

PUBLIC: CRYPTOCURRENCY RISK DISCLOSURES

Definitions

1. “Alto” means Alto Trust Co., a New Mexico Trust Company.
2. “Cryptocurrency Account” means your cryptocurrency account with zerohash (“ZH Account”) or your self-directed individual retirement account with Alto (“Alto Account”).
3. “Public” refers to either Public Platform LLC in the context of your ZH Account or to Public Holdings, Inc. in the context of your Alto Account.
4. “zerohash” means Zero Hash LLC.

Risk Disclosures

Trading in cryptocurrencies involves significant risk and is not suitable for all investors. You should carefully consider your investment objectives, level of experience, and risk appetite before trading. The following is a summary of certain key risks.

1. **NO SIPC OR FDIC PROTECTION.** Cryptocurrency assets held in your Cryptocurrency Account are not securities and are not protected by the Securities Investor Protection Act (“SIPC”). Furthermore, any funds transferred to your Cryptocurrency Account are not deposits and are not insured by the Federal Deposit Insurance Corporation (“FDIC”).
2. **Risk of Total Loss & Volatility.** The price and liquidity of cryptocurrencies have been subject to large fluctuations in the past and may continue to be so in the future. The value of your cryptocurrency holdings may decline rapidly without warning and may go to zero.
3. **Custody Risk.** Your cryptocurrency assets are held in custody by zerohash. You are exposed to the operational and credit risk of zerohash as your custodian.
4. **Irreversible Transactions.** Cryptocurrency transactions are generally irreversible. Once an order is executed, it cannot be canceled or reversed. You are responsible for any losses resulting from fraudulent or erroneous transactions.
5. **Regulatory Risk.** The legal and regulatory treatment of cryptocurrencies in the United States is subject to significant change and uncertainty. Future legislation or regulation may adversely affect the use, transfer, exchange, and value of cryptocurrencies.

6. **Cybersecurity Risk.** The digital technology underlying cryptocurrency is vulnerable to hacking, cybersecurity attacks, malicious activity, and operational failures, any of which could result in a partial or total loss of your assets.
7. **Operational Risk.** Many digital asset exchanges have experienced significant outages, downtime, and transaction processing delays, flash crashes, and may have a higher level of operational risk than regulated futures or securities exchanges. Outages, regardless of severity or length of downtime or delays, can negatively impact cryptocurrency markets and prices. Thus, the nature of digital assets means that technological difficulties experienced by exchanges, intermediaries, custodians, and vendors may prevent access or use of your cryptocurrency at any given time.
8. **Valuation & Liquidity Risk.** Cryptocurrency is traded on numerous crypto exchanges and intermediaries around the world, each with its own pricing mechanism and/or order book. zerohash is not obligated to provide quotes for digital assets and makes no guarantee of continuous trading availability. Market liquidity for certain cryptocurrencies can be thin, which may impact your ability to buy or sell at a favorable price, or at all.
9. **No Margin Value.** The assets in your Cryptocurrency Account will not be assigned any margin value and cannot be used as collateral for a margin loan in your brokerage account.
10. **Virtual Currencies.** Digital Assets are not legal tender in the United States and have no intrinsic value. Cryptocurrencies are not controlled by any sovereign government and their value may not be based on any tangible commodity, security, economic measure, or legal obligation. Apart from supply and demand, there may be no fundamental economic basis for the valuation of cryptocurrencies.
11. **Frauds and Scams.** Cryptocurrency transactions are irreversible. Criminals may attempt to exploit this feature of cryptocurrency transactions through various fraud and scam schemes. You should be wary of any third-party who contacts you and instructs that you deliver cryptocurrency, credit card details, or account details to them for any purpose. Schemes may include fraudulent customer and technical support personnel impersonating Public or zerohash, contacting you, and asking for you to verify a credit card or Cryptocurrency Account number. Public and zerohash will never contact you to initiate a cryptocurrency transaction to any external wallet address. Scammers may also attempt to exploit social media by offering illegitimate and fraudulent “crypto giveaways” or “investment opportunities” that ultimately seek your Cryptocurrency Account login credentials or other private information that can be used to compromise your Cryptocurrency Account. Additionally, criminals may contact you via email in order to entice you to download a malicious attachment or to enter your Cryptocurrency Account login credentials to a spoofed webpage. You should never share your Cryptocurrency Account access methods, credentials, or login information with anyone.

12. **Commissions and Fees.** You may be charged a commission or other fees on your cryptocurrency transactions. Before placing a trade, you should review the [Fee Schedule](#) to understand the costs associated with your transaction.
13. **Short Selling Prohibited.** You are not permitted to engage in short sales of any digital assets through the Public Platform. You may only sell digital assets that you own and that are held in your Cryptocurrency Account.
14. **Availability of Digital Assets.** The selection of digital assets available for trading is determined by Public and zerohash and may change at any time without prior notice. Public makes no guarantee that any specific digital asset will remain available for trading.
15. **Uniform Commercial Code.** All cryptocurrency in your Cryptocurrency Account is your property.
 - a. **ZH Account.** zerohash holds your cryptocurrency in custody on your behalf. For the purposes of Article 8 of the Uniform Commercial Code, your Cryptocurrency Account is a “securities account” and zerohash is a “securities intermediary.” You are the “entitlement holder,” and your interest in any cryptocurrency held in your Cryptocurrency Account is a “security entitlement.” Public is not acting as a “securities intermediary.” Assets held in your Cryptocurrency Account is not the property of zerohash and is not subject to the claims of zerohash's creditors.
 - b. **Alto Account.** For purposes of Article 8 of the Uniform Commercial Code, your Cryptocurrency Account is a "securities account" maintained by Alto, which serves as a "securities intermediary." You are the "entitlement holder," and your interest in any cryptocurrency held in your Cryptocurrency Account is a "security entitlement" against Alto Trust, which in turn holds a corresponding security entitlement against zerohash. Public is not acting as a “securities intermediary.” Assets held in your Cryptocurrency Account are not the property of zerohash or Alto and are not subject to claims of their respective creditors.