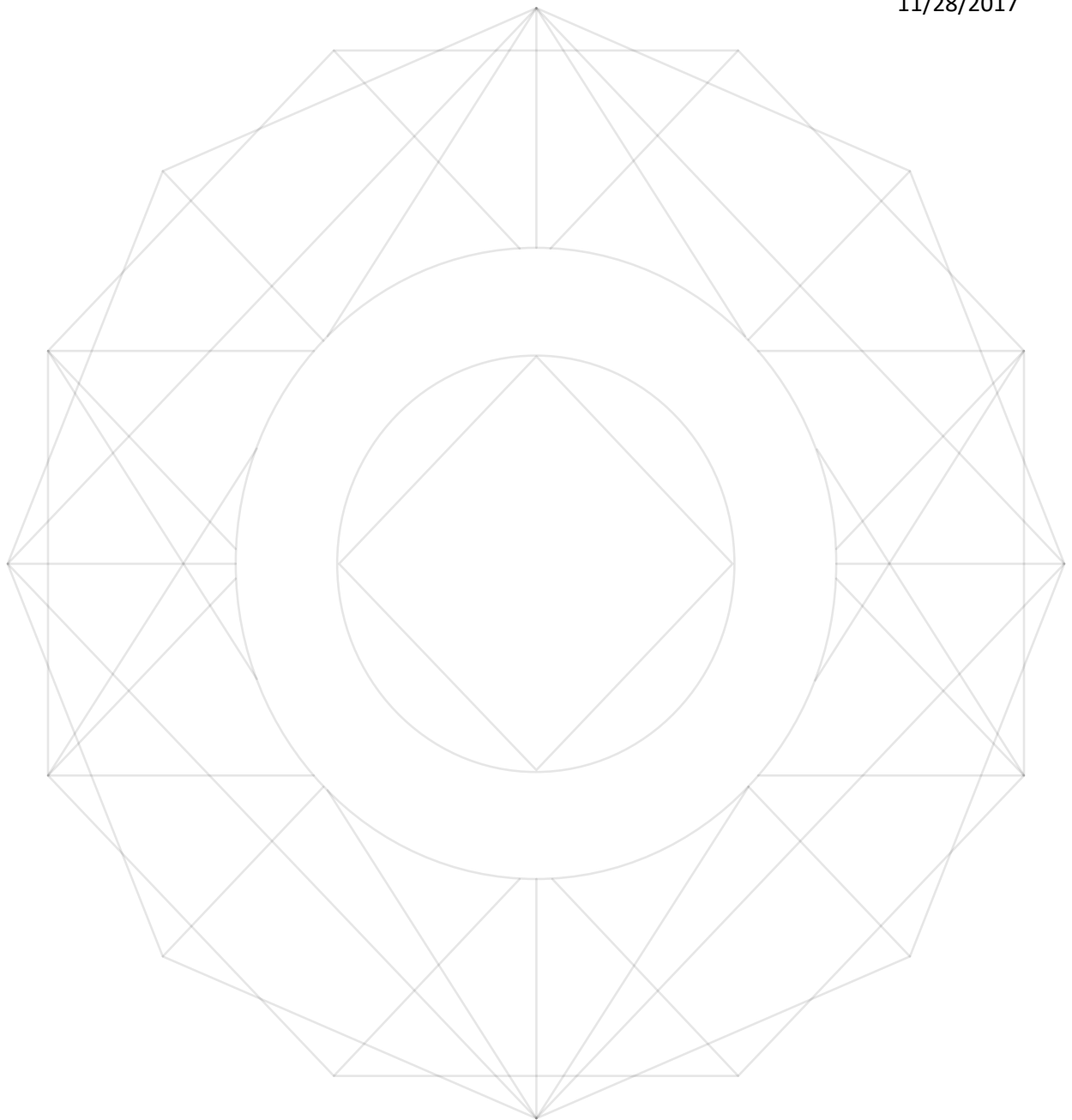




# OPEN FINANCE NETWORK

**LITE PAPER V2.2P**

11/28/2017



## EXECUTIVE SUMMARY

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### OVERVIEW

CFX Markets is the leading trading platform for alternative assets. We work with the millions of investors who hold assets in the \$90B direct participation program market (e.g. non-listed REITs, business development companies (BDCs), Regulation A+, Regulation CF and other crowdfunded assets). We integrate directly with the brokers, custodians and transfer agents who participate in this space, including Merrill Lynch, Ameriprise, Pershing, LPL, Fidelity, TD Ameritrade, Pensco, DST and ComputerShare.

Already a trusted player in the industry since 2014, we have direct insight into the flaws and shortcomings of the current market model. As a self-clearing broker-dealer, we touch all aspects of the securities transaction lifecycle, and have to deal with the antiquated clearing & settlement process of the industry; with a lack of standardization, non-interoperability and manual reconciliation across the ledgers of multiple intermediaries and counterparties.

Leveraging the advancements in blockchain technology to build on our success to date, we have developed a framework to solve the clearing & settlement problem in our industry, utilizing distributed ledger technology to bring efficiency, transparency, and interoperability to a fragmented market.

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### OPEN FINANCE NETWORK

We have developed a decentralized securities depository system (titled: **Open Finance Network**) for the alternative asset industry. This will not only make the industry more efficient, but will also provide increased access and better service to the investing public at large.

The Open Finance Network (OFN) is a protocol and framework for the processing of securities transactions, initially focused on the clearing & settlement process but intended for the entire securities lifecycle. This provides a common framework and communication protocol by which to standardize alternative assets and provide interoperability between the data silos of market participants. The system is built on top of the Ethereum blockchain and utilizes smart contracts, standardized object models and network adaptors to bring the strengths of distributed ledger technology to the alternative assets industry. A zero-knowledge proving system is utilized to bring full transparency of auditable data to the public without leaking the underlying data.

Our go-to-market strategy consists of releasing a public API, and providing open source network adaptors and embedded applications to allow for frictionless integration to the broader network. Even beyond that, we know we will need early support from industry participants and the developer community, who will build additional adaptors and data integrations onto the framework.

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## NETWORK UTILITY TOKEN

Our go-to-market strategy consists of providing open source network adaptors and releasing a public API and embedded applications to allow for frictionless integration to the broader network. Even beyond that, we know we will need early support from industry participants and the developer community, who will build additional adaptors and data integrations onto the framework.

In order to increase market adoption we are planning for a token distribution event in Q1 2018, where we will release product utility tokens that will effectively act as licenses to transact on the network. This approach will allow us to gauge and measure buy-in from the community which will translate into broader adoption for the full framework.

The token acts as a perpetual license to use the OFN technology system. Similar licenses and subscriptions can run up to \$10,000 a month for access to other proprietary clearinghouses or electronic communication networks in the financial markets industry. The target users of the tokens are the 634,000+ brokers across 3,700 firms; 200,000+ investment advisors across 34,000 firms; 60M+ individual investors; and the developers who build products for this market.

### TOKEN DETAILS:

- Symbol: OFN
- Ethereum ERC20 token
- More details to come



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## DEVELOPMENT TEAM

Our core team consists of exchange technologists, blockchain developers, mathematicians, securities lawyers, and trading industry veterans.

### **JUAN M. HERNANDEZ – FOUNDER, HEAD ARCHITECT**

Juan heads up the technology and development team. A serial entrepreneur, Juan has built multiple start-ups, including PeerRealty, Endurance Commerce, and the Pop Stock Exchange. Prior to entrepreneurship, Juan spent his career designing and developing financial exchange platforms, algorithmic trading systems and healthcare security networks. Juan holds a CS degree from Northwestern University and an MBA from the Kellogg Graduate School of Management.

### **JORDAN FISHFELD – FOUNDER, HEAD OF SALES**

Jordan heads up the business development team. Prior to CFX, Jordan worked as a finance attorney for Katten Muchin Rosenman, LLP, and assisted in the rule development of the JOBS Act. Jordan holds a JD and MBA from the University of Miami.

### **DAN BREEN – HEAD OF OPERATIONS**

An industry veteran with over 25 years of experience, Dan has executed over 25,000 transactions in over 900 uniquely named assets totaling over \$250 million of volume in the secondary market for alternative assets.

### **KAEL SHIPMAN – SENIOR APPLICATION ARCHITECT**

Kael has over 12+ years of experience and is a veteran of the financial services software industry. Kael is a regular contributor to many open source projects across the web.

### **THOMAS MCINERNEY – LEAD ETHEREUM DEVELOPER**

Thomas has extensive blockchain experience, previously working on an Ethereum Network Streaming Music Distributed Application. Thomas has a finance degree from the University of Illinois and was previously involved in the financial services industry with UBS.

### **IAN SHIPMAN – PH. D. MATHEMATICIAN**

Ian holds a Ph. D. in the Mathematics from the University of Chicago, and was a Postdoctoral Researcher at Harvard University.

### **RAYMOND COTI – FRONT-END DEVELOPER**

### **QUSAI FARRAJ – BACK-END DEVELOPER**

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## INVESTORS

**WEST LOOP VENTURES**

**INOVIA CAPITAL**

**M25 VENTURES**

**SIXTHIRTY**

**HARVARD ANGELS**

**ORIGAMI CAPITAL PARTNERS**

**TRIBAL VENTURES**

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## ADVISORS

### DAVID KRELL

David Krell co-founded the International Securities Exchange, a leading U.S. equities options exchange, in 2000 and served as President and CEO at the firm. The ISE was the first fully electronic U.S. options exchange, and was acquired by NASDAQ in 2016.

### JOHN KELLY

John K. Kelly served as the COO at Liquidnet until 2014. Liquidnet is a global institutional dark pool trading network that connects asset managers with liquidity. Liquidnet trades in 45 equity markets for asset management firms who collectively manage US\$15 trillion.

### JEFF CARTER

Jeff Carter is the founder of West Loop Ventures, a venture capital firm that invests in B2B financial technology startups that solve problems in institutional finance. Prior to that, Jeff formed the Hyde Park Angels, one of the most active angel groups in the United States, in 2007, and was also a former CME member & trader.