in a timely and cost- effective manner if our current sources become inadequate.Due to the availability of numerous alternative suppliers,we do not believe that the loss of any single supplier would have a material adverse effect on our consolidated financial condition or results of operations.See Item 1A “ Risk Factors — Risks Related to Our Eyewear Products Business ” for a description of the risks related to our supplier relationships. ~~Sales and Marketing~~ Our innovative retail product packaging design is also a highly effective marketing tool.We use intuitive merchandizing displays to show the full color spectrum and product choices of our offering in retail locations.Our eyeglass products are designed to be displayed in a way that is easier to take off,try,package,and replace each product,as compared to historical tagged eyewear products.Our branded assortments of differentiated fashion forward product lines are specifically curated for each individual,channel,and retail partner.We also market our certificated carbon neutral status,as well as our eco- friendly reading glasses that are made from recycled plastic,recycled metal,and bamboo.Additional marketing programs may include in- store promotional programs for customers,e- commerce via our website and Amazon.com,as well as email blasts.New product launches and updates are also sent to customers via email blast periodically.We exhibit at key industry and customer tradeshows and belong to the Vision Council. ~~Customers~~ We sell products to national retailers,direct- to- consumer,web- based retailers,and industrial wholesalers.We serve multiple large customers,including Amazon,Raley’ s,Publix,Whole Foods and Target.Most of our online customers such as Amazon ship

direct.A majority of our sales are made to repeat customers,with many of our retail customer relationships spanning more than 10 years. **As** ~~One major customer,Target,accounted for approximately 63 % and 65 %~~ of ~~our eyewear product sales for the years ended~~ December 31, ~~2023 and~~ 2022 ~~.As of December 31,2023~~ ,we had sales agreements in place with most of our customers,including all national and midsize accounts.Sales agreements specify new store allowances,terms of sale (discounts),annual stock adjustment,freight routing,company trade shows,rebates,and advertising programs.Agreement lengths and renewal terms are based on the individual customer relationship.In 2020,due to the COVID- 19 pandemic,we entered a personal care products market for PPE and other health products,where we sold products to our large retail customers,such as Target,as well as the United States government.The OTC eyewear products and accessories industry is highly competitive with product availability,store location,brand recognition,and price being the principal competitive factors.We believe that we have established our brand as an industry- leader in the marketing and sale of OTC eyeglasses and eyeglass products for the retail and direct to consumer industries,especially for reading glasses and sunglasses.Current competitors in related industries are Foster Grant,SAV Eyewear,Eyebobs,Peepers,Blue Gem,Sees Eyewear,Modo,and EyeOs.Many of our current competitors have,and potential competitors may have,longer operating histories,greater brand recognition,larger fulfillment infrastructures,greater technical capabilities,faster and less costly shipping,significantly greater financial,marketing and other resources and larger customer bases than we do. ~~Competitive Advantages~~ ● Established name and reputation.We believe that we have maintained our excellent reputation in the industry for over ~~65~~ **67** years through bringing unique products and eyeglass designs to the market to meet current and future needs.● Trademarks and brands.We have been granted **19** ~~17 registered~~ trademarks ~~and have two trademark applications pending~~ in the United States,relating to each of our specialized brands.We believe that our brands provide unique and distinct focuses,each of which provides products in a distinctive product category,retail channel,and for a particular price point.● Long- term supplier and customer relationships.We have established relationships with our vendors,with many of these relationships spanning more than 20 years,and the majority of our sales are to our established retail partners,with many of our customer relationships lasting over 10 years.Our partnership with companies like Target and Raley' s enables us to provide quality products to trusted and repeated customers.We believe that we are the only OTC eyewear supplier to have meaningful penetration in all significant retail channels,including office supply,outdoor brands,and natural grocery channels.Management sees the below as the key initiatives for our continued growth strategy:● Increase sales through new products and online marketing.We are aggressively pursuing our current market share and building sales by adding new products to our existing range.We look to expand distribution of our new blue light blocking eyewear,which was initially released in Target in April 2018,under our " Screen Vision by ICU Eyewear " brand.Additionally,we will continue to expand our online sales platform,including our website and Amazon.com,among others.● Expand to new retail partners.The eyeglass product market may have multiple channels of distribution,one of which is the retail product market.Presently,this channel distributes the majority of our products to our customers,primarily through our contracts with Target,Office Depot,and Raley' s.We plan to expand our products to new customers,with the goal of partnering with other large retailers.● Acquisition.We are targeting small to mid- size eyewear companies that have products and or channels to complement our current product and customer mix which will increase gross revenue and realize the benefits of economies of scale and scope. ~~Intellectual Property~~ We have 17 **trademarks** registered ~~and two pending trademarks~~ in the United States for our brands and brand names.Our intellectual property,including trademarks,service marks,domain names,and trade secrets,is an important part of our business.To protect our intellectual property,we rely on a combination of laws and regulations,in addition to intellectual property rights in the United States,including trademarks and trade secret laws,together with contractual provisions and technical measures that we have implemented.To protect our trade secrets,we maintain strict control access to our proprietary systems and technology.We also enter into confidentiality and invention assignment agreements with employees and consultants,as well as confidentiality and non- disclosure agreements with third parties that provide products and services to us.As of December 31, ~~2023~~ **2022** ,we employed ~~23~~ **29 employees,including 13 hourly** employees.None of our employees are represented by labor unions,and we believe that we have an excellent relationship with our employees.We are subject to various federal,state and local laws and governmental regulations relating to the operation of our business,including those related to labor and employment,discrimination,anti- bribery / anti- corruption,product quality and safety standards,data privacy and taxes.Compliance with any such laws and regulations **has not had a material adverse effect on our operations to date.** . AUTOMOTIVE SUPPLIES BUSINESS Our automotive supplies business is operated by Wolo. This business segment ~~, which was acquired at the end of the first quarter of 2021,~~ accounted for approximately **6. 6 % and** 13. 3 ~~% and 18. 6~~ % of our total revenues for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. ~~Overview~~ Our automotive supplies business is headquartered in Deer Park, New York and was founded in 1965. We design and sell horn and safety products (electric, air, truck, marine, motorcycle and industrial equipment), and offer vehicle emergency and safety warning lights for cars, trucks, industrial equipment and emergency vehicles. Focused on the automotive and industrial after- market, we sell our products to big- box national retail chains, through specialty and industrial distributors, as well as on- line / mail order retailers and OEMs. ~~Products~~ We design and sell a broad range of branded vehicle horns, warning lights, sirens, back- up alarms and accessories. Horns We design and sell an innovative and extensive selection of electromechanical, air and electronic- speaker horns. The horns are used in many industries such as: heavy duty truck, motorcycle, marine, industrial and the automotive aftermarket. We also sell hand- held gas horns which can be used for sporting events, as well as marine, construction sites and outdoor activities. Our top- selling product is the Bad Boy horn, which has a one- piece design that requires no hoses. It installs in minutes by simply transferring the vehicle' s factory horn wires to the compressor, and mounts with one bolt included in kit. The Bad Boy produces a powerful dual tone air horn sound that is two times louder than the factory horn. It is compact in size to fit any car, truck, motorcycle and any 12- volt vehicle that wants a loud air horn sound. A heavy- duty maintenance free compressor provides years of dependable service. In the past three years, we have brought a number of new and innovative horn products to the markets to which we sell. Some highlights include: ● Midnight Express. A high- pressure truck train horn that is three

trumpets, all metal and painted semi- gloss black. Train horns are purchased by the vehicle owner that wants the ultra- powerful sound of a train. ● Quadraphonic Express. Four metal trumpets that are triple chrome plated, produce an ultra- powerful train horn sound that will be heard and will dress- up the appearance of any vehicle. ● Nexgen Express Train Horn. A totally new design by us, a state- of- the- art fully electronic train horn, compact in size and produces more than 150- watts output. Engineered to fit into the engine compartment of cars, SUVs and even compact vehicles with a simple two wire hook- up, Nexgen offers two distinctive train horn sounds controlled by a wireless key fab. ● Mighty Mo. An industrial equipment horn designed to withstand off- road and construction site conditions, while being able to penetrate noisy environments and still be heard. Compressor and Tank Systems We also sell air compressor systems, consisting of air storage tanks, compressors and everything needed to hookup a high- pressure air horn. Two years ago, we started offering complete kits of train horns and choice of high- pressure air systems. Additionally, we offer replacement parts for all products. Electric Sirens and Speakers We have an array of emergency electronic sirens with built- in public address systems used by emergency responders. Back- Up Alarms We offer a variety of back- up alarm systems from basic beep- style horn sold in all aftermarket retailers, to hi- tech intelligent alarms that adjust audio output to be louder than surrounding ambient noise. Our Model BA- 697 has three super bright 1- watt LEDs that flash while the vehicle is in reverse and the auditable warning sound is turned on. In addition, we have a selection of white noise " Psss Psss " sound alarms required in the state of California. Warning Lights We offer a large selection of warning lights for road assistance as well as emergency vehicles, construction, road safety and snow plowing vehicles. Warning lights come in a variety of types, sizes and shapes such as rotating, strobe and state- of- the- art LED models ranging in sizes from 8 inches to fifty- seven 57 inches. A recent addition to warning lights that has become an everyday bestseller for us is the new WATCHMAN ®, which is a 24- inch magnet light bar that can be converted to permanent mounting in minutes with no special tools. Because of the products' popularity, we designed a larger 48 " version of the Watchman, which has seen very good acceptance in the market. Another recent addition is Luminous, a high- performance, low profile linear light bar designed with the latest state- of- the- art electronic circuitry that has low power consumption and will provide years of reliable service. Luminous produces an intense beam of light which can be seen 360 degrees even in bright daylight. Available in three lengths in color amber, blue, red, green and any combination of colors. Luminous is certified SAE J845 Class 1 and California Title 13. ~~Manufacturing~~ Most of our manufacturing is outsourced to contract manufacturers in China and Taiwan. In- house manufacturing consists of changes to fully assembled products, as per custom orders. For example, converting the voltage of a horn for truck use, or the standard color of a particular warning light. We have implemented a strict quality control program which is run by our warehouse / production manager. We believe that our high **-** quality standards assure customers that they are getting the best and most reliable products in the market. Our manufacturing operations are designed to allow low- cost production of a wide variety of products while maintaining a high level of customer service and quality. ~~We believe that our manufacturing facilities generally have sufficient capacity to meet our current business requirements and our currently anticipated sales. Vendor / Supplier Relationships~~ We have developed long term relationships with contact manufacturers based in China and Taiwan. All materials are sourced by the contract manufacturers. The following table sets forth the vendors and suppliers that accounted for more than 10 % of our purchases for the ~~year~~ **years** ended December 31, **2023 and** 2022: Supplier Product Total Purchases ~~(2021~~ **2023** ~~)~~ **Percent of Purchases 2023** Total Purchases ~~(~~2022 ~~)~~ Percent of Purchases ~~(~~2022 ~~)~~ **Yonglong Car Accessories Warning Lights $ 448, 028 22. 6 % $ 107, 421 7. 3 % Changzhou Wushi Electrical Warning Lights 317, 064 16. 0 % 271, 611 18. 5 % Ruian Jiani Auto Parts Horns 312, 550 15. 7 % 246, 799 16. 8 % Zhejiang Jiejia Automobile Horns 287, 733 14. 5 % 304, 228 20. 8 %** E- own Corporation Warning Lights & Horns **248** ~~$ 430~~ , ~~937 $~~ **171 12. 5 %** 418, 780 28. 6 ~~% Zhejiang Jiejia Automobile Horns 162, 491 304, 228 20. 8 % Changz Warning Lights- 271, 611 18. 5 % Ruian Jiani Auto Parts Horns 178, 324 246, 799 16. 8~~ % We have established relationships with our vendors, with many of these relationships spanning more than 15 years. We implement vendor agreements with all our major accounts and some mid- size accounts. The typical length of a vendor agreement is 2- 3 years, and in most cases automatically renew. We have also established volume discounts with our suppliers which help to offset increased material, tariffs and increased labor costs domestically and overseas. With the unstable world market, we have carefully started to engage secondary suppliers to make sure we have no interruptions in the supply chain and to be sure we maintain a competitive price. We believe that our strong relationships with suppliers yield high quality, competitive pricing and overall good service to our customers. Although we cannot be sure that our sources of supply will be adequate in all circumstances, we believe that we can develop alternate sources in a timely and cost- effective manner if our current sources become inadequate. Due to availability of numerous alternative suppliers, we do not believe that the loss of any single supplier would have a material adverse effect on our consolidated financial condition or results of operations. See Item 1A " Risk Factors — Risks Related to Our Automotive Supply Business " for a description of the risks related to our supplier relationships. ~~Sales and Marketing~~ Our sales team consists of **a vice president of** ~~an in- house national~~ sales ~~manager~~ who coordinates with contracted sales representatives from thirteen regional sales companies in North America, Mexico, Puerto Rico, the U. K., Europe, the Middle East and the industrial aftermarket. The sales representative' s agreement with us is limited to automotive, internet- based companies and occasionally motorcycle aftermarket distributors. Sales representatives are responsible for the solicitation and development of new accounts, as well as working with existing customers to develop promotions and incentives for our products. We have had relationships with these regional sales companies for 13 to 15 years on- average. All major customers are serviced frequently by their sales representatives. Our innovative retail product packaging design is also a highly effective marketing tool in direct- to- consumer selling. Featuring quick response (QR) barcode technology, customers are able to scan product packaging using their smart phone or mobile device to instantly see product information, watch demonstration videos, or even hear horn demos. There is no need for special in- store displays or additional shelf space as all information is accessible directly by scanning the product packaging. It is like having a virtual sales associate in- store. Packaging also features scan- back' s, an instant rebate that is applied at the register upon checkout. Additional marketing programs include in- store promotional programs for customers, e-

commerce via our website, as well as email blasts and customer print catalogs. We mail print and / or electronic CD catalogs to established accounts every 18 months with new product information inserted via supplemental sell- sheets. New product launches and updates are also sent to customers via email blast periodically. We exhibit at key industry and customer tradeshows and belongs to the National Marine Manufacturers Association and American Boat and Yacht Council. ~~Customers~~ We sell products to the automobile aftermarket, national retailers, direct- to- consumer, mail order, web- based retailers, public safety equipment wholesalers, industrial wholesalers, as well as the motorcycle and marine aftermarkets. We have a diverse customer base, including Amazon, AutoZone, Advanced Auto Parts, CarQuest, Aries, das, Grainger, FleetFarm and J & P Cycles. Internationally, we sell products in Canada, Mexico, Europe, and Amsterdam. Most of our online customers such as Amazon ship direct internationally. A majority of our sales are made to repeat customers, with many of our customer relationships spanning more than 10 years. We believe that our customers appreciate the ease of doing business with all orders placed electronically via electronic data interchange, or EDI. In recent years, we have entered into the motorcycle and industrial (fleet maintenance) aftermarkets, as well a product line of horns for the marine parts aftermarket. Order Fulfillment Our efficient fulfillment process uses an intergraded EDI system for receiving orders, advanced shipping notices and invoicing. The custom software is integral in reducing manual order entry, as well **as** the prevention of errors. Implementing an EDI system has allowed us to improve our fulfillment threshold rate, as well as avoid fines from customers for order fulfillment errors and fill rate. The following diagram illustrates our order fulfillment process. Research and Development For the development of new products, we have implemented a streamlined R & D process. The average R & D process from initial design to sending a product sample for tooling is approximately 6- 12 months. ● Step 1: Identify and confirm a problem and / or need for a product ● Step 2: Draw up many possible solutions and discuss with sales manager and warehouse manager, whose focus in on the market demand ● Step 3: Narrow down to the three best options and create handmade prototype to test which solution works best. ● Step 4: Send sample prototype to patent attorney to determine ability to patent and send hand sample to a draftsman for 3D drawing ● Step 5: The 3D drawing is approved, and a 3D print is made. The 3D print sample is tested, and any necessary modifications are made ● Step 6: The 3D drawing and printed sample are sent to one of our suppliers to start the tooling process The sale of automotive aftermarket items is highly competitive in many areas, including customer service, product availability, store location, brand recognition and price. We believe that we have established our brand as an industry- leader in developing innovative products for the automobile aftermarket industry, especially in horn design and technology (electric, air, truck, marine, motorcycle and industrial equipment). Current competitors in related industries are FIAMM, Grote, Peterson Manufacturing Company, ECCO, Vixen Horns, HornBlasters and Klienn. ~~Competitive Advantages~~ ● Established name and reputation. We believe that we have maintained our excellent reputation in the industry for over 55 years through bringing exclusive products and designs to market to meet current and future needs. ● Patents and trademarks. We have been granted 51 patents from the U. S., China, Taiwan and the EU. About half of our patents are utility patents, which protect a products' methods of functionality. Utility patents are a difficult barrier for competitors to overcome, therefore these products have a higher profit margin. The other half of our patents are design patents. ● Long- term supplier and customer relationships. We have established relationships with our vendors, with many of these relationships spanning more than 15 years, and a majority of our sales are made to repeat customers, with many of our customer relationships spanning more than 10 years. ● International licensing agreements. We have a licensing agreement with a large wholesale supplier of auto parts in the U. K. for our patented Bad Boy Horn. The U. K. supplier also has retail chain stores and this agreement has been generating year- over- year sales growth for us. Management sees the below as the key initiatives for our continued growth strategy: ● Increase sales through new products and online marketing. We are aggressively pursuing our current market share and building sales by adding new products to existing accounts. Additionally, we will continue to expand our online sales platforms which include Wolo- mfg. com, Wolo- USA. com, Autozone. com, Amazon. com, BestAutoAccessories. com and Autoaccessoriesgarage. com, among others. There also exists significant growth potential in the purchasing of available key URL' s and implementing enhanced search engine optimization strategies. ● Expand into traditional market and original equipment replacement horns. The automotive aftermarket has multiple channels of distribution, and one in which we have limited distribution is the traditional channel. This channel distributes products through wholesale warehouse distributors such as Federated Auto Parts, Pronto Auto Parts, Bumper- To- Bumper and Auto Value. Traditional distribution primarily services the DIFM (Do- It- For- Me) or professional installers. Most of the products sold are direct original equipment replacement parts which are researched based on year / make / model of the vehicle needing parts. We have limited distribution into the traditional channel, primarily due to the fact that there are no original equipment replacement horns in our product offerings. We believe that with minor product enhancements, we can offer products to serve this channel and improve market share into the traditional channel. ● Expand into growing international markets. Currently, we sell our products in the US, Canada, Mexico, Europe and the Middle East. We believe that there is great growth opportunity in Mexico. Additionally, we have identified Canada and the Netherlands as expansion markets specifically for our Motorcycle Air Horn. ● Additional focus on the municipal and public safety markets. We have identified a significant demand for certified warning lights within the municipal and public safety markets. The certification of existing products is immediately possible and very cost effective. ● Grow presence within the marine marketplace. We see immediate growth opportunities existing within the marine market with certified horns that meet US Coast Guard regulations and other regulatory standards. Intellectual Property We have been granted 51 patents from the United States, China, Taiwan and the EU. About half of our patents are utility patents, which protect a product' s methods of functionality. Utility patents are a difficult barrier for competitors to overcome, therefore these products have a higher profit margin. The other half of our patents are design patents. We have trademarks registered in the United States and various countries for some of our core properties, including Taiwan, amongst others. Our intellectual property, including patents, trademarks, service marks, domain names, copyrights and trade secrets, is an important part of our business. To protect our intellectual property, we rely on a combination of laws and regulations, in addition to intellectual property rights in the United States and other

jurisdictions, including patents, trademarks, copyrights, and trade secret laws, together with contractual provisions and technical measures that we have implemented. To protect our trade secrets, we maintain strict control access to our proprietary systems and technology. We also enter into confidentiality and invention assignment agreements with employees and consultants, as well as confidentiality and non- disclosure agreements with third parties that provide products and services to us. As of December 31, ~~2022~~ **2023** , we employed 15 ~~employees, including 11 hourly~~ employees. None of our employees are represented by labor unions, and we believe that we have an excellent relationship with our employees. We are subject to various federal, state, and local laws and governmental regulations relating to the operation of our business, including those related to labor and employment, discrimination, anti- bribery / anti- corruption, product quality and safety standards, data privacy and taxes. Compliance with any such laws and regulations has not had a material adverse effect on our operations to date. EYEWEAR PRODUCTS BUSINESS Our eyewear products business...... effect on our operations to date. ITEM 1A. RISK FACTORS. An investment in our securities involves a high degree of risk. You should carefully read and consider all of the risks described below, together with all of the other information contained or referred to in this report, before making an investment decision with respect to our securities. If any of the following events occur, our financial condition, business and results of operations (including cash flows) may be materially adversely affected. In that event, the market price of our shares could decline, and you could lose all or part of your investment. Risks Related to Our Business and ~~StructureThe~~ **StructureOur** ~~COVID- 19 pandemic may cause a material adverse effect on our business. In December 2019, a novel coronavirus disease, or COVID- 19, was initially reported and on March 11, 2020, the World Health Organization characterized COVID- 19 as a pandemic. COVID- 19 has had a widespread and detrimental effect on the global economy as a result of the continued increase in the number of cases and affected countries and actions by public health and governmental authorities, businesses, other organizations, and individuals to address the outbreak, including travel bans and restrictions, quarantines, shelter in place, stay at home or total lock- down orders and business limitations and shutdowns. Despite recent developments of vaccines, the duration and severity of COVID- 19, mutations and possible additional mutations and the degree of their impact on our business is uncertain and difficult to predict. The continued spread of the outbreak could result in one or more of the following conditions that could have a material adverse impact on our business operations and financial condition: delays or difficulty sourcing certain products and raw materials; increased costs for such products and raw materials; and loss of productivity due to employee absences. Notably, approximately 90 % of Wolo' s vendor base is located in China. The pandemic issues impacting ports in the U. S. due to lack of personnel has had a ripple effect on Chinese suppliers. Containers are slow to be emptied in the U. S., causing a backlog of ships waiting to get into ports and limiting containers and ships returning to China. The lack of containers and available space on ships has escalated shipping costs by over 400 % from 2020. Our inability to respond to and manage the potential impact of such events effectively could have a material adverse effect on our business, financial condition, and results of operations. Our efforts to help mitigate the negative impact of the outbreak on our business may not be effective, and we may be affected by a protracted economic downturn. Furthermore, while many governmental authorities around the world have and continue to enact legislation to address the impact of COVID- 19, including measures intended to mitigate some of the more severe anticipated economic effects of the virus, we may not benefit from such legislation, or such legislation may prove to be ineffective in addressing COVID- 19' s impact on our and our customer' s businesses and operations. Even after the COVID- 19 outbreak has subsided, we may continue to experience impacts to our business as a result of COVID- 19' s global economic impact and any recession that has occurred or may occur in the future. Further, as the COVID- 19 situation is unprecedented and continuously evolving, COVID- 19 may also affect our operating and financial results in a manner that is not presently known to us or in a manner that we currently do not consider that may present significant risks to our operations. The extent to which the COVID- 19 pandemic may impact our results will depend on future developments, which are highly uncertain and cannot be predicted as of the date of this report. Nevertheless, the pandemic and the current financial, economic and capital markets environment, and future developments in the global supply chain and other areas present material uncertainty and risk with respect to our performance, financial condition, results of operations and cash flows. Our~~ auditors have issued a going concern opinion on our audited financial statements. Although our audited financial statements for the year ended December 31, ~~2022~~ **2023** were prepared under the assumption that we would continue our operations as a going concern, the report of our independent registered public accounting firm that accompanies our financial statements for the year ended December 31, ~~2022~~ **2023** contains a going concern qualification in which such firm expressed substantial doubt about our ability to continue as a going concern, based on the financial statements at that time. We have generated losses since inception and have relied on cash on hand, sales of securities, external bank lines of credit, and issuance of third- party and related party debt to support cashflow from operations. For the year ended December 31, ~~2022~~ **2023** , we incurred ~~operating~~ **a net** ~~losses~~ -- **loss** of $ **31. 6 million** ~~10, 801, 913~~ (before deducting losses attributable to non- controlling interests) and cash flows used in operations of $ **7** ~~4, 131, 477~~ . ~~However~~ **5 million. Notwithstanding the foregoing** , management believes, based on our operating plan, that current working capital and current and expected additional financing is sufficient to fund operations and satisfy our obligations as they come due for at least one year from the financial statement issuance date. However, we do believe additional funds are required to execute our business plan and our strategy of acquiring additional businesses. The funds required to execute our business plan will depend on the size, capital structure and purchase price consideration that the seller of a target business deems acceptable in a given transaction. The amount of funds needed to execute our business plan also depends on what portion of the purchase price of a target business the seller of that business is willing to take in the form of seller notes or our equity or equity in one of our subsidiaries. Although we do not believe that we will require additional cash to continue our operations over the next twelve months, there are no assurances that we will be able to raise our revenues to a level which supports profitable operations and provides sufficient funds to pay obligations in the future. Our prior losses have had, and will continue to have, an adverse effect on our financial condition. In addition, continued operations and our ability to acquire additional businesses may be dependent on our ability to obtain additional financing in the future, and there are no assurances that such financing will be available to us

at all or will be available in sufficient amounts or on reasonable terms. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we are unable to generate additional funds in the future through our operations, financings or from other sources or transactions, we will exhaust our resources and will be unable to continue operations. If we cannot continue as a going concern, our shareholders would likely lose most or all of their investment in us. We may not be able to effectively integrate the businesses that we acquire. Our ability to realize the anticipated benefits of acquisitions will depend on our ability to integrate those businesses with our own. The combination of multiple independent businesses is a complex, costly and time- consuming process and there can be no assurance that we will be able to successfully integrate businesses into our business, or if such integration is successfully accomplished, that such integration will not be costlier or take longer than presently contemplated. Integration of future acquisitions may include various risks and uncertainties, including the factors discussed in the paragraph below. If we cannot successfully integrate and manage the businesses within a reasonable time, we may not be able to realize the potential and anticipated benefits of such acquisitions, which could have a material adverse effect on our share price, business, cash flows, results of operations and financial position. We will consider other acquisitions that we believe will complement, strengthen and enhance our growth. We evaluate opportunities on a preliminary basis from time to time, but these transactions may not advance beyond the preliminary stages or be completed. Such acquisitions are subject to various risks and uncertainties, including: ● the inability to integrate effectively the operations, products, technologies and personnel of the acquired companies (some of which are in diverse geographic regions) and achieve expected synergies; ● the potential disruption of existing business and diversion of management' s attention from day- to- day operations; ● the inability to maintain uniform standards, controls, procedures and policies; ● the need or obligation to divest portions of the acquired companies; ● the potential failure to identify material problems and liabilities during due diligence review of acquisition targets; ● the potential failure to obtain sufficient indemnification rights to fully offset possible liabilities associated with acquired businesses; and ● the challenges associated with operating in new geographic regions. Our future success is dependent on the employees of our manager, our manager' s operating partners and the management team of our business, the loss of any of whom could materially adversely affect our financial condition, business and results of operations. Our future success depends, to a significant extent, on the continued services of the employees of our manager. The loss of their services may materially adversely affect our ability to manage the operations of our businesses. The employees of our manager may leave our manager and go to companies that compete with us in the future. In addition, we depend on the assistance provided by our manager' s operating partners in evaluating, performing diligence on and managing our businesses. The loss of any employees of our manager or any of our manager' s operating partners may materially adversely affect our ability to implement or maintain our management strategy or our acquisition strategy. The future success of our existing and future businesses also depends on the respective management teams of those businesses because we intend to operate our businesses on a stand- alone basis, primarily relying on their existing management teams for day- to- day operations. Consequently, their operational success, as well as the success of any organic growth strategy, will be dependent on the continuing efforts of the management teams of our businesses. We will seek to provide these individuals with equity incentives and to have employment agreements with certain persons we have identified as key to their businesses. However, these measures may not prevent these individuals from leaving their employment. The loss of services of one or more of these individuals may materially adversely affect our financial condition, business and results of operations. We may experience difficulty as we evaluate, acquire and integrate businesses that we may acquire, which could result in drains on our resources, including the attention of our management, and disruptions of our on- going business. We acquire small businesses in various industries. Generally, because such businesses are privately held, we may experience difficulty in evaluating potential target businesses as much of the information concerning these businesses is not publicly available. Therefore, our estimates and assumptions used to evaluate the operations, management and market risks with respect to potential target businesses may be subject to various risks and uncertainties. Further, the time and costs associated with identifying and evaluating potential target businesses and their industries may cause a substantial drain on our resources and may divert our management team' s attention away from the operations of our businesses for significant periods of time. In addition, we may have difficulty effectively integrating and managing acquisitions. The management or improvement of businesses we acquire may be hindered by a number of factors, including limitations in the standards, controls, procedures and policies implemented in connection with such acquisitions. Further, the management of an acquired business may involve a substantial reorganization of the business' operations resulting in the loss of employees and customers or the disruption of our ongoing businesses. We may experience greater than expected costs or difficulties relating to an acquisition, in which case, we might not achieve the anticipated returns from any particular acquisition. We face competition for businesses that fit our acquisition strategy and, therefore, we may have to acquire targets at sub- optimal prices or, alternatively, forego certain acquisition opportunities. We have been formed to acquire and manage small businesses. In pursuing such acquisitions, we expect to face strong competition from a wide range of other potential purchasers. Although the pool of potential purchasers for such businesses is typically smaller than for larger businesses, those potential purchasers can be aggressive in their approach to acquiring such businesses. Furthermore, we expect that we may need to use third- party financing in order to fund some or all of these potential acquisitions, thereby increasing our acquisition costs. To the extent that other potential purchasers do not need to obtain third- party financing or are able to obtain such financing on more favorable terms, they may be in a position to be more aggressive with their acquisition proposals. As a result, in order to be competitive, our acquisition proposals may need to be aggressively priced, including at price levels that exceed what we originally determined to be fair or appropriate. Alternatively, we may determine that we cannot pursue on a cost- effective basis what would otherwise be an attractive acquisition opportunity. We may not be able to successfully fund acquisitions due to the unavailability of debt or equity financing on acceptable terms, which could impede the implementation of our acquisition strategy. In order to make acquisitions, we intend to raise capital primarily through debt financing, primarily at our operating company level, additional equity offerings, the sale of equity or assets of our businesses, offering equity in our company or our

businesses to the sellers of target businesses or by undertaking a combination of any of the above. Because the timing and size of acquisitions cannot be readily predicted, we may need to be able to obtain funding on short notice to benefit fully from attractive acquisition opportunities. Such funding may not be available on acceptable terms. In addition, the level of our indebtedness may impact our ability to borrow at our company level. The sale of additional shares of any class of equity will also be subject to market conditions and investor demand for such shares at prices that may not be in the best interest of our shareholders. These risks may materially adversely affect our ability to pursue our acquisition strategy. ~~Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non- performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC, as receiver. Similarly, on March 12, 2023, Signature Bank Corp., or Signature, and Silvergate Capital Corp. were each swept into receivership. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC indicated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature or any other financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder. Although we do not have any funds deposited with SVB, Signature Bank or any financial institution currently in receivership, we regularly maintain cash balances with other financial institutions in excess of the FDIC insurance limit. A failure of a depository institution to return deposits could impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity and financial performance. Furthermore, if any of our partners, suppliers or other parties with whom we conduct business are unable to access funds with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In this regard, counterparties to credit agreements and arrangements with these financial institutions, and third parties such as beneficiaries of letters of credit (among others), may experience direct impacts from the closure of these financial institutions and uncertainty remains over liquidity concerns in the broader financial services industry. Similar impacts have occurred in the past, such as during the 2008- 2010 financial crisis. Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Although the U. S. Department of Treasury, FDIC and Federal Reserve Board have announced a program to provide up to $ 25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediately liquidity may exceed the capacity of such program. Our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, any financial institutions with which we enter into credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These risks include, but may not be limited to, the following: ● delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets; ● inability to enter into credit facilities or other working capital resources; ● potential or actual breach of contractual obligations that require us to maintain letters of credit or other credit support arrangements; or ● termination of cash management arrangements and / or delays in accessing or actual loss of funds subject to cash management arrangements. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses or other obligations, financial or otherwise, result in breaches of our financial and / or contractual obligations, or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors, could have material adverse impacts on our liquidity and our current and / or projected business operations and financial condition and results of operations. In addition, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by our partners, vendors or suppliers, which in turn, could have a material adverse effect on our current and / or projected business operations and results of operations and financial condition. For example, a partner may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a supplier may determine that it will no longer deal with us as a customer. In addition, a vendor or supplier could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on us, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. The bankruptcy or insolvency of any partner, vendor or supplier, or the failure of any partner to make~~

~~payments when due, or any breach or default by a partner, vendor or supplier, or the loss of any significant supplier relationships, could cause us to suffer material losses and may have a material adverse impact on our business.~~ We may change our management and acquisition strategies without the consent of our shareholders, which may result in a determination by us to pursue riskier business activities. We may change our strategy at any time without the consent of our shareholders, which may result in our acquiring businesses or assets that are different from, and possibly riskier than, the strategy described in this ~~report~~ **prospectus** . A change in our strategy may increase our exposure to interest rate and currency fluctuations, subject us to regulation under the Investment Company Act of 1940, as amended, which we refer to as the Investment Company Act, or subject us to other risks and uncertainties that affect our operations and profitability. If we are unable to generate sufficient cash flow from the anticipated dividends and interest payments that we expect to receive from our businesses, we may not be able to make distributions to our shareholders. Our primary business is the holding and managing of controlling interests **in** our operating businesses. Therefore, we will be dependent upon the ability of our businesses to generate cash flows and, in turn, distribute cash to us in the form of interest and principal payments on indebtedness and distributions on equity to enable us, first, to satisfy our financial obligations and, second, to make distributions to our common shareholders. The ability of our businesses to make payments to us may also be subject to limitations under **the** laws of the jurisdictions in which they are incorporated or organized. If, as a consequence of these various restrictions or otherwise, we are unable to generate sufficient cash flow from our businesses, we may not be able to declare, or may have to delay or cancel payment of, distributions to our common shareholders. In addition, the put price and profit allocation will be payment obligations and, as a result, will be senior in right to the payment of any distributions to our shareholders. Further, we are required to make a profit allocation to our manager upon satisfaction of applicable conditions to payment. See Item 1 " Business — Our Manager — Our Manager as an Equity Holder " for more information about our manager' s put right and profit allocation. Our loans with third parties contain certain terms that could materially adversely affect our financial condition. We and our subsidiaries are parties to certain loans with third parties, which are secured by the assets of our subsidiaries. The loans agreements contain customary representations, warranties and affirmative and negative financial and other covenants. If an event of default were to occur under any of these loans, the lender thereto may pursue all remedies available to it, including declaring the obligations under its respective loan immediately due and payable, which could materially adversely affect our financial condition. See Item 7 " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources " for further discussion regarding our borrowing activities. In the future, we may seek to enter into other credit facilities to help fund our acquisition capital and working capital needs. These credit facilities may expose us to additional risks associated with leverage and may inhibit our operating flexibility and reduce cash flow available for payment of distributions to our shareholders. We may seek to enter into other credit facilities with third- party lenders to help fund our acquisitions. Such credit facilities will likely require us to pay a commitment fee on the undrawn amount and will likely contain a number of affirmative and restrictive covenants. If we violate any such covenants, our lenders could accelerate the maturity of any debt outstanding and we may be prohibited from making any distributions to our shareholders. Such debt may be secured by our assets, including the stock we may own in businesses that we acquire and the rights we have under intercompany loan agreements that we may enter into with our businesses. Our ability to meet our debt service obligations may be affected by events beyond our control and will depend primarily upon cash produced by businesses that we currently manage and may acquire in the future and distributed or paid to us. Any failure to comply with the terms of our indebtedness may have a material adverse effect on our financial condition. In addition, we expect that such credit facilities will bear interest at floating rates which will generally change as interest rates change. We will bear the risk that the rates that we are charged by our lenders will increase faster than we can grow the cash flow from our businesses or businesses that we may acquire in the future, which could reduce profitability, materially adversely affect our ability to service our debt, cause us to breach covenants contained in our third- party credit facilities and reduce cash flow available for distribution. We may engage in a business transaction with one or more target businesses that have relationships with our executive officers, our directors, our manager, our manager' s employees or our manager' s operating partners, or any of their respective affiliates, which may create or present conflicts of interest. We may decide to engage in a business transaction with one or more target businesses with which our executive officers, our directors, our manager, our manager' s employees, our manager' s operating partners, or any of their respective affiliates, have a relationship, which may create or present conflicts of interest. Regardless of whether we obtain a fairness opinion from an independent investment banking firm with respect to such a transaction, conflicts of interest may still exist with respect to a particular acquisition and, as a result, the terms of the acquisition of a target business may not be as advantageous to our shareholders as it would have been absent any conflicts of interest. The operational objectives and business plans of our businesses may conflict with our operational and business objectives or with the plans and objective of another business we own and operate. Our businesses operate in different industries and face different risks and opportunities depending on market and economic conditions in their respective industries and regions. A business' operational objectives and business plans may not be similar to our objectives and plans or the objectives and plans of another business that we own and operate. This could create competing demands for resources, such as management attention and funding needed for operations or acquisitions, in the future. If, in the future, we cease to control and operate our businesses or other businesses that we acquire in the future or engage in certain other activities, we may be deemed to be an investment company under the Investment Company Act. We have the ability to make investments in businesses that we will not operate or control. If we make significant investments in businesses that we do not operate or control, or that we cease to operate or control, or if we commence certain investment- related activities, we may be deemed to be an investment company under the Investment Company Act. Our decision to sell a business will be based upon financial, operating and other considerations rather than a plan to complete a sale of a business within any specific time frame. If we were deemed to be an investment company, we would either have to register as an investment company under the Investment Company Act, obtain exemptive relief from the SEC **,** or modify our investments or organizational structure or our contract rights to fall outside the definition of an investment

company. Registering as an investment company could, among other things, materially adversely affect our financial condition, business and results of operations, materially limit our ability to borrow funds or engage in other transactions involving leverage and require us to add directors who are independent of us or our manager and otherwise will subject us to additional regulation that will be costly and time- consuming **. The impact of geopolitical conflicts may adversely affect our business and results of operations. We acquire inventory in regions outside the United States, including Asia. As a result, our operations are affected by economic, political and other conditions in the foreign countries in which we do business as well as U. S. laws regulating international trade. Specifically, instability in the geopolitical environment in many parts of the world (including as a result of the on- going Russia and Ukraine war, the conflict between Israel and Hamas and increasingly tense China- Taiwan relations) and other disruptions may continue to put pressure on global economic conditions. Notably, approximately 90 % of Wolo' s vendor base is located in China and supply chain issues have escalated shipping costs by over 400 % from 2020. In addition, all of ICU Eyewear' s manufacturing is outsourced to contract manufacturers, including many located in China and Taiwan. Asien' s has also experienced ongoing supply chain delays and cost increases with appliance manufacturers. Our inability to respond to and manage the potential impact of such events effectively could have a material adverse effect on our business, financial condition, and results of operations. In addition, countries across the globe are instituting sanctions and other penalties against Russia and are becoming more wary of China. While we do not have operations in, and do not obtain products from, Russia or Ukraine, the retaliatory measures that have been taken, and could be taken in the future, by the U. S., NATO, and other countries have created global security concerns that could result in broader European military and political conflicts and otherwise have a substantial impact on regional and global economies, any or all of which could adversely affect our business. While the broader consequences are uncertain at this time, the continuation and / or escalation of the Russian and Ukraine conflict or the Israel and Hamas conflict, along with any expansion of the conflict to surrounding areas, create a number of risks that could adversely impact our business, including: ● increased inflation and significant volatility in commodity prices; ● disruptions to our technology infrastructure, including through cyberattacks, ransom attacks or cyber- intrusion; ● adverse changes in international trade policies and relations; ● our ability to maintain or increase our prices, including freight in response to rising fuel costs; ● disruptions in global supply chains; ● increased exposure to foreign currency fluctuations; and ● constraints, volatility or disruption in the credit and capital markets** . We have identified material weaknesses in our internal control over financial reporting. If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results and prevent fraud. As a result, current and potential shareholders could lose confidence in our financial statements, which would harm the trading price of our common shares. Companies that file reports with the SEC, including us, are subject to the requirements of Section 404 of the Sarbanes- Oxley Act of 2002, or SOX 404. SOX 404 requires management to establish and maintain a system of internal control over financial reporting and annual reports on Form 10- K filed under the ~~Securities~~ Exchange Act ~~of 1934, as amended, or the Exchange Act,~~ to contain a report from management assessing the effectiveness of a company' s internal control over financial reporting. Separately, under SOX 404, as amended by the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, public companies that are large accelerated filers or accelerated filers must include in their annual reports on Form 10- K an attestation report of their regular auditors attesting to and reporting on management' s assessment of internal control over financial reporting. Non- accelerated filers and smaller reporting companies, like us, are not required to include an attestation report of their auditors in annual reports. A report of our management is included under Item 9A. " Controls and Procedures **.** " ~~.~~ We are a smaller reporting company and, consequently, are not required to include an attestation report of our auditor in our annual report. However, if and when we become subject to the auditor attestation requirements under SOX 404, we can provide no assurance that we will receive a positive attestation from our independent auditors. During its evaluation of the effectiveness of internal control over financial reporting as of December 31, ~~2022~~ **2023** , management identified material weaknesses **as described under Item 9A** . **" Controls** ~~These material weaknesses were associated with our lack of (i) appropriate policies~~ and ~~procedures~~ **Procedures** ~~to evaluate the proper accounting and disclosures of key documents and agreements, (ii) adequate segregation of duties with our limited accounting personnel and reliance upon outsourced accounting services and (iii) sufficient and skilled accounting personnel with an appropriate level of technical accounting knowledge and experience in the application of GAAP commensurate with our financial reporting requirements~~ . **"** We are undertaking remedial measures, which measures will take time to implement and test, to address these material weaknesses. There can be no assurance that such measures will be sufficient to remedy the material weaknesses identified or that additional material weaknesses or other control or significant deficiencies will not be identified in the future. If we continue to experience material weaknesses in our internal controls or fail to maintain or implement required new or improved controls, such circumstances could cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements, or adversely affect the results of periodic management evaluations and, if required, annual auditor attestation reports. Each of the foregoing results could cause investors to lose confidence in our reported financial information and lead to a decline in our share price. Risks Related to Our Retail and Appliances Business If we fail...... or the overall housing, residential construction **Construction** or home improvement markets; fluctuating interest...... Risks Related to Our Custom Carpentry Business **BusinessThe** ~~The~~ loss of any of our key customers could have a materially adverse effect on our results of operations. Historically, a few long- term recurring contractor customers have accounted for a majority of our revenues. There can be no assurance that we will maintain or improve the relationships with those customers. Our major customers often change each period based on when a given order is placed. If we cannot maintain long- term relationships with major customers or replace major customers from period to period with equivalent customers, the loss of such sales could have an adverse effect on our business, financial condition and results of operations. Our business primarily relies on U. S. home improvement, repair and remodel and new home construction activity levels, all of which are impacted by risks associated with fluctuations in the housing market. Downward changes in the general economy, the

housing market or other business conditions could adversely affect our results of operations, cash flows and financial condition. Our business primarily relies on home improvement, repair and remodel and new home construction activity levels in the United States. The housing market is sensitive to changes in economic conditions and other factors, such as the level of employment, access to labor, consumer confidence, consumer income, availability of financing and interest rate levels. Adverse changes in any of these conditions generally, or in any of the markets where we operate, including due to the global pandemic, could decrease demand and could adversely impact our businesses by: causing consumers to delay or decrease homeownership; making consumers more price conscious resulting in a shift in demand to smaller, less expensive homes; making consumers more reluctant to make investments in their existing homes, including large kitchen and bath repair and remodel projects; or making it more difficult to secure loans for major renovations. Increases in interest rates and the reduced availability of financing for home improvements may cause our sales and profitability to decrease. In general, demand for home improvement products may be adversely affected by increases in interest rates and the reduced availability of financing. Also, trends in the financial industry which influence the requirements used by lenders to evaluate potential buyers can result in reduced availability of financing. If interest rates or lending requirements increase and consequently, the ability of prospective buyers to finance purchases of home improvement products is adversely affected, our business, financial condition and results of operations may also be adversely impacted and the impact may be material. Our custom carpentry business is subject to seasonal and other periodic fluctuations, and affected by factors beyond our control, which may cause our sales and operating results to fluctuate significantly. Our custom carpentry business is subject to seasonal fluctuations. We believe that we can more effectively control and balance our direct labor resources and costs during seasonal variations in our custom carpentry business, depending on the dynamics of the market served. However, extreme winter weather conditions can have an adverse effect on appointments and installations , which typically occur during our fourth and first quarters and can also negatively affect our net sales and operating results. In addition, sales and revenues may decline in the fourth quarter due to the holiday season. Difficulties in recruiting adequate personnel may have a material adverse effect on our ability to meet our growth expectations. In order to fulfill our growth expectations, we must recruit, hire, train and retain qualified sales and installation personnel. In particular, during the pandemic, we may experience greater difficulty in fulfilling our personnel needs since our employees are not able to work remotely for installations. When new construction and remodeling are on the rise, recruiting ~~of~~ independent contractors to perform our installations becomes more difficult. There can be no assurance that we will have sufficient contractors or employees to fulfill our installation requirements. Our inability to fulfill our personnel needs could have a material adverse effect on our ability to meet our growth expectations. Increases in the cost of labor, union organizing activity and work stoppages at our facilities or the facilities of our suppliers could materially affect our financial performance. Our business is labor intensive, and, as a result, our financial performance is affected by the availability of qualified personnel and the cost of labor. Currently, none of our employees are represented by labor unions. Strikes or other types of conflicts with personnel could arise or we may become a target for union organizing activity. Some of our direct and indirect suppliers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these suppliers could result in slowdowns or closures of facilities where components of our products are manufactured. Any interruption in the production of our products could reduce sales of our products and increase our costs. In the event of a catastrophic loss of our key manufacturing facility, our business would be adversely affected. While we maintain insurance covering our facility, including business interruption insurance, a catastrophic loss of the use of all or a portion of our manufacturing facility due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long- term, could have a material adverse effect on us. The nature of our custom carpentry business exposes us to product liability, workmanship warranty, casualty, negligence, construction defect, breach of contract and other claims and legal proceedings. We are subject to product liability, workmanship warranty, casualty, negligence, construction defect, breach of contract and other claims and legal proceedings relating to the products we install or manufacture that, if adversely determined, could adversely affect our financial condition, results of operations and cash flows. We rely on manufacturers and other suppliers to provide us with most of the products we install. Other than for products manufactured by Kyle' s, we generally do not have direct control over the quality of such products manufactured or supplied by such third- party suppliers. As such, we are exposed to risks relating to the quality of such products. In the event that any of our products prove to be defective, we may be required to recall or redesign such products, which would result in significant unexpected costs. We are also exposed to potential claims arising from the conduct of our employees and contractors, for which we may be contractually liable. We have in the past been, and may in the future be, subject to penalties and other liabilities in connection with injury or damage incurred in conjunction with the installation of our products. In addition, our contracts, particularly those with large single- family and multi- family homebuilders, contain certain performance and installation schedule requirements. Many factors, some of which our outside of our control, may affect our ability to meet these requirements, including shortages of material or skilled labor, unforeseen engineering problems, work stoppages, weather interference, floods, unanticipated cost increases, and legal or political challenges. If we do not meet these requirements, we may be subject to liquidated damages or other penalties, as well as claims for breach of contract. Product liability, workmanship warranty, casualty, negligence, construction defect, breach of contract and other claims and legal proceedings can be expensive to defend and can divert the attention of management and other personnel for significant periods of time, regardless of the ultimate outcome. In addition, lawsuits relating to construction defects typically have statutes of limitations that can run as long as ten years. Claims of this nature could also have a negative impact on customer confidence in us and our services. Although we currently maintain what we believe to be suitable and adequate insurance, we may be unable to maintain such insurance on acceptable terms or such insurance may not provide adequate protection against potential liabilities. In addition, some liabilities may not be covered by our insurance. Current or future claims could have a material adverse effect on our reputation, business, financial condition and results of operations. If we are unable to compete successfully with our competitors, our financial condition and results of operations may be harmed. We operate in a highly fragmented and very competitive industry. Our competitors include national

and local carpentry manufacturers. These can be large, consolidated operations which house their manufacturing facilities in large and efficient plants, as well as relatively small, local cabinetmakers. Although we believe that we have superior name and reputation of direct marketing of custom designed carpentry, we compete with numerous competitors in our primary markets in which we operate, with reputation, price, workmanship and services being the principal competitive factors. Some of our competitors have achieved substantially more market penetration in certain of the markets in which we operate. Some of our competitors have greater resources available and are less highly leveraged, which may provide them with greater financial flexibility. We also compete against retail chains, including Sears, Costco, Builders Square, Sam' s Warehouse Club and other stores, which offer similar products and services through licensees. We compete, to a lesser extent, with small home improvement contractors and with large " home center " retailers such as Home Depot and Lowes. As a result of the implementation of our business strategy to conduct more remodel, condo / multi- family, and commercial projects in the new construction markets, we anticipate that we will compete to a greater degree with large " home center " retailers. To remain competitive, we will need to invest continuously in manufacturing, customer service and support, marketing and our dealer network. We may have to adjust the prices of some of our products to stay competitive, which would reduce our revenues or harm our financial condition and ~~result~~ **results** of operations. We may not have sufficient resources to continue to make such investments or maintain our competitive position within each of the markets we serve. We have historically depended on a limited number of third parties to supply key finished goods and raw materials to us. Failure to obtain a sufficient supply of these finished goods and raw materials in a timely fashion and at reasonable costs could significantly delay our delivery of products, which would cause us to breach our sales contracts with our customers. We have historically purchased certain key finished goods and raw materials, such as pre- manufactured doors, cabinets, countertops, lumber and hardware, from a limited number of suppliers. We purchased finished goods and raw materials on the basis of purchase orders. In the absence of firm and long- term contracts, we may not be able to obtain a sufficient supply of these finished goods and raw materials from our existing suppliers or alternates in a timely fashion or at a reasonable cost. If we fail to secure a sufficient supply of key finished goods and raw materials in a timely fashion, it would result in a significant delay in our delivery of products, which may cause us to breach our sales contracts with our customers. Furthermore, failure to obtain **a** sufficient supply of these finished goods and raw materials at a reasonable cost could also harm our revenue and gross profit margins. Increased prices for finished goods or raw materials could increase our cost of revenues and decrease demand for our products, which could adversely affect our revenue or profitability. Our profitability is affected by the prices of the finished goods and raw materials used in the manufacturing and sale of our products. These prices may fluctuate based on a number of factors beyond our control, including, among others, changes in supply and demand, general economic conditions, labor costs, competition, import duties, tariffs, currency exchange rates and, in some cases, government regulation. Increased prices could adversely affect our profitability or revenues. We do not have long- term supply contracts for ~~the~~ finished goods and raw materials; however, we enter into pricing agreements with certain customers which fix their pricing for specified periods ranging from one to twelve months. Significant increases in the prices of finished goods and raw materials could adversely affect our profit margins, especially if we are not able to recover these costs by increasing the prices we charge our customers for our products. Interruptions in deliveries of finished goods and raw materials could adversely affect our revenue or profitability. Our dependency upon regular deliveries from particular suppliers means that interruptions or stoppages in such deliveries could adversely affect our operations until arrangements with alternate suppliers could be made. If any of our suppliers were unable to deliver finished goods and raw materials to us for an extended period of time, as the result of financial difficulties, catastrophic events affecting their facilities or other factors beyond our control, or if we were unable to negotiate acceptable terms for the supply of finished goods and raw materials with these or alternative suppliers, our business could suffer. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs for us. Even if acceptable alternatives are found, the process of locating and securing such alternatives might be disruptive to our business. Extended unavailability of a necessary finished good or raw material could cause us to cease manufacturing or selling one or more of our products for a period of time. Environmental requirements applicable to our facilities may impose significant environmental compliance costs and liabilities, which would adversely affect our results of operations. Our facilities are subject to numerous federal, state and local laws and regulations relating to pollution and the protection of the environment, including those governing emissions to air, discharges to water, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. We believe we are in substantial compliance with all applicable requirements. However, our efforts to comply with environmental requirements do not remove the risk that we may be held liable, or incur fines or penalties, and that the amount of liability, fines or penalties may be material, for, among other things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for contamination discovered at any of our properties from activities conducted by previous occupants. Changes in environmental laws and regulations or the discovery of previously unknown contamination or other liabilities relating to our properties and operations could result in significant environmental liabilities. In addition, we might incur significant capital and other costs to comply with increasingly stringent air emission control laws and enforcement policies which would decrease our cash flow. We may fail to fully realize the anticipated benefits of our growth strategy within the multi- family and commercial properties channels. Part of our growth strategy depends on expanding our business in the multi- family and commercial properties channels. We may fail to compete successfully against other companies that are already established providers within those channels. Demand for our products within the multi- family and commercial properties channels may not grow, or might even decline. In addition, trends within the industry change often, we may not accurately gauge consumer preferences and successfully develop, manufacture and market our products. Our failure to anticipate, identify or react to changes in these trends could lead to, among other things, rejection of a new product line, reduced demand and price reductions for our products, and could adversely affect our sales. Further, the implementation of our growth strategy may place additional demands on our administrative, operational and financial resources

and may divert management' s attention away from our existing business and increase the demands on our financial systems and controls. If our management is unable to effectively manage growth, our business, financial condition or results of operations could be adversely affected. If our growth strategy is not successful then our revenue and earnings may not grow as anticipated or may decline, we may not be profitable, or our reputation and brand may be damaged. In addition, we may change our financial strategy or other components of our overall business strategy if we believe our current strategy is not effective, if our business or markets change, or for other reasons, which may cause fluctuations in our financial results. Risks Related to Our ~~Automotive Supply~~ **Eyewear Products** ~~Business~~ **BusinessIf** ~~If~~ we ~~fail~~ **are unable** to ~~offer~~ **successfully introduce new products, develop our brands, and maintain** a broad selection of products at competitive prices or fail to maintain sufficient inventory to meet customer demands, our revenue could decline. In order to expand our business, we must successfully offer, on a continuous basis, a broad selection of products that meet the needs of our customers, including by being the first to market with new products. In addition, to be successful, our product offerings must be broad and deep in scope, competitively priced, well- made, innovative and attractive to a wide range of consumers. We cannot predict with certainty that we will be successful in offering products that meet all of these requirements. Moreover, even if we offer a broad selection of products at competitive prices, we must maintain sufficient in- stock inventory to meet consumer demand. If our product offerings fail to satisfy our customers' requirements or respond to changes in customer preferences or we otherwise fail to maintain sufficient in- stock inventory, our revenue could decline. ~~excess inventory,and there could be a negative impact on production costs since fixed costs would represent a larger portion of total production costs due to the decline in quantities produced,which could materially adversely affect our~~ results of operations.If vision correction alternatives to OTC eyeglasses become more widely available,or consumer preferences for such alternatives increase,our profitability could suffer through a reduction of sales of our reader eyewear products,including lenses and accessories.Our business could be negatively impacted by the availability and acceptance of vision correction alternatives to OTC or reader eyeglasses,such as contact lenses and refractive optical surgery.Increased use of vision correction alternatives could result in decreased use of our reader eyewear products,including a reduction of sales of lenses and accessories sold in our retail outlets,which could have a material adverse impact on our business,results of operations,financial condition and prospects.Our business depends on our ability to build and maintain strong brands **.We may not be able to maintain and enhance our brands if we receive unfavorable customer complaints,negative publicity,or otherwise fail to live up to consumers' expectations,which could materially adversely affect our** We ~~are highly dependent upon key~~ **may not be able to maintain and enhance our brands if we receive unfavorable customer complaints, negative publicity, or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, results of operations and growth prospects. Maintaining and enhancing our brands is critical to expanding our base of customers and** suppliers **. Our ability to maintain and enhance our** ~~and~~ **brand depends largely on our ability to maintain customer confidence in our product and service offerings. If customers do not have a satisfactory shopping experience, they may seek out alternative offers from our competitors and may not return to our displays and retail sites as often in the future, or at all. In addition, unfavorable publicity regarding, for example, our practices relating to privacy and data protection, product quality, delivery problems, competitive pressures, litigation or regulatory activity, could seriously harm our reputation. Such negative publicity also could have** an ~~interruption in such relationships~~ **adverse effect on the size, engagement, and loyalty of** ~~or~~ **our** ~~our ability to obtain products from such suppliers~~ **customer base and result in decreased revenue, which** could adversely affect our business and **financial** results ~~of operations~~. In **addition** ~~2022 and 2021~~, ~~Wolo purchased a~~ **maintaining and enhancing these eyeglass product brands may require us to make** substantial ~~portion of finished goods from~~ **investments, and these investments may not be successful. If we fail to promote and maintain** ~~four-~~ **our** ~~third- party vendors~~ **brands, or if we incur excessive expenses in this effort, our business, operating results and financial condition may be materially adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to provide high quality products to our customers and a reliable, trustworthy, and profitable sales channel to our suppliers,** which ~~comprised of 84. 7 % and 61. 4 % of its purchases, respectively. Our ability to acquire products from our suppliers in amounts and on terms acceptable to us is dependent upon a number of factors that could affect our suppliers and which are beyond our control. For example, financial or operational difficulties that some of our suppliers may face could result in an increase in the cost of the products we purchase from them. If we do not maintain our relationships with our existing suppliers or develop relationships with new suppliers on acceptable commercial terms,~~ we may not be able to ~~continue to offer a broad selection~~ **do successfully. Customer complaints or negative publicity about our sites, products, delivery times, customer data handling and security practices or customer support, especially on blogs, social media websites and our sites, could rapidly and severely diminish consumer use** of ~~merchandise at~~ **our sites and consumer and supplier confidence in us and result in harm to our brands. Our efforts to expand our business into new brands, products, services, technologies, and geographic regions will subject us to additional business, legal, financial, and** competitive ~~prices~~ **risks** and ~~, as a result, we could lose~~ **may not be successful. Our business success depends to some extent on our ability to expand our** ~~customers~~ - **customer** ~~and~~ **offerings by launching new brands, which may include new eyewear designs, new eyewear accessories,** ~~our~~ - **or** ~~sales could decline~~ **personal care products, and by expanding our existing offerings into new retail locations and geographies. Launching new brands and products or expanding geographically requires significant upfront investments, including investments in marketing, information technology, and additional personnel** . We ~~also have limited control over the products that our suppliers purchase or keep in stock. Our suppliers~~ may not ~~accurately forecast the products that will~~ be ~~in high demand or~~ **able to generate satisfactory revenue from these efforts to offset** ~~they~~ - **the costs** ~~may allocate popular products to other resellers, resulting in the unavailability~~ of **such expansions** ~~certain products for delivery to our customers~~. Any **lack** ~~inability to offer a broad array~~ of **market acceptance of** ~~products at competitive prices and any failure to deliver those products to~~ our **efforts to**

launch new ~~customers in a timely and accurate manner may damage our reputation and brand~~ **brands** and **services** ~~could cause us to lose customers and our~~ - **or to expand** ~~sales could decline. In addition, the increasing consolidation among auto parts suppliers may disrupt or~~ **our existing offerings** end our relationship with some suppliers,...... our ability to operate our business and could have a material adverse effect on our **business, prospects,** financial condition **,** and results of operations **. Further, as we continue to expand our fulfillment capability or add new businesses with different requirements, our logistics networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively. We have also entered and may continue to enter new markets in which we have limited or no experience, which may not be successful or appealing to our customers. For instance, in 2020, we entered the personal care products industry by providing and selling surgical face masks as well as N95 face masks to support the demand due to the COVID- 19 pandemic. This, and other similar activities may present new and difficult technological and logistical challenges, and resulting service disruptions, failures or other quality issues may cause customer dissatisfaction and harm our reputation and brand. Further, our current and potential competitors in new market segments may have greater brand recognition, financial resources, longer operating histories and larger customer bases than we do in these areas. As a result, we may not be successful enough in these newer areas to recoup our investments in them. If this occurs, our business, financial condition and operating results may be materially adversely affected. The loss of any of our key customers could have a materially adverse effect on our results of operations. Historically, a few long- term recurring customers have accounted for the majority of our revenues. For the year ended December 31, 2023, approximately 63 % of our eyewear product revenues were from sales to customers from our retail agreement with Target. There can be no assurance that we will maintain or improve the relationships with those customers or retailers. Our major customers often change each period based on when a given order is placed. If we cannot maintain long- term relationships with major customers, lose our contract to sell retail eyewear and eyewear accessories at Target, or replace major customers from period to period with equivalent customers, the loss of such sales could have an adverse effect on our business, financial condition and results of operations. If we fail to acquire new customers or retain existing customers, or fail to do so in a cost- effective manner, we may not be able to achieve profitability. Our success depends on our ability to acquire and retain customers and maintain our relationships with retailers in a cost- effective manner. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to be of high value and quality, we may not be able to acquire new customers. If we are unable to acquire new customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or efficiencies in our logistics network, our net revenue may decrease, and our business, financial condition and operating results may be materially adversely affected. If our efforts to satisfy our existing customers are not successful, we may not be able to acquire new customers in sufficient numbers to continue to grow our business, or we may be required to incur significantly higher marketing expenses in order to acquire new customers** . We are dependent upon relationships with manufacturers **, including many located** in Taiwan and China, which exposes us to complex regulatory regimes and logistical challenges. ~~Most~~ **All** of our manufacturing is outsourced to contract manufacturers **, including many located** in China and Taiwan, resulting in additional factors could interrupt our relationships or affect our ability to acquire the necessary products on acceptable terms, including: ● political, social and economic instability and the risk of war or other international incidents in Asia or abroad; ● fluctuations in foreign currency exchange rates that may increase our cost of products; ● imposition of duties, taxes, tariffs or other charges on imports; ● difficulties in complying with import and export laws, regulatory requirements and restrictions; ● natural disasters and public health emergencies, such as the recent COVID- 19 pandemic; ● import shipping delays resulting from foreign or domestic labor shortages, slow- downs, or stoppage; and ● the failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property; ● imposition of new legislation relating to import quotas or other restrictions that may limit the quantity of our products that may be imported into the U. S. from countries or regions where we do business; ● financial or political instability in any of the countries in which our products are manufactured; ● potential recalls or cancellations of orders for any products that do not meet our quality standards; ● disruption of imports by labor disputes or strikes and local business practices; ● political or military conflict involving the U. S. or any country in which our suppliers are located, which could cause a delay in the transportation of our products, an increase in transportation costs and additional risk to products being damaged and delivered on time; ● heightened terrorism security concerns, which could subject imported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods; ● inability of our non- U. S. suppliers to obtain adequate credit or access liquidity to finance their operations; and ● our ability to enforce any agreements with our foreign suppliers. If we were unable to import products from China and Taiwan or were unable to import products from China and Taiwan in a cost- effective manner, we could suffer irreparable harm to our business and be required to significantly curtail our operations, file for bankruptcy or cease operations. From time to time, we may also have to resort to administrative and court proceedings to enforce our legal rights with foreign suppliers. However, it may be more difficult to evaluate the level of legal protection we enjoy in Taiwan and China and the corresponding outcome of any administrative or court proceedings than in comparison to our suppliers in the United States. **,results of operations or cash flows.** Possible new tariffs that might be imposed by the United States government could have a material adverse effect on our results of operations.Changes in U.S.and foreign governments' trade policies have resulted in,and may continue to result in,tariffs on imports into and exports from the U.S.,among other restrictions.Throughout 2018 and 2019,the U.S.imposed tariffs on imports from several countries,including China.If further tariffs are imposed on imports of our products,or retaliatory trade measures are taken by China or other countries in response to existing or future tariffs,we ~~could be forced to raise prices on all~~ We depend on third- party delivery services, for both inbound and outbound shipping, to deliver our products to our distribution centers and subsequently to our **retail partners and** customers on a timely and consistent basis, and any deterioration in our

relationship with any one of these third parties or increases in the fees that they charge could harm our reputation and adversely affect our business and financial condition. We rely on third parties for the shipment of our products, both inbound and outbound shipping logistics, and we cannot be sure that these relationships will continue on terms favorable to us, or at all. Shipping costs have increased from time to time, and may continue to increase, and we may not be able to pass these costs directly to our customers. Any increased shipping costs could harm our business, prospects, financial condition and results of operations by increasing our costs of doing business and reducing gross margins which could negatively affect our operating results. In addition, we utilize a variety of shipping methods for both inbound and outbound logistics. For inbound logistics, we rely on trucking ~~and~~ **,** ocean **carriers, and air** carriers and any increases in fees that they charge could adversely affect our business and financial condition. For outbound logistics, we rely on " Less- than- Truckload " and parcel freight based upon the product and quantities being shipped and customer delivery requirements. These outbound freight costs have increased on a year- over- year basis and may continue to increase in the future. ~~We also ship a number of oversized auto parts which may trigger additional shipping costs by third- party delivery services. Any increases in fees or any increased use of " Less- than- Truckload " shipping would increase our shipping costs which could negatively affect our operating results.~~ In addition, if our relationships with these third parties are terminated or impaired, or if these third parties are unable to deliver products for us, whether due to labor shortage, slow down or stoppage, deteriorating financial or business condition, responses to terrorist attacks or for any other reason, we would be required to use alternative carriers for the shipment of products to our customers. Changing carriers could have a negative effect on our business and operating results due to reduced visibility of order status and package tracking and delays in order processing and product delivery, and we may be unable to engage alternative carriers on a timely basis, upon terms favorable to us, or at all. **In the event of a catastrophic loss of** ~~If commodity prices such as fuel, plastic and steel increase,~~ our ~~margins may~~ **key distribution facility, our business would** be ~~negatively impacted~~ **adversely affected** . ~~Our third~~ **While we maintain insurance covering our facility, including business interruption insurance, a catastrophic loss of the use of all or a portion of our distribution facility, due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long** - ~~party delivery services~~ **term, could** have **a** ~~increased fuel surcharges from time to time, and such increases negatively impact our margins, as we are generally unable to pass all of these costs directly to consumers. Increasing prices in the component materials -~~ **material** ~~for the parts we sell may impact the availability, the quality and the price of our products, as suppliers search for alternatives to existing materials and increase the prices they charge. We cannot ensure that we can recover all the increased costs through price increases, and our suppliers may not continue to provide the consistent quality of product as they may substitute lower cost materials to maintain pricing levels, all of which may have a negative impact on our business and results of operations. If we are unable to manage the challenges associated with our international operations, the growth of our business could be limited and our business could suffer. In addition to our relationships with foreign suppliers, we have contracts with sales representatives from thirteen regional sales companies in North America, Mexico, Puerto Rico, the U. K., Europe, the Middle East and the industrial aftermarket. We are subject to a number of risks and challenges that specifically relate to our international operations. Our international operations may not be successful if we are unable to meet and overcome these challenges, which could limit the growth of our business and may have an~~ adverse effect on ~~our~~ **us. Our** business ~~brand~~ strength.Many of our current competitors have,and potential competitors may have,longer operating histories,greater brand recognition,larger fulfillment infrastructures,greater technical capabilities,faster and less costly shipping,significantly greater financial,marketing and other resources and larger customer bases than we do.These factors may allow our competitors to derive greater net revenue and profits from their existing customer base,acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in consumer habits.These competitors may engage in more extensive research and development efforts,undertake more far- reaching marketing campaigns and adopt more aggressive pricing policies,which may allow them to build larger customer bases or generate net revenue from their customer bases more effectively than we do.If we fail to manage our growth effectively,our business **,** and operating results . These risks and challenges include:...... our sales could decline and our reputation could be harmed. ~~and operating results could be harmed.~~ To manage our growth effectively,we must continue to implement our operational plans and strategies,improve **,** and expand our infrastructure of people and information systems and expand,train and manage our employee base. ~~We have rapidly increased employee headcount since our inception to support the growth in our business.~~ To support continued growth,we must effectively integrate,develop and motivate ~~a large number of~~ new employees.We face significant competition for personnel.Failure to manage our hiring needs effectively or successfully integrate our new hires may have a material adverse effect on our business,financial condition and operating results.Additionally,the growth of our business places significant demands on our operations,as well as our management and other employees. ~~For example~~ **The growth of our business may require significant additional resources to meet these daily requirements** , ~~we typically launch hundreds~~ **which may not scale in a cost- effective manner or may negatively affect the quality** of ~~promotional events across thousands of products each month on~~ our sites ~~via emails~~ and ~~personalized displays~~ **customer experience** . ~~These events~~ **We are also** ~~require~~ **required** ~~us~~ to ~~produce updates~~ **manage relationships with a growing number of suppliers,customers and other third parties.** Our **information technology systems** ~~success depends on our ability to successfully receive~~ and ~~fulfill orders and to promptly deliver~~ our **internal controls and procedures may not be adequate to support the future growth of our supplier and employee base. If we are unable to manage the growth of our organization effectively, our business, financial condition and operating results may be materially adversely affected. Significant merchandise returns could harm our business. We allow our customers to return** products **, subject** to our **return policy. If merchandise returns are significant, our business, prospects, financial condition and results of operations could be harmed. Further, we modify our policies relating to returns from time to time, which may result in** ~~customers -~~ **customer dissatisfaction** ~~. Most of the orders for -~~ **or an increase in the number of product returns. Many of** our products are ~~filled devote significant resources~~ **large and require special handling and delivery.From time** to **time** ~~protect against security breaches or~~ **our products are damaged in transit** ~~to~~

~~address problems caused by breaches~~ , ~~diverting resources from the growth~~ **which can increase return rates** and **harm** ~~expansion of~~ our ~~business~~ **brand** .We may be subject to product liability and other similar claims if people or property are harmed by the products we sell.Some of the products we sell may expose us to product liability and other claims and litigation (including class actions) or regulatory action relating to safety,personal injury,death or environmental or property damage.Some of our agreements with members of our supply chain may not indemnify us ~~from product~~ from ~~our inventory in our distribution centers, where all our inventory management, packaging, labeling and~~ product **liability** ~~return processes are performed. Increased demand and other considerations may require us to expand our distribution centers or~~ **for** ~~transfer our fulfillment operations to larger~~ **a particular product, and some members of** ~~or~~ **our supply chain may** ~~other facilities in the future. If we do~~ not ~~successfully expand~~ **have sufficient resources** ~~our~~ - **or insurance** ~~fulfillment capabilities in response~~ to **satisfy their indemnity** ~~increases in demand, our sales could decline. In addition, our distribution centers are susceptible to damage or interruption from human error, pandemics, fire, flood, power loss, telecommunications failures, terrorist attacks, acts of war, break- ins, earthquakes~~ and ~~similar events~~ **defense obligations** . **Although we** ~~We do not currently~~ maintain **liability** ~~back- up power systems at our fulfillment centers. We do not presently have a formal disaster recovery plan and our business interruption~~ insurance ~~may~~ **, we cannot** be ~~insufficient to compensate us~~ **certain that our coverage will be adequate** for ~~losses~~ **liabilities actually incurred or** that **insurance will continue to** ~~may occur in the event operations at our fulfillment center are interrupted. In addition, alternative arrangements may not~~ be available **to us on economically reasonable terms** , or ~~if they~~ **at all. We** are **engaged** ~~available, may increase the cost of fulfillment. Any interruptions~~ in **legal proceedings that could cause us to incur unforeseen expenses and could occupy a significant amount of our management' s time and attention. From time to time, we are subject to litigation** ~~our~~ - **or** ~~fulfillment~~ **claims that could negatively affect our business** operations ~~for~~ **and financial position. Litigation disputes could cause us to incur unforeseen expenses, result in site unavailability, service disruptions, and otherwise occupy a significant amount of our management' s time and attention,** any of which could negatively affect our business operations and financial position.We also from time to time receive inquiries and subpoenas and other types of information requests from government authorities and we may become subject to related claims and other actions related to our business activities.While the ultimate outcome of investigations,inquiries,information requests and related legal proceedings is difficult to predict,such matters can be expensive,time- consuming and distracting,and adverse resolutions or settlements of those matters may result in,among other things,modification of our business practices,reputational harm or costs and significant **payments** ~~period of time~~ , **any** ~~including interruptions resulting from the expansion~~ of ~~our existing facilities~~ **which could negatively affect** ~~or~~ **our business** ~~the transfer of~~ operations ~~to a new facility, could damage our reputation and brand and substantially harm our business and results of operations. We face intense competition and operate in an~~ **and** industry with limited barriers to entry,......, superior brand recognition and significantly greater financial **position** ~~, marketing, technical, management and other resources than we do. In addition, some of our competitors have used and may continue to use aggressive pricing tactics and devote substantially more financial resources to website and system development than we do. We expect that competition will further intensify in the future as Internet use and online commerce continue to grow worldwide. Increased competition may result in reduced sales, lower operating margins, reduced profitability, loss of market share and diminished brand recognition~~ . We rely on ~~key personnel and may need additional personnel for~~ the **performance** ~~success and growth~~ of **members** ~~our business. Our business is largely dependent on the personal efforts and abilities~~ of **management and** highly skilled ~~executive, technical, managerial, merchandising and marketing~~ personnel ~~. Competition for such personnel is intense~~ , and **if** we **are unable** ~~cannot assure that we will be successful in attracting and retaining such personnel. The loss of any key employee or our inability~~ to attract ~~or~~ **, develop, motivate and** retain ~~other~~ **well-** qualified employees ~~could harm our business and results of operations. If our product catalog database is stolen~~ , misappropriated or damaged, or if a...... may lose an important competitive advantage and our business could be harmed. ~~Economic conditions have had~~ **We believe our success has depended** , and ~~may continue~~ **continues** to ~~have~~ **depend** , ~~an adverse effect~~ on the **members of our senior management teams. The loss of any of our senior management or other key employees could materially harm our business. Our future success also depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees, particularly mid- level managers and merchandising and technology personnel. The market for such positions is competitive. Qualified individuals are in high** demand **,** ~~for aftermarket auto parts~~ and **we may incur significant costs to attract them. Our inability to recruit and develop mid- level managers** could **materially** adversely affect our sales and operating results. Demand for...... exit the industry which may impact our ability to **execute** procure parts and may adversely impact gross...... otherwise, our sales may decline and our business **plan** and financial results may suffer. We...... impossible to bring into the United States , and we may not be able to ~~obtain such products from~~ **find adequate replacements. All of our officers and** other ~~sources~~ **U. S. employees are** at ~~similar prices. Such a disruption in revenue~~ **- will employees, meaning that they may terminate their employment relationship with us at any time, and their knowledge of our business and industry** ~~could~~ **would** ~~potentially have a negative impact on~~ **be extremely difficult to replace. If we do not succeed in attracting well- qualified employees** ~~our~~ - **or** ~~results of operations~~ **retaining and motivating existing employees, our business** , financial condition and ~~cash flows~~ **operating results may be materially adversely affected** . We ~~rely extensively on our computer systems to manage inventory, process transactions and timely provide products to our customers. Our systems~~ are subject to ~~damage~~ **risks related to online payment methods. We accept payments using a variety of methods, including credit card, debit card, PayPal, credit accounts and gift cards. As we offer new payment options to consumers, we may be subject to additional regulations, compliance requirements and fraud.** ~~or~~ **For** ~~interruption~~ certain payment methods,including credit and debit cards,we pay interchange and other fees,which may increase over time and raise our operating costs and lower profitability.We are also subject to payment card association operating rules and certification requirements,including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers,which could change or be reinterpreted to make it difficult or impossible for us to comply.As our business changes,we may also be

subject to different rules under existing standards,which may require new assessments that involve costs above what we currently pay for compliance.If we fail to comply with the rules or requirements of any provider of a payment method we accept,if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept,or if a data breach occurs relating to our payment systems,we may,among other things,be subject to fines or higher transaction fees and may lose,or face restrictions placed upon,our ability to accept credit card and debit card payments from **consumers** ~~power outages, telecommunications failures, computer viruses, security breaches~~ or **to facilitate** other ~~catastrophic~~ **types of online payments. If any of these** events ~~. If~~ **were to** ~~our~~ **occur ,** ~~systems are damaged or~~ **our business** ~~fail to function properly, we may experience loss of critical data and interruptions or delays in our ability to manage inventories or process customer transactions. Such a disruption of our systems could negatively impact revenue and potentially have a negative impact on our results of operations~~ , financial condition and ~~cash flows~~ **operating results could be materially adversely affected** . ~~Security threats~~ **We occasionally receive orders placed with fraudulent credit card data. We may suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders. Under current credit card practices** , **we may** ~~and industry would~~ be ~~extremely difficult to replace~~ **liable for fraudulent credit card transactions** .If we **are unable to detect** ~~do not succeed in attracting well- qualified employees~~ or **control credit card fraud** ~~retaining and motivating existing employees~~ , **our liability for these transactions could harm** our business,financial condition and ~~operating~~ results **of operations** ~~may be materially adversely affected~~ .We may not be able to adequately protect our intellectual property rights.We regard our customer lists,domain names,trade dress,trade secrets **,trademarks** ,proprietary technology and similar intellectual property as critical to our success,and we rely on trade secret protection,agreements and other methods with our employees and others to protect our proprietary rights.We might not be able to obtain broad protection for all of our intellectual property.The protection of our intellectual property rights may require the expenditure of significant financial,managerial and operational resources.We may initiate claims or litigation against others for infringement,misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such ~~as ransomware attacks~~ **rights. Any litigation** , ~~to~~ **whether** ~~our~~ - **or** ~~IT infrastructure~~ **not it is resolved in our favor,** could **result in significant** ~~expose~~ **expense to** us ~~to liability,~~ and ~~damage~~ **divert the efforts of** our ~~reputation~~ **technical** and **management personnel, which may materially adversely affect our** business **, financial condition and operating results** . ~~It~~ **Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights, and we may not be able to broadly enforce all of our intellectual property rights. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Additionally, the process of obtaining intellectual property protections** is **expensive** ~~essential to our business strategy that our technology~~ and ~~network infrastructure remain secure~~ **time- consuming,** and **we may not** ~~is perceived by our customers to~~ be **able** ~~secure. Despite security measures, however, any network infrastructure may be vulnerable~~ to **pursue** cyber- attacks. Information security risks...... our controls may not prevent or identify all ~~such attacks~~ **necessary or desirable actions at a reasonable cost or** in a timely manner **. Even if issued, there can be no assurance that these protections will adequately safeguard our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. We also cannot be certain that others will not independently develop** or otherwise **acquire equivalent** ~~prevent unauthorized access to, damage to, or interruption of our~~ - **or** ~~systems~~ **superior intellectual property rights. We may also be exposed to claims from third parties claiming infringement of their intellectual property rights. These claims could result in litigation that may materially affect our financial condition** and ~~by vigorous protection~~ **operating results in a material** and ~~pursuit~~ **adverse way.We may be accused** of **infringing on the** intellectual property rights **of third parties** ~~,which has resulted in protracted and expensive litigation for many companies~~ .We may be subject to claims and litigation by third parties that we infringe **on** their intellectual property rights.The costs of supporting such litigation and disputes are considerable,and there can be no assurances that favorable outcomes will be obtained.As our business expands and the number of competitors in our market increases and overlaps occur,we expect that infringement claims may increase in number and significance.Any claims or proceedings against us,whether meritorious or not,could be time- consuming,result in considerable litigation costs,require significant amounts of management time or result in the diversion of significant ~~operational resources, operations~~ **operational resources** ~~, and we cannot eliminate the risk of human error or employee or vendor malfeasance. In addition~~ , any **of** ~~failure by us to comply with applicable privacy and information security laws and regulations could cause us to incur significant costs to protect any customers whose personal data was compromised and to restore customer confidence in us and to make changes to our information systems and administrative processes to address security issues and compliance with applicable laws and regulations. In addition, our customers could lose confidence in our ability to protect their personal information,~~ which could **materially** ~~cause them to stop shopping on our sites altogether. Such events could lead to lost sales and~~ adversely affect our **business, financial condition and operating** results of operations. We also could be...... with the United States International Trade Commission . We have received in the past, and we ~~anticipate we~~ may **receive** in the future ~~receive~~ , communications alleging that certain ~~products we sell infringe the patents,~~ **items posted on or sold through our sites violate third- party** copyrights, ~~trademarks~~ **designs, marks** and trade names or other intellectual property rights ~~of OEMs~~ or other **proprietary rights. Brand and content owners and other proprietary rights owners have actively asserted their purported rights against online companies. In addition to litigation from rights owners, we may be subject to regulatory, civil or criminal proceedings and penalties if governmental authorities believe we have aided and abetted in the sale of counterfeit or infringing products. Such claims, whether or not meritorious, may result in the expenditure of significant financial, managerial and operational resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from** third parties **who allege** ~~. The United States Patent and Trademark Office records indicate~~ that **we** ~~OEMs are seeking and obtaining more design patents and trademarks than they~~ have ~~in~~ **violated** ~~the~~ **their** ~~past~~ **rights, but such licenses**

may not be available on terms acceptable to us, or at all . ~~In~~ **These risks have been amplified by the increase in third parties whose** ~~some~~ **sole** ~~cases,~~ **or primary business is to assert such claims. If** we **do not continue to negotiate and maintain favorable license arrangements, our sales or cost of revenues could suffer. We** have entered into license agreements that ~~allow~~ **enable** us to ~~sell aftermarket parts that replicate OEM patented parts in exchange for a royalty~~ **manufacture and distribute prescription frames and sunglasses under certain names, including Dr** . **Dean Edell. These** ~~In the event that our~~ license agreements ~~,~~ **typically have terms of multiple years and may contain options** ~~or~~ **for renewal for additional periods and require us to make guaranteed and contingent royalty payments to** ~~other~~ -- **the** ~~similar~~ **licensor. Accordingly, if we are unable to negotiate and maintain satisfactory** license arrangements ~~are terminated,~~ **with some of** ~~or~~ **our** ~~we are unable to agree upon renewal terms, we may be subject to restrictions on our ability to sell aftermarket parts that replicate parts covered by design~~ **designers** ~~patents~~ **,** ~~or~~ **our** ~~trademarks, which~~ **growth prospects and financial results** could ~~have~~ **materially suffer from a reduction in sales or** an ~~adverse effect on our business. Litigation or regulatory enforcement could also result in interpretations of the law that require us to change our business practices or otherwise~~ increase ~~our~~ **in advertising** costs and harm our business. We may not...... and maintaining brand recognition and customer loyalty **royalty payments** ~~. Because we are involved in litigation from time~~ to **designers** time and are subject to numerous laws......, results of operations and cash flows . Existing or future government regulation could expose us to liabilities and costly changes in our business operations and could reduce customer demand for our products and services. We are subject to federal and state consumer protection laws and regulations, including laws protecting the privacy of customer non- public information and regulations prohibiting unfair and deceptive trade practices, as well as laws and regulations governing businesses in general and the Internet and e- commerce and certain environmental laws. Additional laws and regulations may be adopted with respect to the Internet. These laws may cover issues such as user privacy, spyware and the tracking of consumer activities, marketing e-mails and communications, other advertising and promotional practices, money transfers, pricing, content and quality of products and services, taxation, electronic contracts and other communications, intellectual property rights, and information security. Furthermore, it is not clear how existing laws such as those governing issues such as property ownership, sales and other taxes, trespass, data mining and collection, and personal privacy apply to the Internet and e- commerce. To the extent we expand into international markets, we will be faced with complying with local laws and regulations, some of which may be materially different than U. S. laws and regulations. Any such foreign law or regulation, any new U. S. law or regulation, or the interpretation or application of existing laws and regulations to our business may have a material adverse effect on our business, prospects, financial condition and results of operations by, among other things, subjecting us to fines, penalties, damages or other liabilities, requiring costly changes in our business operations and practices, and reducing customer demand for our products and services. We may not maintain sufficient, or any, insurance coverage to cover the types of claims or liabilities that could arise as a result of such regulation. **Risks Related to Our Retail and Appliances Business If we fail to acquire new customers or retain existing customers, or fail to do so in a cost- effective manner, we may not be able to achieve profitability. Our success depends on our ability to acquire and retain customers in a cost- effective manner.** We ~~may~~ **have made significant investments related to customer acquisition and expect to continue to spend significant amounts to acquire additional customers. We cannot assure you that the net profit from new customers we acquire will ultimately exceed the cost of acquiring those customers. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to** be **of high value** ~~affected by global climate change or by legal, regulatory, or market responses to such change. The growing political~~ and ~~scientific sentiment is that global weather patterns~~ **quality, we may not be able to acquire new customers. If we** are **unable** ~~being influenced by increased levels of greenhouse gases in the earth' s atmosphere. This growing sentiment and the concern over climate change have led~~ to **acquire new customers who purchase products** ~~legislative and regulatory initiatives aimed at reducing greenhouse gas emissions which warm the earth' s atmosphere. These warmer weather conditions could result~~ in ~~a~~ **numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or efficiencies in our logistics network, our net revenue may** decrease ~~in demand for auto parts in general. Moreover~~ , ~~proposals that would impose mandatory requirements on greenhouse gas emissions continue to be considered by policy makers in the United States. Laws enacted that directly or indirectly affect our suppliers (through an~~ **and** ~~increase in the cost of production or their ability to produce satisfactory products) or our business (through an impact on our inventory availability, cost of revenues, operations or demand for the products we sell) could adversely affect~~ our business, financial condition ~~,~~ **and operating** results ~~of operations and cash flows~~ **may be materially adversely affected** . **We believe that many of** ~~Significant increases in fuel economy requirements or~~ **our** new ~~federal~~ **customers originate from word- of- mouth and other non- paid referrals from existing customers. Therefore, we must ensure that** ~~or~~ **our** ~~state restrictions~~ **existing customers remain loyal to us in order to continue receiving those referrals. If our efforts to satisfy our existing customers are not successful, we may not be able to acquire new customers in sufficient numbers to continue to grow our business, or we may be required to incur significantly higher marketing expenses in order to acquire new customers. Our success depends in part** on ~~emissions~~ **our ability to increase our net revenue per active customer. If our efforts to increase customer loyalty and repeat purchasing as well as maintain high levels** of ~~carbon dioxide~~ **customer engagement are not successful, our growth prospects and revenue will be materially adversely affected. Our ability to grow our business depends on our ability to retain our existing customer base and generate increased revenue and repeat purchases from this customer base, and maintain high levels of customer engagement. To do this, we must continue to provide our customers and potential customers with a unified, convenient, efficient and differentiated shopping experience by: ● providing imagery, tools and technology** that ~~may be imposed~~ **attract customers who historically would have bought elsewhere; ● maintaining a high- quality and diverse portfolio of products; ● delivering products** on ~~vehicles~~ **time** and **without damage; and ● maintaining and further developing** ~~automobile fuels could adversely affect demand for vehicles, annual miles driven or~~ **our** ~~the products we sell or lead to changes~~

in ~~automotive technology~~ **- store and online platforms** . ~~Compliance with any new or more stringent laws or regulations~~ **If we fail to increase net revenue per active customer** , **generate repeat purchases** ~~or stricter interpretations of existing laws, could require additional expenditures by us or our~~ - **or maintain high levels of customer engagement** ~~suppliers. Our inability to respond to such changes could adversely impact the demand for our products and our business~~ , **our growth prospects, operating results and** financial condition , results of operations or cash flows...... to existing or future tariffs, we could be ~~forced to raise prices~~ **materially adversely affected. Our business depends** on ~~all of our imported products or~~ **our ability** ~~make changes~~ to ~~our operations, any of which could materially harm our revenue~~ **build and maintain strong brands. We may not be able to maintain and enhance** ~~or~~ **our brands** ~~operating results. Any additional future tariffs or quotas imposed on our products or related materials may impact our sales, gross margin and profitability~~ if we **receive unfavorable** ~~are unable to pass increased prices onto our customers~~ - **customer complaints** ~~. Risks Related to Our Eyewear Products Business If we are unable to successfully introduce new products~~ , ~~develop~~ **negative publicity** ~~our~~ - **or otherwise** ~~brands, and maintain a broad selection of products at competitive prices or~~ fail to **live up** ~~maintain sufficient inventory~~ to ~~meet customer demands, our revenue could decline. The price categories of the reader glasses and sunglasses markets in which we compete are particularly vulnerable to changes in fashion trends and consumer~~ **consumers ' expectations** preferences. Our historical success is attributable...... due to the decline in quantities produced , which could materially adversely affect our results of operations. If vision correction......, which could materially adversely affect our business, results of operations and growth prospects. Maintaining and enhancing our brands is critical to expanding our base of customers and suppliers. Our ability to maintain and enhance our brand depends largely on our ability to maintain customer confidence in our product and service offerings **, including by delivering products on time and without damage** . If customers do not have a satisfactory shopping experience, they may seek out alternative offers from our competitors and may not return to our ~~displays~~ **stores** and ~~retail~~ sites as often in the future, or at all. In addition, unfavorable publicity regarding, for example, our practices relating to privacy and data protection, product quality, delivery problems, competitive pressures, litigation or regulatory activity, could seriously harm our reputation. Such negative publicity also could have an adverse effect on the size, engagement, and loyalty of our customer base and result in decreased revenue, which could adversely affect our business and financial results. In addition, maintaining and enhancing these ~~eyeglass product~~ brands may require us to make substantial investments, and these investments may not be successful. If we fail to promote and maintain our brands, or if we incur excessive expenses in this effort, our business, operating results and financial condition may be materially adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to provide high quality products to our customers and a reliable, trustworthy ~~,~~ and profitable sales channel to our suppliers, which we may not be able to do successfully. Customer complaints or negative publicity about our sites, products, delivery times, customer data handling and security practices or customer support, especially on blogs, social media websites and our sites, could rapidly and severely diminish consumer use of our sites and consumer and supplier confidence in us and result in harm to our brands. Our efforts to expand our business into new brands, products, services, technologies, and geographic regions will subject us to additional business, legal, financial, and competitive risks and may not be successful. Our business success depends to some extent on our ability to expand our customer offerings by launching new brands **and services** ~~, which may include new eyewear designs, new eyewear accessories, or personal care products,~~ and by expanding our existing offerings into new ~~retail locations and~~ geographies. Launching new brands and ~~products~~ **services** or expanding geographically requires significant upfront investments, including investments in marketing, information technology, and additional personnel. We may not be able to generate satisfactory revenue from these efforts to offset ~~the~~ **these** costs ~~of such expansions~~ . Any lack of market acceptance of our efforts to launch new brands and services or to expand our existing offerings could have a material adverse effect on our business, prospects, financial condition ~~,~~ and results of operations. Further, as we continue to expand our fulfillment capability or add new businesses with different requirements, our logistics networks become increasingly complex and operating them becomes more challenging. There can be no assurance that we will be able to operate our networks effectively. We have also entered and may continue to enter **into** new markets in which we have limited or no experience, which may not be successful or appealing to our customers. **These** ~~For instance, in 2020, we entered the personal care products industry by providing and selling surgical face masks as well as N95 face masks to support the demand due to the COVID- 19 pandemic. This, and other similar~~ activities may present new and difficult technological and logistical challenges, and resulting service disruptions, failures or other quality issues may cause customer dissatisfaction and harm our reputation and brand. Further, our current and potential competitors in new market segments may have greater brand recognition, financial resources, longer operating histories and larger customer bases than we do in these areas. As a result, we may not be successful enough in these newer areas to recoup our investments in them. If this occurs, our business, financial condition and operating results may be materially adversely affected. ~~Historically~~ **If we fail to manage our growth effectively** , **our business, financial condition and operating results could be harmed. To manage our growth effectively, we must continue to implement our operational plans and strategies, improve and expand our infrastructure of people and information systems and expand, train and manage our employee base. We have rapidly increased employee headcount since our inception to support the growth in our business. To support continued growth, we must effectively integrate, develop and motivate** a ~~few long~~ **large** number of new employees.We face significant competition for personnel.Failure to manage our hiring needs effectively or successfully integrate our new hires may have a material adverse effect on our business,financial condition and operating results.Additionally,the growth of our business places significant demands on our operations,as well as our management and other employees.For example,we typically launch hundreds of promotional events across thousands of products each month on our sites via emails and personalized displays.These events require us to produce updates of our sites and emails to our customers on a daily basis with different products,photos and text.Any surge in online traffic and orders associated with such promotional activities places increased strain on our operations,including our logistics network,and may cause or exacerbate

slowdowns or interruptions.The growth of our business may require significant additional resources to meet these daily requirements,which may not scale in a cost ~~-~~ - ~~term recurring~~ **effective manner or may negatively affect the quality of our sites and customer experience. We are also required to manage relationships with a growing number of suppliers,** customers ~~,customers~~ and other third parties.Our information technology systems and our internal controls and procedures may not be adequate to support **our** future growth of our supplier and employee base.If we are unable to manage the growth of our organization effectively,our business,financial condition and operating results may be materially adversely affected.Our ability to obtain continued financing is critical to the growth of our business.We will need additional financing to fund operations,which additional financing may not be available on reasonable terms or at all.Our future growth,including the potential for future market expansion will require additional capital.We will consider raising additional funds through various financing sources,including the procurement of additional commercial debt financing.However,there can be no assurance that such funds will be available on commercially reasonable terms,if at all.If such financing is not available on satisfactory terms,we may be unable to execute our growth strategy,and operating results may be adversely affected.Any additional debt financing will increase expenses and must be repaid regardless of operating results and may involve restrictions limiting our operating flexibility.Our ability to obtain financing may be impaired by such factors as the capital markets,both generally and specifically in our industry,which could impact the availability or cost of future financings.If the amount of capital we are able to raise from financing activities,together with our revenues from operations,are not sufficient to satisfy our capital needs,we may be required to decrease the pace of,or eliminate,our future product offerings and market expansion opportunities and potentially curtail operations.Our business is highly competitive.Competition presents an ongoing threat to the success of our business.Our business is rapidly evolving and intensely competitive,and **we** have ~~accounted for a majority of~~ **many competitors in different industries. Our competition includes big box retailers, such as Home Depot, Lowe' s and Costco, specialty retailers, such as TeeVax, Ferguson and Premier Bath and Kitchen, and online marketplaces, such as Amazon. We expect competition to continue to increase. We believe that** our ~~.Our business is rapidly evolving and intensely competitive,and we have many competitors.Our competition includes big box retailers,such as Foster Grant,SAV Eyewear,Eyebobs,Peepers,Blue Gem,Sees Eyewear,Modo,and EyeOs,and online marketplaces,such as Amazon.We expect competition to continue to increase.We believe that our~~ ability to compete successfully depends upon many factors both within and beyond our control,including:● the size and composition of our customer base;● the number of suppliers and products we feature;● our selling and marketing efforts;● the quality,price and reliability of products we offer;● the quality and convenience of the shopping experience that we provide;● our ability to distribute our products and manage our operations;and ● our **reputation and brand strength.Many of our current competitors have,and potential competitors may have,longer operating histories,greater brand recognition,larger fulfillment infrastructures,greater technical capabilities,faster and less costly shipping,significantly greater financial,marketing and other resources and larger customer bases than we do.These factors may allow our competitors to derive greater net** ~~revenues~~ - **strength.Many of our current competitors have,and potential competitors may have,longer operating histories,greater brand recognition,larger fulfillment infrastructures,greater technical capabilities,faster and less costly shipping,significantly greater financial,marketing and other resources and larger customer bases than we do.These factors may allow our competitors to derive greater net** revenue and profits from their existing customer base,acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in consumer habits.These competitors may engage in more extensive research and development efforts,undertake more far- reaching marketing campaigns and adopt more aggressive pricing policies,which may allow them to build larger customer bases or generate net revenue from their customer bases more effectively than we do. ~~Our success depends~~ **If we fail to manage our growth effectively** , **our business** ~~in substantial part~~ , ~~on our continued ability to market our products through search engines and social media platforms.The marketing of our products depends on our ability to cultivate and maintain cost-effective and otherwise satisfactory relationships with search engines and social media platforms,including those operated by Google,Facebook,Bing and Yahoo!.These platforms could decide to change their terms and conditions~~ . For **example** ~~the year ended December 31~~ , **if one** ~~2022, a majority~~ of **our data centers fails** ~~our~~ - **or** ~~revenues were~~ **suffers an interruption or degradation of services, we could lose customer data and miss order fulfillment deadlines, which could harm our business. Our systems and operations, including our ability to fulfill customer orders through our logistics network, are also vulnerable to damage or interruption** from ~~sales~~ **inclement weather, fire, flood, power loss, telecommunications failure, terrorist attacks, labor disputes, cyber- attacks, data loss, acts of war, break- ins, earthquake and similar events. In the event of a data center failure, the move** to **a** back- up could take substantial time,during which time our sites could be completely shut down.Further,our back- up services may not effectively process spikes in demand,may process transactions more slowly and may not support all of our site' s functionality.We use complex proprietary software in our technology infrastructure,which we seek to continually update and improve.We may not always be successful in executing these upgrades and improvements,and the operation of our systems may be subject to failure.In particular,we have in the past and may in the future experience slowdowns or interruptions on some or all of our sites when we are updating them,and new technologies or infrastructures may not be fully integrated with existing systems on a timely basis,or at all.Additionally,if we expand our use of third- party services,including cloud- based services,our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with such services and / or failures by such third parties,which are out of our control.Our net revenue depends on the number of visitors who shop on our sites and the volume of orders we can handle.Unavailability of our sites or reduced order fulfillment performance would reduce the volume of goods sold and could also materially adversely affect consumer perception of our brand.We may experience periodic system interruptions from time to time.In addition,continued growth in our transaction volume,as well as surges in online traffic and orders associated with promotional activities or seasonal trends in our business,place additional demands on our technology platform and could cause or exacerbate slowdowns or interruptions.If there is a substantial increase in the volume of traffic on our sites or the number of orders placed

by ~~customers~~ customers ~~from~~ **, we may be required to further expand and upgrade** our ~~retail agreement with Target~~ **technology, logistics network, transaction processing systems and network infrastructure** . There can be no assurance that we will be able to accurately project the rate or timing of increases,if any,in the use of our sites or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis.In order to remain competitive,we must continue to enhance and improve the responsiveness,functionality and features of our sites,which is particularly challenging given the rapid rate at which new technologies,customer preferences and expectations and industry standards and practices are evolving in the e- commerce industry.Accordingly,we redesign and enhance various functions on our sites on a regular basis,and we may experience instability and performance issues as a result of these changes.Any slowdown,interruption or performance failure of our sites and the underlying technology and logistics infrastructure could harm our business,reputation and our ability to acquire,retain and serve our customers,which could materially adversely affect our results of operations.Our failure or the failure of third- party service providers to protect our sites,networks and systems against security breaches,or otherwise to protect our confidential information,could damage our reputation and brand and substantially harm our business and operating results.We collect, maintain **, transmit and store data about** ~~or~~ **our** ~~improve our~~ customers,employees,contractors,suppliers,vendors and others,including credit card information and personally identifiable information,as well as other confidential and proprietary information.We also employ third- party service providers that store,process and transmit certain proprietary,personal and confidential information on our behalf.We rely on encryption and authentication technology licensed from third parties in an effort to securely transmit,encrypt,anonymize or pseudonymize certain confidential and sensitive information,including credit card numbers.Advances in computer capabilities,new technological discoveries or other developments may result in the whole or partial failure of this technology to protect transaction and personal data or other confidential and sensitive information from being breached or compromised.Our security measures,and those of our third- party service providers,may not detect or prevent all attempts to hack our systems,denial- of- service attacks,viruses,malicious software,break- ins,phishing attacks,ransom- ware,social engineering,security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our sites,networks and systems or that we or our third- party service providers otherwise maintain,including payment card systems and human resources management platforms.We and our service providers may not anticipate,discover or prevent all types of attacks until **after** ~~the~~ **they have already been launched, and techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third- party service providers. In addition, security breaches can also occur as a result of non- technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial** relationships ~~commercial relationships~~ .Breaches of our security measures or those of our third- party service providers or cyber security incidents could result in unauthorized access to our sites,networks and systems;unauthorized access to and misappropriation of personal information,including consumers' and employees' personally identifiable information,or other confidential or proprietary information of ourselves or third parties;limited or terminated access to certain payment methods or fines or higher transaction fees to use such methods;viruses,worms,spyware or other malware being served from our sites,networks or systems;deletion or modification of content or the display of unauthorized content on our sites;interruption,disruption or malfunction of operations;costs relating to breach remediation,deployment or training of additional personnel and protection technologies,responses to governmental investigations and media inquiries and coverage;engagement of third- party experts and consultants;litigation,regulatory action and other potential liabilities.If any of these breaches of security occur,our reputation and brand could be damaged,our business may suffer,we could be required to expend significant capital and other resources to alleviate problems caused by such breaches and we could be exposed to a risk of loss,litigation or regulatory action and possible liability.In addition,any party who is able to illicitly obtain a customer' s password could access that customer' s transaction data or personal information.Any compromise or breach of our security measures,or those of our third- party service providers,could violate applicable privacy,data security and other laws,and cause significant legal and financial exposure,adverse publicity and a loss of confidence in our security measures,which could have a material adverse effect on our business,financial condition and operating results.We may need to devote significant resources to protect against security breaches or to address problems caused by breaches,diverting resources from the growth and expansion of our business.We may be subject to product liability and other similar claims if people or property are harmed by the products we sell.Some of the products we sell may expose us to product liability and other claims and litigation (including class actions) or regulatory action relating to safety,personal injury,death or environmental or property damage.Some of **our agreements** with **members of our supply chain may not indemnify us from product liability for a particular product, and some members of our supply chain may not have sufficient resources or insurance to satisfy their indemnity and defense obligations. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Risks associated with** ~~those~~ -- **the suppliers from whom our products are sourced, including supply chain delays and cost increases, could materially adversely affect our financial performance as well as our reputation and brand. We depend on our ability to provide our** customers **with a wide range of products from qualified suppliers, many of whom are located in countries outside of the U. S., in a timely and efficient manner. Political and economic instability, the financial stability of suppliers, suppliers' ability to meet** ~~or~~ **our** ~~retailers~~ **standards, labor problems experienced by suppliers, the availability or cost of raw materials, merchandise quality issues, currency exchange rates, trade tariff developments, transport availability and cost, transport security, inflation, and other factors relating to our suppliers are beyond our control. In particular, we have recently experienced ongoing supply chain delays and cost increases with appliance manufacturers** . Our **agreements with most of our suppliers do not provide for the** ~~major customers often change each period based on when a given order is placed. If we cannot maintain~~ long- term **availability of merchandise or the continuation of particular pricing practices, nor do they usually restrict such suppliers from selling products to other**

buyers. There can be no assurance that our current suppliers will continue to seek to sell us products on current terms or that we will be able to establish new or otherwise extend current supply relationships to ensure product acquisitions in a timely and efficient manner and on acceptable commercial terms. Our ability to develop and maintain relationships with ~~major~~ **reputable suppliers and offer high quality merchandise to our** customers **is critical** ~~, lose our contract~~ to ~~sell retail eyewear and eyewear accessories at Target, or~~ **our success** ~~replace major customers from period to period with equivalent customers, the loss of such sales could have an adverse effect on our business, financial condition and results of operations~~ . If we **are** ~~fail to acquire new customers or retain existing customers, or fail to do so in a cost- effective manner, we may not be able~~ **unable** to **develop** ~~achieve profitability. Our success depends on our ability to acquire and retain customers~~ and maintain ~~our~~ relationships with ~~retailers in~~ **suppliers that would allow us to offer** a ~~cost~~ **sufficient amount and variety of quality merchandise on acceptable commercial terms, our ability to satisfy our customers' needs, and therefore our long** - **term** ~~effective manner. If we fail to deliver a quality shopping experience, or if consumers do not perceive the products we offer to be of high value and quality, we may not be able to acquire new customers. If we are unable to acquire new customers who purchase products in numbers sufficient to grow~~ **growth prospects** ~~our business~~ , **would** ~~we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers or efficiencies in our logistics network, our net revenue may decrease, and our business, financial condition and operating results may~~ be materially adversely affected. **Further, we rely on our suppliers' representations of product quality, safety and compliance with applicable laws and standards.** If our **suppliers** ~~efforts to satisfy our~~ - **or** ~~existing~~ **other vendors violate applicable laws, regulations or our supplier code of conduct, or implement practices regarded as unethical, unsafe, or hazardous to the environment, it could damage our reputation and negatively affect our operating results. Further, concerns regarding the safety and quality of products provided by our suppliers could cause our** customers ~~are not successful, we may not be able~~ to **avoid purchasing** ~~acquire new customers in sufficient numbers to continue to grow our business, or we may be required to incur significantly higher marketing expenses in order to acquire new customers. We are dependent upon relationships with manufacturers, including many located in Taiwan and China, which exposes us to complex regulatory regimes and logistical challenges. All of our manufacturing is outsourced to contract manufacturers, including many located in China and Taiwan, resulting in additional factors could interrupt our relationships or affect our ability to acquire the~~ **those** ~~necessary products on acceptable terms, including: We are highly dependent upon key suppliers and an interruption in such relationships or our ability to obtain~~ products from **us, or avoid purchasing products from us altogether, even if the basis for the concern is outside of our control. As** such ~~suppliers~~ **, any issue, or perceived issue, regarding the quality and safety of any items we sell, regardless of the cause,** could adversely affect our ~~affect our~~ brand,reputation,operations and financial results.We also are unable to predict whether any of the countries in which our suppliers' products are currently manufactured or may be manufactured in the future will be subject to new,different,or additional trade restrictions imposed by the U.S.or foreign governments or the likelihood,type or effect of any such restrictions.Any event causing a disruption or delay of imports from suppliers with international manufacturing operations,including the imposition of additional import restrictions,restrictions on the transfer of funds or increased tariffs or quotas,could increase the cost or reduce the supply of merchandise available to our customers and materially adversely affect our financial performance as well as our reputation and brand.Furthermore,some or all of our suppliers' foreign operations may be adversely affected by political and financial instability,resulting in the disruption of trade from exporting countries,restrictions on the transfer of funds or other trade disruptions.In addition **,our** business **with foreign** ~~and the results of operations. In 2022 and 2021, we purchased a substantial portion of finished goods from four third- party vendors which comprised 87 % and 92 % of our purchases, respectively. Our ability to acquire products from our~~ suppliers **may be** ~~in amounts and on terms acceptable to us is dependent upon a number of factors that could affect~~ **affected** ~~our suppliers and which are beyond our control~~ **by changes in the value of the U. S. dollar relative to other foreign currencies** . For example, ~~financial~~ **any movement by any other foreign currency against the U. S. dollar may result in higher costs to us** ~~or~~ **for** ~~operational difficulties that some~~ **those goods. Declines in foreign currencies and currency exchange rates might negatively affect the profitability and business prospects** of **one** ~~our~~ - **or more of our foreign** suppliers ~~may face~~ **. This, in turn, might cause such foreign suppliers to demand higher prices for merchandise in their effort to offset any lost profits associated with any currency devaluation, delay merchandise shipments, or discontinue selling to us altogether, any of which** could ~~result in an~~ **ultimately reduce our sales or** increase **our** ~~in the cost~~ **costs** ~~of the products we purchase from them. We also do not have any exclusive contracts with our suppliers. If we do not maintain our relationships with our existing suppliers or develop relationships with new suppliers on acceptable commercial terms, we may not be able to continue to offer a broad selection of merchandise at competitive prices and, as a result, we could lose customers and our sales could decline. We also have limited control over the products that our suppliers purchase or keep in stock~~ . Our suppliers **have imposed conditions** ~~may not accurately forecast the products that will be~~ in ~~high demand, or~~ **our** ~~they may allocate popular products to other resellers, resulting in the unavailability of certain products for delivery to our customers. Any inability to offer a broad array of products at competitive prices and any failure to deliver those products to our customers in a timely and accurate manner may damage our reputation and brand and could cause us to lose customers and our sales could decline. Furthermore, as part of our routine~~ business **arrangements with them. If we are unable to continue satisfying these conditions** , **or such** suppliers **impose additional restrictions** ~~extend credit to us in connection~~ with **which we cannot comply** ~~our purchase of their products. In the future, our suppliers may limit the amount of credit they are willing to extend to us in connection with our purchase of their products. If this were to occur~~ , it ~~could impair our ability to acquire the types and quantities of products that we desire from the applicable suppliers on acceptable terms, severely impact our liquidity and capital resources, limit our ability to operate our business and~~ could have a material adverse effect on our **business,** financial condition and **operating** results **. Our suppliers have strict conditions for doing business with them. Several are sizeable such as General Electric, Whirlpool and Riggs Distributing. If we cannot satisfy these conditions or if they impose additional or more restrictive conditions that we**

cannot satisfy, our business would be materially adversely affected. It would be materially detrimental to our business if these suppliers decided to no longer do business with us, increased the pricing at which they allow us to purchase their goods or impose other restrictions or conditions that make it more difficult for us to work with them. Any of **these events could have a material adverse effect on our business, financial condition and** ~~operations~~ **operating results** . We may be unable to source new suppliers or strengthen our relationships with current suppliers ~~. During the year ended December 31, 2022, four main suppliers represented approximately 92 % of our product purchases~~ . Our agreements with suppliers are generally terminable at will by either party upon short notice. If we do not maintain our existing relationships or build new relationships with suppliers on acceptable commercial terms, we may not be able to maintain a broad selection of merchandise, and our business and prospects would suffer severely. In order to attract quality suppliers, we must: ● demonstrate our ability to help our suppliers increase their sales; ● offer suppliers a high quality, cost- effective fulfillment process; and ● continue to provide suppliers with a dynamic and real- time view of our demand and inventory needs. If we are unable to provide our suppliers with a compelling return on investment and an ability to increase their sales, we may be unable to maintain and / or expand our supplier network, which would negatively impact our business. We depend on our suppliers to perform certain services regarding the products that we offer.As part of offering our suppliers' products for sale on our sites,suppliers are often responsible for conducting a number of traditional retail operations with respect to their respective products,including maintaining inventory and preparing merchandise for shipment to our customers.In these instances,we may be unable to ensure that suppliers will perform these services to our or our customers' satisfaction in a manner that provides our customer with a unified brand experience or on commercially reasonable terms.If our customers become dissatisfied with the services provided by our suppliers,our business,reputation and brands could suffer.We depend on our relationships with third parties,and changes in our relationships with these parties could adversely impact our revenue and profits.We rely on third parties to operate certain elements of our business.For example,we use carriers such as FedEx,UPS,DHL and the U.S.Postal Service to deliver products.As a result,we may be subject to shipping delays or disruptions caused by inclement weather,natural disasters,system interruptions and technology failures,labor activism,health epidemics or bioterrorism.We are also subject to risks of breakage or other damage during delivery by any of these third parties.We also use and rely on other services from third parties,such as retail partner services,telecommunications services,customs,consolidation and shipping services,as well as warranty,installation and design services.We may be unable to maintain these relationships,and these services may also be subject to outages and interruptions that are not within our control.For example,failures by our telecommunications providers have in the past and may in the future interrupt our ability to provide phone support to our customers.Third parties may in the future determine they no longer wish to do business with us or may decide to take other actions or make changes to their practices that could harm our business.We may also determine that we no longer want to do business with them.If products are not delivered in a timely fashion or are damaged during the delivery process,or if we are not able to provide adequate customer support or other services or offerings,our customers could become dissatisfied and cease buying products through our sites,which would adversely affect our operating results.The seasonal trends in our business create variability in our financial and operating results and place ~~Increased~~ **increased** ~~adequate customer support or other services or offerings,our customers could become dissatisfied and cease buying products through our sites,which would adversely affect our operating results.The seasonal trends in our business create variability in our financial and operating results and place increased~~ strain on our operations.We experience surges in orders associated with promotional activities and seasonal trends.This activity may place additional demands on our technology systems and logistics network and could cause or exacerbate slowdowns or interruptions.Any such system,site or service interruptions could prevent us from efficiently receiving or fulfilling orders,which may reduce the volume or quality of goods or services we sell and may cause customer dissatisfaction and harm our reputation and brand.Our business may be adversely affected if we are unable to provide our customers **with** a cost- effective shopping platform that is able to respond and adapt to rapid changes in technology.The number of people who access the Internet through devices other than personal computers,including mobile phones,smartphones,handheld computers such as notebooks and tablets,video game consoles,and television set- top devices,has increased dramatically in the past few years.We continually upgrade existing technologies and business applications to keep pace with these rapidly changing and continuously evolving technologies,and we may be required to implement new technologies or business applications in the future.The implementation of these upgrades and changes requires significant investments and as new devices and platforms are released,it is difficult to predict the problems we may encounter in developing applications for these alternative devices and platforms.Additionally,we may need to devote significant resources to the support and maintenance of such applications once created.Our results of operations may be affected by the timing,effectiveness and costs associated with the successful implementation of any upgrades or changes to our systems and infrastructure to accommodate such alternative devices and platforms.Further,in the event that it is more difficult or less compelling for our customers to buy products from us on their mobile or other devices,or if our customers choose not to buy products from us on such devices or to use mobile or other products that do not offer access to our sites,our customer growth could be harmed and our business,financial condition and operating results may be materially adversely affected.Significant merchandise returns could harm our business.We allow our customers to return products,subject to our return policy.If merchandise returns are significant,our business,prospects,financial condition and results of operations could be harmed.Further,we modify our policies relating to returns from time to time,which may result in customer dissatisfaction or an increase in the number of product returns.Many of our products are large and require special handling and delivery.From time to time our products are damaged in transit,which can increase return rates and harm our brand.Uncertainties in economic conditions and their impact on consumer spending patterns,particularly in the home goods segment,could adversely impact our operating results.Consumers may view a substantial portion of the products we offer as discretionary items rather than necessities.As a result,our results of operations are sensitive to changes in macro- economic conditions that impact consumer spending,including discretionary spending.Some of the factors adversely affecting consumer spending include levels of

unemployment;consumer debt levels;changes in net worth based on market changes and uncertainty;home foreclosures **and changes in home values or the overall housing,residential construction or home improvement markets;fluctuating interest rates;credit availability,including mortgages,home equity loans and consumer credit;government actions;fluctuating fuel and other energy costs;fluctuating commodity** prices and ~~interruptions~~ **general uncertainty regarding the overall future economic environment. Adverse economic changes** in **any of the regions in which we sell our products could reduce consumer confidence and could negatively affect net revenue and have a material adverse effect on our operating results. Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely** ~~deliveries~~ --- **deliver such communications could materially adversely affect our net revenue and business. Our business is highly dependent upon email and other messaging services** for **promoting** ~~finished goods or~~ **our** ~~raw~~ **sites and products. If we are unable to successfully deliver emails or other messages to our subscribers, or if subscribers decline to open our emails or other messages, our net revenue and profitability would be** ~~materials~~ **materially** ~~be materially~~ adversely affected.Changes in how webmail applications organize and prioritize email may also reduce the number of subscribers opening our emails.For example,in 2013 Google Inc.' s Gmail service began offering a feature that organizes incoming emails into categories (for example,primary,social and promotions).Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber' s inbox or viewed as " spam " by our subscribers and may reduce the likelihood of that subscriber opening our emails.Actions by third parties to block,impose restrictions on or charge for the delivery of emails or **other messages** could ~~messages could~~ also adversely impact our business.From time to time,Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to third parties.Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business.Our use of email and other messaging services to send communications about our products or other matters may also result in legal claims against us,which may cause us increased expenses,and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages.We also rely on social networking messaging services to send communications and to encourage customers to send communications.Changes to the terms of these social networking services to limit promotional communications,any restrictions that would limit our ability or our customers' ability to send communications through their services,disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by customers and potential customers could materially adversely affect our business,financial condition and operating results.We are subject to risks related to online payment methods.We accept payments using a variety of methods,including credit card,debit card,PayPal,credit accounts and gift cards.As we offer new payment options to consumers,we may be subject to additional regulations,compliance requirements and fraud.For certain payment methods,including credit and debit cards,we pay interchange and other fees, **which may** increase **over time and raise** our **operating** ~~cost~~ **costs** ~~of revenues~~ and **lower profitability** .We are also subject to payment card association operating rules and certification requirements,including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers,which could change or be reinterpreted to make it difficult or impossible for us to comply.As our business changes,we may also be subject to different rules under existing standards,which may require new assessments that involve costs above what we currently pay for compliance.If we fail to comply with the rules or requirements of any provider of a payment method we accept,if the volume of fraud in our transactions limits or terminates our rights to use payment methods we currently accept,or if a data breach occurs relating to our payment systems,we may,among other things,be subject to fines or higher transaction fees and may lose,or face restrictions placed upon,our ability to accept credit card and debit card payments from consumers or to facilitate other types of online payments.If any of these events were to occur,our business,financial condition and operating results could be materially adversely affected.We occasionally receive orders placed with fraudulent credit card data.We may suffer losses as a result of orders placed with fraudulent credit card data even if the associated financial institution approved payment of the orders.Under current credit card practices,we may be liable for fraudulent credit card transactions.If we are unable to detect or control credit card fraud,our liability for these transactions could harm our business,financial condition and results of operations.Government regulation of the Internet and e- commerce is evolving,and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e- commerce.Existing and future regulations and laws could impede the growth of the Internet,e- commerce or mobile commerce.These regulations and laws may involve taxes,tariffs,privacy and data security,anti- spam,content protection,electronic contracts and communications,consumer protection,Internet neutrality and gift cards.It is not clear how existing laws governing issues such as property ownership,sales and other taxes and consumer privacy apply to the Internet as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce.It is possible that general business regulations and laws,or those specifically governing the Internet or e-commerce,may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices.We cannot be sure that our practices have complied,comply or will comply fully with all such laws and regulations.Any failure,or perceived failure,by us to comply with any of these laws or regulations could result in damage to our reputation,a loss in business and proceedings or actions against us by governmental entities or others.Any such proceeding or action could hurt our reputation,force us to spend significant amounts in defense of these proceedings,distract our management,increase our costs of doing business, ~~decrease the~~ decrease ~~demand~~ **the use of our sites by consumers and suppliers and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs** ~~for~~ - **or consequences of non- compliance with any such laws** ~~our~~ - **or**

regulations. Adverse legal or regulatory developments could substantially harm our business. Further, if we enter into new market segments or geographical areas and expand the products **and services we offer** , ~~which~~ **we may be subject to additional laws and regulatory requirements or prohibited from conducting our business, or certain aspects of it, in certain jurisdictions. We will incur additional costs complying with these additional obligations and any failure or perceived failure to comply would adversely affect our business and reputation. Failure to comply with applicable laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection,** could adversely affect our ~~in~~ our favor,could result in significant expense to us and divert the efforts of our technical and management personnel,which may materially adversely affect our business,financial condition and operating results.Moreover,the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights,and we may not be able to broadly enforce all of our intellectual property rights.Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation.Additionally,the process of obtaining intellectual property protections is expensive and time- consuming,and we may not be able to pursue all necessary or desirable actions at a reasonable cost or in a timely manner.Even if issued, **there** revenue **could decline. We are highly dependent upon key suppliers and an interruption in such relationships or** ~~or~~ **our** ~~profitability. Our profitability is~~ **ability to obtain products from such suppliers could adversely** ~~affected~~ -- **affect** ~~by the prices~~ **our business and results** of ~~the~~ **operations. In 2023 and 2022, Wolo purchased a substantial portion of** finished goods **from four third- party vendors which comprised 81. 3 % and 92. 0 % of its purchases, respectively. Our ability to acquire products from our suppliers in amounts and on terms acceptable to us is dependent upon a number of factors that could affect our suppliers and which are beyond our control. For example, financial or operational difficulties that some of our suppliers may face could result in** ~~and~~ - **an** ~~raw or~~ end our relationship with some suppliers,result in product shortages and / or lead to less competition and,consequently,higher prices.Furthermore,as part of our routine business,suppliers extend credit to us in connection with our purchase of their products.In the future,our suppliers may limit the amount of credit they are willing to extend to us in connection with our purchase of their products.If this were to occur,it could impair our ability to acquire the types and quantities of products that we desire from the applicable suppliers on acceptable terms,severely impact our liquidity and capital resources,limit our ability to operate our business **and** ~~materials~~ - **material** ~~used~~ **adverse effect on our financial condition and results of operations. We are dependent upon relationships with manufacturers** in ~~the~~ **Taiwan and China, which exposes us to complex regulatory regimes and logistical challenges. Most of our** manufacturing **is outsourced to contract manufacturers in China** and ~~sale of~~ **Taiwan, resulting in additional factors could interrupt our relationships** ~~our~~ - **or affect our ability to acquire the necessary** products ~~. These prices may fluctuate based~~ on **acceptable terms** ~~a number of factors beyond our control~~ , including **: ● political** , **social** ~~among others, changes in supply~~ and ~~demand, general~~ economic ~~conditions, labor costs, competition, import duties, tariffs,~~ **instability and the risk of war or other international incidents in Asia or abroad; ● fluctuations in foreign** currency exchange rates **that may** ~~and, in some cases, government regulation. Increased~~ - **increase** ~~prices could adversely affect our profitability or~~ **our** ~~revenues~~ **cost of products; ● imposition of duties, taxes, tariffs or other charges on imports; ● difficulties in complying with import and export laws, regulatory requirements and restrictions; ● natural disasters and public health emergencies, such as the recent COVID- 19 pandemic; ● import shipping delays resulting from foreign or domestic labor shortages, slow- downs, or stoppage; and ● the failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property; ● imposition of new legislation relating to import quotas or other restrictions that may limit the quantity of our products that may be imported into the U** . ~~We~~ **S. from countries or regions where we do business; ● financial or political instability in any of the countries in which our products are manufactured; ● potential recalls or cancellations of orders for any products that** do not ~~have long~~ **meet our quality standards; ● disruption of imports by labor disputes or strikes and local business practices; ● political or military conflict involving the U. S. or any country in which our suppliers are located, which could cause a delay in the transportation of our products, an increase in transportation costs and additional risk to products being damaged and delivered on time; ● heightened terrorism security concerns, which could subject imported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods; ● inability of our non** - ~~term supply contracts~~ **U. S. suppliers to obtain adequate credit or access liquidity to finance their operations; and ● our ability to enforce any agreements with our foreign suppliers. If we were unable to import products from China and Taiwan or were unable to import products from China and Taiwan in a cost- effective manner, we could suffer irreparable harm to our business and be required to significantly curtail our operations, file** for **bankruptcy** ~~finished goods and raw materials. Significant increases in the prices of finished goods and raw materials could adversely affect our~~ - **or cease operations** ~~profit margins, especially if we are not able to recover these costs by increasing the prices we charge our customers for our products~~ . We depend on third- party delivery services, for both inbound and outbound shipping, to deliver our products to our distribution centers and subsequently to our ~~retail partners and~~ customers on a timely and consistent basis, and any deterioration in our relationship with any one of these third parties or increases in the fees that they charge could harm our reputation and adversely affect our business and financial condition. We rely on third parties for the shipment of our products, both inbound and outbound shipping logistics, and we cannot be sure that these relationships will continue on terms favorable to us, or at all. Shipping costs have increased from time to time, and may continue to increase, and we may not be able to pass these costs directly to our customers. Any increased shipping costs could harm our business, prospects, financial condition and results of operations by increasing our costs of doing business and reducing gross margins which could negatively affect our operating results. In addition, we utilize a variety of shipping methods for both inbound and outbound logistics. For inbound logistics, we rely on trucking ~~,~~ **and** ocean ~~carriers, and air~~ carriers and any increases in fees that they charge could adversely affect our business and financial condition. For outbound

logistics, we rely on " Less- than- Truckload " and parcel freight based upon the product and quantities being shipped and customer delivery requirements. These outbound freight costs have increased on a year- over- year basis and may continue to increase in the future. **We also ship a number of oversized auto parts which may trigger additional shipping costs by third-party delivery services. Any increases in fees or any increased use of " Less- than- Truckload " shipping would increase our shipping costs which could negatively affect our operating results. If commodity prices such as fuel, plastic and steel increase, our margins may be negatively impacted. Our third- party delivery services have increased fuel surcharges from time to time, and such increases negatively impact our margins, as we are generally unable to pass all of these costs directly on to consumers. Increasing prices in the component materials for the parts we sell may impact the availability, the quality and the price of our products, as suppliers search for alternatives to existing materials and increase the prices they charge. We cannot ensure that we can recover all the increased costs through price increases, and our suppliers may not continue to provide the consistent quality of product as they may substitute lower cost materials to maintain pricing levels, all of which may have a negative impact on our business and results of operations. If we are unable to manage the challenges associated with our international operations, the growth of our business could be limited and our business could suffer.** In ~~results~~ .These risks and challenges include:● difficulties and costs of staffing and managing foreign operations;● restrictions imposed by local labor practices and laws on our business and operations;● exposure to different business practices and legal standards;● unexpected changes in regulatory requirements;● the imposition of government controls and restrictions;● political,social and economic instability and the risk of war,terrorist activities or other international incidents;● the failure of telecommunications and connectivity infrastructure;● natural disasters and public health emergencies;● potentially adverse tax consequences;and ● fluctuations in foreign currency exchange rates and relative weakness in the U.S.dollar.If our fulfillment operations are interrupted for any significant period of time or are not sufficient to accommodate increased demand,our sales could decline and our **reputation** the event **operations at our fulfillment center are interrupted. In addition, alternative arrangements may not be available, or if they are available, may increase the cost** of **fulfillment. Any interruptions in our fulfillment operations for any significant period of time, including interruptions resulting from the expansion of our existing facilities or the transfer of operations to** a ~~catastrophic~~ **industry** with limited barriers to entry,and some of our competitors may have greater resources than us and may be better positioned to capitalize on the growing auto parts market.The aftermarket auto parts industry is competitive and highly fragmented,with products distributed through multi- tiered and overlapping channels.We compete with both online and offline retailers who offer OEMs and aftermarket auto parts.Current or potential competitors include FIAMM,Grote,Peterson Manufacturing Company,ECCO,Vixen Horns,Grover,HornBlasters,and Kleinn.Many of our current and potential competitors have longer operating histories,large customer bases,superior brand recognition and significantly greater ~~financial~~ loss of ~~our~~ **market share and diminished brand recognition. We rely on** key ~~distribution facility,~~ **personnel and may need additional personnel for the success and growth of** our business **. Our business is largely dependent on the personal efforts and abilities of highly skilled executive, technical, managerial, merchandising and marketing personnel. Competition for such personnel is intense, and we cannot assure you that we will be successful in attracting and retaining such personnel. The loss of any key employee or our inability to attract or retain other qualified employees** ~~would~~ **could** ~~,~~ misappropriated or damaged,or if a competitor is able to create a substantially similar catalog without infringing our rights,then we may lose an important competitive advantage.We have invested significant resources and time to build and maintain our product catalog,which is maintained in the form of an electronic database.We believe that our product catalog provides us with an important competitive advantage.We cannot assure you that we will be able to protect our product catalog from unauthorized copying or theft or that our product catalog will continue to operate adequately,without any technological challenges.In addition,it is possible that a competitor could develop a catalog or database that is similar to or more comprehensive than ours,without infringing our rights.In the event our product catalog is damaged or is stolen,copied or otherwise replicated to compete with us,whether lawfully or not,we may lose an important competitive advantage **and** be adversely affected **by general economic conditions** . ~~While we maintain~~ **sales and operating results.Demand for our products has been and may continue to be adversely affected by general economic conditions.** In declining economies,consumers often defer regular vehicle maintenance and may forego purchases of nonessential performance and accessories products,which can result in a decrease in demand for auto parts in general.Consumers also defer purchases of new vehicles,which immediately impacts performance parts and accessories,which are generally purchased in the first six months of a vehicle' s lifespan.In addition,during economic downturns,some competitors may become more aggressive in their pricing practices,which would adversely impact our gross margin.Certain suppliers may exit the industry ~~,~~ which may impact our ~~ability to procure parts and may adversely impact gross margin as the remaining suppliers increase prices to take advantage of limited competition~~ insurance ~~covering~~ companies' willingness to accept a variety of types of parts in the repair process have fluctuated and may decrease,which could result in a decline of our revenues and negatively affect our results of operations.We and our industry depend on the number of vehicle miles driven,vehicle accident rates and insurance companies' willingness to accept a variety of types of parts in the repair process.Decreased miles driven reduce the number of accidents and corresponding demand for parts,and reduce the wear and tear on vehicles with a corresponding reduction in demand for vehicle repairs and parts.If consumers were to drive less in the future and / ~~our~~ - **or** ~~facility~~ **accident rates were to decline** , ~~including~~ **as a result of higher gas prices, increased use of ride- shares, the advancement of driver assistance technologies, or otherwise, our sales may decline and our** business ~~interruption insurance~~ **and financial results may suffer. We will be required to collect and pay more sales taxes** , **and could become liable** ~~a catastrophic loss of the use of all or~~ **for other fees and penalties** ~~a portion of our distribution facility~~ , **which** ~~due to accident, labor issues, weather conditions, natural disaster or otherwise, whether short or long- term,~~ could have **an** ~~a material~~ adverse effect on our business.We have historically collected sales or other similar taxes only on the shipment of goods to customers in the state of New York.However,following the U.S.Supreme Court decision in South Dakota v.Wayfair,we are now required to

collect sales tax in any state which passes legislation requiring out- of- state retailers to collect sales tax even where they have no physical nexus.We have historically enjoyed a competitive advantage to the extent our competitors are already subject to those tax obligations.By collecting sales tax in additional states,we will lose this competitive advantage as total costs to our customers will increase,which could adversely affect our sales.Moreover,if we fail to collect and remit or pay required sales or other taxes in a jurisdiction or qualify or register to do business in a jurisdiction that requires us **to do so or if we have failed to do so in the past, we could face material liabilities for taxes, fees, interest and penalties** . ~~Our~~ **If various jurisdictions impose new tax obligations on our** business **activities** ,our sales and net income in those jurisdictions could decrease significantly,which could harm our business.Higher wage and benefit costs could adversely affect our business.Changes in federal and state minimum wage laws and other laws relating to employee benefits could cause us to incur additional wage and benefit costs.Increased labor costs brought about by changes in minimum wage laws,other regulations or prevailing market conditions could increase our expenses and have an adverse impact on our profitability.We face exposure to product liability lawsuits.The automotive industry in general has been subject to a large number of product liability claims due to the nature of personal injuries that result from car accidents or malfunctions.As a distributor of auto parts,including parts obtained overseas,we could be held liable for the injury or damage caused if the products we sell are defective or malfunction regardless of whether the product manufacturer ~~is~~ is ~~highly competitive~~ **the party at fault** . ~~Competition presents~~ **While we carry insurance against product liability claims, if the damages in** ~~an~~ **any** ~~ongoing threat~~ **given action were high or we were subject** to **multiple lawsuits, the damages and costs could exceed the limits of our insurance coverage or prevent us from obtaining coverage in the future. If we were required to pay substantial damages as a result of** ~~the~~ **these** ~~success of~~ **lawsuits, it may seriously harm** our business . Our business is rapidly evolving and......; and ● our reputation and brand -- **and** strength. Many of our current competitors...... our growth effectively, our business, financial condition ~~and operating results~~ **.** **Even defending against unsuccessful claims** could ~~be~~ **cause us to incur significant expenses and result in a diversion of management' s attention. In addition, even if the money damages themselves did not cause substantial** ~~harmed~~ -- **harm to our business, the damage to our reputation and the brands offered on our websites could adversely affect our future reputation and our brand and could result in a decline in our net sales and profitability** . ~~To manage~~ **Business interruptions in our facilities may affect the distribution of our products and /** ~~our~~ - **or the stability** ~~growth effectively, we must continue to implement our operational plans and strategies, improve, and expand our infrastructure~~ of **our computer** ~~people and information~~ systems ~~and expand~~ , **which** ~~train and manage our employee base. To support continued growth, we must effectively integrate, develop and motivate new employees. We face significant competition for personnel. Failure to manage our hiring needs effectively or successfully integrate our new hires~~ may ~~have a material adverse effect~~ **affect** ~~on~~ our business ~~, financial condition and operating results~~ . ~~Additionally~~ **Weather** , ~~the growth of~~ **terrorist activities, war** ~~our~~ - **or** ~~business places significant demands on our operations, as well as our management and~~ other **disasters,** ~~employees. The growth of our~~ - **or** ~~business~~ **the threat of them,** may ~~require significant additional resources~~ **result in the closure of one or more of our facilities, or may adversely affect our ability** to ~~meet~~ **timely provide products to our customers, resulting in lost sales or a potential loss of customer loyalty. Most of our products are imported from other countries and** these **goods could become difficult** ~~daily requirements, which may not scale in a cost- effective manner or may negatively affect the quality of our~~ - **or impossible** ~~sites and customer experience. We are also required~~ to **bring into** ~~manage relationships with a growing number of suppliers, customers and other~~ -- **the United States** ~~third parties. Our information technology systems and our internal controls and procedures may not be adequate to support future growth of our supplier and employee base. If we are unable to manage the growth of our organization effectively~~ , ~~our business, financial condition~~ and ~~operating results may be materially adversely affected. We may be subject to product liability and other similar claims if people or property are harmed by the products~~ we ~~sell. Some of the products we sell~~ may ~~expose us to product liability and other claims and litigation (including class actions) or regulatory action relating to safety, personal injury, death or environmental or property damage. Some of our agreements with members of our supply chain may not indemnify us from product liability for a particular product, and some members of our supply chain may not have sufficient resources or insurance to satisfy their indemnity and defense obligations. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. We regard our customer lists, domain names, trade dress, trade secrets, trademarks, proprietary technology and similar intellectual property as critical to our success, and we rely on trade secret protection, agreements and other methods with our employees and others to protect our proprietary rights. We might~~ not be able to obtain ~~broad vulnerable to~~ cyber- attacks.Information security risks have significantly increased in recent years in part due to the proliferation of new technologies and the increased sophistication and activities of organized crime,hackers,terrorists and other external parties,including foreign private parties and state actors.We may face cyber- attacks that attempt to penetrate our network security,including our data centers,to sabotage or otherwise disable our network of websites and online marketplaces,misappropriate our or our customers' proprietary information,which may include personally identifiable information,or cause interruptions of our internal systems and services.If successful,any of these attacks could negatively affect our reputation,damage our network infrastructure and our ability to sell our products,harm our relationship with customers that are affected and expose us to financial liability.We maintain a comprehensive system of preventive and detective controls through our security programs;however,given the rapidly evolving nature and proliferation of cyber threats,our controls may not prevent **or identify** ~~protection~~ --- **protect any customers whose personal data was compromised and to restore customer confidence in us and to make changes to our information systems and administrative processes to address security issues and compliance with applicable laws and regulations.In addition,our customers could lose confidence in our ability to protect their personal information,which could cause them to stop shopping on our sites altogether.Such events could lead to lost sales and adversely affect our results** of operations.We also could be exposed to government enforcement actions and private litigation.Failure to comply with privacy laws and regulations

and failure to adequately protect customer data could harm our business,damage our reputation and result in a loss of customers.Federal and state ~~and~~ regulations may govern the collection,use,sharing and security of data that we receive from our customers.In addition,we have and post on our websites our own privacy policies and practices concerning the collection,use and disclosure of customer data.Any failure,or perceived failure,by us to comply with our posted privacy policies or with any data- related consent orders,U.S.Federal Trade Commission requirements or other federal,state or international privacy- related laws and regulations could result in proceedings or actions against us by governmental entities or others,which could potentially harm our business.Further,failure or perceived failure to comply with our policies or applicable requirements related to the collection,use or security of personal information or other privacy- related matters could damage our reputation and result in a loss of customers.The regulatory framework ~~for privacy issues is currently evolving and is likely to remain uncertain for the foreseeable future.Challenges by OEMs to the validity of the aftermarket auto parts industry and claims of intellectual property infringement could adversely affect our business and the viability of the aftermarket auto parts industry.OEMs have attempted to use claims of intellectual property infringement against manufacturers and distributors of aftermarket products to restrict or eliminate the sale of aftermarket products that are~~ for ~~all~~ **privacy issues is currently evolving and is likely to remain uncertain for the foreseeable future. Challenges by OEMs to the validity** of ~~our~~ **the aftermarket auto parts industry and claims of** intellectual property ~~. The protection of~~ **infringement could adversely affect** our **business and the viability of the aftermarket auto parts industry. OEMs have attempted to use claims of** intellectual property **infringement against manufacturers** ~~rights may require the expenditure of significant financial, managerial~~ and **distributors of aftermarket products to restrict or eliminate the sale of aftermarket products that are the subject of the claims. The OEMs have brought such claims in federal court and with the United States** ~~operational~~ **International** ~~resources~~ **Trade Commission** . We **have received** ~~may initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such rights. Any litigation, whether or not it is resolved~~ in our favor, could result in significant...... manner. Even if issued, there -- **the** ~~can be no assurance~~ **past, and we anticipate we may in the future receive, communications alleging** that **certain products we sell infringe** ~~these~~ -- **the** ~~protections will adequately safeguard our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent~~ **patents , copyrights, trademarks** and **trade names or** other intellectual property rights **of OEMs or** ~~are uncertain. We also cannot be certain that others~~ - **other** ~~will not independently develop or otherwise acquire equivalent or superior intellectual property rights. We may also be exposed to claims from~~ third parties ~~claiming infringement of their intellectual property rights~~ . ~~These~~ -- **The** ~~claims could result in litigation~~ **United States Patent and Trademark Office records indicate** that **OEMs** ~~may materially affect our financial condition and operating results in a material and adverse way. We may be subject to claims and litigation by third parties that we infringe on their intellectual property rights. The costs of supporting such litigation and disputes~~ are **seeking** ~~considerable,~~ and ~~there can be no assurances~~ **obtaining more design patents and trademarks** ~~that~~ **than** ~~favorable outcomes will be obtained. As our business expands and the~~ **they have** ~~number of competitors~~ in ~~our market increases and overlaps occur, we expect that infringement claims may increase in number and significance. Any claims or proceedings against us, whether meritorious or not, could be time- consuming, result in considerable litigation costs, require significant amounts of management time or result in~~ the **past** ~~diversion of significant operational resources, any of which could materially adversely affect our business, financial condition and operating results~~ . **In some cases** ~~If we do not continue to negotiate and maintain favorable license arrangements~~ , **we** ~~our sales or cost of revenues could suffer. We~~ have entered into license agreements that ~~enable~~ **allow** us to ~~manufacture and distribute prescription frames and sunglasses under certain names, including Dr~~ **sell aftermarket parts that replicate OEM patented parts in exchange for a royalty** . ~~Dean Edell. These~~ **In the event that our** license agreements ~~typically~~ **, or other similar license arrangements are terminated, or we are unable to agree upon renewal terms, we may be subject to restrictions on our ability to sell aftermarket parts that replicate parts covered by design patents or trademarks, which could** have ~~terms of multiple years and~~ - **an** ~~may contain options~~ **adverse effect on our business. Litigation** ~~for~~ - **or** ~~renewal for additional periods and~~ **regulatory enforcement could also result in interpretations of the law that** require us to ~~make guaranteed~~ **change our business practices or otherwise increase our costs** and **harm our business** ~~contingent royalty payments to the licensor~~ . ~~Accordingly~~ **We may not maintain sufficient** , ~~if~~ **or any, insurance coverage to cover the types of claims that could be asserted. If a successful claim were brought against us, it could expose us to significant liability. If** we are unable to ~~negotiate to~~ protect our intellectual property rights,our reputation and brand could be impaired and we could lose customers.We regard our patents,trademarks,trade secrets and similar intellectual property as important to our success.We rely on patent,trademark and copyright law,and trade secret protection,and confidentiality and / or license agreements with employees,customers,partners and others to protect our proprietary rights.We cannot be certain that we have taken adequate steps to protect our proprietary rights,especially in countries where the laws may not protect our rights as fully as in the United States.In addition,our proprietary rights may be infringed or misappropriated,and we could be required to incur significant expenses to preserve them.In the past we have filed litigation to protect our intellectual property rights.The outcome of such litigation can be uncertain,and the cost of prosecuting such litigation may **have** ~~and~~ - **an** adverse impact on our earnings.We have patent and trademark registrations for several patents and marks.However,any registrations may not adequately cover our intellectual property or protect us against infringement by others.Effective patent,trademark,service mark,copyright and trade secret protection may not be available in every country in which our products and services may be made available online.We also currently own or control a number of Internet domain names and have invested time and money in the purchase of domain names and other intellectual property,which may be impaired if we cannot protect such intellectual property.We may be unable to protect these domain names or acquire or ~~maintain~~ maintain ~~satisfactory license arrangements with~~ **relevant domain names in the United States and in other countries.If we are not able to protect our patents,trademarks,domain names or other intellectual property,we may experience difficulties in achieving and maintaining brand recognition and customer loyalty.Because we are involved in litigation from time to**

time and are subject to numerous laws and governmental regulations,we could incur substantial judgments,fines,legal fees and other costs as well as reputational harm.We are sometimes the subject of complaints or litigation from customers,employees or other third parties for various reasons.The damages sought against us in ~~some of these litigation proceedings could be substantial.Although we maintain liability insurance for some litigation claims,if one or more of the claims were to greatly exceed our insurance coverage limits or if our insurance policies do not cover a claim,this could have a material adverse effect on our~~ some of **these litigation proceedings could be substantial. Although we maintain liability insurance for some litigation claims, if one** ~~our~~ - **or** ~~designers,~~ **more of the claims were to greatly exceed our insurance coverage limits** ~~our~~ - **or** ~~growth prospects and~~ **if our insurance policies do not cover a claim, this could have a material adverse effect on our business,** financial **condition,** results **of operations and cash flows. We may be affected by global climate change or by legal, regulatory, or market responses to such change. The growing political and scientific sentiment is that global weather patterns are being influenced by increased levels of greenhouse gases in the earth' s atmosphere. This growing sentiment and the concern over climate change have led to legislative and regulatory initiatives aimed at reducing greenhouse gas emissions which warm the earth' s atmosphere. These warmer weather conditions** could **result** ~~materially suffer from a reduction~~ in ~~sales~~ **a decrease in demand** ~~or~~ **for auto parts in general. Moreover, proposals that would impose mandatory requirements on greenhouse gas emissions continue to be considered by policy makers in the United States. Laws enacted that directly or indirectly affect our suppliers (through** an increase in ~~advertising~~ **the** ~~costs~~ - **cost of production or their ability to produce satisfactory products) or our business (through** ~~and~~ - **an** ~~royalty payments~~ **impact on our inventory availability, cost of revenues, operations or demand for the products we sell) could adversely affect our business, financial condition, results of operations and cash flows. Significant increases in fuel economy requirements or new federal or state restrictions on emissions of carbon dioxide that may be imposed on vehicles and automobile fuels could adversely affect demand for vehicles, annual miles driven or the products we sell or lead** to ~~designers~~ **changes in automotive technology. Compliance with any new or more stringent laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers. Our inability to respond to such changes could adversely impact the demand for our products and our business, financial condition, results of operations or cash flows** . Risks Related to Our Relationship with Our Manager Termination of the management services agreement will not affect our manager' s rights to receive profit allocations and removal of our manager may cause us to incur significant fees. Our manager owns all of our allocation shares, which generally will entitle our manager to receive a profit allocation as a form of preferred distribution. In general, this profit allocation is designed to pay our manager 20 % of the excess of the gains upon dispositions of our subsidiaries, plus an amount equal to the net income of such subsidiaries since their acquisition by us, over an annualized hurdle rate. If our manager resigns or is removed, for any reason, it will remain the owner of our allocation shares. It will therefore remain entitled to all profit allocations while it holds our allocation shares regardless of whether it is terminated as our manager. If we terminate our manager, it may therefore be difficult or impossible for us to find a replacement to serve the function of our manager, because we would not be able to force our manager to transfer its allocation shares to a replacement manager so that the replacement manager could be entitled to a profit allocation. Therefore, as a practical matter, it may be difficult for us to replace our manager without its cooperation. If it becomes necessary to replace our manager and we are unable to replace our manager without its cooperation, we may be unable to continue to manage our operations effectively and our business may fail. If we terminate the management services agreement with our manager, any fees, costs and expenses already earned or otherwise payable to our manager upon termination would become immediately due. Moreover, if our manager were to be removed and our management services agreement terminated by a vote of our board of directors and a majority of our common shares other than common shares beneficially owned by our manager, we would also owe a termination fee to our manager on top of the other fees, costs and expenses. In addition, the management services agreement is silent as to whether termination of our manager " for cause " would result in a termination fee; there is therefore a risk that the agreement may be interpreted to entitle our manager to a termination fee even if terminated " for cause ". The termination fee would equal twice the sum of the amount of the quarterly management fees calculated with respect to the four fiscal quarters immediately preceding the termination date of the management services agreement. As a result, we could incur significant management fees as a result of the termination of our manager, which may increase the risk that our business may be unable to meet its financial obligations or otherwise fail. Mr. Ellery W. Roberts, our Chairman and Chief Executive Officer, controls our manager. If some event were to occur to cause Mr. Roberts (or his designated successor, heirs, beneficiaries or permitted assigns) not to control our manager without the prior written consent of our board of directors, our manager would be considered terminated under our agreement. Our manager and the members of our management team may engage in activities that compete with us or our businesses. Although our Chief Executive Officer intends to devote substantially all of his time to the affairs of our company and our manager must present all opportunities that meet our acquisition and disposition criteria to our board of directors, neither our manager nor our Chief Executive Officer is expressly prohibited from investing in or managing other entities. In this regard, the management services agreement and the obligation to provide management services will not create a mutually exclusive relationship between our manager and its affiliates, on the one hand, and our company, on the other ~~. See Item 1 " Business — Our Manager " for more information about our relationship with our manager and our management team~~ . Our manager need not present an acquisition opportunity to us if our manager determines on its own that such acquisition opportunity does not meet our acquisition criteria. Our manager will review any acquisition opportunity to determine if it satisfies our acquisition criteria, as established by our board of directors from time to time. If our manager determines, in its sole discretion, that an opportunity fits our criteria, our manager will refer the opportunity to our board of directors for its authorization and approval prior to signing a letter of intent, indication of interest or similar document or agreement. Opportunities that our manager determines do not fit our criteria do not need to be presented to our board of directors for consideration. In addition, upon a determination by our board of directors not to promptly pursue an opportunity presented to it by our manager, in whole or in part, our manager

will be unrestricted in its ability to pursue such opportunity, or any part that we do not promptly pursue, on its own or refer such opportunity to other entities, including its affiliates. If such an opportunity is ultimately profitable, we will **not** have ~~not~~ participated in such opportunity. See Item 1 " Business — Our Manager — Acquisition and Disposition Opportunities " for more information about our current acquisition criteria. Our Chief Executive Officer, Mr. Ellery W. Roberts, controls our manager and, as a result **,** we may have difficulty severing ties with Mr. Roberts. Under the terms of the management services agreement, our board of directors may, after due consultation with our manager, at any time request that our manager replace any individual seconded to us, and our manager will, as promptly as practicable, replace any such individual. However, because Mr. Roberts controls our manager, we may have difficulty completely severing ties with Mr. Roberts absent terminating the management services agreement and our relationship with our manager. Further, termination of the management services agreement could give rise to a significant financial obligation, which may have a material adverse effect on our business and financial condition. See Item 1 " Business — Our Manager " for more information about our relationship with our manager. If the management services agreement is terminated, our manager, as holder of the allocation shares, has the right to cause us to purchase its allocation shares, which may have a material adverse effect on our financial condition. If: (i) the management services agreement is terminated at any time other than as a result of our manager' s resignation, subject to (ii); or (ii) our manager resigns, our manager will have the right, but not the obligation, for one year from the date of termination or resignation, as the case may be, to cause us to purchase the allocation shares for the put price. The put price shall be equal to, as of any exercise date: (i) if we terminate the management services agreement, the sum of two separate, independently made calculations of the aggregate amount of the " base put price amount " as of such exercise date; or (ii) if our manager resigns, the average of two separate, independently made calculations of the aggregate amount of the " base put price amount " as of such exercise date. If our manager elects to cause us to purchase its allocation shares, we are obligated to do so and, until we have done so, our ability to conduct our business, including our ability to incur debt, to sell or otherwise dispose of our property or assets, to engage in certain mergers or consolidations, to acquire or purchase the property, assets or stock of, or beneficial interests in, another business, or to declare and pay distributions, would be restricted. These financial and operational obligations may have a material adverse effect on our financial condition, business and results of operations. See Item 1 " Business — Our Manager — Our Manager as an Equity Holder — Supplemental Put Provision " for more information about our manager' s put right and our obligations relating thereto, as well as the definition and calculation of the base put price amount. If the management services agreement is terminated, we will need to change our name and cease our use of the term " 1847 ", which in turn could have a material adverse impact upon our business and results of operations as we would be required to expend funds to create and market a new name. Our manager controls our rights to the term " 1847 " as it is used in the name of our company. We and any businesses that we acquire must cease using the term " 1847, " including any trademark based on the name of our company that may be licensed to them by our manager under the license provisions of our management services agreement, entirely in their businesses and operations within 180 days of our termination of the management services agreement. The sublicense provisions of the management services agreement would require our company and its businesses to change their names to remove any reference to the term " 1847 " or any reference to trademarks licensed to them by our manager. This also would require us to create and market a new name and expend funds to protect that name, which may have a material adverse effect on our business and results of operations. We have agreed to indemnify our manager under the management services agreement that may result in an indemnity payment that could have a material adverse impact upon our business and results of operations. The management services agreement provides that we will indemnify, reimburse, defend and hold harmless our manager, together with its employees, officers, members, managers, directors and agents, from and against all losses (including lost profits), costs, damages, injuries, taxes, penalties, interests, expenses, obligations, claims and liabilities of any kind arising out of the breach of any term or condition in the management services agreement or the performance of any services under such agreement except by reason of acts or omissions constituting fraud, willful misconduct or gross negligence. If our manager is forced to defend itself in any claims or actions arising out of the management services agreement for which we are obligated to provide indemnification, our payment of such indemnity could have a material adverse impact upon our business and results of operations. Our manager can resign on 120 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could materially adversely affect our financial condition, business and results of operations, as well as the market price of our shares. Our manager has the right, under the management services agreement, to resign at any time on 120 days written notice, whether we have found a replacement or not. If our manager resigns, we may not be able to contract with a new manager or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 120 days, or at all, in which case our operations are likely to experience a disruption, our financial condition, business and results of operations, as well as our ability to pay distributions are likely to be materially adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management, acquisition activities and supervision of our business is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the experience and expertise possessed by our manager and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our businesses may result in additional costs and time delays that could materially adversely affect our financial condition, business and results of operations as well as the market price of our shares. The amount recorded for the allocation shares may be subject to substantial period- to- period changes, thereby significantly adversely impacting our results of operations. We will record the allocation shares at the redemption value at each balance sheet date by recording any change in fair value through our income statement as a dividend between net income and net income available to common shareholders. The redemption value of the allocation shares is largely related to the value of the profit allocation that our manager, as holder of the allocation shares, will receive. The redemption value of the allocation shares may fluctuate on a period- to- period basis based on the distributions we pay to our common shareholders, the earnings of

our businesses and the price of our common shares, which fluctuation may be significant, and could cause a material adverse effect on our results of operations. See Item 1 " Business — Our Manager — Our Manager as an Equity Holder " for more information about the terms and calculation of the profit allocation and any payments under the supplemental put provisions of our operating agreement. We cannot determine the amount of **the** management fee that will be paid to our manager over time with certainty, which management fee may be a significant cash obligation and may reduce the cash available for operations and distributions to our shareholders. Our manager' s management fee will be calculated by reference to our adjusted net assets, which will be impacted by the following factors: ● the acquisition or disposition of businesses; ● organic growth, add- on acquisitions and dispositions by our businesses; and ● the performance of our businesses. We cannot predict these factors, which may cause significant fluctuations in our adjusted net assets and, in turn, impact the management fee we pay to our manager. Accordingly, we cannot determine the amount of management fee that will be paid to our manager over time with any certainty, which management fee may represent a significant cash obligation and may reduce the cash available for our operations and distributions to our shareholders. We must pay our manager the management fee regardless of our performance. Therefore, our manager may be induced to increase the amount of our assets rather than the performance of our businesses. Our manager is entitled to receive a management fee that is based on our adjusted net assets, as defined in the management services agreement, regardless of the performance of our businesses. In this respect, the calculation of the management fee is unrelated to our net income. As a result, the management fee may encourage our manager to increase the amount of our assets by, for example, recommending to our board of directors the acquisition of additional assets, rather than increase the performance of our businesses. In addition, payment of the management fee may reduce or eliminate the cash we have available for distributions to our shareholders. The management fee is based solely upon our adjusted net assets; therefore, if in a given year our performance declines, but our adjusted net assets remain the same or increase, the management fee we pay to our manager for such year will increase as a percentage of our net income and may reduce the cash available for distributions to our shareholders. The management fee we pay to our manager will be calculated solely by reference to our adjusted net assets. If in a given year our performance declines, but our adjusted net assets remain the same or increase, the management fee we pay to our manager for such year will increase as a percentage of our net income and may reduce the cash available for distributions to our shareholders. See Item 1 " Business — Our Manager — Our Manager as a Service Provider — Management Fee " for more information about the terms and calculation of the management fee. The amount of profit allocation to be paid to our manager could be substantial. However, we cannot determine the amount of profit allocation that will be paid over time or the put price with any certainty. We cannot determine the amount of profit allocation that will be paid over time or the put price with any certainty. Such determination would be dependent on, among other things, the number, type and size of the acquisitions and dispositions that we make in the future, the distributions we pay to our shareholders, the earnings of our businesses and the market value of common shares from time to time, factors that cannot be predicted with any certainty at this time. Such factors will have a significant impact on the amount of any profit allocation to be paid to our manager, especially if our share price significantly increases. See Item 1 " Business — Our Manager — Our Manager as an Equity Holder — Manager' s Profit Allocation " for more information about the calculation and payment of profit allocation. Any amounts paid in respect of the profit allocation are unrelated to the management fee earned for performance of services under the management services agreement. The management fee and profit allocation to be paid to our manager may significantly reduce the amount of cash available for distributions to shareholders and for operations. Under the management services agreement, we will be obligated to pay a management fee to and, subject to certain conditions, reimburse the costs and out- of- pocket expenses of our manager incurred on our behalf in connection with the provision of services to us. Similarly, our businesses will be obligated to pay fees to and reimburse the costs and expenses of our manager pursuant to any offsetting management services agreements entered into between our manager and our businesses, or any transaction services agreements to which such businesses are a party. In addition, our manager, as holder of the allocation shares, will be entitled to receive a profit allocation upon satisfaction of applicable conditions to payment and may be entitled to receive the put price upon the occurrence of certain events. While we cannot quantify with any certainty the actual amount of any such payments in the future, we do expect that such amounts could be substantial. ~~See Item 1 " Business — Our Manager " for more information about these payment obligations.~~ The management fee, put price and profit allocation are payment obligations and, as a result, will be senior in right to the payment of any distributions to our shareholders. Likewise, the profit allocation may also significantly reduce the cash available for operations. Our manager' s influence on conducting our business and operations, including acquisitions, gives it the ability to increase its fees and compensation to our Chief Executive Officer, which may reduce the amount of cash available for distributions to our shareholders. Under the terms of the management services agreement, our manager is paid a management fee calculated as a percentage of our adjusted net assets for certain items and is unrelated to net income or any other performance base or measure. See Item 1 " Business — Our Manager — Our Manager as a Service Provider — Management Fee " for more information about the calculation of the management fee. Our manager, which Ellery W. Roberts, our Chief Executive Officer, controls, may advise us to consummate transactions, incur third- party debt or conduct our operations in a manner that may increase the amount of fees paid to our manager which, in turn, may result in higher compensation to Mr. Roberts because his compensation is paid by our manager from the management fee it receives from us. Fees paid by our company and our businesses pursuant to transaction services agreements do not offset fees payable under the management services agreement and will be in addition to the management fee payable by our company under the management services agreement. The management services agreement provides that businesses that we may acquire in the future may enter into transaction services agreements with our manager pursuant to which our businesses will pay fees to our manager. See Item 1 " Business — Our Manager — Our Manager as a Service Provider " for more information about these agreements. Unlike fees paid under the offsetting management services agreements, fees that are paid pursuant to such transaction services agreements will not reduce the management fee payable by us. Therefore, such fees will be in addition to the management fee payable by us

or offsetting management fees paid by businesses that we may acquire in the future. The fees to be paid to our manager pursuant to these transaction service agreements will be paid prior to any principal, interest or dividend payments to be paid to us by our businesses, which will reduce the amount of cash available for distributions to our shareholders. Our manager' s profit allocation may induce it to make decisions and recommend actions to our board of directors that are not optimal for our business and operations. Our manager, as holder of all of the allocation shares, will receive a profit allocation based on the extent to which gains from any sales of our subsidiaries plus their net income since the time they were acquired exceed a certain annualized hurdle rate. As a result, our manager may be encouraged to make decisions or to make recommendations to our board of directors regarding our business and operations, the business and operations of our businesses, acquisitions or dispositions by us or our businesses and distributions to our shareholders, any of which factors could affect the calculation and payment of profit allocation, but which may otherwise be detrimental to our long- term financial condition and performance. The obligations to pay the management fee and profit allocation, including the put price, may cause us to liquidate assets or incur debt. If we do not have sufficient liquid assets to pay the management fee and profit allocation, including the put price, when such payments are due and payable, we may be required to liquidate assets or incur debt in order to make such payments. This circumstance could materially adversely affect our liquidity and ability to make distributions to our shareholders. ~~See Item 1 " Business — Our Manager " for more information about these payment obligations.~~ Risks Related to Taxation Our shareholders will be subject to taxation on their share of our taxable income, whether or not they receive cash distributions from us. Our company is a limited liability company and is classified as a partnership for U. S. federal income tax purposes. Consequently, our shareholders are subject to U. S. federal income taxation and, possibly, state, local and foreign income taxation on their share of our taxable income, whether or not they receive cash distributions from us. There is, accordingly, a risk that our shareholders may not receive cash distributions equal to their allocated portion of our taxable income or even in an amount sufficient to satisfy the tax liability that results from that income. This risk is attributable to a number of variables, such as results of operations, unknown liabilities, government regulations, financial covenants relating to our debt, the need for funds for future acquisitions and / or to satisfy short- and long- term working capital needs of our businesses, and the discretion and authority of our board of directors to make distributions or modify our distribution policy. As a partnership, our company itself will not be subject to U. S. federal income tax (except as may be imposed under certain recently enacted partnership audit rules), although it will file an annual partnership information return with the IRS. The information return will report the results of our activities and will contain a Schedule K- 1 for each company shareholder reflecting allocations of profits or losses (and items thereof) to our members, that is, to the shareholders. Each partner of a partnership is required to report on his or her income tax return his or her share of items of income, gain, loss, deduction, credit, and other items of the partnership (in each case, as reflected on such Schedule K- 1) without regard to whether cash distributions are received. Each holder will be required to report on his or her tax return his or her allocable share of company income, gain, loss, deduction, credit and other items for our taxable year that ends with or within the holder' s taxable year. Thus, holders of common shares will be required to report taxable income (and thus be subject to significant income tax liability) without a corresponding current receipt of cash if we were to recognize taxable income and not make cash distributions to the shareholders. Generally, the determination of a holder' s distributive share of any item of income, gain, loss, deduction, or credit of a partnership is governed by the operating agreement, but **it** is also subject to income tax laws governing the allocation of the partnership' s income, gains, losses, deductions ~~or~~ **and** credits. These laws are complex, and there can be no assurance that the IRS would not successfully challenge any allocation set forth in any Schedule K- 1 issued by us. Whether an allocation set forth in any particular K- 1 issued to a shareholder will be accepted by the IRS also depends on a facts and circumstances analysis of the underlying economic arrangement of our shareholders. If the IRS were to prevail in challenging the allocations provided by the operating agreement, the amount of income or loss allocated to holders for U. S. federal income tax purposes could be increased or reduced or the character of allocated income or loss could be modified. See " Material U. S. Federal Income Tax Considerations " included in our prospectus, dated ~~August 2~~ **February 9** , ~~2022~~ **2024** and filed with the SEC on ~~August 4~~ **February 14** , ~~2022~~ **2024** , for more information. All of our income could be subject to an entity- level tax in the United States, which could result in a material reduction in cash flow available for distribution to shareholders and thus could result in a substantial reduction in the value our shares. Given the number of shareholders that we have, and because our shares are listed for trading on the over- the- counter market, we believe that our company will be regarded as a publicly ~~-~~traded partnership. Under the federal tax laws, a publicly ~~-~~ traded partnership generally will be treated as a corporation for U. S. federal income tax purposes. A publicly ~~-~~traded partnership will be treated as a partnership, however, and not as a corporation for U. S. federal tax purposes so long as 90 % or more of its gross income for each taxable year in which it is publicly traded constitutes " qualifying income, " within the meaning of section 7704 (d) of the Internal Revenue Code of 1986, as amended, or the Code, and we are not required to register under the Investment Company Act. Qualifying income generally includes dividends, interest (other than interest derived in the conduct of a lending or insurance business or interest the determination of which depends in whole or in part on the income or profits of any person), certain real property rents, certain gain from the sale or other disposition of real property, gains from the sale of stock or debt instruments which are held as capital assets, and certain other forms of " passive- type " income. We expect to realize sufficient qualifying income to satisfy the qualifying income exception. We also expect that we will not be required to register under the Investment Company Act. In certain cases, income that would otherwise qualify for the qualifying income exception may not so qualify if it is considered to be derived from an active conduct of a business. For example, the IRS may assert that interest received by us from our subsidiaries is not qualifying income because it is derived in the conduct of a lending business. If we fail to satisfy the qualifying income exception or is required to register under the Investment Company Act, we will be classified as a corporation for U. S. federal (and certain state and local) income tax purposes, and shareholders would be treated as shareholders in a domestic corporation. We would be required to pay federal income tax at regular corporate rates on its income. In addition, we would likely be liable for state and local income and / or franchise taxes on our income. Distributions

to the shareholders would constitute ordinary dividend income (taxable at then existing ordinary income rates) or, in certain cases, qualified dividend income (which is generally subject to tax at reduced tax rates) to such holders to the extent of our earnings and profits, and the payment of these dividends would not be deductible to us. Shareholders would receive an IRS Form 1099- DIV in respect of such dividend income and would not receive a Schedule K- 1. Taxation of our company as a corporation could result in a material reduction in distributions to our shareholders and after- tax return and would likely result in a substantial reduction in the value of, or materially adversely affect the market price of, our shares. The present U. S. federal income tax treatment of an investment in our shares may be modified by administrative, legislative, or judicial interpretation at any time, and any such action may affect investments previously made. For example, changes to the U. S. federal tax laws and interpretations thereof could make it more difficult or impossible to meet the qualifying income exception for our company to be classified as a partnership, and not as a corporation, for U. S. federal income tax purposes, necessitate that our company restructure its investments, or otherwise adversely affect an investment in our shares. In addition, we may become subject to an entity level tax in one or more states. Several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise, or other forms of taxation. If any state were to impose a tax upon our company as an entity, our distributions to you would be reduced. Complying with certain tax- related requirements may cause us to forego otherwise attractive business or investment opportunities or enter into acquisitions, borrowings, financings, or arrangements we may not have otherwise entered into. In order for our company to be treated as a partnership for U. S. federal income tax purposes and not as a publicly traded partnership taxable as a corporation, we must meet the qualifying income exception discussed above on a continuing basis and must not be required to register as an investment company under the Investment Company Act. In order to effect such treatment, we may be required to invest through foreign or domestic corporations, forego attractive business or investment opportunities or enter into borrowings or financings we (or any of our subsidiaries, as the case may be) may not have otherwise entered into. This may adversely affect our ability to operate solely to maximize our cash flow. In addition, we may not be able to participate in certain corporate reorganization transactions that would be tax free to our shareholders if we were a corporation for U. S. federal income tax purposes. Non- corporate investors who are U. S. taxpayers will not be able to deduct certain fees, costs or other expenses for U. S. federal income tax purposes. We will pay a management fee (and possibly certain transaction fees) to our manager. We will also pay certain costs and expenses incurred in connection with **the** activities of our manager. We intend to deduct such fees and expenses to the extent that they are reasonable in amount and are not capital in nature or otherwise nondeductible. It is expected that such fees and other expenses will generally constitute miscellaneous itemized deductions for non- corporate U. S. taxpayers who hold our shares. Under current law in effect for taxable years beginning after December 31, 2017 and before January 1, 2026, non- corporate U. S. taxpayers may not deduct any such miscellaneous itemized deductions for U. S. federal income tax purposes. A non- corporate U. S. taxpayer' s inability to deduct such items could result in such holder reporting as his or her share of company taxable income an amount that exceeds any cash actually distributed to such U. S. taxpayer for the year. U. S. holders of our shares that are corporations generally will be able to deduct these fees, costs and expenses in accordance with applicable U. S. federal income tax law. A portion of the income arising from an investment in our shares may be treated as unrelated business taxable income and taxable to certain tax- exempt holders despite such holders' tax- exempt status. We expect to incur debt with respect to certain of our investments that will be treated as " acquisition indebtedness " under section 514 of the Code. To the extent we recognize income from any investment with respect to which there is " acquisition indebtedness " during a taxable year, or to the extent we recognize gain from the disposition of any investment with respect to which there is " acquisition indebtedness, " a portion of that income will be treated as unrelated business taxable income and taxable to tax- exempt investors. In addition, if the IRS successfully asserts that we are engaged in a trade or business for U. S. federal income tax purposes (for example, if it determines we are engaged in a lending business), tax- exempt holders, and in certain cases non- U. S. holders, would be subject to U. S. income tax on any income generated by such business. The foregoing would apply only if the amount of such business income does not cause us to fail to meet the qualifying income test (which would happen if such income exceeded 10 % of our gross income, and in which case such failure would cause us to be taxable as a corporation). A portion of the income arising from an investment in our shares may be treated as income that is effectively connected with our conduct of a U. S. trade or business, which income would be taxable to holders who are not U. S. taxpayers. If the IRS successfully asserts that we are engaged in a trade or business in the United States for U. S. federal income tax purposes (for example, if it determines we are engaged in a lending business), then in certain cases non- U. S. holders would be subject to U. S. income tax on any income that is effectively connected with such business. It could also cause the non- U. S. holder to be subject to U. S. federal income tax on a sale of his or her interest in our company. The foregoing would apply only if the amount of such business income does not cause us to fail to meet the qualifying income test (which would happen if such income exceeded 10 % of our gross income, and in which case such failure would cause us to be taxable as a corporation). Risks related to recently enacted legislation. The rules dealing with U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Treasury Department. No assurance can be given as to whether, when or in what form the U. S. federal income tax laws applicable to us and our shareholders may be enacted. Changes to the U. S. federal income tax laws and interpretations of U. S. federal income tax laws could adversely affect an investment in our shares. We cannot predict whether, when or to what extent new U. S. federal tax laws, regulations, interpretations or rulings will be issued, nor is the long- term impact of recently enacted tax legislation clear. Prospective investors are urged to consult their tax advisors regarding the effect of potential changes to the U. S. federal income tax laws on an investment in our shares. Risks Related to Ownership of Our Common Shares We may not be able to maintain a listing of our common shares on NYSE American. Our common shares are listed on NYSE American **,** and we must meet certain financial and liquidity criteria to maintain the listing of our common shares on NYSE American. If we fail to meet any listing standards or if we violate any listing requirements, our common shares may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the

benefits of such listing. A delisting of our common shares from NYSE American may materially impair our shareholders' ability to buy and sell our common shares and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common shares. The delisting of our common shares could significantly impair our ability to raise capital and the value of your investment. The market price, trading volume and marketability of our common shares may, from time to time, be significantly affected by numerous factors beyond our control, which may materially adversely affect the market price of your common shares, the marketability of your common shares and our ability to raise capital through future equity financings. The market price and trading volume of our common shares may fluctuate significantly. Many factors that are beyond our control may materially adversely affect the market price of your common shares, the marketability of your common shares and our ability to raise capital through equity financings. These factors include the following: ● actual or anticipated variations in our periodic operating results; ● increases in market interest rates that lead investors of our common shares to demand a higher investment return; ● changes in earnings estimates; ● changes in market valuations of similar companies; ● actions or announcements by our competitors; ● adverse market reaction to any increased indebtedness we may incur in the future; ● additions or departures of key personnel; ● actions by shareholders; ● speculation in the media, online forums, or investment community; and ● our intentions and ability to maintain the listing our common shares on NYSE American. An active, liquid trading market for our common shares may not be sustained, which may make it difficult for you to sell the common shares you purchase. We cannot predict the extent to which investor interest in us will sustain a trading market or how active and liquid that market may remain. If an active and liquid trading market is not sustained, you may have difficulty selling any of our common shares that you purchase at a price above the price you purchase them or at all. The failure of an active and liquid trading market to continue would likely have a material adverse effect on the value of our common shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling securities and may impair our ability to acquire other companies or technologies by using our securities as consideration. Future sales of **our securities may affect the market price of our** common shares **and result in material dilution** ~~may affect the market price of our common shares~~. We cannot predict what effect, if any, future sales of our common shares, or the availability of common shares for future sale, will have on the market price of our common shares **. Notably, we are obligated to issue 110, 002 common shares upon the conversion of our outstanding series A senior convertible preferred shares, 37, 809 common shares upon the conversion of our outstanding series B senior convertible preferred shares and 2, 804, 678 common shares issuable upon the exercise of outstanding warrants at a weighted average exercise price of $ 1. 64 per share. We are also obliged to issue common shares upon the conversion of secured convertible promissory notes in the aggregate principal amount of $ 24, 349, 796, which are convertible into our common shares at a conversion price of $ 1. 00 (subject to adjustment), upon the conversion of promissory notes in the aggregate principal amount of $ 834, 242, which are convertible into our common shares only upon an event of default at a conversion price equal to 80 % of the lowest volume weighted average price of our common shares on any trading day during the 5 trading days prior to the conversion date, subject to a floor price of $ 1. 00, and upon the conversion of 20 % OID subordinated promissory notes in the aggregate principal amount of $ 2, 109, 375, which are convertible into our common shares only upon an event of default at a conversion price equal to 90 % of the lowest volume weighted average price of our common shares on any trading day during the 5 trading days prior to the conversion date, subject to a floor price of $ 3. 00. In addition, we are obligated to issue common shares upon the exchange of promissory notes in the aggregate principal amount of $ 2, 520, 345, which are exchangeable for our common shares at an exchange price equal to the higher of $ 1, 000 or the 30- day volume weighted average price of our common shares. We have also reserved 20, 000 common shares for issuance under our 2023 Equity Incentive Plan** . Sales of substantial amounts of our common shares in the public market, or the perception that such sales could occur, could materially adversely affect the market price of our common shares and may make it more difficult for you to sell your common shares at a time and price which you deem appropriate. Rule 144 sales in the future may have a depressive effect on our share price. All of the outstanding common shares held by the present officers, directors, and affiliate shareholders are " restricted securities " within the meaning of Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1. 0 % of a company' s outstanding common shares. There is no limitation on the amount of restricted securities that may be sold by a non- affiliate after the owner has held the restricted securities for a period of six months if our company is a current ~~,~~ reporting company under the Exchange Act. A sale under Rule 144 or under any other exemption from the Securities Act, if available, or pursuant to subsequent registration of common shares of present shareholders, may have a depressive effect upon the price of the common shares in any market that may develop. Our series A senior convertible preferred shares and series B senior convertible preferred shares are senior to our common shares as to distributions and in liquidation, which could limit our ability to make distributions to our common shareholders. Holders of our series A senior convertible preferred shares **are entitled to quarterly dividends, payable in cash or in common shares, at a rate per annum of 29 % of the stated value ($ 2. 42 per share)** and **holders of our** series B senior convertible preferred shares are entitled to quarterly dividends, payable in cash or in common shares, at a rate per annum of **24** ~~14. 0~~ % of the stated value ($ ~~2~~ **3** . ~~00~~ **30** per share ~~for our series A senior convertible preferred shares and $ 3. 00 per share for our series B senior convertible preferred shares~~), subject to adjustment. In addition, upon any liquidation of our company or its subsidiaries, each holder of outstanding series A senior convertible preferred shares and series B senior convertible preferred shares will be entitled to receive an amount of cash equal to 115 % of the stated value, plus an amount of cash equal to all accumulated accrued and unpaid dividends thereon (whether or not declared), before any payment shall be made to or set apart for the holders of our common shares. This

could limit our ability to make regular distributions to our common shareholders or distributions upon liquidation. We may issue additional debt and equity securities, which are senior to our common shares as to distributions and in liquidation, which could materially adversely affect the market price of our common shares. In the future, we may attempt to increase our capital resources by entering into additional debt or debt- like financing that is secured by all or up to all of our assets, or issuing debt or equity securities, which could include issuances of commercial paper, medium- term notes, senior notes, subordinated notes or shares. In the event of our liquidation, our lenders and holders of our debt securities would receive a distribution of our available assets before distributions to our shareholders. Any additional preferred securities, if issued by our company, may have a preference with respect to distributions and upon liquidation, which could further limit our ability to make distributions to our common shareholders. Because our decision to incur debt and issue securities in our future offerings will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings and debt financing. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future. Thus, you will bear the risk of our future offerings reducing the value of your common shares and diluting your interest in us. In addition, we can change our leverage strategy from time to time without approval of holders of our common shares, which could materially adversely affect the market share price of our common shares. Our potential future earnings and cash distributions to our shareholders may affect the market price of our common shares. Generally, the market price of our common shares may be based, in part, on the market' s perception of our growth potential and our current and potential future cash distributions, whether from operations, sales, acquisitions or refinancings, and on the value of our businesses. For that reason, our common shares may trade at prices that are higher or lower than our net asset value per share. Should we retain operating cash flow for investment purposes or working capital reserves instead of distributing the cash flows to our shareholders, the retained funds, while increasing the value of our underlying assets, may materially adversely affect the market price of our common shares. Our failure to meet market expectations with respect to earnings and cash distributions and our failure to make such distributions, for any reason whatsoever, could materially adversely affect the market price of our common shares. Were our common shares to be considered penny stock, and therefore become subject to the penny stock rules, U. S. broker- dealers may be discouraged from effecting transactions in our common shares. Our common shares may be subject to the penny stock rules under the Exchange Act. These rules regulate broker- dealer practices for transactions in " penny stocks. " Penny stocks are generally equity securities with a price of less than $ 5. 00 per share. The penny stock rules require broker- dealers that derive more than 5 % of their customer transaction revenues from transactions in penny stocks to deliver a standardized risk disclosure document that provides information about penny stocks, and the nature and level of risks in the penny stock market, to any non- institutional customer to whom the broker- dealer recommends a penny stock transaction. The broker- dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker- dealer and its salesperson and monthly account statements showing the market value of each penny stock held in the customer' s account. The bid and offer quotations and the broker- dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer' s confirmation. In addition, the penny stock rules require that prior to a transaction, the broker and / or dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser' s written agreement to the transaction. The transaction costs associated with penny stocks are high, reducing the number of broker- dealers who may be willing to engage in the trading of our common shares. These additional penny stock disclosure requirements are burdensome and may reduce all the trading activity in the market for our common shares. As long as our common shares are subject to the penny stock rules, holders of our common shares may find it more difficult to sell their shares. Holders of our common shares may not be entitled to a jury trial with respect to claims arising under our operating agreement, which could result in less favorable outcomes to the plaintiffs in any such action. Our operating agreement governing our common shares provides that, to the fullest extent permitted by law, holders of our common shares waive the right to a jury trial of any claim they may have against us arising out of or relating to our operating agreement, including any claim under the U. S. federal securities laws. If we opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre- dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre- dispute jury trial waiver provision is generally enforceable, including under the laws of the State of Delaware, which govern our operating agreement, by a federal or state court in the State of Delaware, which has non- exclusive jurisdiction over matters arising under the operating agreement. In determining whether to enforce a contractual pre- dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to our operating agreement. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the operating agreement. If you or any other holders or beneficial owners of our common shares bring a claim against us in connection with matters arising under our operating agreement, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us. If a lawsuit is brought against us under our operating agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiffs in any such action. Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the operating agreement with a jury trial. No condition, stipulation or provision of the operating agreement serves as a waiver by any holder or beneficial owner of our common shares or by us of compliance with the U. S. federal securities laws and the rules and regulations promulgated thereunder. ~~85~~