

Risks associated with Project Decorum Coin and Project Decorum

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Project Decorum Coin, or “PDC”, is a cryptographic token sold in the Project Decorum Presale, which can in the future be exchanged for another cryptographic token called “Clike” or “Clike tokens” on the SAFE Network. These Clike tokens are envisioned to act as endorsement tokens in Project Decorum’s social platform.

Neither Project Decorum Coin nor Clike tokens are crypto-currencies. At the time of this writing, PDC cannot be exchanged for goods or services, has no known uses outside future exchange for Clike tokens, and cannot be traded on any known exchanges. Neither Project Decorum Coins nor Clike tokens are investments. There is no guarantee – indeed there is no reason to expect – that the PDC that you purchase will increase in value. It may – and probably will at some point – decrease in value.

Risk of Losing Access to PDC Due to Loss of Private key

The purchaser’s PDC may be associated with a bitcoin address until they are distributed to the purchaser. The loss of the private key to the secp256k1 public address will result in loss of PDC. Best practices dictate that purchasers safely store credentials in one or more backup locations geographically separated from the working location.

Risks Associated with the Safe Network

Project Decorum and Clike tokens are based upon the SAFE Network. As such, any malfunction, unintended function or unexpected functioning of the SAFE Network may cause Project Decorum to malfunction or function in an unexpected or unintended manner. SafeCoin, the native unit of account of the SAFE Network may itself lose value in many ways similar to PDC or Clike tokens, and also other ways. More information about the SAFE Network is available at <http://www.safenetwork.org>

Risk of Unfavorable Regulatory Action in One or More Jurisdictions

Blockchain technologies have been subject of scrutiny by various regulatory bodies around the world. The functioning of Project Decorum, PDC or Clike tokens could be impacted by one or more regulatory inquiries or actions, including but not limited to restrictions on the use or possession of digital tokens like PDC or Clike, which could impede or limit the development of Project Decorum.

Risk of Unofficial Project Decorum Alternatives

Following the presale and the development of the initial version of Project Decorum, it is possible that alternative social platforms could be established, which utilize the same open source code and open source protocol underlying Project Decorum. The official Project Decorum software may compete with these alternative, unofficial networks, which could potentially negatively impact Project Decorum and Clike tokens.

Risk of Insufficient Interest in Project Decorum, PDC and Clike tokens

It is possible that Project Decorum’s software will not be used by a large number of businesses, individuals, and other organizations and that there will be limited public interest in the creation of and development of distributed applications. Such a lack of interest could impact the development of Project Decorum and therefore the potential uses or value of PDC and Clike tokens.

Risk that Project Decorum’s software, as developed, will not meet the expectations of purchaser

Project Decorum’s software is currently under development and may undergo significant changes

before release. Any expectations regarding the form and functionality of Clike tokens or Project Decorum's software held by the purchaser may not be met upon release, for any number of reasons including a change in the design and implementation plans and execution of Project Decorum.

Risk of theft and hacking

Hackers or other groups or organizations may attempt to interfere with Project Decorum or the availability of PDC or Clike tokens in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

Risk of security weaknesses in Project Decorum's core infrastructure software

Project Decorum's software consists of open-source code that is itself based on open-source code. There is a risk that Project Decorum or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of Project Decorum interfering with the use of or causing the loss of Clike tokens.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography

Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptocurrencies and Project Decorum, which could result in the theft or loss of PDC or Clike tokens.

Risk of PDC mining attacks

As with other decentralized cryptocurrencies, the blockchain used for the PDC is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the PDC.

Risk of inflationary supply of Clike tokens

New Clike tokens can be "mined" on the SAFE Network, which is likely to have a negative effect on the value of all Clike tokens. Although this process increases exponentially in computational difficulty as more Clike tokens are mined, there is no guarantee that technological progress or unexpected functioning of the SAFE Network may not cause runaway inflation of the Clike token supply.

Risk of lack of adoption or use of Project Decorum's software

While PDC and Clike tokens should not be viewed as investments, it may have value over time. That value may be limited if Project Decorum's software lacks use and adoption. If this becomes the case, there may be few or no content available for endorsement, limiting the value of Clike tokens.

Risk of an unfavorable fluctuation of Bitcoin or MaidSafeCoin

Project Decorum intends to use the proceeds of the PDC presale to fund development of Project Decorum's protocol and software. The proceeds of the PDC presale will be denominated in Bitcoin and MaidSafeCoin. If the value of these cryptocurrencies fluctuate unfavorably during or after the presale, Project Decorum may not be able to fund development, or may not be able to develop Project Decorum's products in the manner that it intended or portrayed.

Risk of an illiquid market for PDC or Clike tokens

There are currently no exchanges upon which PDC or Clike might trade. If ever exchanges do develop, they will likely be relatively new and subject to poorly-understood regulatory oversight. They may therefore be more exposed to fraud and failure than established, regulated exchanges for other products. To the extent that the exchanges representing a substantial portion of the volume in PDC or Clike tokens are involved in fraud or experience security failure or other operational issues, such exchanges' failures may result in a reduction in the value or liquidity of PDC or Clike tokens.

Risk of uninsured losses

Unlike bank accounts or accounts at some other financial institutions, funds held using the Bitcoin blockchain or the SAFE Network are generally uninsured. In the event of loss or loss of value, there is no public insurer or private insurer to offer recourse to the purchaser.

Risk of dissolution of Project Decorum

It is possible that, due to any number of reasons, including without limitation an unfavorable fluctuation in the value of Bitcoin or MaidSafeCoin, unfavorable fluctuation in the value of PDC or Clike tokens, the failure of business relationships, or competing intellectual property claims, Project Decorum may no longer be a viable business and may dissolve or fail to launch.

Unanticipated Risks

Cryptocurrency is a new and untested technology. In addition to the risks set forth here, there are risks that Project Decorum cannot anticipate. Risks may further materialize as unanticipated combinations or variations of the risks set forth here. Project Decorum cannot be held responsible for any such risks.