

New Filing:

Umbra

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B1

ICO Token Transparency Filing

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Total Score: 40/40

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Project & Team

1. Description of Project

Instructions: Provide a concise narrative that clearly states:

- (a) **Problem the project solves** — the problem the project is solving,
- (b) **Operational priorities** — Provide a high-level description of how the project expects to support ongoing development and operations over time
- (c) **High-level project overview** — how the project works at a high level,
- (d) **Primary token functions** — the primary functions of the token (e.g. gov participation),
- (e) **Control surface reliance** — if any, briefly describe the anticipated or possible evolution of the protocol's governance/control model,

Score: 5/5

Answer:

(a) Problem the project solves

- Umbra is a financial privacy layer for the Solana Blockchain. It provides the cryptographic infrastructure necessary to execute confidential transactions, allowing users and applications to protect their financial data on-chain.

(b) Operational priorities

- We completed our fundraiser on Metadao and will be using our capital from the raise plus future revenues post mainnet for ongoing work on the Umbra Private Wallet and future products

(c) High-level project overview

- We provide the infrastructure for confidential, unlinkable, and auditable transactions, making on-chain privacy seamless and secure.
- We use Arcium's MPC Infrastructure under the hood for our mixer pool technology to enable confidential as well as anonymous transfers

(d) Primary token functions

UMBRA is an ownership coin. The token is the sole economic and governance instrument; there is no separate equity class. Its primary functions are:

- **Governance participation:** Token holders participate in protocol decision-making through MetaDAO's decision market mechanism. Rather than stake-weighted voting, participants trade on proposal outcomes using the governance token or USDC. Proposals pass or fail based on time-weighted average price (TWAP) resolution of conditional PASS and FAIL markets.
- **Treasury control:** Governance controls the DAO treasury. Proposals may authorize spending USDC from the treasury, issuing new tokens, updating token metadata, and adjusting treasury-provided liquidity.
- **IP ownership:** Key protocol intellectual property is assigned to the DAO entity and governed by decision markets. No individual or external party holds independent IP rights.

Value accrues to UMBRA through governance authority over treasury capital and any protocol revenues. There is no automatic or standing distribution to holders; any distribution, buyback, or capital return requires a governance proposal to pass.

(e) **Control surface reliance**

- This is currently work in progress but we will explore the potential of using decision markets for core protocol upgrades, decryption keys, etc.
- We will also introduce a failsafe privacy committee that will be prominent.

2. Known Project Team & Investors

Instructions: For each existing entity: Labs/DevCo (e.g., Founder, CEO, CTO, COO), Foundation (e.g., President, Executive Director, CFO, COO), and DAO / onchain governance leadership (if applicable) list the:

- (a) full names,
- (b) official titles,
- (c) and prior experience of key team members.
- For any non-existent entity, explicitly mention it does not exist. External links may be included but they will not factor into the score. Edge note: A compound role (e.g., Founder/CEO) counts as one person with a compound title.

Score: 3/3

Answer:

Name / Entity	Position / Role	% Supply	Token Amount	Education & Professional Experience
Community	ICO Sale	55.00%	15,675,000	Dedicated to public sale participants.
Arcium	Advisory	8.00%	2,280,000	Strategic advisory entity.
Krutarth Shah	CEO / Co-Founder	5.00%	1,425,000	Bachelor's in Transportation Design (IAAD); Member at Superteam India; former Lead Designer at Goatfish and Pulse.
Calisto Mathias	CTO / Co-Founder	5.00%	1,425,000	B.Tech in IT (NITK Surathkal); GSoC contributor to Haiku OS; contributor to Braidpool; Research Intern at IISc Bangalore.
Pranay Bagde	CPO / Co-Founder	5.00%	1,425,000	B.Tech in Mechanical Engineering (NITK Surathkal); Product Designer for startups like CREX, CRIB, and Reidius Infra; Framar Partner.

Abbas Shaikh	COO	4.00%	1,140,000	Experience with Metadao (Onboarding/Scout) and Superteam (Bounty Lead); former Marketing Lead at IBW.
Arihant Bansal	Strategic Advisor	4.00%	1,140,000	Strategic guidance for the ecosystem.
Asim Shaikh	Core Team / Contributor	1.00%	285,000	Fullstack Engineer at Spintly; Superteam Contributor; experienced Freelancer.
Piyush Panpaliya	Core Team / Contributor	1.00%	285,000	B.Tech in Electrical Engineering (IIT Mandi); Front End Dev at Incline Climate; SysAdmin at SAIC.
Agustin Ramirez (Pata)	Marketing Lead / Team	0.50%	142,500	Head of Marketing and community growth efforts.
Arnav Jindal	Team Member / Contributor	0.50%	142,500	B.Tech from BITS Pilani; Engineer at FomoFactory; FullStack Engineer at Send AI; Frontend Engineer at Umbra.

Bhuvan Tyagi	Team Member / Contributor	0.50%	142,500	B.Tech in ECE (BITS Pilani); Backend Engineer at Rupifi and Privateblok; SDE at Umbra; Mobile Dev at Send AI.
Muskan Pandey	Team Member / Contributor	0.50%	142,500	Bachelor's in Mechanical Engineering (IIT Delhi); Cryptography Research Engineer at Encipher; Backend Engineer at Umbra Privacy.
Team Reserve	Future Hires / Incentives	9.00%	2,565,000	Reserved for future talent acquisition and performance-based rewards.
TOTAL		100.00%	28,500,000	

Based on the provided Operating Agreement for Phoenix DAO LLC, there is **no formal Foundation, Lab team, or traditional human leadership structure that exists**. Instead, we have a decentralized, "algorithmically managed" structure where decision-making is shifted away from humans to a technical mechanism.

[PhoenixDAO LLC Operating Agreement.pdf](#)

Apart from this, we have another entity for KYC purposes - **UmbraPrivacy Ltd.** based in BVI. KYC is the sole purpose for this entity. Anything of value (IP , Revenue) flows only and only through **PhoenixDAO LLC**.

3. DAO Structure

Instructions: Provide a structured description of the DAO's governance, powers, and economic rights. If a DAO does not exist, state so. Address the lettered items below. Item (c) may be left absent if not applicable.

- (a) **IP ownership & control** — State what IP the DAO owns or controls (e.g., codebases/repos, trademarks/brands). Note any license if relevant.
- (b) **Contract/admin powers** — List on-chain or administrative authorities and limits: pause/upgrade roles (e.g., multisig pause), governance-executor authorities, and the method of authority for each (e.g., veto, majority, super-majority).
- (c) **Locked-token rights (conditional)** — If locking/staking for additional rights exists, explain the additional rights and what tokenholders can and cannot decide. If no locking mechanism exists, leave absent.
- (d) **Value accrual & holder rights** — If any, describe the current rights of tokenholders over revenue distribution and the treasury.
- (e) **Dissolution authority** — State who can dissolve/wind up the DAO and by what mechanism (e.g., on-chain vote threshold, board resolution of a legal wrapper).

Score: 5/5

Answer:

- (a) **IP ownership & control** — UMBRA IP and brand surface are held or controlled through the project's DAO / DAO LLC structure. This generally includes core repositories / codebases, on-chain smart contracts, trademarks / brand assets, domains, the official website, social accounts, and other project-created IP.
- (b) **Contract/admin powers** — Governance authority is exercised through MetaDAO's decision market mechanism. Any token holder may create a proposal. To go live, holders must stake tokens on it as an anti-spam measure; staking carries no lockup and no risk of slashing. Proposals may spend USDC from the treasury, issue new tokens, update token metadata, and adjust treasury-provided liquidity. Only one proposal may be live at a time. No traditional quorum, majority, or super-majority voting threshold applies. Instead, authority is derived from market-based resolution. Upon activation, conditional PASS and FAIL markets open. Participants trade using the governance token or USDC. After a 24-hour delay, a lagging TWAP begins recording. A team-sponsored proposal passes when the PASS market TWAP exceeds the FAIL market TWAP by the applicable threshold; non-team-sponsored proposals carry a modestly higher threshold. Thresholds are set onchain and may be verified in the DAO's onchain configuration. Proposals that pass are executable on-chain without requiring additional approval. Emergency operations, such as contract pauses or urgent security responses, are not routed through the proposal market. These authorities may instead be assigned to a defensive multisig / security council or similar administrative role, where applicable. Such authority is generally limited to protective actions, such as halting interactions during an exploit,

and does not include unilateral authority to modify core logic or move treasury assets except as expressly authorized by the governing contracts and legal documents.

- (c) **Locked-token rights (conditional)** — No token locking or staking mechanism exists for governance participation. The filing instruction permits this section to be left absent where no locking mechanism exists; it is answered here for clarity. Governance operates through MetaDAO's decision market mechanism. Rather than locking tokens to vote, participants trade on proposal outcomes using the governance token or USDC. A proposal passes when the market collectively signals it would increase token value; it fails when the market signals the opposite. Governance influence is proportional to capital committed, not to tokens locked. Through this mechanism, token holders can authorize treasury spend, token issuance, token metadata changes, and adjustments to treasury-provided liquidity. Emergency operations, such as contract pauses or urgent security responses, are not routed through the proposal market; those authorities are described in section 3(b).
- (d) **Value accrual & holder rights** — UMBRA is an ownership coin. Value accrues to the token through governance authority over the DAO treasury and any protocol revenues. Proceeds compound into the treasury and are deployed pursuant to governance authorization. There is no standing automatic distribution to token holders; any distribution, buyback, or capital return requires a governance proposal to pass through MetaDAO's decision market mechanism. Token holders may raise a proposal at any time to authorize a return of capital. Governance operates through MetaDAO's decision market mechanism. Rather than locking tokens to vote, participants trade on proposal outcomes using the governance token or USDC. A proposal passes when the market collectively signals it would increase token value; it fails when the market signals the opposite. Governance influence is proportional to capital committed, not to tokens locked. Through this mechanism, token holders can authorize treasury spend, token issuance, token metadata changes, and adjustments to treasury-provided liquidity. Market participants therefore influence protocol direction through the decision market itself, rather than through a separate lock-based voting system. Treasury sovereignty, including decisions regarding redistribution, reinvestment, or other uses of protocol surplus, remains subject to governance authorization through that mechanism.
- (e) **Dissolution authority** — The DAO may be dissolved through a governance proposal passed via MetaDAO's decision market mechanism. No individual, team member, or external entity holds unilateral authority to wind up the DAO. A dissolution proposal follows the same proposal activation and TWAP-based resolution process as any other governance action. A successful dissolution proposal would authorize disposition of treasury assets and protocol IP as specified within the proposal.

4. Primary Foundation and DevCo

Instructions: For each entity — Primary Foundation and Primary DevCo — do the following independently. If an entity does not exist, state that explicitly. Items (a)–(e) apply only if that entity exists; state explicitly that the entity doesn't exist.

- (a) **Entity** — type and jurisdiction.
- (b) **IP ownership & control** — what IP the entity owns/controls (repos/code, trademarks/brand; license optional) and an explanation of any subsidiary entities.
- (c) **Powers over DAO/treasury** — If any, describe the current powers over DAO governance/treasury and the method/threshold (veto/majority/super-majority, etc.).
- (d) **Powers over DevCo/Foundation** — explain whether the DevCo can exert direct or indirect influence over decision-making of the foundation and vice versa.
- (e) **Contract/admin powers** — pause/upgrade/governance-executor authorities and the method/threshold for each (e.g., veto/majority/super-majority; “3/5 multisig”).

Definitions: The primary Foundation and DevCo can be explained as those entities which are directly involved in the issuance of the native token at launch.

Score: 5/5

Answer:

(a) Entity

- PhoenixDAO LLC (Marshall Islands): This entity serves as the primary IP Holding Vehicle. It holds legal title to the protocol’s smart contracts, brand assets, trademarks, and associated codebases for the benefit of the DAO.
- Umbra Privacy Ltd. (BVI): This entity is designated for Operational Compliance, specifically managing Know Your Customer (KYC) procedures and related regulatory requirements.

(b) IP ownership & control

The DAO’s intellectual property and legal operations are managed through a dual-entity structure designed to separate protocol IP from administrative compliance:

- PhoenixDAO LLC (Marshall Islands): This entity serves as the primary IP Holding Vehicle. It holds legal title to the protocol’s smart contracts, brand assets, trademarks, and associated codebases for the benefit of the DAO.
- Umbra Privacy Ltd. (BVI): This entity is designated for Operational Compliance, specifically managing Know Your Customer (KYC) procedures and related regulatory requirements.
- DAO Control: While these legal wrappers exist for interface with legacy systems, ultimate control over the protocol IP remains subject to the DAO’s on-chain governance mechanisms.

(c) Powers over DAO/treasury

Under the Operating Agreement, the DAO possesses sovereign authority over the Treasury, but this power is exercised exclusively through Decision Markets rather than traditional voting.

- Method of Authority: Market Resolution (Futarchy). Proposals regarding treasury disbursements (grants, investments, or operational costs) are resolved by comparing the Time-Weighted Average Price (TWAP) of two conditional markets: "Pass" and "Fail."
- Threshold: There is no token-weighted majority or quorum. A proposal is automatically authorized only if the "Pass" market price exceeds the "Fail" market price by a pre-defined margin over the observation period.

(d) Powers over DevCo/Foundation

There is no traditional Foundation or DevCo exercising discretionary control over the protocol. PhoenixDAO LLC (Marshall Islands) acts solely as an IP holding entity, and Umbra Privacy Ltd. (BVI) performs compliance-related functions. Neither entity has authority to override governance decisions, access treasury assets, or modify protocol parameters. All material decisions are executed exclusively through on-chain governance mechanisms.

(e) Contract/admin powers

Administrative authority is entirely on-chain and automated, devoid of human-managed legal entities. We have a decentralized, "algorithmically managed" structure where decision-making is shifted away from humans to a technical mechanism.

- Governance-Executor: The "Owner" of all protocol smart contracts is a non-human Timelock/Governor contract.
- Method of Authority: This executor only triggers logic changes based on the automated output of the Futarchy decision markets.

Token Supply & Allocations

5. Initial Allocation

Instructions: Disclose launch and initial supply details in a single initial allocation schedule covering the token's launch. Include:

- (a) **Launch supply totals** — the total number of tokens issued at launch, the total number of tokens locked at launch, and the total number of tokens unlocked at launch;
- (b) **Recipient categories & use of funds** — the recipient categories with brief explanations as to how the category will use the tokens so an auditor can distinguish each bucket;
- (c) **Initial price per token** — the expected initial price per token;
- (d) **Ticker / market symbol** — the ticker/market symbol;

- (e) **Total supply & supply regime** — the total supply and whether the supply is fixed (if not explain inflation rate or deflation rate);
- (f) **Initial vesting / release schedules** — the initial vesting/release schedules (identify which categories/recipients are subject to vesting and the high-level timing logic).

Score: 2/2

Answer:

(a) Launch supply totals

Metric	Value	Percentage of Total
Total tokens	28.5M	100%
Circulating supply	15M	52.63%
Locked/unminted tokens (performance targets)	13.5M	47.37%

(b) Recipient categories & use of funds

Category / Recipient	% of Total Supply	Token Amount	Role / Purpose
Community	55.00%	15,675,000	ICO Sale
Arcium	8.00%	2,280,000	Advisory

Krutarth Shah	5.00%	1,425,000	Co-Founder
Pranay Bagde	5.00%	1,425,000	Co-Founder
Calisto Mathias	5.00%	1,425,000	Co-Founder
BGlocal Impex Pvt Ltd	4.00%	1,140,000	Strategic Advisor
Abbas Shaikh	4.00%	1,140,000	Chief Operating Officer
Asim	1.00%	285,000	Core Team
Piyush	1.00%	285,000	Core Team
JW	1.00%	285,000	Advisor
Pata	0.50%	142,500	Team Member
Aranav	0.50%	142,500	Team Member
Bhuvan	0.50%	142,500	Team Member
Muskan	0.50%	142,500	Team Member

Team Reserve	9.00%	2,565,000	Future hires and performance incentives
TOTAL	100.00%	28,500,000	

Token Unlock Schedule for everyone remains the same with the Time based & Performance based metrics.

(c) **Initial price per token:** \$0.3

(d) **Ticker / market symbol:** \$UMBRA

(e) **Total supply & supply regime:**

- Total current supply is 28.5M, however only 15M of these is the unlocked supply
- New tokens will be minted post 18 months from TGE based on token performance to the team which includes an additional 13.5M

(f) **Initial vesting / release schedules:**

Rights to the underlying value of the tokens are not absolute; they are earned in five equal tranches of 20%. Each tranche only becomes claimable upon the protocol reaching specific Fully Diluted Valuation (FDV) milestones (at 2x, 4x, 8x, 16x, and 32x multiples of the ICO valuation).

6. Airdrop Process

Instructions:

If the project has planned but not yet airdropped, it must:

- (a) commit to publish, in a public channel **and** provide to Blockworks **quarterly** a recipient wallet list until the initial TGE airdrop is fully completed,
- (b) Generally state the possible target user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project has already airdropped, it must:

- (a) For executed airdrops, point to an per-address source such as CSV/TSV/JSON files, a Dune table, a full Merkle dump, GitHub repo files embedding per-address allocations, or RPC endpoints that expose claim/amount data; explorer links alone don't count.

- (b) Clearly state covered user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project does not plan to do an airdrop for TGE, it must:

- (a) If no airdrop has ever been conducted, say so plainly (“We have never conducted an airdrop to date and do not plan to execute one”).

Score: 3/3

Answer:

We have never conducted an airdrop to date and do not plan to execute one.

Transactions & Market Structures

7. Market Maker Agreements & Deals

Instructions: Projects must disclose all material terms of market-making arrangements that affect token liquidity. If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. For each market maker, include in a table:

- (a) **Market maker’s name** — the market maker’s name;
- (b) **Token allocation or loaned amount** — the token allocation or loaned amount as a percentage of total supply;
- (c) **Duration/term of agreement** — the duration/term of the agreement; and, where applicable,
- (d) **Name of agreement structure** — label the financial vehicle being used in the agreement (i.e. loan, option/call, retainer model) without describing trading strategy or expected outcomes.

If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. If no native tokens were loaned or allocated to market makers, state that explicitly; cash/fiat retainers or fees are not required for this item.

Score: 5/5

Answer:

The protocol has no market-making agreements, token loans, or deals as of 15 February 2026.

8. CEX / DEX Agreements & Deals

Instructions: Projects must disclose all material terms of centralized or decentralized exchange listings that affect token liquidity. For each listing, include in a table:

- (a) **Exchange name / DEX pool** — the exchange name (and, for DEX, the specific pool/pair);
- (b) **Token allocation for listing** — the token allocation supplied or committed for listing as a percentage of total supply;
- (c) **Term Duration** — the duration/term of any listing lockups, liquidity, or incentive programs; and, where applicable,
- (d) **Native-token listing fees** — whether any listing fees were paid in native tokens, with amounts (tokens or % of supply), recipients, and any vesting or lock terms tied to the partnership.

If the project has no agreements or deals with CEX or DEX, state that explicitly; doing so earns full credit. If no native-token listing fees were paid, state that explicitly; cash/fiat fee amounts are not required for this item.

Score: 5/5

Answer:

We have no agreements with any CEX or DEX for a listing. No native-token listing fees have been paid to any exchange be it a CEX or a DEX.

20% of the USDC raised during the ICO was allocated directly to seeding the AMM liquidity pool, ensuring immediate tradability upon launch. This liquidity allocation was defined as part of the ICO terms and is not subject to separate market-making contracts or third-party liquidity provider agreements.

Financial Disclosures & and Risks

9. Prior Token Sales & Fundraising

- Instruction: Disclose all prior token sales by the Project — including fundraising rounds, any material OTC sales to investors, and any discounted market-maker sales. For each sale, provide:
 - (a) Series Name / Early-Stage Investment Instrument used (i.e. SAFT, STAMP, SAFE, SAFE+Token Warrant, etc.)
 - (d) Date of sale (at least month & year).
 - (d) Number of tokens sold (or % of total supply)
 - (e) Vesting schedule
- If no prior sales occurred, state that explicitly (e.g., “No prior fundraising, OTC, or discounted MM sales have occurred.”)

Score: 5/5

Answer:

The MetaDao fundraiser was the primary Token Generation Event. No tokens were sold or distributed via private rounds, OTC, or to Market Makers prior or after this event.

The MetaDAO Raise occurred from 10-14 October 2025.

Metric	Value	Percentage of Total
Total tokens	28.5M	100%
Circulating supply	15M	52.63%
Locked/unminted tokens (performance targets)	13.5M	47.37%

(d) Initial vesting / release schedules:

Rights to the underlying value of the tokens are not absolute; they are earned in **five equal tranches of 20%**. Each tranche only becomes claimable upon the protocol reaching specific **Fully Diluted Valuation (FDV)** milestones (at **2x, 4x, 8x, 16x, and 32x** multiples of the ICO valuation).

10. Previous Exploits Affecting The Project

Instructions: If any, list prior exploits/incidents that affected protocol funds. For each incident, provide:

- (a) **Date & component affected** — date (YYYY-MM or YYYY-MM-DD), chain(s)/component affected;
- (b) **Exploit vector summary** — plain-language summary of the exploit vector (what the hack was);
- (c) **Quantified impact** — quantified impact (assets/tokens affected or a clear “no loss of funds” statement);
- (d) **Remediation/response taken** — remediation/response taken (patches, upgrades, governance actions, compensation);

- (e) **Current status** — current status (resolved, in litigation, under investigation, refunded, etc.);
- (f) **References (optional)** — references (optional): link(s) to post-mortem/advisory/PR.
- If **no prior incidents**, state this explicitly (e.g., “No exploits affecting tokenholders or protocol funds as of YYYY-MM-DD”).

Score: 2/2

Answer:

No exploits affecting tokenholders or protocol funds as of 15 February, 2026.

11. Material Risk Factors (Regulation, Technology, Token Economics)

To ensure the highest level of security, **Umbra Privacy** utilizes a "defense-in-depth" strategy that combines industry-standard mathematical proofs with ongoing professional reviews. Our security architecture is built on three pillars: provable cryptographic correctness, rigorous third-party auditing, and continuous ecosystem monitoring.

1. Provable Cryptographic Correctness (Circom & Noble)

We rely on **Circom** for our zero-knowledge circuits and the **Noble** suite for our underlying cryptographic primitives.

- **Audits & Verification:** Both Circom and Noble are industry-standard toolchains that have undergone extensive **professional audits and formal verification**. Noble, in particular, is one of the most scrutinized cryptographic libraries in the ecosystem, designed specifically for auditability and constant-time execution.
- **Near-Impossible Failures:** Because these libraries are used by protocols securing billions of dollars in value, the likelihood of a "broken" primitive or a compiler-level bug is considered **virtually zero in practice**. These tools provide a foundation of mathematical certainty that the basic building blocks of our privacy logic are sound.

2. Professional Smart Contract Audits (Solana & Arcium)

While our primitives are verified, the "glue" that connects them—our smart contracts and our MPC provider—requires bespoke security reviews.

- **Ongoing Top-Tier Audits:** Our core **Solana smart contracts**, along with the **Arcium network's** MPC implementation, are currently undergoing comprehensive audits by **top-tier security firms including Halborn** specializing in the Solana ecosystem. These firms focus on the unique complexities of our technology.

Token Economics, Unlocks & Incentive Risks

The DAO maintains comprehensive sovereignty over the protocol's economic levers, managed through a decentralized and automated market-based system. Unlike traditional models, these powers are exercised via Conditional Decision Markets rather than discretionary voting.

Regulatory, Legal & Tax Risks

Token classification. The governance token may be classified differently across jurisdictions. If any regulator determines it constitutes a security rather than a governance or utility token, the project and token holders could face registration requirements, trading restrictions, or enforcement actions. The U.S. SEC's evolving position on governance tokens, and parallel developments in the EU (MiCA), Singapore (MAS), and other jurisdictions, create ongoing uncertainty that the project cannot resolve unilaterally.

Entity-level regulatory risk. The project operates under a Marshall Islands DAO LLC structure. While the Marshall Islands has adopted favorable digital asset legislation, this jurisdiction may face diplomatic, banking, or regulatory pressure that creates operational friction. Regulatory changes in any jurisdiction where the development team operates, token holders reside, or users access the protocol could impose licensing requirements, restrict operations, or compel structural changes to the DAO LLC or its governing arrangements.

MetaDAO protocol dependency. The project's governance infrastructure is provided by MetaDAO, which is currently in beta. MetaDAO's documentation discloses that the MetaDAO team currently retains the ability to override decision markets in extreme scenarios. Changes to MetaDAO's protocol, terms, or operational status could affect the project's ability to conduct governance or complete token-related actions.

Tokenholder tax treatment. The tax treatment of ownership tokens is uncertain and varies significantly across jurisdictions. Depending on jurisdiction, taxable events may include receipt of tokens at TGE, trading or transferring tokens, participating in governance markets, or receiving any future distributions authorized by governance. Token holders are solely responsible for determining and complying with their own tax obligations. The project does not provide tax advice and makes no representations regarding tax treatment.

Jurisdictional access. Token holders and users are responsible for ensuring their participation complies with applicable laws in their own jurisdiction. The project makes no representation that holding or trading the token is lawful in any particular jurisdiction.

Protocol, Technology & Security Risks

Smart contract vulnerabilities. Logic errors or implementation flaws in the project's on-chain programs could result in loss of funds or unintended behavior. No audit process eliminates all risk; vulnerabilities may exist that audits, internal review, or community testing fail to detect, including novel attack vectors that emerge after deployment.

Solana runtime dependency. The project's contracts execute on Solana. Changes to Solana's compute limits, runtime behavior, validator set, or network stability could disrupt contract execution or proof verification. A Solana network outage or consensus failure would render on-chain governance and treasury operations temporarily inaccessible.

MetaDAO decision market dependency. Governance, including all treasury actions and token issuance, is routed through MetaDAO's decision market infrastructure. A bug, exploit, or operational failure in MetaDAO's contracts could prevent proposals from being created, resolved, or executed, effectively freezing governance until the issue is resolved.

Decision market liquidity and manipulation risk. Proposal markets rely on sufficient trading participation to produce accurate price signals. Thin liquidity in PASS or FAIL markets, particularly for smaller or less actively traded projects, could allow a single large participant to influence a TWAP outcome. MetaDAO's lagging TWAP mechanism mitigates but does not eliminate this risk.

AMM liquidity pool risk. A portion of ICO proceeds and tokens are deployed to an AMM liquidity pool at launch. Impermanent loss, pool imbalances, or low liquidity depth could affect the tradability of the token and the value of treasury-held liquidity positions.

Token Economics, Unlocks & Incentive Risks

Performance tranche unlock pressure. Team tokens, where applicable, unlock in tranches tied to price milestones (2x, 4x, 8x, 16x, and 32x of ICO valuation). Each milestone, if reached, creates a discrete unlock event that may result in selling pressure as recipients become able to claim and liquidate tranches.

Governance can authorize new token issuance. Mint authority over the token sits with the DAO treasury, governed by MetaDAO's decision market mechanism. A governance proposal that passes could authorize the issuance of additional tokens, which would dilute existing holders. Token holders cannot assume the current supply is a permanent ceiling.

Governance participation risk. Decision markets require active, capitalized participation to function as intended. If governance markets are thinly traded, due to low token holder engagement, small float, or poor market depth, proposal outcomes may reflect the preferences of a small number of participants rather than the broader holder base. Apathetic or concentrated governance could lead to outcomes that are adverse to the majority of token holders.

Treasury concentration risk. All ICO proceeds flow into a single on-chain treasury governed by decision markets. A successful malicious proposal, a smart contract exploit targeting the treasury, or a sustained period of governance dysfunction could result in partial or total loss of treasury assets with limited recourse.

Protocol revenue assumptions. Value accrual to the token depends on the protocol generating meaningful usage and, over time, revenue that governance allocates toward token holders. If the protocol fails to attract sustained usage, the treasury will not grow beyond ICO proceeds, and there is no mechanism guaranteeing any return to token holders other than a governance-authorized liquidation proposal.