



Block Transfer

Transforming Stock Ownership & Administration for Modern Businesses

Transfer agents have long been the backbone of shareholder management. But legacy record-keeping systems are slow and prone to errors due to manual data entry and verification. Transfers involving **multiple intermediaries and legal opinions** can force otherwise lean companies to waste internal counsel hours managing what should be straightforward asset verifications.

The paper-based nature of traditional systems creates opacity in share ownership and transactions. Investors generally lack real-time visibility into account activity, visibility that could foster increased stock buying. Perhaps most significantly, **cumbersome systems and complex processes** discourage investors from actively participating in private secondary market transactions. This limitation **reduces direct stock purchases and investor confidence**.

Furthermore, the traditional centralized activity review model can **slow down issuers' ability to raise capital efficiently**, especially in situations where timely new issuance is crucial. Moreover, traditional oversight involves extensive paperwork for routine Rule 144 legend removal, employee share plan agreements, and even standard investor activity. These administrative burdens **divert valuable executive resources away from business activities**.

Blockchain's inherent attributes, such as immutability and transparency, fundamentally change shareholder records. Digitized records across a global network all but **eliminate repetitive transfer paperwork**, Section 16 reconciliation, and slow approvals. A digital ledger creates a **live record** of investor activity since activity is tamper-proof and instantly accessible.

Direct Investor Access: Secondary Offerings Without Placement Fees

Intermediaries, external custody, and associated **underwriter fees** define traditional secondary offerings. However, blockchain introduces a new path for investors to efficiently buy new shares. Namely, blockchain eliminates the need for intermediary book-building by **creating a secure collection of live book-entry bids**. We believe this newfound supply and demand between investors and issuers allows for better price discovery than traditional block sale discounts.

With enough direct private liquidity, investors can equitably **fully subscribe** to offerings at desired prices with negligible processing costs, while companies can **gauge share demand in real time**. Crucially for sentiment, transparent ledger data allows investment analysts to **review every step of the follow-on offering**, easing any concerns over corporate fundraising practices.

Consolidating Stock Distribution: Everything Seamlessly on the Books

Direct share purchase plans, employee benefits packages, and stock option plans are great tools to raise capital and retain talent. But traditional transfer agent implementations require at least **dozens of pages of investor paperwork** to buy shares. Further, without book-entry liquidity, legacy plans use a patchwork of brokerage trading and custody systems that **leave investors waiting weeks for trades**, introduce hidden fees, and decrease overall investor participation.

Blockchain lets investors and issuers exchange value **directly through streamlined** cryptography. Namely, “atomic transactions” let investors securely commit to plan purchase terms using monies already in their digital account. This certainty **reduces unnecessary steps, accelerating processing speed** and ease of subscriptions. By sidestepping legacy middlemen, issuers can leverage **otherwise lost value** from their shelf offerings and benefit plans.

Insights for Informed Investing: Navigating Hidden Financial Pitfalls

Unfortunately, brokers transact stock through a convoluted and inherently inefficient system that introduces hidden trading fees. [More information for investors.](#) These seemingly minor charges can accumulate to **hundreds of thousands in hidden fees by retirement.**

Further, private stock markets are particularly underdeveloped, generally extracting **even higher transaction fees.** The allure of early-stage companies is undeniable, but these costs substantially limit overall access and attractiveness, in turn substantially lowering liquidity.

Blockchain eliminates unnecessary intermediaries and streamlines the trade matching and clearing processes. This reduction in middlemen not only expedites transaction settlements but also circumvents associated costs, allowing more investors to participate in secondary markets.

Specifically, verified accounts can create digital buy or sell orders for book-entry shares. The blockchain matches orders directly with other investors at the designated price or better.

This process mirrors the act of trading cash for a physical stock certificate, resulting in ownership transfer. The blockchain, acting as an immutable record, functions as a live stock register, ensures a rapid and efficient trading experience. Significantly, this cash exchange means investors always have fully-paid shares rather than credit notes subject to complex settlement.

“I appreciate the email and all of the dedication to our vision. The recent progress has been awe-inspiring... Thank you for your time and your energy.” - Private Client. [Schedule a consultation.](#)