STO Platform

Cash and shares flows between

Company-Investors

**Introduction**

In this short document, it will be discussed how investors buy or receive company shares with fiat and crypto currencies, hold shares in their wallets and then trade shares with other investors or even company

**Step 1**

First investor has to register on the STO platform and get verified with company admin. The steps are very simple

1. Go on <https://invest.digishares.io/investor/register> and fill a simple form
2. Receive a secret code in your email account and verify your email address
3. Once email is verified then you can login and enter information in KYC screens. There are three KYC screen where investor enters personal information on first screen, investment information on second screen and on the third screen upload 2 documents
4. Once KYC information is complete then investor submits his profile to admin for review
5. Admin review investor’s KYC information and if necessary request modifications in KYC screen from investor or just authorize the investor
6. Once authorized, investor can then login the investor dashboard
7. Investor can be either tokenized or non-tokenized. In case investor is tokenized, he must provide a Ethereum Public Key where company will transfer shares to investor. Company can assist investor create a secure Public Key. In any case investor will be responsible to secure his Private Key
8. Once Ethereum Public Key is verified, admin will Whiteliste investor in the blockchain, which means investor can receive and hold company shares within blockchain

**Step 2**

In this step, investor will set his crypto wallet with his Private Key. There are many free Ethereum wallets available online but we recommend MetaMask with chrome. There are some hardware wallets also available and it is recommended that investor should invest a small amount and buy a hardware wallet. These hardware wallets provides the best security possible

**Step 3**

Now investor is ready to buy shares from company.

1. Company sends a subscription form to investors electronically through the platform with X number of shares offered.
2. Investor reviews and electronically signs the subscription form
3. The company asks investor to deposit funds in company bank account
4. Investor makes a bank transaction and transfer funds to company bank account and send the details to admin for verification
5. Admin verifies the funds in bank
6. Once funds are verified in bank account, admin using the dashboard transfer the agreed number of shares to investor’s blockchain account
7. Investor verifies shares received in his crypto wallet
8. Investor can hold these shares as long as he likes in his blockchain account
9. Currently funds are handled manually with bank transaction, later this process will be automated and investor can transfer funds electronically within the platform using his credit card and instantly receive shares in his blockchain account
10. Later if company wants, they can also setup shares being transferred to investor if investor transfer Ether crypto currency to company’s address. This will be automated process and smart contracts within blokchain will automatically transfer shares to investor’s address

**Step 4**

Now investor is holding shares in the blockchain. He can trade these shares with other company investors. Investors can trade shares with each other directly or use an exchange to trade with each other

Note, because of the nature of STO token, only company authorized investors can exchange shares with each other. Also note that only those Ethereum addresses can be exchange shares which are whitelisted in the blockchain by admin. There is no way that shares can be transferred outside the current whitelist address list. This whitelist is managed by admins and they can add, remove or disable any address any time. Disabled addresses means those investors cannot receive more shares form company or others or transfer his shares to others

1. Investors can trade shares with other company white listed investors. Either they know each other or they get introduced by company admins. They can settle trade with each other by one transferring agreed funds to seller’s bank account and seller transfer’s agreed shares to investor’s blockchain account using his wallet. Note company has nothing to do in this transaction and it’s the sole responsibility of buyer and seller to agree on trade details
2. Company can suggest an exchange to investors and investors can list their shares on the exchange. Investors are suggested to list only on those exchanges that company recommends because whitelisted investors can only be found on those exchanges. Trading on exchange will proceed as normal transactions on exchanges. Again note that even in case of exchange, only whitelisted investors can exchange tokens with each others
3. Company can also buy back shares from investors. In this case company will transfer funds to investor’s bank account and investor using his wallet transfer shares to company’s blockchain account