Risk Factors Comparison 2024-03-26 to 2023-03-28 Form: 10-K

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An investment in our Company involves a high degree of risk. You should carefully consider the risks below, together with the other information contained in this report and other filings we make with the ~~Securities and Exchange Commission ("~~ SEC ~~")~~ , before you make an investment decision with respect to our Company. The risks described below are not the only ones facing us. Additional risks not presently known to us, or that we consider immaterial, may also impair our business operations. Any of the following risks could materially adversely affect our business, operating results or financial condition, and could cause a decline in the trading price of our Class A Common Stock and the value of your investment. Economic and Industry Risks Economic, social and political conditions in the markets in which we operate could adversely affect demand for the products we sell and impact our business and financial condition. Sales of our products involve discretionary spending by consumers, making our results highly dependent on the health of the economies and consumer confidence in the markets in which we operate. Consumers are typically more likely to make discretionary purchases, including purchasing gaming and technology products, when there are favorable economic conditions. Our business may be affected by many economic, social, and political factors outside our control. Some of these factors include consumer disposable income levels, consumer confidence in current and future economic conditions, levels of employment, consumer credit availability, consumer debt levels, interest rates, tax rates, housing market conditions, inflation, tariffs, socio- political factors, such as civil unrest or political uncertainty, and the effect of weather, natural disasters, and public health crises. Adverse economic, social and political changes in any of the regions in which we sell our products could adversely affect our business in many ways, including reduced sales and margins. We face strong competition from multi- channel retailers, ecommerce businesses and others, which directly affects our revenue and profitability. The retail environment is intensely competitive and subject to rapid changes in consumer preferences and frequent new product introductions. We compete with mass merchants and regional chains, including Walmart and Target, computer product and consumer electronics stores, including Best Buy, other United States and international gaming and PC software specialty stores, such as FNAC Darty, and Media Markt- Saturn, major hypermarket chains like Carrefour and Auchan, toy retail chains, internet- based retailers such as Amazon. com, other internet marketplaces, including those operated by game publishers and console manufacturers, online retailers of digital software and game rental companies. Competition may also result from new entrants into the markets we serve, offering products and / or services that compete with us. If we lose customers to our competitors, or if we reduce our prices or increase our spending to maintain our customers, such actions may negatively impact our business and our financial performance. Multi- channel retailers and ecommerce companies continue to focus on delivery services, with customers increasingly seeking faster, guaranteed delivery times and low- cost or free shipping. Our ability to be competitive on delivery times and delivery costs depends on many factors and our failure to successfully manage these factors and offer competitive delivery options could negatively impact the demand for our products. The gaming industry has historically been cyclical and is affected by the introduction of next- generation consoles, which could negatively impact the demand for existing products. The gaming industry has historically been cyclical in nature in response to the introduction and maturation of new technology. Following the introduction of new gaming platforms, sales of these platforms and related software and accessories generally increase due to initial demand, while sales of older platforms and related products generally decrease as customers migrate toward the new platforms. A new console cycle began with the launch of the Sony PlayStation 5 in November 2020, the Microsoft Xbox Series X in November 2020 and the Nintendo Switch in March 2017. We are dependent upon the timely delivery of new and innovative products from our vendors and failure to timely obtain new product can adversely affect our sales. We depend on manufacturers and publishers to deliver video game hardware, software and consumer electronics in quantities sufficient to meet customer demand. Some of the products we sell ~~are~~ **may be** in short supply and ~~are~~ highly allocated among us and our competitors and we compete for product inventory. If we fail to obtain products in sufficient quantities, our sales may be negatively impacted. We **also** depend on these manufacturers and publishers to **regularly** introduce new and innovative products and software titles to drive industry sales. ~~The~~ **In recent years, the** number of new software titles available for sale has decreased ~~in recent years~~ . Any material delay in the introduction or delivery, or limited allocations, of hardware platforms or software titles could result in reduced sales. In addition, some publishers that have historically published games compatible with multiple gaming platforms have recently been acquired by console manufacturers. This consolidation could lead to a further reduction in the number of new software titles available for sale. Technological advances in the delivery and types of video games and PC entertainment ~~hardware and~~ software available to consumers, as well as changes in consumer behavior related to these new technologies, have lowered and may continue to lower, our sales. The current consoles from Sony, Nintendo and Microsoft have facilitated download technology. Downloading of video game content to the current generation video game systems continues to grow and take an increasing percentage of new video game sales. If consumers' preference for downloading video game content in lieu of physical software continues to increase, our business and financial performance may be adversely impacted. In addition, both Sony and Microsoft currently offer consoles that only allow for the purchase of digital games and content and do not work with physical software. Sales of those types of consoles eliminate the ability of customers to purchase physical software, which may also adversely affect our sales of both new and pre- owned physical software. Interruptions to our supply chain or the supply chain of our suppliers may adversely affect our business Our suppliers rely on foreign sources, primarily in Asia, to manufacture a portion of the products we purchase from them. As a result, any event causing a disruption of imports, including labor shortages, natural disasters, public health crises ~~,~~ or the imposition of import or trade restrictions in the form of tariffs or quotas could increase the cost and reduce the supply of products available to us, which may negatively impact our business and results of operations. An adverse trend in sales during the holiday selling season could impact our financial results. Our business, like that of many retailers, is seasonal, with a major portion of our sales and operating profit realized during the fourth quarter of fiscal ~~2022~~ **2023**, which includes the holiday selling season. During fiscal **2023 and** 2022 ~~and 2021~~, we generated approximately **34 % and** 38 ~~% and 37~~ %, respectively, of our sales during the fourth quarter. Any adverse trend in sales during the holiday selling season could lower our results of operations for the fourth quarter and the entire fiscal year and adversely impact our liquidity. Our ability to obtain favorable terms from our suppliers and service providers may impact our financial results. Our financial results depend significantly upon the business terms we can obtain from our suppliers and service providers, including competitive prices, unsold product return policies, advertising and market development allowances, freight charges and payment terms. We purchase substantially all of our products directly from manufacturers, software publishers and, in some cases, distributors. If our suppliers and service providers do not provide us with favorable business terms or allocate reduced volumes of their products to us, we may not be able to offer products to our customers in sufficient volumes or at competitive prices. Vendors may request credit support which could require us to either use cash on hand or collateralize letters of credit with restricted cash or other credit support mechanisms, which would reduce our liquidity available for other purposes. Our sales of collectibles depend on ~~popularity and~~ trends in pop culture ~~,~~ and **,** if we are unable to anticipate, identify and react to ~~them~~ **these trends**, our sales and business may be adversely affected. Our sales of collectibles are heavily dependent upon the continued demand by our customers for collectibles, apparel, toys, trading cards gadgets, electronics and other retail products for pop culture and technology enthusiasts. The popularity of such products is often driven by movies, television shows, music, fashion and other pop culture influences. Our failure to anticipate, identify and react appropriately to changing trends and preferences of customers could lead to, among other things, excess inventories and higher markdowns. Strategic Risks If we are unable to successfully maintain strong retail and ecommerce experiences for our customers, our sales and results of operations could adversely be impacted. Our business has become increasingly dependent on multiple sales channels as we strive to deliver a seamless shopping experience to our customers through both online and in- store shopping experiences. Operating an ecommerce platform is a complex undertaking and exposes us to risks and difficulties frequently experienced by internet- based businesses, including risks related to our ability to attract and retain customers on a cost- effective basis and our ability to operate, support, expand ~~,~~ and develop our internet operations, website, mobile applications and software and other related operational systems. If we are not able to successfully operate our ecommerce platform, we may not be able to provide a ~~relevant~~ **positive** shopping experience or improve customer traffic, sales or margins, and our business and financial condition could be adversely affected. In- store and ecommerce retail are competitive and evolving environments. Insufficient, untimely or inadequately prioritized or ineffectively implemented investments could significantly impact our profitability and growth and affect our ability to attract new customers, as well as maintain our existing ones. If we fail to keep pace with changing industry technology and consumer preferences, we will be at a competitive disadvantage. The interactive entertainment industry is characterized by swiftly changing technology, evolving industry standards, frequent new and enhanced product introductions, rapidly changing consumer preferences and product obsolescence. Video games are now played on a wide variety of mediums, including video game consoles, personal computers, mobile phones, tablets, social networking websites ~~,~~ and other devices. Browser, mobile and social gaming is accessed through hardware other than the consoles and traditional hand- held video game devices we currently sell. In addition, augmented reality, virtual reality and blockchain technology continue to rapidly evolve and may result in changes in both customer preferences and the types of hardware and software that are used by customers. To continue to compete effectively in the gaming and interactive entertainment industry, we must respond effectively to market and technological changes and understand their impact on our customers' preferences. It may take significant time and resources to respond to these technological changes and changes in consumer preferences. Our business and results of operations may be negatively impacted if we fail to keep pace with these changes. If we are unable to successfully manage our profitability and cost reduction initiatives, our operating results could be adversely affected. As part of our strategic plan to achieve profitability ~~and considering the current challenging economic environment highlighted by high inflation~~, we have recently undertaken cost reduction measures and other initiatives to improve the efficiency of our operations, including initiatives to reduce headcount. These initiatives could strain our existing resources, and we could experience operating difficulties in managing our business, including difficulties in hiring, managing ~~,~~ and retaining employees. If we do not adapt, we may experience erosion to our brand, the quality of our products and services may suffer and our operating results may be negatively impacted. Changes in our senior management or our inability to attract and retain qualified personnel could have a material adverse impact on our business and results of operations. Our success depends, in part, on the continuing services and contributions of our leadership team to execute on our strategic plan ~~and to identify and pursue new opportunities~~. Turnover in key leadership positions in the Company **or our failure to timely or successfully implement leadership transitions** could adversely affect our ability to manage the Company efficiently and effectively, could be disruptive and distracting to management and may lead to additional departures of current personnel, any of which could have a material adverse effect on our business and results of operations. Our success also depends, in part, upon our ability to attract, motivate and retain a highly trained and engaged workforce, including key executives, management for our stores and skilled merchandising, marketing, financial and administrative personnel. The turnover rate in the retail and fulfillment industries is relatively high, and there is an ongoing need to recruit and train new store and fulfillment associates. Factors that affect our ability to maintain sufficient numbers of qualified associates include associate morale, our reputation, unemployment rates, competition from other employers and our ability to offer appropriate compensation and benefits packages. Our inability to attract and retain qualified personnel or retain key personnel in the future could have a material adverse effect on our business and results of operations. Damage to our reputation could adversely affect our business and our ability to attract and retain customers and employees. Our continued success depends upon customers' perception of our Company. Any negative publicity relating to our vendors, products, associates and Board members ~~,~~ **or** practices ~~or our Company~~ could damage our reputation and adversely impact our ability to attract and retain customers and employees. Failure to detect, prevent or mitigate issues that might give rise to reputational risk or failure to adequately address negative publicity or perceptions could adversely impact our reputation, business, results of operations and financial condition ~~. Our new digital asset products and services may not achieve our desired results and may expose us to new risks. In late May 2022, we launched a beta browser extension version of a non- custodial digital asset wallet, which allows gamers and other users to manage, send, receive and use cryptocurrencies, non- fungible tokens (" NFTs ") and other digital assets across decentralized apps. In July 2022, we launched a beta version of our peer- to- peer NFT marketplace, which allows gamers, creators, collectors and other users to publish, view, buy and sell NFTs, and allows creators selected by us to create NFTs on certain decentralized cryptographic protocols. In November 2022, we launched a beta iOS version of the non- custodial digital asset wallet on the iOS App Store. We are also pursuing, and plan to continue to pursue, other business and strategic initiatives associated with digital assets and blockchain technology. The digital asset economy is highly competitive and rapidly evolving with frequent launches of new or improved products and services, and frequent entries of new competitors in the United States and internationally. If and to the extent we are unable to successfully implement and operate these digital assets initiatives, we may incur unanticipated costs and losses, and face other adverse consequences, such as negative reputational effects. In addition, the actual effects of pursuing these initiatives may differ, possibly materially, from the benefits that we expect to realize from them, such as the generation of additional revenues. Our digital asset initiatives also subjects us to risks similar to those associated with any new product offerings, including, but not limited to, our ability to accurately anticipate market demand and acceptance, creator and buyer acceptance, technical issues with the operation of the products, and legal and regulatory risks as discussed herein~~. Operational Risks If we do not maintain the security or privacy of our customer, associate or company information, we could impact our operations, damage our reputation, incur substantial additional costs and become subject to litigation. An important part of our business involves the receipt, processing and storage of personal information of our customers and associates, including, in the case of customers, payment information. We have systems and processes in place that are designed to protect against security and data breaches and unauthorized access to confidential information, and are constantly working to upgrade these systems and processes. Despite these efforts, we have been the target of cybersecurity attacks in the past and there is no guarantee that the procedures we have implemented to protect against unauthorized access are adequate. A successful cybersecurity attack could lead to significant disruptions in the operations of our systems and business, including our ability to accept payment from customers, unauthorized release of confidential information, including customer payment information and corruption of data. Any such cybersecurity attack may also require significant investment and resources to identify and remediate, may expose us to costly litigation, government investigations, government enforcement actions, fines and / or lawsuits and may significantly harm our reputation with our customers. Weather, natural disasters, public health crises and other unexpected events could adversely affect our operating results. The risk or actual occurrence of various unexpected events could have a material adverse effect on our financial condition. Such events may be caused by, for example: natural disasters or extreme weather events; diseases or pandemics (including COVID- 19) that have affected and may continue to affect our employees, customers or partners; floods, fires or other catastrophes affecting our properties, employees or customers; cybersecurity attacks, power outages and telecommunications failures affecting our systems; or terrorism, civil unrest, mass violence or violent acts ~~,~~ or other conflicts. Such events can adversely affect our workforce and prevent employees and customers from reaching our stores, logistics facilities and other properties and can disrupt or disable portions of our supply chain, distribution network and refurbishment operations. They can also affect our information technology systems, resulting in disruption to various aspects of our operations, including our ability to transact with customers and fulfill orders. As a consequence of these or other events, we may endure interruption to our operations or losses of property, equipment or inventory, which could adversely affect our operations and financial condition. We seek to mitigate our exposure to these disruptions in several ways. For example, where feasible, we design the configuration of our logistics facilities to reduce the consequences of disasters and other disruptions. We also maintain insurance for these facilities against casualties, and we evaluate our risks and develop contingency plans for dealing with them. Although we have reviewed and analyzed a broad range of disruption risks applicable to our logistics operations, the ones that actually affect us may not be those that we have concluded are most likely to occur. Furthermore, our plans may not be adequate at the time of occurrence for the magnitude of any particular disruption event that we may encounter. **Inventory shrinkage may negatively affect our results of operations and financial condition. Although some level of inventory shrinkage is an unavoidable cost of doing business, higher rates of inventory shrinkage or increased security or other costs to combat inventory theft could adversely affect our results of operations and financial condition. There can be no assurance that we will be successful in our efforts to contain or reduce inventory shrinkage.** If our systems fail to perform or are inadequate, our ability to manage our business could be disrupted. We rely on computerized systems to coordinate and manage the activities in our operations, including our ecommerce, store and fulfillment operations. If any of these systems fail to adequately perform their functions, including our point- of- sale, inventory management, information technology or enterprise management systems, our business could be adversely affected. We depend on third- party delivery services to deliver products to our retail locations, fulfillment centers and customers on a timely and consistent basis, and changes in the terms we have with these service providers could adversely affect our business and financial position. We rely on third parties for the transportation of products **,** and we cannot be sure that these services will continue to be provided on terms favorable to us, or at all. Delivery and shipping costs ~~have~~ **may** ~~increased~~ - **increase** 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 delivery and shipping costs could harm our business and financial performance by increasing our costs of doing business and reducing our margins. If our relationships with these third parties are terminated or impaired, if we are unable to negotiate acceptable terms with these third parties or if these third parties are unable to deliver products for us, whether due to a labor shortage, slow down or stoppage, or for any other reason, we would be required to use alternative carriers for the shipment of products to our retail locations, fulfillment centers and customers.

Changing carriers could have a negative effect on our business and operating results due to the negative impact on customer experience, including 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 addition, these third parties have increasingly had demand for their services exceed capacity, in particular during the holiday selling season, and we may be unable to obtain sufficient services to meet our demand or to timely meet our customers' expectations. If our vendors fail to provide marketing and merchandising support at historical levels, our sales and earnings could be negatively impacted. The manufacturers of gaming products have typically provided retailers with significant marketing and merchandising support for their products. As part of this support, we receive cooperative advertising and market development payments from these vendors which enable us to actively promote and merchandise the products we sell and drive sales at our stores and on our websites. If our vendors fail to continue to provide this support at historical levels, our business and financial condition may be negatively impacted. Restrictions on our ability to purchase and sell pre- owned products could negatively affect our business and financial condition. Our financial results depend on our ability to purchase and sell pre- owned products. Actions by manufacturers or publishers of products or governmental authorities to prohibit or limit our ability to purchase or sell pre- owned products, or to limit the ability of consumers to use pre- owned products, could have a negative impact on our business and financial condition. If we are unable to renew or enter into new leases on favorable terms, our earnings may be adversely affected. All of our retail stores are located in leased premises. If the cost of leasing existing stores increases, we cannot ensure that we will be able to maintain our existing store locations as leases expire. In addition, we may not be able to enter into new leases on favorable terms or at all, or we may not be able to locate suitable alternative sites in a timely manner. Our revenues and earnings may decline if we fail to maintain existing store locations, enter into new leases, or locate alternative sites. ~~Digital assets are a novel asset class that carries unique risks, including extreme price volatility. Cryptocurrencies, digital currencies, coins, tokens, NFTs, stablecoins, and other digital or crypto assets or instruments that are issued and transferred using distributed ledger or blockchain technology (collectively referred to herein as " digital assets ") are a new and evolving asset class. The characteristics of particular digital assets within this broad asset class may differ significantly. We receive payments in digital assets in connection with certain of our digital asset products and services. We also invest, and may invest in the future, directly or indirectly, in or through digital assets. There is no guarantee that these investments will maintain their value as measured against fiat currencies. Digital assets continue to be an emerging asset class based on emerging technologies, and investment in digital assets is subject to a number of factors relating to the capabilities and development of blockchain technologies, such as the infancy of their development, their dependence on the internet and other technologies, their dependence on the role played by miners, validators and developers and the potential for malicious activity, among other factors. Further, there can be no assurance that the blockchain technology on which digital assets are transacted does not have undiscovered flaws that may allow for such digital assets to be compromised, resulting in the loss of some or all of our investments in such digital assets. Finally, the intrinsic value of digital assets is particularly uncertain and difficult to determine due to the novel and rapidly changing nature of digital asset markets. There can be no assurance that digital assets will maintain their value in the future, or that acceptance of using digital assets as currency or to make payments will continue. Moreover, due to the novelty of the asset class and the evolving patchwork of regulatory oversight of digital asset markets, fraud and market manipulation are not uncommon in such markets, all of which could negatively impact the value of our digital asset investments and have an adverse impact on the value of an investment in our business. We use third parties to custody most of our digital asset investments. The financial institutions, exchanges or other third parties we select to custody our digital assets may become insolvent or subject to cybersecurity attacks, which may in turn cause us to lose all or a portion of our digital assets held by those custodians. While we select custodians that do not rehypothecate or otherwise use our digital asset deposits, we cannot guarantee that these third parties securely maintain our deposits at all times. If, despite our contractual agreements, our selected custodians do rehypothecate or otherwise use our digital asset deposits, they may be unable to accommodate our digital asset withdrawals depending on the nature of the rehypothecation. Furthermore, in the event of bankruptcy of such a custodian, our digital assets held by that third party could, depending on the manner in which such assets are held, be considered the property of the bankruptcy estate and we could be treated as a general unsecured creditor in bankruptcy proceedings. Even if the digital assets held by the custodian are not considered the property of the service provider' s bankruptcy estate, the return of our digital assets may be delayed or affected while the bankruptcy proceeding is pending. Such results may lead to losses for us and have an adverse impact on our business. If we are unable to find, or maintain relationships with, banks or other financial institutions to support our digital asset initiatives, it may impact our ability to offer certain of our digital asset products and services. Some established banks and other financial institutions have been unwilling to provide banking services to digital asset companies. Following several high- profile bankruptcies in the digital asset industry and recent bank failures, which involved banks that provided banking services to digital asset companies, there has been heightened regulatory scrutiny of the digital asset industry as a whole, and more banks may become reluctant to provide services to digital asset industry participants. In addition, we rely on third party custodians to hold and regularly liquidate the digital assets we receive into U. S. dollars, and our digital asset custodians must have access to banking services to provide these services. If we, or our custodial partners, are unable to maintain banking relationships on acceptable terms, it may negatively affect our ability to offer certain digital asset products and services. Digital assets may be subject to hacking, social engineering and other cyber attacks, which could subject us to monetary losses, user disputes, reputational harm, and regulatory scrutiny. Digital products and services are inherently digital and therefore subject to a heightened risk of hacking, cyber attacks and other cybersecurity threats. We have taken certain steps to mitigate against those risks. Despite these efforts, the safeguards we have implemented or may implement in the future to protect against cybersecurity threats may be insufficient to prevent malicious activities, and if our products and services are exploited and our digital assets are stolen, we could experience significant financial harm. Actual or perceived breaches or cybersecurity attacks directed to other digital asset platforms or services could also create a general loss of customer confidence~~

~~in the digital asset industry and the use of blockchain technologies, which could negatively impact the demand for our products and harm our reputation. If our systems, the blockchain networks on which our digital asset products and services are offered, or our third party partners fail to perform or are inadequate, we may experience adverse consequences, including financial losses, customer dissatisfaction and reputational harm. Similar to other aspects of our business, our digital asset products and services are reliant on certain third party partners, including, but not limited to, fiat- to- crypto onramp providers, cloud computing services and data centers. Because we rely on third parties to provide these services and to facilitate certain of our business activities, we face increased operational risks. These third parties may be subject to legal, regulatory, financial, and labor issues, cybersecurity incidents, privacy breaches, interruptions, disruptions, and other similar issues. They are also vulnerable to damage or interruption from human error, fires, natural disasters (including, but not limited to, floods, earthquakes, hurricanes and tornados), power loss, telecommunications failures, terrorism, vandalism, pandemics and similar events. Additionally, these third parties may breach their agreements with us or refuse to continue to renew their agreements on commercially reasonable terms, or at all. There can be no assurances that third parties that provide products or services to us or our users will continue to do so on acceptable terms, or at all. If any of these third parties do not adequately or appropriately provide their services or perform their responsibilities to us or our users, or if such third party partners decide to or are required by law to suspend or shut down products or services that we are relying on, we may be unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, and we may be subject to business disruptions, losses or costs to remediate any of the deficiencies, customer dissatisfaction, reputational damage, legal or regulatory proceedings, or other adverse consequences which could harm our business. In addition, we rely on one or more transaction protocols referred to as " smart contracts, " which include the cryptographic operations that verify and secure transactions, in connection with our digital asset products or services. A smart contract is software that digitally facilitates or enforces a rules- agreement or terms between transacting parties. If the smart contracts fail to behave as expected, suffer cybersecurity attacks or security issues, become obsolete, or encounter other issues, certain transactions may not be completed or may be erroneously executed, and we and our users may experience significant harm, including irretrievable loss of digital assets. Peer- to- peer NFT marketplaces create unique risks and challenges related to content moderation and control. If we are unable to navigate these issues, demand for the marketplace could be adversely impacted. The creator of an NFT will often have, or purport to have, all necessary rights to the content of the NFT and can determine what rights to assign to a buyer, such as the right to display, modify, publicly perform, or copy the content. Risks associated with purchasing or selling items associated with content created by third parties through peer- to- peer transactions, include, among other things, the risk of purchasing counterfeit items or items alleged to be counterfeit, mislabeled items, items that are vulnerable to metadata decay, items on smart contracts with bugs or malware, items related to content that infringes intellectual property rights, and items that may become untransferable, inoperable or obsolete. Our involvement, directly or indirectly, in a dispute between creators and buyers on our NFT marketplace, could adversely affect the success of our NFT marketplace and harm our business, operating results, and financial condition. We may also experience media, legislative, or regulatory scrutiny of our actions or decisions related to our content moderation practices with respect to our NFT marketplace either as a result of our perceived failure to respond expeditiously or appropriately to the sharing of content perceived as objectionable or as a result of our decisions to remove content or suspend participation on our NFT marketplace by persons who violate our content standards and Terms of Service. Any such negative publicity could have an adverse effect on the size, engagement, and loyalty of our user base and demand for our NFT marketplace, which could result in decreased revenue and adversely affect our business, operating results, and financial condition.~~ Risks Related to Laws and Regulations Unfavorable changes in our global tax rate could have a negative impact on our business, results of operations and cash flows. As a result of our operations in many foreign countries, our global tax rate is derived from a combination of applicable tax rates in the various jurisdictions in which we operate. Depending upon the sources of our income, any agreements we may have with taxing authorities in various jurisdictions and the tax filing positions we take in various jurisdictions, our overall tax rate may be higher than other companies or higher than our tax rates have been in the past. We base our estimate of an annual effective tax rate at any given point in time on a calculated mix of the tax rates applicable to our business and to estimates of the amount of income to be derived in any given jurisdiction. A change in the mix of our business from year to year and from country to country, changes in rules related to accounting for income taxes, changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from the tax audits that regularly are in process in any jurisdiction in which we operate could result in an unfavorable change in our overall tax rate, which could have a material adverse impact on our business and results of our operations. We also continue to monitor developments related to tax legislation and government policy ~~, including corporate tax reform~~ . The impact of these potential changes to our business and consolidated financial results cannot be determined until the relevant legislation and policies are finalized. Legislative actions may cause our general and administrative and compliance costs to increase and impact our operations and financial condition. To comply with laws adopted by the ~~United States~~ **U. S.** government or other ~~United States~~ **U. S.** or foreign regulatory bodies, we may be required to increase our expenditures and hire additional personnel and additional outside legal, accounting and advisory services, all of which may cause our general and administrative and compliance costs to increase. Significant workforce- related legislative changes could increase our expenses and adversely affect our operations. Examples of possible workforce- related legislative changes include changes to an employer' s obligation to recognize collective bargaining units, the process by which collective bargaining agreements are negotiated or imposed, minimum wage requirements ~~,~~ and health care mandates. In addition, changes in the regulatory environment affecting Medicare reimbursements, workplace safety, product safety, privacy and security of customer data, responsible sourcing, environmental protection, ~~and~~ supply chain transparency, and increased compliance costs related to wage and hour statutes, limitations on arbitration / class action waiver agreements and overtime regulations, among others, could cause our expenses to increase without an ability to pass through any increased expenses through higher prices. Failure to comply with federal, state, local and international laws, regulations ~~,~~ and statutes applicable to our business could result in an adverse impact to our business and financial condition. As a seller of consumer products, we are also subject to various federal, state, local and international laws, regulations and statutes, including laws relating to product safety and consumer protection and privacy. While we take steps to comply with these laws, there can be no assurance that we will be in compliance, and failure to comply with these laws could result in litigation, regulatory action and penalties which could have a negative impact on our business and financial condition. In addition, our suppliers might not adhere to product safety requirements and the Company and those suppliers may therefore be subject to involuntary or voluntary product recalls or product liability lawsuits. Direct costs, lost sales and reputational damage associated with product recalls, government enforcement actions ~~,~~ or product liability lawsuits, individually or in the aggregate, could have a negative impact on future revenues and results of operations. Our international operations are also subject to compliance with the U. S. Foreign Corrupt Practices Act and other anti- bribery laws applicable to our operations. While we have policies and procedures to ensure compliance with these laws, our associates, contractors, representatives and agents may take actions that violate our policies. Any violations of these laws by any of these persons could have a negative impact on our business. ~~Government regulation of certain of our potential business initiatives are evolving, and we may experience unfavorable changes in or failure to comply with existing or future regulations and laws. The Company continues to explore new business initiatives, including initiatives related to blockchain, digital assets, NFTs and Web 3. 0 technology. These potential business initiatives involve a complex and rapidly evolving mixture of laws and regulations enacted and implemented by U. S., state and local and foreign governments and regulatory authorities. Given the unique and novel nature of the underlying technologies associated with these potential business initiatives, governments and regulatory authorities continue to expand, modify, interpret and re- interpret frequently the legal and regulatory frameworks applied to these initiatives. Such legal and regulatory frameworks may be applied in an inconsistent manner from one jurisdiction to another, which may result in conflicting frameworks with one another. Moreover, since there is significant uncertainty associated with the laws and regulations concerning such potential business initiatives, we are required to exercise our judgment as to whether certain laws or regulations apply to the Company and the potential business initiatives or may apply in the future, and it is possible that legislators, regulators and the courts may disagree with our conclusions. As blockchain- based services and products continue to evolve, increasing legislation, regulation and enforcement efforts by federal, state and foreign legislators and agencies, respectively, and the prospect of private litigation claims related to such services and products become more likely, which may negatively impact such potential business initiatives. In addition, the adoption of any laws or regulations, or the imposition of other legal requirements, that may adversely affect our ability to market, sell, and deliver digital assets or other blockchain- based services or products could decrease our ability to offer, or customer demand for, our product offerings, resulting in lower net revenue, and existing or future laws or regulations could impair our ability to provide or expand our product offerings, which could also result in lower net revenue and make us more vulnerable to increased competition. Future regulations, or changes in laws and regulations or their existing interpretations or applications, could also require us to change our business practices, raise compliance or litigation costs or other costs of doing business and materially adversely affect our business, financial condition and operating results.~~ Litigation and the outcomes of such litigation could negatively impact our future financial condition and results of operations. In the ordinary course of our business, we are, from time to time, subject to various litigation and legal proceedings, including matters involving wage and hour associate class actions, stockholder and consumer class actions, tax audits and unclaimed property audits by states. The outcome of litigation and other legal proceedings and the magnitude of potential losses therefrom, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify. Certain of these legal proceedings, if decided adversely to us or settled by us, may require changes to our business operations that negatively impact our operating results or involve significant liability awards that impact our financial condition. The cost to defend litigation may be significant. As a result, legal proceedings may adversely affect our business, financial condition, results of operations or liquidity. **Risks Related to our Investment Policy and Securities The value of our securities may decline. The Company invests from time to time in securities and is exposed to market volatility in connection with these investments. The Company’ s financial position and financial performance could be adversely affected by worsening market conditions or poor performance of such investments. The Company may invest from time to time in nonmarketable securities and may need to hold such instruments for a long period of time and may not be able to realize a return of its cash investment should there be a need to liquidate to obtain cash at any given time. The Company may also invest from time to time in securities that are interest- bearing securities and if there are changes in interest rates, those changes would affect the interest income the Company earns on these investments and, therefore, impact its cash flows and results of operations.** Our **portfolio of securities** ~~digital asset products and services~~ may **be concentrated in one** ~~expose us to legal, regulatory, and other risks that could adversely affect our~~ - **or** ~~business, operating results, and financial condition. As digital assets are~~ a **few holdings** ~~relatively new and emerging asset class~~ , **which may result** ~~the regulatory, commercial, and legal framework governing digital assets and associated products and services is likely to evolve both~~ in ~~the United States and internationally and implicates issues regarding~~ a ~~range~~ **single holding significantly impacting the value** of **our investment portfolio** ~~matters, including, but not limited to, intellectual property rights, consumer protection, privacy and cybersecurity, anti- money laundering (“ AML ”), sanctions and currency, tax, money transmission, commodity, and securities law compliance~~ . In addition, ~~following~~ **the Company’ s holdings of securities may be concentrated in just one or a few holdings. Accordingly, a significant decline in the market value of one or more of such holdings may not be offset by hypothetically better performance of** ~~the~~ **other** ~~failure~~ **holdings. This concentration** of **risk may result** ~~several prominent crypto trading venues and lending platforms~~ in ~~2022~~ **a more pronounced effect on net income and shareholders’ equity** , **and may result in greater volatility in** the ~~United States Congress expressed~~ **fair market value of** the ~~need~~ **Company’ s holdings of securities from one period to another. The Company is required to recognize losses in a particular security** for **financial statement purposes even though** ~~both greater federal oversight of digital assets and comprehensive cryptocurrency legislation. In~~ the **Company has not actually sold** ~~near future, various governmental and~~

~~regulatory bodies, including in~~ the **security** ~~United States, may introduce new policies, laws, and regulations relating to digital assets generally, and digital asset platforms in particular~~ . **Under accounting rules** ~~We may need to comply with new licensing or registration requirements~~ , ~~revise our compliance~~ **changes in the unrealized gains** and **losses** ~~risk mitigation measures, institute a ban~~ on certain **of** ~~digital assets or~~ **our** ~~transactions thereof~~ **securities may be included in the Company' s reported net income (loss)** , ~~and / or suspend or shut down~~ **even though the Company has not actually realized any gain** ~~our~~ - **or loss by selling** ~~products or services in one or more jurisdictions. We may also face substantial costs to operationalize and comply with new legal or regulatory requirements. It is difficult to predict how the legal and regulatory framework and oversight / enforcement infrastructure around digital assets will develop and how~~ such ~~developments will~~ **securities. Accordingly, changes in the market prices of such securities can have a significant** impact **on** ~~our business and these~~ -- **the Company' s reported results** ~~new product offerings since the market~~ for ~~digital assets, and NFTs in particular, is relatively nascent. Particular digital assets that we support could be deemed securities, and we may be subject to regulatory scrutiny, inquiries, investigations, fines, and other penalties, which may adversely affect our business. We operate our digital asset- related products and services in a complex and frequently evolving regulatory environment and are subject to a wide range of laws and regulations enacted and enforced by U. S. federal, state, and local and foreign governments and regulatory authorities. With respect to securities laws, the SEC, U. S. state, and foreign government regulators have taken varying positions regarding whether certain digital assets fall within the definition of a " security " under U. S. federal, state or foreign securities laws, respectively. The determination as to whether a digital asset is a security is a fact- driven analysis and the outcome may be difficult to predict. Also, securities laws and regulations are constantly evolving. Accordingly, the SEC, U. S. state, and / or foreign government regulators could take the position that certain digital assets we support through our digital asset- based products or services are deemed " securities " under their definitions and interpretations. We have policies and procedures in place that are intended to enable us to make a reasonable, risk- based assessment regarding the likelihood that~~ a particular **period, even though those changes do** ~~digital asset could be deemed a security under applicable laws. These policies and procedures are~~ not **bear** ~~legal determinations as to whether any particular digital asset is a security under federal securities laws. However, the application of securities laws to the specific facts and circumstances of digital assets is complex and subject to change, and it is possible that regulators may disagree with our conclusions. There is no certainty that any digital assets are not securities, notwithstanding the conclusions drawn based~~ on ~~our risk- based assessment. We could be subject to legal or regulatory action in the event a regulatory authority or court were to determine that a digital asset offered, sold or traded on our non- custodial digital asset wallet product or NFT marketplace is a security under applicable laws, which could have an adverse impact on our business. Furthermore, to the extent that any of the digital assets we support are deemed securities, we may be required to register as a broker- dealer and / or national securities exchange with the SEC and / or foreign regulatory counterpart, or rely on an available exemption from registration. Law enforcement and regulators may initiate investigations or litigation related to our digital asset investments, products or services. New or revised regulations or policies affecting digital assets and blockchain technology, or new interpretations of existing laws and regulations by governmental and regulatory bodies in respect of digital assets and blockchain technology could have substantial and adverse effect on our digital asset investments, products or services. As such, we could in the future be subject to inquiries or investigations from regulators and governmental authorities, be required to divest our digital asset holdings, make product changes, restrict or discontinue product offerings, including our users' acquisition, use or redemption of certain digital assets, and be required to implement additional and potentially costly controls. In addition, if we expand our digital asset business to new products and services, we could come under the jurisdiction of additional regulators, both with respect to jurisdiction and subject matter. Any failure or perceived failure to comply with existing or new laws, regulations, or orders of any governmental authority (including changes to or expansion of the interpretation of those~~ -- **the performance of** ~~laws, regulations, or orders), including those~~ -- **the Company** ~~discussed in these risk factors, may (i) subject us to significant fines, penalties, criminal and civil lawsuits, enforcement proceedings, and forfeiture of significant assets, (ii) result in additional compliance and licensure requirements, increased regulatory scrutiny of our business and restrictions of our operations, and (iii) force us to modify our business practices, make product or operational changes, and / or delay planned product launches or improvements. We currently maintain policies and procedures designed to reasonably help ensure compliance with applicable laws and regulations, but there can be no assurance that our employees, contractors, or agents will not violate such laws and regulations. Violations of law by third parties using our digital asset products or services could expose us to litigation risk and negatively impact our reputation. We have no control over the third parties utilizing our digital asset products or services, such as digital gaming and entertainment developers and other NFT creators and sellers. Any failure or perceived failure by such third parties to comply with existing civil and criminal laws and regulations, including, but not limited to, anti- fraud and anti- financial crime laws, may also subject us to significant reputational and litigation risks, including criminal and civil lawsuits. We require third parties using our digital products or services to confirm that their digital asset activities will comply with all applicable laws and regulations in connection with their use of our digital products or services, but there can be no assurance that these third parties will do so. Future developments regarding the treatment of digital assets under U. S. and foreign tax laws could adversely impact our business. Current tax rules related to digital assets are in some instances unclear and require significant judgments to be made in interpretation of the law, including but not limited to the areas of income tax, information reporting, transaction level taxes and the withholding of tax at source. Additional legislation or guidance may be issued by U. S. and non- U. S. governing bodies that may differ significantly from our practices or interpretation of the law, which could have unforeseen effects on our financial condition and results of operations. Our digital asset products and services require compliance with anti- money laundering and sanctions laws and regulations. We comply with laws and regulations related to U. S. AML and counter- terrorist financing (" CTF ") laws and regulations, enforced by the United States Department of Treasury~~ ' s **operating businesses** ~~Financial Crimes Enforcement Network (" FinCEN"), and economic sanctions enforced by the U. S. Department of Treasury' s Office of Foreign Assets Control (" OFAC ") in connection with our digital asset products~~

~~and services. U. S. sanctions laws and regulations generally restrict persons subject to U. S. jurisdiction from dealings with certain jurisdictions that are the target of comprehensive embargoes, as well as with persons, entities, and governments identified on certain prohibited party lists. We have an OFAC compliance program in place that includes monitoring of IP addresses to identify prohibited jurisdictions and of digital wallet addresses that have either been identified by OFAC as prohibited or that otherwise are believed by us to be associated with prohibited persons or jurisdictions. Regardless, there can be no guarantee that our compliance program will prevent transactions with particular persons or addresses or prevent every potential violation of OFAC sanctions. Any present or future government inquiries relating to sanctions could result in negative consequences for us, including costs related to government investigations, financial penalties, and harm to our reputation. Further, new or revised U. S. or foreign AML, CTF or sanctions laws and regulations could require us to invest substantially in new compliance measures and that may require significant retroactive compliance efforts that could adversely affect our financial position, as well as give rise to liabilities based on our compliance program~~. Risks Related to Our Common Stock The market price of our Class A Common Stock has been extremely volatile and may continue to be volatile due to numerous circumstances beyond our control. The market price of our common stock has fluctuated, and may continue to fluctuate, widely, due to many factors, some of which may be beyond our control. These factors include, without limitation: • " short squeezes "; • comments by securities analysts or other third parties, including blogs, articles, message boards and social and other media; • large stockholders exiting their position in our Class A Common Stock or an increase or decrease in the short interest in our Class A Common Stock; • actual or anticipated fluctuations in our financial and operating results; • the timing and allocations of new product releases including new console launches; • shifts in the timing or content of certain promotions or service offerings; • the effect of changes in tax rates in the jurisdictions in which we operate; • acquisition costs and the integration of companies we acquire or invest in; • the mix of earnings in the countries in which we operate; • the costs associated with the exit of unprofitable markets, businesses or stores; • changes in foreign currency exchange rates; • negative public perception of us, our competitors ~~,~~ or industry; and • overall general market fluctuations. Stock markets in general and our stock price in particular have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies and our Company. These broad market fluctuations may adversely affect the trading price of our Class A Common Stock. In particular, a large proportion of our Class A Common Stock has been and may continue to be traded by short sellers which has put and may continue to put pressure on the supply and demand for our Class A Common Stock, further influencing volatility in its market price. These and other external factors have caused and may continue to cause the market price and demand for our Class A Common Stock to fluctuate substantially, which may limit or prevent our stockholders from readily selling their shares of our common stock and may otherwise negatively affect the liquidity of our Class A Common Stock. A " short squeeze " due to a sudden increase in demand for shares of our Class A Common Stock that largely exceeds supply has led to, and may continue to lead to, extreme price volatility in shares of our Class A Common Stock. Investors may purchase shares of our Class A Common Stock to hedge existing exposure or to speculate on the price of our Class A Common Stock. Speculation on the price of our Class A Common Stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our Class A Common Stock available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our Class A Common Stock for delivery to lenders of our Class A Common Stock. Those repurchases may in turn, dramatically increase the price of shares of our Class A Common Stock until additional shares of our Class A Common Stock are available for trading or borrowing. This is often referred to as a " short squeeze. " A large proportion of our Class A Common Stock has been and may continue to be traded by short sellers which may increase the likelihood that our Class A Common Stock will be the target of a short squeeze. A short squeeze has previously led and could continue to lead to volatile price movements in shares of our Class A Common Stock that are unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our Class A Common Stock necessary to cover their short positions, the price of our Class A Common Stock may rapidly decline. Stockholders that purchase shares of our Class A Common Stock during a short squeeze may lose a significant portion of their investment. Information available in public media that is published by third parties, including blogs, articles, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate. We have received, and may continue to receive, a high degree of media coverage that is published or otherwise disseminated by third parties, including blogs, articles, message boards and social and other media. This includes coverage that is not attributable to statements made by our officers or associates. Information provided by third parties may not be reliable or accurate and could materially impact the trading price of our Class A Common Stock which could cause stockholders to lose their investments. A large number of shares of our Class A Common Stock available for future sale could adversely affect the market price of our Class A Common Stock and may be dilutive to current stockholders. The sales of a substantial number of shares of our Class A Common Stock, or the perception that such sales could occur, could adversely affect the price for our Class A Common Stock. Our Board of Directors may authorize the issuance of additional authorized but unissued Class A Common Stock or other authorized but unissued securities at any time, including pursuant to equity incentive plans. In addition, we ~~have~~ **may** ~~filed~~ - **file** a registration statement with the SEC, allowing us to offer, from time to time and at any time, equity securities (including common or preferred stock), subject to market conditions and other factors. Accordingly, we may, from time to time and at any time, seek to offer and sell our equity securities, including sales of our Class A common stock pursuant to an at- the- market program, based upon market conditions and other factors. Future sales of a substantial amount of our Class A Common Stock in the public markets by our insiders, or the perception that these sales may occur, may cause the market price of our Class A Common Stock to decline. Our employees, directors and officers, and their affiliates, hold substantial amounts of shares of our Class A Common Stock. Sales of a substantial number of such shares by these stockholders, or the perception that such sales will occur, may cause the market price of our Class A Common Stock to decline. Other than restrictions on trading that arise under securities laws (or pursuant to our securities trading policy that is intended to facilitate compliance with securities laws), including the prohibition on trading in securities by or on behalf of a person who is aware of material nonpublic information, we have no restrictions on the right of our employees, directors and officers, and their affiliates, to sell their unrestricted shares of Class A Common Stock. Risks Related to Financial Performance and Reporting Our results of operations may fluctuate from quarter to quarter. Our results of operations may fluctuate from quarter to quarter depending upon several factors, some of which are beyond our control. These factors include, but are not limited to: • the amounts devoted to strategic investments, including in multi- channel capabilities and other business initiatives, and failure to achieve anticipated profitability and benefits from such initiatives within the expected time- frames, or at all; • the timing and extent of the achievement of anticipated profits from investments, if at all; • the costs associated with the exit of unprofitable markets, businesses or stores; and • changes in foreign currency exchange rates. These and other factors could affect our business, financial condition and results of operations, and this makes the prediction of our financial results on a quarterly basis difficult. Also, it is possible that our quarterly financial results may be below the expectations of public market analysts. The agreement governing our revolving credit facility restricts our current and future operations. The agreement governing our revolving credit facility contains a number of restrictive covenants that impose significant operating and financial restrictions on us and certain of our subsidiaries and may limit our ability to engage in acts that may be in our long- term best interest, including limitations on additional liens, investments, acquisitions, loans, guarantees, the incurrence of additional indebtedness, certain fundamental changes, certain dispositions, certain dividends and distributions and certain related party transactions. A breach of the covenants or restrictions under the agreement governing our revolving credit facility could result in an event of default. Such an event of default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. In addition, an event of default under the revolving credit facility would permit the lenders under our revolving credit facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our revolving credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. If our lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions we may be limited in how we conduct our business, unable to raise additional debt or equity financing necessary to operate during general economic or business downturns, or unable to compete effectively or to take advantage of new business opportunities. Accordingly, these restrictions may affect our ability to operate in accordance with our strategy. To fund our operations, we require cash. We may not be able to generate sufficient cash flow to meet such obligations. Our ability to generate sufficient cash flow from operations to fund our business will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient cash flow from operations to fund our business, we may have to sell assets, reduce or delay capital investments or seek to raise additional capital. We cannot provide assurance that any assets could be sold, or, if sold, of the timing of the sales and the amount of proceeds realized from those sales or, that additional capital could be raised. We and our subsidiaries may incur additional debt. This could further increase the risks associated with our leverage. Although our revolving credit facility agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. Additionally, these restrictions will not prevent us from incurring obligations that do not constitute indebtedness. Such future indebtedness or obligations may have restrictions similar to, or more restrictive than, those included in our revolving credit facility agreement. The incurrence of additional indebtedness could impact our financial condition and results of operations. ~~Our implementation of a new ERP system may adversely affect our business and results of operations or the effectiveness of our internal controls over financial reporting. During the third quarter of fiscal 2022, we implemented a new ERP system, SAP, as part of a plan to integrate and upgrade our systems and processes. Additional implementation activities are expected to continue in phases over the next few years. ERP implementations are complex, labor intensive and time- consuming projects and involve substantial expenditures on system software and implementation activities. The ERP system is critical to our ability to provide important information to our management, obtain and deliver products, provide services and customer support, send invoices and track payments, fulfill contractual obligations, accurately maintain books and records, provide accurate, timely and reliable reports on our financial and operating results, and otherwise operate our business. ERP implementations also require transformation of business and financial processes in order to reap the benefits of the ERP system. Any such implementation involves risks inherent in the conversion to a new computer system, including loss of information and potential disruption to our normal operations. The implementation and maintenance of the new ERP system has required, and will continue to require, the investment of significant financial and human resources, the re- engineering of processes of our business, and the attention of many employees who would otherwise be focused on other aspects of our business. Our results of operations could be adversely affected if we experience time delays or cost overruns during the ERP implementation process, or if we are unable to reap the benefits we expect from the ERP system. Any material deficiencies in the design and implementation of the new ERP system could also result in potentially materially higher costs than we had incurred previously and could adversely affect our ability to operate our business and otherwise negatively impact our financial reporting and internal controls. Any of these consequences could have a material adverse effect on our results of operations and financial condition.~~ If our internal control over financial reporting is ineffective, our business may be adversely affected and we may lose market confidence in our reported financial information, which could adversely impact our business and stock price. Effective internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of consolidated financial statements and may not prevent or detect misstatements because of inherent limitations. These limitations include, among others, the possibility of human error, inadequacy or circumvention of controls and fraud. If we are unable to maintain effective internal control over financial reporting, our ability to report financial information timely and accurately could be adversely affected. As a result, we could lose investor confidence and become subject to litigation or investigations, which could adversely affect our business, operations, financial condition and our stock price. ~~Recent digital asset market developments have had, and may continue to have, a negative effect on the price of digital assets and cause reputational harm to the industry. In the past year, multiple digital asset platforms have commenced bankruptcy or insolvency proceedings, including Voyager Digital Holdings, Inc., Celsius Network, Ltd. (" Celsius "), FTX Trading Ltd. (" FTX"), BlockFi Inc., and Genesis Global Holdco, LLC. These digital asset platforms commenced bankruptcy proceedings under Chapter 11 of Title 11 of the United States Code (the " Bankruptcy Code "), in large part because the platforms did not have sufficient funds or digital assets available to satisfy the claims and entitlements of their customers and account holders. The bankruptcy proceedings for each of these platforms remain ongoing, and the treatment and recoveries of account holders and creditors of these digital asset platforms is largely undetermined. While there have been recent rulings by the bankruptcy court in the Celsius case regarding ownership of digital assets in two different types of digital asset accounts offered by Celsius, the determination whether digital assets held on a platform or exchange are property of the debtor' s estate is highly fact- specific, and the bankruptcy courts have not fully addressed or resolved this issue in each of the bankruptcy proceedings mentioned above.~~