

January 4, 2015

# BitShares PLAY

## Crowdfunding Prospectus (the “Prospectus”)

BitShares Play (“**BTS Play**”) is an open-source software based on cryptographic protocol that exists on the peer-to-peer network hosting the public transaction ledger, known as the “blockchain,” the source code of which comprises the basis for the cryptographic and algorithmic protocols governing the creation and transactions of BTS Play. BTS Play is designed to form a decentralized autonomous company that both provides provably-fair games of chance and integrates various third party games / game asset systems.

Users of BTS Play will need to hold and consume the built-in virtual tokens, which are collectively called “PLS”, for the designed functions. It is planned that BTS Play will comprise two billion (2,000,000,000) PLS in total to be fully created and distributed upon the initial launch of BTS Play.

To fund the coding, development, promotion, marketing, ecosystem building and otherwise of BTS Play, the BitShares Play Foundation (the “**Foundation**”) hereby initiates this rewards crowdfunding (the “**Crowdfunding**”) to raise funds in crypto-currency from the public contributors worldwide (the “**Contributors**”), whose participations will be made on a purely voluntary basis. In return, the Contributors will be rewarded with 20% of the total PLS supply, which will be allocated amongst them in accordance with the rules to be set forth below.

The Foundation, as the initiator of the Crowdfunding, is composed of the BTS Play core developers, DAC Sun Limited, ZAFED Corporation and the websites “[www.bitsuperlab.com](http://www.bitsuperlab.com)” and “Bitshares.org”. It shall be noted that the Foundation is not a separate legal person organized or incorporated in any jurisdiction. Nor does the Foundation intend or plan to form any company or other type of entity in any jurisdiction to develop or market BTS Play or initiate the Crowdfunding.

In addition, the Crowdfunding is advised, moderated and supported by DACX (the “**Platform**”), a platform that specializes in blockchain-based crowdfunding and securitization. The Platform will, among others, receive and hold the contributions made by the Contributors on behalf of the Foundation throughout the Funding Window.

Participation in the Crowdfunding involves significant risks. See Chapter V “Risk Factors” for details.

For more information of BTS Play or the Crowdfunding, please visit “[www.bitsharesplayfoundation.org](http://www.bitsharesplayfoundation.org)”, “[playtalk.org](http://playtalk.org)” and “[dacx.com](http://dacx.com)”.

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# I. OVERVIEW

## 1. INTRODUCTION OF BTS PLAY

BTS Play is an open-source software based on cryptographic protocol that leverages the blockchain technology in an attempt to establish a fully decentralized autonomous gaming platform. Any third party can develop games on that platform, and through “provable fairness”, never before seen types of games can be developed that are both entertaining and fair. Furthermore, BTS Play allows anyone to create customized digital assets and exchange them on the platform. Through BTS Play’s random number generation, which provides fairness, convenience and technical support, BTS Play brings something truly unique.

For clarity, BTS Play itself does not contain any built-in game. All the games associated therewith or supported thereby will be developed by third parties.

The goal of BTS Play is to afford the players with access to a rich variety of games on the BTS Play platform, all to be provided by third-party developers. The platform will not only offer probability games, but also include more advanced games like betting on real events, chess games and board games to name a few. On the other hand, the platform will provide game developers with a global reach, given that transactions, participation and communication through BTS Play can easily happen worldwide on a borderless and frictionless basis.

BTS Play features, among others, an inner exchange model. Each sort of game asset within BTS Play is a part of a contract with the BTS Play system, which contract defines the assets supply and the PLS collateral ratio required to issue that game asset. Game assets can be issued by providing PLS as collateral and can be destroyed to recover the collateralized PLS, which process constitute the exchanges between game assets and PLS. The price of game asset is determined by the contract that defines the game assets based on the current total supply and current collateral.

BTS Play game assets are not only available to built-in games. They can be integrated into the economic system of a third party game through a contract which matches the requirements of the BTS Play game asset inner exchange. Such a contract could be in the form of a consensus inside of a DAC or between DACs, or a smart contract between a DAC and a centralized game. This can be achieved by using smart contract technology like smart oracles or Orisi.

## 2. NATURE OF PLS

PLS are only the cryptographic tokens embedded in the open-source decentralized software program of BTS Play and are needed for using certain designed functions thereof. While the Contributors will be rewarded with PLS for their contributions, PLS does not stand for:

- (i) equity interest (or its like) in or obligations of the Foundation, the Platform, or any other entity in any jurisdiction;

- (ii) investment in any venture;
- (iii) any securities having inherent value or market price; or
- (iv) any commodity or asset that someone is obliged to redeem or purchase.

### 3. PROGRESS AND MILESTONES OF DEVELOPMENT

As of January 1, 2015, the main interface design of BTS Play wallet has been completed and the testnet has undergone two rounds of testing.

The major milestones of BTS Play development as planned by the Foundation are set forth below:

<b>Milestones</b>	<b>Anticipated Time</b>
Launch of a real blockchain of BTS Play to claim PLS	<i>March 14, 2015</i>
Light wallet support	<i>April 14, 2015</i>
Game platform support with demo on-chain games	<i>June 4, 2015</i>
Third party games development support	<i>September 4, 2015</i>

However, the above milestones are for information only and do not constitute any binding commitment for the Foundation or anyone else to deliver by the respective due date.

### 4. PLANNED ALLOCATION OF PLS

After launch BTS Play will have a total PLS supply of two billion (2,000,000,000) (including those to be rewarded to the Contributors), which is planned to be allocated as follows:

<b>Percentage &amp; Quantity</b>	<b>Recipients</b>
35% (i.e., seven hundred million (700,000,000) PLS)	<i>The BTS holders, as distributed among them as per the snapshot at 23:59:59 UTC on December 8, 2014</i>
10% (i.e., two hundred million (200,000,000) PLS)	<i>The PTS holders, as distributed among them as per the snapshot at 23:59:59 UTC on November 5, 2014</i>
10% (i.e., two hundred million (200,000,000) PLS)	<i>The AGS holders, as distributed among them as per the snapshot at 23:59:59 UTC on November 5, 2014</i>
20% (i.e., four hundred million (400,000,000) PLS)	<i>The Contributors, as distributed among them in accordance with Chapter III "Rewards" below</i>
15% (i.e., three hundred million (300,000,000) PLS)	<i>The Foundation</i>

10% (i.e., two hundred million (200,000,000) PLS) (the “ <b>Reserved PLS</b> ”)	<i>To be reserved for the “Gift Plan (Faucet)” as well as such sponsors, subcontractors, business partners, third party game developers, supporters, community members and etc. as may be decided by the Foundation from time to time</i>
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## 5. RESERVED PLS

The Reserved PLS, being two hundred million (200,000,000) PLS, will be locked up upon the launch of BTS Play and thereafter be released evenly on a monthly basis over ten (10) months. One tenth (1/10) of the Reserved PLS will be released and available monthly in arrears after the launch of BTS Play.

## 6. USE OF PROCEEDS

The proceeds to be raised through the Crowdfunding will be used to fund the coding, development, promotion, marketing, ecosystem building and otherwise of BTS Play.

The Foundation will receive from the Platform and control the proceeds raised through the Crowdfunding, and will formulate and resolve the detailed plan to use the proceeds after the completion of the Crowdfunding. The Foundation may choose to make its financial plan, books, accounts or other financial information publicly available in due course. The Foundation may from time to time convert the contributed bitcoins into any fiat currency that it deems fit.

## 7. EXPENSE

The Foundation itself will bear all the costs and expenses arising out of or in connection with the Crowdfunding, including without limitation the fees charged by the Platform and costs of promotion, staffing, travelling, communication and otherwise incurred for the Crowdfunding.

## 8. PUBLICITY

The progress, launch and other information of BTS Play will be announced on the official website of BTS Play “[www.bitsharesplayfoundation.org](http://www.bitsharesplayfoundation.org)” and the initiation, completion and/or termination of the Crowdfunding will be announced on the official website of the Platform “[dacx.com](http://dacx.com)” (collectively, the “**Websites**”). Each Contributor shall pay regular attention to the announcements, news, articles, newsletters or otherwise that may be posted on the Websites from time to time. The Foundation may, in its sole discretion, additionally notify certain Contributors via e-mail or otherwise.

## **II. PARTICIPATION AND CONTRIBUTION**

### **1. PARTICIPATION**

- (i) Participation in the Crowdfunding is voluntary. Each Contributor will be deemed as having perused and comprehended this Prospectus in full (inter alia, the risk factors set forth in Chapter V below) and having voluntarily accepted all the warranties made and the risks disclosed hereunder.
- (ii) No Contributor is required to be pre-qualified or registered for participating in the Crowdfunding before the Funding Window becomes open, provided that each Contributor shall represent and warrant that:
  - (a) He/she is of sufficient age to participate in the Crowdfunding and has full capacity of civil conduct under the laws of the jurisdiction where he/she is domiciled;
  - (b) He/she is legally permitted to participate in the Crowdfunding and is legally permitted to receive and hold crypto-currency;
  - (c) His/her participation in the Crowdfunding is voluntary and based on his/her own independent judgment without being coerced, solicited or misled by anyone else;
  - (d) He/she has rich knowledge on crypto-currencies, cryptographic tokens, cryptographic protocol and blockchain technology; and
  - (e) He/she does not contemplate to use PLS for any speculative, illegal or non-ethical purpose.
- (iii) Unless and until otherwise required by any applicable law or regulation that may come into force from time to time in any jurisdiction, each Contributor may stay anonymous to participate in the Crowdfunding. The Foundation shall be under no obligation to take any action to identify any Contributor at any time.
- (iv) The Foundation does not recommend or suggest any citizen or entity of the United States participate in the Crowdfunding although the Foundation will take no action to verify the nationality or business address of any Contributor.

### **2. CURRENCY AND AMOUNT OF CONTRIBUTION**

The Crowdfunding will raise bitcoins only without accepting any fiat currency or any other type of crypto-currency.

The Foundation will accept and keep all the contributions made during the Funding Window up to three thousand (3,000) bitcoins (the “**Funding Cap**”). Any further contribution beyond the Funding Cap will be rejected and/or refunded.

If the total number of bitcoins raised during the Funding Window falls less than two hundred fifty (250), the Foundation shall be entitled to terminate the Crowdfunding.

### **3. BITCOIN ADDRESS FOR CONTRIBUTION**

The Bitcoin address to receive contributions will be published on both the Websites before the Funding Window is open.

The above Bitcoin address (including the private key associated therewith) is controlled by the Platform for receiving and holding the contributions on behalf of the Foundation.

All the Contributors shall transfer their bitcoin contributions to the above address only. Sending to any other Bitcoin address or any attempt to double spend bitcoins in making a contribution will neither be recognized by the Foundation as a valid contribution hereunder nor entitle the relevant sender to claim any PLS reward.

### **4. FUNDING WINDOW**

The Funding Window will be open from 00:00:00 UTC on January 5, 2014 through and till the **earlier** of:

- (i) 23:59:59 UTC on February 1, 2014; and
- (ii) the time when the total contributions received by the Platform reach the Funding Cap.

No contribution will be accepted immediately after the Funding Window is closed.

### III. REWARDS

#### 1. REWARDS ALLOCATION

The PLS rewards of the Crowdfunding, being four hundred million (400,000,000) PLS in total, will be allocated among the Contributors based on their respective time and amount of contributions, specifically as follows:

<b>Time of contribution</b>	<b>Reward per bitcoin's contribution</b>	<b>Note</b>
During the first seven (7) days of the Funding Window	One hundred thirty thousand (130,000) PLS	<i>The Funding Cap (3,000 bitcoins) could be reached at any time after 00:00:00 UTC on January 5, 2014, upon which the Funding Window will be closed immediately.</i>
During the second seven (7) days of the Funding Window	One hundred twenty thousand (120,000) PLS	
During the third seven (7) days of the Funding Window	One hundred ten thousand (110,000) PLS	
During the fourth seven (7) days of the Funding Window	One hundred thousand (100,000) PLS	
<b>The PLS rewards remaining and unallocated by the close of the Funding Window, if any, will be allocated among all the Contributors pro rata to their contributions (irrespective of the time thereof).</b>		

#### 2. REWARDS DELIVERY

The PLS to be rewarded to each Contributor will only be delivered in such way that the Contributor runs the BTS Play wallet program to claim the rewarded PLS with such bitcoin private key out of which that Contributor has made a valid contribution during the Funding Window. For this purpose, the relevant bitcoin private key will need to be imported into the BTS Play wallet.

Notwithstanding anything to the contrary stated herein, claiming the PLS rewards will be conditioned upon the satisfaction of the following:

- (i) the official BTS Play wallet program has been published by or behalf of the Foundation;
- (ii) the Contributor controls the exact bitcoin private key out of which that Contributor has made a valid contribution during the Funding Window, and such bitcoin private key has never been exposed to or accessed by anyone else;

- (iii) the Contributor is correctly running and operating the BTS Play wallet to import the relevant bitcoin private key in accordance with the instructions posted on the Websites; and
- (iv) BTS Play genesis block has been created and BTS Play blockchain has been launched.

The Foundation will not, and shall not be obliged to, personally send any PLS to any Contributor at any time. Nor does the Foundation guarantee that all the conditions mentioned above will be satisfied at any given time. Due to the anonymity of contribution, anyone who controls the bitcoin private key of a valid contribution hereunder will be able to claim the relevant PLS rewards. The Foundation will not be responsible for the loss, divulge or theft of any Contributor's bitcoin private key which renders that Contributor unable to claim the PLS rewards.

### **3. NO REDEMPTION**

Neither the Foundation nor anyone else is obliged to redeem or purchase any rewarded PLS from any Contributor at any time.

### **4. POST-DELIVERY ATTENTION**

Each Contributor shall have the sole responsibility to attend to and take care of the PLS rewarded to him/her, especially keeping the private key(s) to his/her BTS Play wallet in a secure manner. The Foundation shall not be liable to any extent for any PLS loss or theft of any Contributor after the delivery, no matter for what cause such loss or theft could have occurred.

### **5. TAX**

Each Contributor shall declare, bear and pay all such taxes, duties, imposts, levies, tariffs and surcharges that might be imposed by the laws and regulations of any jurisdiction as a result of or in connection with the receipt, holding, use, purchase, appreciation, trading or divestment of PLS (no matter whether rewarded for participating in the Crowdfunding or otherwise acquired). And each Contributor shall be solely liable for all such penalties, claims, fines, punishments, liabilities or otherwise arising from his/her underpayment, undue payment or belated payment of any applicable tax. The Foundation gives no advice and makes no representation as to the tax implication of any Contributor's participation in the Crowdfunding.

## **IV. TERMINATION**

### **1. TERMINATION EVENTS**

This Crowdfunding will be terminated if any of the following occurs:

- (i) For any cause the Foundation elects to terminate the Crowdfunding by making an announcement on the Websites;
- (ii) The total contributions raised from the Crowdfunding aggregate less than two hundred fifty (250) bitcoins by the close of the Funding Window;
- (iii) The development of BTS Play is required by any applicable law to terminate before the wallet of BTS Play is officially released; or
- (iv) The Crowdfunding is illegal, prohibited by any government in any jurisdiction, or forced by any applicable law to terminate.

### **2. ACTIONS UPON TERMINATION**

Upon termination of the Crowdfunding, the Foundation shall, within ten (10) working days, refund the contributions to each Contributor, provided that:

- (i) if the Foundation would have previously converted the bitcoin contributions into any fiat currency, the Foundation shall only use the resulting amount in fiat currency to purchase bitcoins at the then prevailing market price and then refund the so acquired bitcoins to the sending addresses of the Contributors pro rata to their contributions; and
- (ii) if the termination is caused by such event as set out in item (iii) or (iv) of Section 1 “Termination Events” above, the Foundation shall be entitled to first deduct the expenses of BTS Play development and marketing from the contributions and then refund the residual amount only.

Other than as set forth above, the Foundation shall be under no obligation to any Contributor for the termination of the Crowdfunding.

## V. RISK FACTORS

Each Contributor should peruse, comprehend and consider carefully the risks described below in addition to the other information stated herein before deciding to participate in the Crowdfunding. Making a contribution under the Crowdfunding will be deemed as the relevant Contributor having accepted all the risks below.

### 1. Termination of the Crowdfunding

The Crowdfunding may be terminated pursuant to Chapter IV “Termination”, in case of which a Contributor may only be refunded with part of his/her bitcoin contribution as a result of the bitcoin price’s volatility and/or the expenses incurred for BTS Play.

### 2. Regulatory Measures

Crypto-currencies are being, or may be, scrutinized by the regulatory authorities of various jurisdictions. The Foundation may receive queries, notices, warnings, requests or rulings from one or more regulatory authorities from time to time, or may even be ordered to suspend or discontinue any action in connection with BTS Play. The development, marketing, promotion or otherwise of BTS Play may be seriously affected, hindered or terminated as a result. And since regulatory policies could change from time to time, existing regulatory permission or tolerance on BTS Play in any jurisdiction could be just temporary.

### 3. Cryptography

Advances in cryptography, such as code cracking or technical advances such as the development of quantum computers, could present risks to all crypto-currencies including BTS Play. This could result in the theft, loss, disappearance, destruction or devaluation of PLS. To a reasonable extent, the Foundation will be prepared to take proactive or remedial steps to update the protocol underlying BTS Play in response to any advances in cryptography and to incorporate additional reasonable security measures where appropriate. It is impossible to predict the future of cryptography or the future of security innovations to an extent that would permit the Foundation to accurately guide the development of BTS Play to take into account unforeseeable changes in the domains of cryptography or security.

### 4. Development Failure or Abortion

BTS Play is still in the process of development, rather than a finished product ready to launch. Due to the technological complexity and difficulty that may be uncertain, unforeseeable and/or insurmountable, the development could fail or abort at any time for any reason (including

insufficiency of funds, regardless of the contributions made under the Crowdfunding). The development failure or abortion would result in non-availability of rewards to any Contributor.

#### **5. Theft of Contributions**

There may be attempts to steal the contributions received by the Platform or the Foundation (including the fiat currency amount converted therefrom). Such a theft or attempted theft may impact the ability of the Foundation to fund the development of BTS Play. While the Foundation will adopt cutting-edge technical solutions to keep the contributions safe, certain thefts could be unpreventable.

#### **6. Flaws in Source Code**

Nobody can guarantee the source code of BTS Play to be flaw-free. It may contain certain flaws, errors, defects and bugs, which may disable some functionality for users, expose users' information or otherwise. Such flaw would compromise the usability and/or security of BTS Play and consequently bring adverse impact on the value of PLS. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code. The Foundation will work closely together with the BTS Play community to keep improving, optimizing and perfecting the source code of BTS Play onwards.

#### **7. Update of Source Code**

The source code of BTS Play could be updated, amended, altered or modified from time to time by the developers and/or the community of BTS Play. Nobody is able to foresee or guarantee the precise result of such update, amendment, alteration or modification. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects BTS Play's operation or market value.

#### **8. Security Weakness**

The blockchain of BTS Play rests on open-source software. Regardless of the Foundation's effort to keep the blockchain secure, anyone may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of BTS Play which the security measures adopted by the Foundation is unable to prevent or remedy. This may consequently result in the loss of PLS or any other digital tokens held by a Contributor.

#### **9. Insufficiency of Processing Power**

The rapid growth of BTS Play will be accompanied by a surge of transaction numbers and demand of processing power. If the demand of processing power outgrows how much the delegates of BTS Play can then provide, the network of BTS Play could be destabilized and/or stagnated, and there could be fraudulent or false transactions such as "double-spending" to arise. In the

worst-case scenario, the PLS held by some users of BTS Play could be lost, and rollback or even hardforking of the blockchain of BTS Play could be triggered. All these aftermaths would do harm to the usability and security of BTS Play and the value of PLS.

#### **10. Private Key**

The loss or destruction of a private key required to access PLS may be irreversible. PLS are controllable only by the possessor of both the unique public and private keys relating to the local or online BTS Play wallet. Each Contributor is required to safeguard the private keys relating to his/her own BTS Play wallets. To the extent such private key is lost, destroyed or otherwise compromised, neither the Foundation nor anyone else will be able to access the related PLS.

#### **11. Forking**

BTS Play is an open source project initiated by the Foundation and supported by the community. Although the developers and the Foundation are influential in the community, they do not monopolize the development, marketing, operation or otherwise of BTS Play. Anybody may develop a patch or upgrade of the source code of BTS Play without prior authorization of anyone else. The acceptance of BTS Play patches or upgrades by a significant, but not overwhelming, percentage of the users could result in a “fork” in the blockchain of BTS Play, and consequently the operation of two separate networks will emerge and remain until the forked blockchains are merged. The temporary or permanent existence of forked blockchains could adversely impact the operation and the market value of BTS Play and PLS, and in the worst case scenario, could ruin the sustainability of BTS Play. While such a fork in the blockchain of BTS Play would possibly be resolved by community-led efforts to merge the forked blockchains, the success is not guaranteed and could take long to achieve.

#### **12. Incompetent or Malicious Delegates**

BTS Play adopts “Delegated Proof of Stake” (“**DPOS**”) to secure its network. DPOS features 101 trusted delegates to be elected by the holders of the relevant crypto-currency to maintain the blockchain thereof (inter alia, to sign each of the blocks that compose the whole blockchain). However, insofar as BTS Play is concerned, any delegate so trusted and elected by the PLS holders may be an incompetent or malicious one, who could from time to time commit dereliction of duty, willful misconduct or malpractice or otherwise do things not in the PLS holders’ interest. Although such incompetent or malicious delegate can be voted down and removed, what he/she has done before that removal would not be revoked retroactively and could even have caused irreversible adverse impact on BTS Play.

#### **13. Inflation**

While the total supply and circulation of PLS in the first instance will be limited to two billion (2,000,000,000), such quantity could increase as a result of the adoption of a patch or upgrade of

BTS Play source code acceptable to the majority of the delegates. The resulting inflation of PLS supply could lead to the drop of market price, and consequently certain Contributors or PLS holders could suffer economic losses. It is not guaranteed that a Contributor or PLS holder would be compensated or made good somehow for the PLS inflation.

#### **14. Merger with Other Crypto-Currencies**

BTS Play is developed based on a crypto protocol derived from BitShares. From a technological standpoint, BTS Play and BitShares can, subject to the approval of the majority delegates maintaining the respective blockchains, be merged in pursuit of synergy or other valuable considerations. A merger like that would probably render the blockchain of BTS Play abandoned and obsolete in exchange for certain quantity of BTS (the crypto-token in the blockchain of BitShares) to be newly created and assigned to the pre-merger PLS holders at certain conversion rate between BTS and PLS. It is likely that from a market price perspective, the PLS holders would be under-compensated with the BTS they would receive in consideration of the PLS that would have been obsolete as a result of the merger.

#### **15. Popularity**

The value of PLS hinges heavily on the popularity of BTS Play. BTS Play is not expected to be popular, prevalent or widely used soon after the launch. The worst-case scenario is that BTS Play may even remain marginalized in the long run, appealing to only a minimal portion of the game developers and/or players. By contrast, a significant portion of PLS demand could be of speculative nature. The lack of users and commercial utilization may result in increased volatility of PLS price and consequently compromise BTS Play's long-term development.

#### **16. Liquidity**

PLS is not a currency issued by any individual, entity, central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The circulation and trading of PLS on the market depends on the consensus on its value between the relevant market participants. Nobody is obliged to redeem or purchase any PLS from any Contributor or PLS holder. Nor does anyone guarantee the liquidity or market price of PLS to any extent. To divest his/her PLS portfolio, a PLS holder would have to locate one or more willing buyers to purchase the same at a mutually agreed price, which process could be costly and time-consuming. And there could be no crypto-currency exchange having PLS listed thereon for trading.

#### **17. Competition**

BTS Play's underlying protocol is based on an open-source computer software such that nobody claims copyright of the source code. As a result, anyone can legally copy, replicate, reproduce, engineer, modify, upgrade, improve, recode, reprogram or otherwise utilize the source code and/or underlying protocol of BTS Play in an attempt to develop a competing protocol or software, which

is out of the Foundation's control and may consequently compromise the value of BTS Play and PLS. The Foundation will in no case be capable of eliminating, preventing, restricting or minimizing such competing efforts that aim to contest with or overtake BTS Play.

#### **18. Third Party Games**

BTS Play merely provides an open-access platform to accommodate all kinds of games that are developed by third parties (including the members of the BTS Play community). All such games can tap into BTS Play subject to no censorship, restriction, control, pre-qualification or admission requirement. The Foundation neither intends nor is able to act as a censor to scrutinize to any extent any game to be developed on or otherwise associated with BTS Play. Therefore, games prohibited or restricted in certain jurisdictions, such as gambling, betting, lottery, sweepstake, pornography and otherwise, could take advantage of BTS Play to be developed, promoted, marketed or operated. The regulatory authorities of the relevant jurisdiction could accordingly take administrative or judicial actions against the very game or even the developers or players thereof. Any punishment, penalty, sanction, crackdown or other regulatory effort made by any governmental authority may more or less frighten or deter existing or potential users away from using BTS Play and holding PLS, and consequently bring material adverse impact on the commercial prospect of BTS Play.

## **VI. MISCELLANEOUS**

### **1. NO REPRESENTATION OR WARRANTY**

The Foundation does not make and disclaims any representation or warranty with respect to the Crowdfunding, BTS Play or PLS, except those expressly specified herein. Each Contributor's decision to participate in the Crowdfunding shall be made based on his/her own knowledge of BTS Play and PLS and the information disclosed herein. Without prejudice to the generality of the foregoing, each Contributor will, upon the launch of BTS Play and availability of BTS Play wallet, accept BTS Play and the rewarded PLS on an "as is" basis, irrespective of the technical specifications, parameters, performance or function thereof.

### **2. NO LIABILITY**

The Foundation and the Platform shall in no case be liable for:

- (i) early termination of the Crowdfunding for any reason;
- (ii) failure or abortion of BTS Play development and resulting failure to deliver PLS rewards to the Contributors;
- (iii) delay or rescheduling of BTS Play development and resulting failure to meet any expected milestone;
- (iv) any error, bug, flaw, defect or otherwise of the source code of BTS Play;
- (v) any malfunction, breakdown, collapse, rollback or hardforking of the blockchain of BTS Play;
- (vi) utilization of the proceeds raised through the Crowdfunding;
- (vii) withholding of any information relating to BTS Play;
- (viii) any negligence, dereliction, misconduct or fraud committed by any delegate who maintains the network of BTS Play;
- (ix) any game using certain functions of BTS Play;
- (x) trading or speculation of PLS; or
- (xi) listing or delisting of PLS on any crypto-currency exchange.

### **3. NO WAIVER**

The failure of the Foundation to require or enforce strict compliance by the Contributor with any provision herein or the Foundation's failure to exercise any right herein shall not be construed as a waiver or relinquishment of the Foundation's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by the Foundation of any provision, condition, or requirement of the Prospectus shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

### **4. SEVERABILITY**

if any portion of this Prospectus is held illegal or invalid, whether in whole or part, under the laws of any jurisdiction, such illegality or invalidity shall not affect the legality or validity of the rest of the Prospectus in that jurisdiction nor the legality or validity of the Prospectus in any other jurisdiction.

### **5. JURISDICTION**

The Crowdfunding is initiated and takes place worldwide and is not linked to any specific jurisdiction. And the Contributors may be from any jurisdiction in the world.

[NO CONTENT BELOW]