

between EDGE196™ and other activities of the directors and officers of EDGE196™ and their affiliates which could have a material adverse effect on the business of EDGE196™.

52. Reliance on EDGE196™

EDGE196™'s ability to successfully manage its affairs depends on experience, relationships and expertise of EDGE196™. There can be no assurance that the personnel of EDGE196™ will remain in the employ of EDGE196™ or otherwise continue to be able to carry on current duties or provide services to EDGE196™ and neither EDGE196™ nor EDGE196™ maintains any key man life insurance with respect to the directors and officers of EDGE196™. The loss of the services of certain personnel of EDGE196™ could have a material adverse effect on the operations of EDGE196™, if such loss resulted in EDGE196™ having a diminished capacity to obtain purchase opportunities, to capitalize on the network of relationships of the directors and officers of EDGE196™ or to structure and execute potential purchases.

53. EDGE196™ might face the risk of misconduct of employees of EDGE196™ and of third party service providers.

Misconduct by employees of EDGE196™ or third party service providers could cause significant losses to EDGE196™. Employee misconduct may include binding EDGE196™ to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize transactions and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting EDGE196™'s business prospects or future marketing activities. No assurances can be given that the due diligence performed by EDGE196™ will identify or prevent any such misconduct.

54. EDGE196™ may face substantial competition from a number of known and unknown competitors.

The activity of identifying, completing, and realizing attractive investments in start-up technology companies is highly competitive and involves a high degree of uncertainty. EDGE196™ will be competing with many other investors, as well as individuals, commercial banks, financial institutions, and institutional purchasers. Competition for investments may have the effect of increasing costs, thereby reducing returns.