**Risk Factors Comparison 2024-04-16 to 2023-03-31 Form: 10-K**

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

You should carefully consider the following risk factors, together with all of the other information included or incorporated in this Annual Report. Each of these risk factors, either alone or taken together, could adversely affect our business, financial condition and results of operations, and adversely affect the value of an investment in our Common Stock. There may be additional risks that we do not know of or that we believe are immaterial that could also impair our business and financial condition. ~~Risks~~ **17Risks** Related to Our Business and Industry There is substantial doubt regarding our ability to continue as a going concern absent obtaining adequate new debt or equity financing and achieving sufficient sales levels. We anticipate that we will continue to lose money for the foreseeable future. Our continued existence is dependent upon raising sufficient funds from equity or debt financing activities and generating sufficient working capital from our operations. Because of our history of losses, and net cash used in our operations we may have to continue to reduce our expenditures without receipt of sufficient proceeds from financing activities or improvements in our cash flow from operations. Working capital limitations continue to impinge on our day- to- day operations thus contributing to continued operating losses. If we are unable to raise sufficient funds from financing activities, we may not be able to meet our obligations as they come due, raising substantial doubts as to our ability to continue as a going concern. Any such inability to continue as a going concern may result in our stockholders losing their entire investment. There is no guarantee that we will raise sufficient funds from financing activities. Our management has determined that there is substantial doubt about our ability to continue as a going concern and the report of our independent registered public accounting firm on our consolidated financial statements for the years ended December 31, **2023, and** 2022 ~~and 2021~~ includes an explanatory paragraph with respect to the foregoing. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and implement our business plan. This determination was based on the following factors: (i) used cash in operations of approximately $ ~~6~~ **0** . 9 million in ~~2022~~ **2023** , and our available cash as of the date of this filing will not be sufficient to fund our anticipated level of operations for the next 12 months ; (ii) we will require additional financing for the fiscal year ending December 31, ~~2023~~ **2024 ,** to continue at our expected level of operations ; and (iii) if we fail to obtain the needed capital, we will be forced to delay, scale back, or eliminate some or all of its development activities or perhaps cease operations. In the opinion of management, these factors, among others, raise substantial doubt about our ability to continue as a going concern as of the date of the end of the period covered by this report and for one year from the issuance of the consolidated financial statements. Our business depends on a strong reputation and anything that harms our reputation will likely harm our results. As a provider of temporary and permanent staffing solutions as well as consultant services, our reputation is dependent upon the performance of the employees we place with our clients and the services rendered by our consultants. We depend on our reputation and name recognition to secure engagements and to hire qualified employees and consultants. If our clients become dissatisfied with the performance of those employees or consultants or if any of those employees or consultants engage in or are believed to have engaged in conduct that is harmful to our clients, our ability to maintain or expand our client base may be harmed. Any of the foregoing is likely to materially adversely affect our business, financial condition, results of operations or cash flows. We may be unable to find sufficient candidates for our staffing business. Our staffing services business consists of the placement of individuals seeking employment. There can be no assurance that candidates for employment will continue to seek employment through us. Candidates generally seek temporary or full- time positions through multiple sources, including us and our competitors. Prior to COVID- 19, unemployment in the United States had been low in the past couple of years but sharply increased and then decreased due to the effects of the COVID- 19 pandemic. The availability of qualified talent may change or become even more scarce, depending on macro- economic conditions outside of our control. If finding sufficient eligible candidates to meet employers' demands becomes more challenging due to falling unemployment rates or other talent availability issues, we may experience a shortage of qualified candidates. Any shortage of candidates could materially adversely affect our business, financial condition, results of operations or cash flows. ~~21We~~ **We** may incur potential liability to employees and clients. Our consulting and staffing business entails employing individuals on a temporary basis and placing such individuals in clients' workplaces. We do not have the ability to control the workplace environment. As the employer of record of our temporary employees, we incur a risk of liability to our temporary employees for various workplace events, including claims of physical injury, discrimination, harassment, or failure to protect confidential personal information. While such claims have not historically had a material adverse effect upon our business or financial condition, there can be no assurance that such claims in the future will not result in adverse publicity or have a material adverse effect upon our business or financial condition. We also incur a risk of liability to our employer clients resulting from allegations of errors, omissions or theft by our temporary employees, or allegations of misuse of client confidential information. In many cases, we have agreed to indemnify our clients in respect of these types of claims. We maintain insurance with respect to many of such claims. While such claims have not historically had a material adverse effect upon our business or financial condition, there can be no assurance that we will continue to be able to obtain insurance at a cost that does not have a material adverse effect on our business or financial condition or that such claims will be covered by such available insurance. ~~We~~ **18We** may require additional capital to fund our business and support our growth, and our inability to generate and obtain such capital on acceptable terms, or at all, could harm our business, operating results, financial condition, and prospects. We intend to continue to make substantial investments to fund our business and support our growth. In addition, we may require additional funds to respond to business challenges, including the need to develop new features or enhance our solutions, improve our operating infrastructure, or acquire or develop complementary businesses and technologies. As a result, in addition to the revenues we generate from our business, we may need to engage in equity or debt financings to provide the funds required for these and other business endeavors. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Common Stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain such additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely impacted. In addition, our inability to generate or obtain the financial resources needed may require us to delay, scale back, or eliminate some or all of our operations, which may have a significant adverse impact on our business, operating results, and financial condition. Because we have a history of net losses, we may never achieve or sustain profitability or positive cash flow from operations. We have incurred net losses in each fiscal year since our inception, including net losses of approximately $ ~~16~~ **6** . ~~5~~ **7** million for the year ended December 31, ~~2022~~ **2023** and **,** $ 16. ~~3~~ **5** million for the year ended December 31, ~~2021~~ **2022** . As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of approximately $ ~~69~~ **76** . ~~3~~ **4** million. We expect to continue to incur substantial expenditures to develop and market our services and could continue to incur losses and negative operating cash flow for the foreseeable future. We may never achieve profitability or positive cash flow in the future, and even if we do, we may not be able to continue being profitable. Any failure to achieve and maintain profitability would continue to have an adverse effect on our stockholders' deficit and working capital and could result in a decline in our stock price or cause us to cease operations. ~~22Because~~ -- **Because** we have a limited operating history under our current platform, it is difficult to evaluate our business and future prospects. We have operated our current platform since April 16, 2016, when we acquired the Platform, where it was then put into a multi- year process of further development, integration, and branding. As a result, our platform and business model have not been fully proven, and we have only a limited operating history on which to evaluate our business and future prospects. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including our ability to achieve market acceptance of our platform and attract, retain **,** and incentivize recruiters on our platform, as well as respond to competition and plan for and scale our operations to address future growth. We may not be successful in addressing these and other challenges we may face in the future, and our business and future prospects may be materially and adversely affected if we do not manage these and other risks successfully. Given our limited operating history, we may be unable to effectively implement our business plan which could materially harm our business or cause us to scale down or cease our operations. **19If** ~~Our future growth depends on our ability to attract, retain, and incentivize a community of recruiters and employers, and the loss of existing recruiters and employers, or failure to attract new ones, could adversely impact our business and future prospects. The size of our user community of recruiters and employers on our platform is critical to our success. Our ability to achieve profitability in the future will depend, in large part, on our ability to attract new users to, and retain existing users on, the Platform. Recruiters and employers on the Platform can generally decide to cease using the Platform at any time. While we have experienced rapid growth in the number of recruiters on the Platform in recent months, with numbers rising from 27, 011 on September 30, 2020 to over 42, 000 in February 2023, this growth may not continue at the same pace in the future or at all. In addition, it is possible that the ongoing effects of COVID- 19 may have a deleterious effect on our user growth in the future. Achieving growth in our community of users may require us to engage in increasingly sophisticated and costly sales and marketing efforts that may not result in additional users. We may also need to modify our pricing model to attract and retain such users. If we fail to attract new users or fail to maintain or expand existing relationships in a cost- effective manner, our business and future prospects would be materially and adversely impacted. If~~ we are unable to respond to technological advancements and other changes in our industry by developing and releasing new services, or improving our existing services, in a timely and cost- effective manner or at all, our business could be materially and adversely affected. Our industry is characterized by rapid technological change, frequent new service launches, changing user demands, and evolving industry standards. The introduction of new services based on technological advancements can quickly render existing services obsolete. We will need to expend substantial resources on researching and developing new services and enhancing our platform by incorporating additional features, improving functionality, and adding other improvements to meet our users' evolving demands. We may not be successful in developing, marketing, and delivering in a timely and cost- effective manner enhancements or new features to our platform or any new services that respond to continued changes in the market. Furthermore, any enhancements or new features to our platform or any new services may contain errors or defects and may not achieve the broad market acceptance necessary to generate sufficient revenue. Moreover, even if we introduce new services, we may experience a decline in revenue from our existing services that is not offset by revenue from the new services. If we experience errors, defects, or disruptions on the Platform it could damage our reputation, which could in turn materially and adversely impact our operating results and growth prospects. The performance and reliability of the Platform is critical to our reputation and ability to attract and retain recruiters and clients. Any system error or failure, or other performance problems with the Platform could harm our brand and reputation and may damage the businesses of users. Additionally, the Platform requires frequent updates, which may contain undetected errors when first introduced or released. Any errors, defects, disruptions in service, or other performance or stability problems with the Platform could result in negative publicity, loss of or delay in market acceptance of the Platform, loss of competitive position, delay of payment to us or recruiters, or claims by users for losses sustained by them, which could adversely impact our brand and reputation, operating results, and future prospects. ~~23We~~ **We** rely on third parties to host our Platform, and any disruption of service from such third parties or material change to, or termination of, our arrangement with them could adversely affect our business. We use third- party cloud infrastructure service providers and co- located data centers in the United States and abroad to host the Platform. Software development, remote server administration, quality assurance, and administrative access is managed ~~overseas~~ by **international personnel** ~~Recruiter Mauritius Ltd. under the direction of our Chief Web Officer, Ashley Saddul~~ . We do not control the physical operation of any of the data centers we use. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and similar events. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions to the Platform. The facilities also could be subject to break- ins, computer viruses, sabotage, intentional acts of violence, and other misconduct. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. We may not be able to maintain or renew our agreements or arrangements with these third- party service providers on commercially reasonable terms, or at all. If we are unable to renew our agreements on commercially reasonable terms, our agreements are terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If these providers increase the cost of their services, we may have to increase the fees to use the Platform, which could cause us to lose clients, or we may have to assume those increased costs, and our operating results may be adversely impacted. ~~Because~~ **20Because** we have **historically had** arrangements with related parties affecting a significant part of our operations, such arrangements may not reflect terms that would otherwise be available from unaffiliated third parties. We rely on arrangements with related parties for support of our operations, including technical support, and may engage in additional related party transactions in the future. For example, we currently rely on a related party provider of information technology and computer services located in Mauritius, an island country located off the eastern coast of Africa, for software development and maintenance related to our website and the Platform. ~~Our Chief Web Officer is an employee of this service provider.~~ See " Certain Relationships and Related Person Transactions " for further details. Although we believe that the terms of our arrangements with related parties are reasonable and generally consistent with market standards, such terms do not necessarily reflect terms that we or such related parties would agree to in arms- length negotiations with an independent third party. Furthermore, potential conflicts of interest can exist if a related party is presented with an issue that may have conflicting implications for us and such related party. If a dispute arises in connection with any of these arrangements, which is not resolved to our satisfaction, our business could be materially and adversely affected. Our Platform contains open- source software components, and failure to comply with the terms of the underlying licenses could restrict our ability to market or operate our Platform. We incorporate many types of open- source software, frameworks, and databases, including our Platform, which is currently architected on the Yii platform using PHP code and MySQL databases. Open- source licenses typically permit the use, modification, and distribution of software in source code form subject to certain conditions. Some open- source licenses require any person who distributes a modification or derivative work of such software to make the modified version subject to the same open- source license. Accordingly, although we do not believe that we have used open- source software in a manner that would subject us to this requirement, we may be required to distribute certain aspects of our Platform or make them available in source code form. Further, the interpretation of open- source licenses is legally complex. If we fail to comply with the terms of an applicable open source software license, we may need to seek licenses from third parties to continue offering the Platform and the terms on which such licenses are available may not be economically feasible, to re- engineer the Platform to remove or replace the open source software, to limit or stop offering the Platform if re- engineering could not be accomplished on a timely or cost- effective basis, to pay monetary damages, or to make available the source code for aspects of our proprietary technology, any of which could adversely affect our business, operating results, and financial condition. ~~24Our~~ -- **Our** future growth depends in part on our ability to form new and maintain existing strategic partnerships with third party solution providers and continued performance of such solution providers under the terms of our strategic partnerships with them. As part of our growth strategy and, in particular, our enterprise solution offering, we establish and maintain strategic partnerships with large and established third party solution providers to employers, such as companies specializing in enterprise application software, human resources, payroll, talent, time management, tax and benefits administration. Our strategic partnerships include among other things, integration of the Platform with those of our strategic partners, joint marketing, and commercial alignment, including joint events, and sales of our services by our partners' representatives. We may be unable to renew or replace our agreements with such strategic partners as and when they expire on comparable terms, or at all. Moreover, the parties with which we have strategic relationships may fail to devote the resources necessary to expand our reach and increase our distribution. In addition, our agreements with our strategic partners generally do not contain any covenants that would limit competing arrangements. Some of our strategic partners offer, or could in the future offer, competing products and services or have similar strategic relationships with our competitors, and may choose to favor our competitors' solutions over ours. If we are unsuccessful in establishing or maintaining our relationships with third parties, our growth prospects could be impaired, and our operating results may be adversely impacted. Even if we are successful in establishing and maintaining these strategic relationships with third parties, they may not result in the growth of our client base or increased revenue. ~~We~~ **21We** rely in part on certain software that we license from related and third parties as part of our service offerings, and if we were to lose the ability to use such software our business and operating results would be materially and adversely affected. We license video screening technology from MyInterview, as well as other popular, commercially available third **-** party recruiting, communications, and marketing related software systems, such as LinkedIn and Hubspot, much of which is integral to our systems and our business. If any of these relationships were terminated or if any of these parties were to cease doing business or cease to support the applications we currently utilize, we may be forced to expend significant time and resources to replace the licensed software. Further, the necessary replacements may not be available on a timely basis on favorable terms, or at all. If we were to lose the ability to use this software our business and operating results would be materially and adversely affected. Because we rely on a small number of customers for a substantial portion of our revenue, the loss of any of these customers would have a material adverse effect on our operating results and cash flows. ~~We derive our revenue from a limited number of~~

~~customers.~~ As of December 31, ~~2022~~ **2023** , one customer ~~,~~ accounted for more than 10 % of the accounts receivable balance, at ~~28~~ **93** %. As of December 31, ~~2021~~ **2022** , ~~two~~ **one** ~~customers~~ - **customer** ~~,~~ accounted for more than 10 % of the accounts receivable balance, at **28** ~~14 % and 12 %, for a total of 26~~ %. For the year ended December 31, ~~2022~~ **2023 ,** one customer accounted for **more than** 10 % ~~or more~~ of total revenue, at ~~14~~ **57** %. For the year ended December 31, ~~2021~~ **2022 ,** one customer accounted for **more than** 10 % ~~or more~~ of total revenue, at ~~12~~ **14** %. Any termination of a business relationship with, or a significant sustained reduction in business from, one or more of these customers could have a material adverse effect on our operating results and cash flows. Failure to protect our intellectual property could adversely affect our business. Our success depends in large part on our proprietary technology and data, including our trade secrets, software code, the content of our website, workflows, proprietary databases, registered domain names, registered and unregistered trademarks, trademark applications, copyrights, and inventions (whether or not patentable). In order to protect our intellectual property, we rely on a combination of copyright, trademark, and trade secrets, as well as confidentiality provisions and contractual arrangements. ~~25Despite~~ -- **Despite** our efforts, third parties may infringe upon or misappropriate our intellectual property by copying or reverse- engineering information that we regard as proprietary, including our platform, to create products and services that compete with ours. Further, we may be unable to prevent competitors from acquiring domain names or trademarks that are similar to, infringe upon, or diminish the value of our domain names, trademarks, service marks, and other proprietary rights. Moreover, our trade secrets may be compromised by third parties or our employees, which would cause us to lose the competitive advantage derived from the compromised trade secrets. Additionally, effective intellectual property protection may not be available to us in every country in which our platform currently is or may in the future be available. Further, we may be unable to detect infringement of our intellectual property rights, and even if we detect such violations and decide to enforce our intellectual property rights, we may not be successful, and may incur significant expenses, in such efforts. In addition, any such enforcement efforts may be time- consuming, expensive and may divert management' s attention. Because we rely on **development** ~~Mr. Saddul and his~~ staff who are **internationally located** ~~based in Mauritius~~ , we face a risk based upon any local conditions and difficulties we may face in enforcing our intellectual property rights there. Further, such enforcement efforts may result in a ruling that our intellectual property rights are unenforceable. Any failure to protect or any loss of our intellectual property may have an adverse effect on our ability to compete and may adversely affect our business, financial condition, and operating results. ~~If~~ **22If** we cannot manage our growth effectively, our results of operations would be materially and adversely affected. We have ~~recently~~ experienced significant growth following our acquisitions of Scouted, Upsider, OneWire, Parrut, and Novo during 2021. Businesses that grow rapidly often have difficulty managing their growth while maintaining their compliance and quality standards. There can be no assurance that our management, along with our staff, will be able to effectively manage continued growth or successful integrate our products, services, and staff. Our failure to meet the challenges associated with rapid growth could materially and adversely affect our business and operating results. If the overall economy experiences a reduced need for specialized personnel, our results of operations would be materials and adversely affected. ~~The job market and unemployment rate held up throughout 2022, but there can be no guarantee of a continued strong demand for professional labor. Layoffs may pick up, and the general unemployment rate may move up, due to macroeconomic changes, which would be negative for our business. In addition, rapid changes due to disruptive technology may change the demand for specialized and skilled human workers, which could change the overall demand for our services.~~ Our future success depends on our ability to retain and attract high- quality personnel, and the efforts, abilities and continued service of our senior management, and unsuccessful succession planning could adversely affect our business. Our future success will depend in large part on our ability to attract and retain high- quality management, operations, and other personnel who are in high demand, are often subject to competing employment offers, and are attractive recruiting targets for our competitors. The loss of qualified executives and key employees, or inability to attract, retain, and motivate high- quality executives and employees required for the planned expansion of our business, may harm our operating results and impair our ability to grow. We depend on the continued services of our key personnel, including **Directors** Evan Sohn **, Lillian Mbeki, Deborah Leff, Steve Pemberton, Wallace D. Ruiz** , our Chief Executive Officer ~~and Chairman~~ **Granger Whitelaw** , ~~Miles Jennings, our President~~ and ~~Chief Operating Officer, and Judy Krandel,~~ our **Interim** Chief Financial Officer ~~. We entered into employment agreements with Evan Sohn,~~ Miles Jennings ~~and Judy Krandel~~ . Our work with each of these key personnel ~~are~~ **is** subject to changes and / or termination, and our inability to effectively retain the services of our key management personnel, could materially and adversely affect our operating results and future prospects. If we sustain an impairment in the carrying value of long- lived assets and goodwill, it will negatively affect our operating results. As the result of our purchase of certain assets of Genesys in March 2019 and Scouted, OneWire, Parrut, Upsider and Novo Group in 2021, we have a significant amount of long- lived intangible assets and goodwill on our consolidated balance sheet. Under the Generally Accepted Accounting Principles in the U. S. (" GAAP "), long- lived assets are required to be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. If business conditions or other factors cause profitability and cash flows to decline, we may be required to record non- cash impairment charges. Goodwill must be evaluated for impairment at least annually or more frequently if events indicate it is warranted. If the carrying value of a reporting unit exceeds its current fair value, the goodwill is considered impaired. Events and conditions that could result in impairment in the value of our long- lived assets and goodwill include, but are not limited to, significant negative industry or economic trends, competition and adverse changes in the regulatory environment, significant decline in our stock price for a sustained period of time, limited funding, as well as or other factors leading to reduction in expected long- term revenues or profitability. If we record impairment charges related to our goodwill and long- lived assets, our operating results would likely be materially and adversely affected. ~~26If~~ **23If** we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934 and the Sarbanes- Oxley Act which requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting- related costs and significant management oversight. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which could result in loss of investor confidence and could have an adverse effect on our stock price **. Risks Related to Strategic Transactions and Resource Limitations Our company is currently engaged in a series of strategic transactions that involve complex financial and legal arrangements, characterized by a multitude of contingencies and obligations. These transactions are integral to our strategy for growth and expansion in a competitive marketplace. However, the intricate nature of these deals, combined with our limited resources and capital, present significant risks that could materially and adversely affect our business, financial condition, and operational results. The successful execution of these transactions demands a high degree of financial acumen, legal expertise, and strategic foresight, areas where our resources are constrained. The complexity and scope of the arrangements increase the likelihood of unforeseen challenges, including but not limited to regulatory hurdles, integration obstacles, and potential disputes with counterparties. Given our limited capital, any delays or unexpected costs arising from these transactions could strain our financial resources, forcing us to reallocate funds from other critical areas of our business or seek additional capital at unfavorable terms. Moreover, the contingencies associated with these transactions introduce uncertainty regarding their ultimate benefit to our company. While we anticipate that these strategic endeavors will enhance our competitive position and operational capabilities, their complexity and the inherent unpredictability of their outcomes mean that we cannot guarantee these benefits will be realized as expected, or at all. In light of these factors, our future performance and ability to execute our business strategy effectively could be compromised. Investors should consider the risks associated with our involvement in these complex strategic transactions, especially in the context of our limited resources and capital, before making an investment decision** . Risks Related to Regulation If we or our clients are perceived to have violated or are found in violation of, the anti- discrimination laws and regulations as the result of the use of predictive technologies or external independent recruiters in the recruitment process, it may damage our reputation and have a material adverse effect on our business and results of operations. We and our clients may be exposed to potential claims associated with the use of predictive algorithms and external recruiters in the recruitment process, including claims of age and gender discrimination. For example, Title VII of the Civil Rights Act of 1964 (" Title VII ") prohibits employers from limiting employment opportunities based on certain protected characteristics, including race, color, religion, sex, and national origin. The Age Discrimination in Employment Act of 1967 (the " ADA ") prohibits discrimination based on age. Certain social media companies, as well as employers purchasing targeted ads from such companies, have recently come under scrutiny for discriminatory advertising. In September 2019, the U. S. Equal Employment Opportunity Commission (the " EEOC ") ruled that several employers violated the ADA and Title VII by publicizing job openings on social media through the use of ads that targeted young men to the detriment of women and older workers. If we or our clients are perceived to have violated or are found in violation of, Title VII, the ADA, or any other anti- discrimination laws and regulations as the result of the use of predictive technologies in the recruitment process, it may damage our reputation and have a material adverse effect on our business and results of operations. If recruiters on the Platform were classified as employees instead of independent contractors, our business would be materially and adversely affected. We believe that the recruiters who engage with us on our platform are independent contractors, due to a number of factors, including our inability to control these recruiters, and our Terms of Use with our users reflect that understanding. However, if the independent contractor status of recruiters is challenged, we may not be successful in defending against such challenges in some or all jurisdictions. Furthermore, the costs associated with defending, settling, or resolving lawsuits relating to the independent contractor status of recruiters could be material to our business. In September 2019, California enacted a new employee classification law that codified the 2018 decision by the state' s Supreme Court classifying independent contractors as employees unless they satisfy the following requirements: (i) are free from the control and direction of the entity relating to the performance of the work; (ii) perform work outside the usual course of the hiring entity' s business; and (iii) are customarily engaged in an independently established trade, occupation, or business. We cannot be certain if this ruling in California will impact us. ~~27If~~ **If** a court or an administrative agency were to determine that the recruiters on our platform must be classified as employees rather than independent contractors, we and / or our clients would become subject to additional regulatory requirements, including but not limited to tax, wages, and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); employee benefits, social security, workers' compensation and unemployment; discrimination, harassment, and retaliation under civil rights laws; claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; and other laws and regulations applicable to employers and employees. Compliance with such laws and regulations would require us to incur significant additional expenses, potentially including without limitation, expenses associated with the application of wage and hour laws (including minimum wage, overtime, and meal and rest period requirements), employee benefits, social security contributions, taxes, and penalties. Additionally, any such reclassification would require us to fundamentally change our business model, and consequently have an adverse effect on our business and financial condition. ~~Approximately~~ **24Approximately** 40 % of visitors to our websites originate from countries outside the United States, which exposes us to risks related to operating abroad. Even though we currently have a limited physical presence outside of the United States, recruiters on the Platform are located in approximately 162 countries (aside from the U. S.) around the world, the most prevalent being those recruiters who reside in India, England, and Canada, which subjects us to the risks and uncertainties associated with doing business internationally. Additionally, users on the Platform include recruiters from some emerging markets where we have limited experience, where challenges can be significantly different from those we have faced in more developed markets, and where business practices may create greater internal control risks. Because the Platform is generally accessible by users worldwide, one or more jurisdictions may claim that we or recruiters on the Platform are required to comply with the laws of such jurisdictions. Laws outside of the United States regulating the internet, payments, privacy, taxation, terms of service, website accessibility, consumer protection, intellectual property ownership, services intermediaries, labor and employment, wage and hour, worker classification, background checks, and recruiting and staffing companies, among others, which could be interpreted to apply to us, are often less favorable to us than those in the United States, giving greater rights to competitors, users, and other third parties. Compliance with foreign laws and regulations may be more costly than expected, may require us to change our business practices or restrict our product offerings, and the imposition of any such laws or regulations on us, our users, or third parties that we or our users utilize to provide or use our services, may adversely impact our revenue and business. In addition, we may be subject to multiple overlapping legal or regulatory regimes that impose conflicting requirements and enhanced legal risks. The risks described above may also make it more difficult for us to expand our operations internationally. Analysis of, and compliance with, global laws and regulations may substantially increase our cost of doing business. We may be unable to keep current with changes in laws and regulations as they develop. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, interest, costs and fees (including but not limited to legal fees), injunctions, loss of intellectual property rights, or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of global operations and supporting an international user base successfully, our business, operating results, and financial condition could be adversely affected. The regulatory framework for privacy and data protection is complex and evolving, and changes in laws or regulations relating to privacy or the protection or transfer of personal data, or any actual or perceived failure by us to comply with such laws and regulations, could adversely affect our business. During our day- to- day business operations we receive, collect, store, process, transfer, and use personal information and other user data. As a result, we are subject to numerous federal, state, local, and international laws and regulations regarding privacy, data protection, information security, and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other content. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection, and information security. We strive to comply with applicable laws, regulations, policies, and other legal obligations relating to privacy, data protection, and information security to the extent possible. However, the regulatory framework for privacy and data protection both in the United States and abroad is, and is likely to remain for the foreseeable future, uncertain and complex, is changing, and the interpretation and enforcement of the rules and regulations that form part of this regulatory framework may be inconsistent among jurisdictions, or conflict with other laws and regulations. Such laws and regulations as they apply to us may be interpreted and enforced in a manner that we do not currently anticipate. Any significant change in the applicable laws, regulations, or industry practices regarding the collection, use, retention, security, or disclosure of user data, or their interpretation, or any changes regarding the manner in which the express or implied consent of users for the collection, use, retention, or disclosure of such data must be obtained, could increase our costs and require us to modify our platform and our products and services, in a manner that could materially affect our business. ~~28The~~ **25The** laws, regulations, and industry standards concerning privacy, data protection, and information security also continue to evolve. For example, in June 2018, California passed the California Consumer Privacy Act (the " CCPA "), effective January 1, 2020, which requires companies that process personal information of California residents to make new disclosures to consumers about such companies' data collection, use, and sharing practices and inform consumers of their personal information rights such as deletion rights, allows consumers to opt out of certain data sharing with third parties, and provides a new cause of action for data breaches. The State of Nevada has also passed a law, effective October 1, 2019, that amends the state' s online privacy law to allow consumers to submit requests to prevent websites and online service providers from selling personally identifiable information that they collect through a website or online service. The costs of compliance with, and other burdens imposed by, the privacy and data protection laws and regulations may limit the use and adoption of our services and could have a material adverse impact on our business. As a result, we may need to modify the way we treat such information. Any failure or perceived failure by us to comply with any privacy and data protection policies, laws, rules, and regulations could result in proceedings or actions against us by individuals, consumer rights groups, governmental entities or agencies, or others. We could incur significant costs investigating and defending such claims and, if found liable, significant damages. Further, public scrutiny of or complaints about technology companies or their data handling or data protection practices, even if unrelated to our business, industry, or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks. Risks Relating to Investments in Our Common Stock As a result of our recent financings and acquisitions we have issued a substantial number of additional shares of Common Stock, which dilutes present stockholders and have issued dilutive instruments which may dilute present stockholders. During the period from March 2019 through ~~January~~ **April** ~~2021~~ **2024** , we engaged in a series of private placement **and conversion** transactions issuing to several accredited investors shares of ~~convertible preferred~~ stock and **/ or** warrants to purchase Common Stock. We have also issued shares of our Common Stock in connection with the Scouted Asset Purchase, the Upsider Purchase, the OneWire Purchase, the Parrut Purchase, and the Novo Purchase. ~~See " Part I- Item 1. Business " for further details.~~ As of the date of this Annual Report, there were approximately **1** ~~15. 4~~ million shares of Common Stock issuable upon conversion of our outstanding convertible preferred stock, stock options and exercise of warrants (including warrants issued to the placement agent in our private placement transactions). In the future, we may grant additional options, warrants and convertible securities. The exercise, conversion, or exchange of options, warrants or convertible securities, including for other securities, will dilute the percentage ownership of our existing stockholders. The dilutive effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert such options, warrants and convertible securities at a time when we would be able to obtain additional equity capital on terms more favorable than such securities or when our Common Stock is trading at a price higher than the exercise or conversion price of the securities. If we issue them with conversion or exercise prices below the prices of the convertible securities held by the held by investors, we will be required to reduce the conversion prices of certain of our convertible securities held by the investors, which will increase future dilution. The exercise or conversion of outstanding warrants, options and convertible securities will have a dilutive effect on the securities held by our stockholders. We have in the past, and may in the future, exchange outstanding securities for other securities on terms that are dilutive to the securities held by other stockholders not participating in such exchange. Because we may issue preferred stock without the approval of our stockholders and a concentrated group of stockholders own a significant percentage of our Common Stock, it may be more difficult for a third party to acquire us and could depress our stock price. In general, the Board may authorize, without a vote of our stockholders, an issuance of one or more additional series of preferred stock that have more than one vote per share. Without these restrictions, our Board could issue preferred stock to investors who support us and our management and give effective control of our business to our management. Additionally, issuance of preferred stock could block an acquisition resulting in both a drop in our stock price and a decline in interest of our Common Stock. This could make it more difficult for shareholders to sell their Common Stock. This could also cause the market price of our Common Stock shares to drop significantly, even if our business is performing well. ~~A~~ **26A** small number of ~~seven~~ **ten** stockholders, including members of our management, controls approximately ~~27~~ **14** % of our outstanding voting power as of March ~~22~~ **31** , ~~2023~~ **2024 ,** and therefore is able to exert a significant amount of influence over our management and affairs and all matters requiring stockholder approval, including significant corporate transactions. These stockholders may have interests that differ from yours, and they may vote in a way with which you disagree and that may be adverse to your interests. This concentration of ownership may have the effect of delaying or preventing any change in control transaction, and by limiting the number of shares of our stock traded in public markets could adversely affect liquidity and price of our Common Stock.