



BLOCKJOCKS SUMMIT ASCENT



TRACKING & TRANSFERRING
OWNERSHIP

JULY 2015

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TEAM BLOCKJOCKS



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HBS '15



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HARVARD '18



BRUNO OLMEDO
TUFTS '17



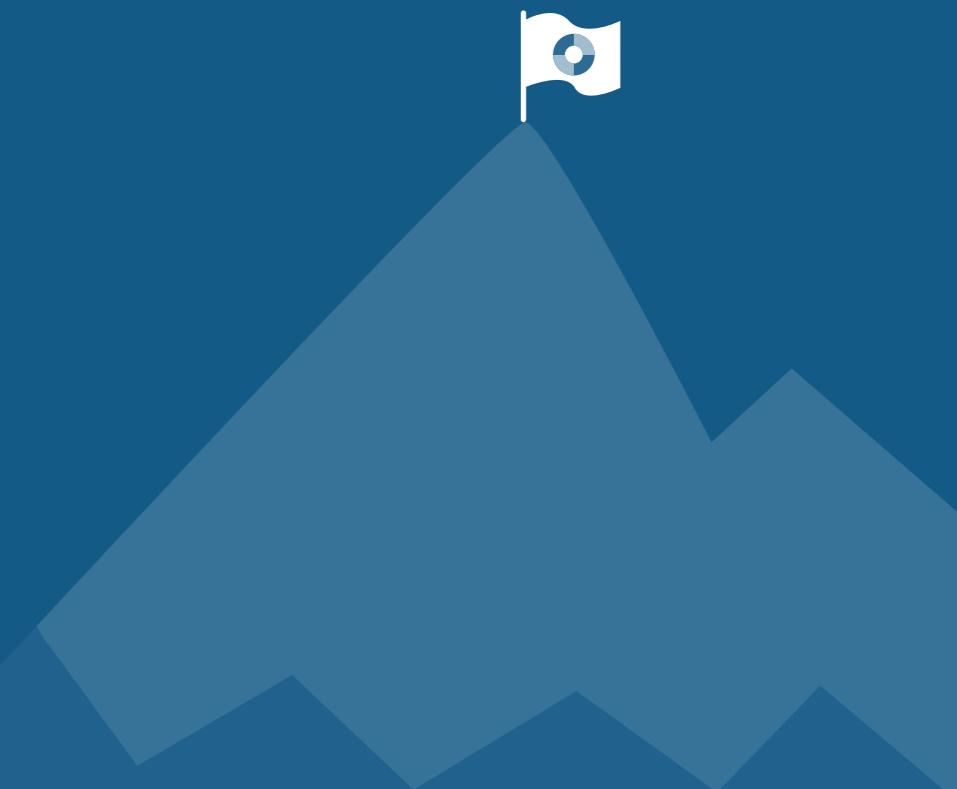
KATHY WU
RISD '15

TRACKING & TRANSFERRING OWNERSHIP

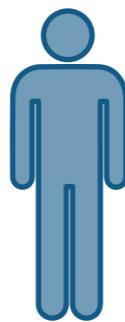
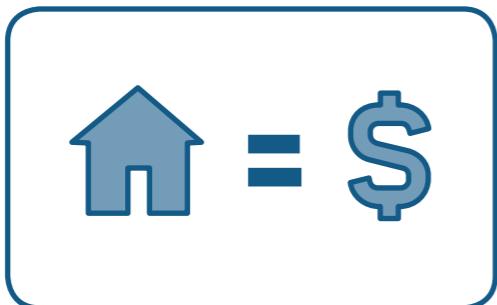
How might we eliminate cumbersome processes to establish, audit and transfer ownership of digital and physical assets?

TRAILHEAD

CONTEXT WE LIVE IN



PROBLEMS WE SEE



THE HOMEOWNER

Homeowners enclose **67%** of their net worth in a single asset, and can't access it



THE INVESTOR

Residential real estate is an attractive investment, but hard to access

HOW BIG IS THIS PROBLEM?

\$7.3T
of home equity in
the US*

\$111B
in HELOCs in
2013**

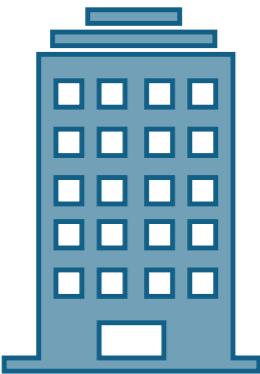
MILLENIAL MISMATCH

young people rent in areas they can't afford
(and don't want to buy in areas they can)

* MarketWatch 2014

** Bloomberg 2013

OUR OPPORTUNITY SPACE



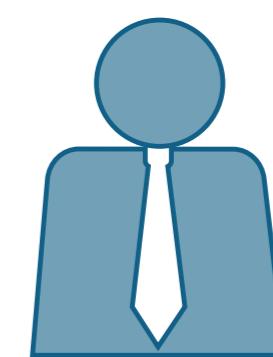
COMMERCIAL



RESIDENTIAL

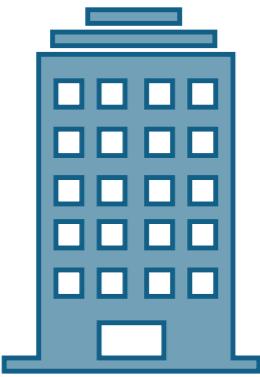


INVESTOR



HOMEOWNER

OUR OPPORTUNITY SPACE



COMMERCIAL



RESIDENTIAL

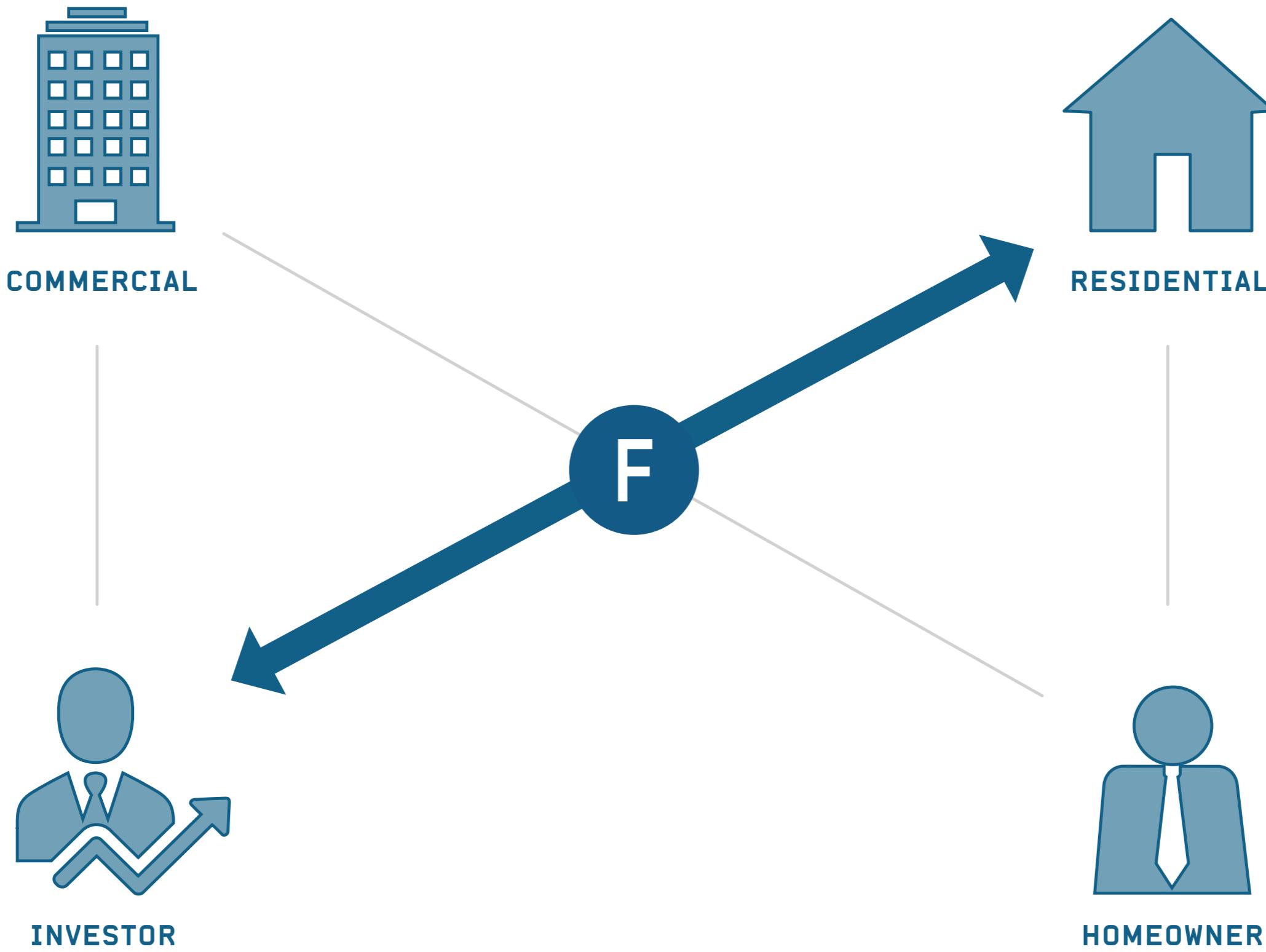


INVESTOR

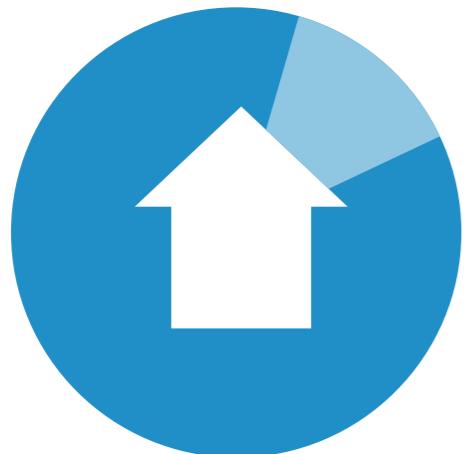


HOMEOWNER

OUR OPPORTUNITY SPACE



WHAT WE ARE



FRACTION

an exchange platform for fractional home equity enabling homeowners and investors to access the value of real estate

HOW DO WE STACK UP?

| | FRACTION | REIT | TIMESHARE | RE CROWDFUND |
|----------------------------------|----------|------|-----------|--------------|
| Residential properties | ✓ | | | |
| Partial ownership | ✓ | ✓ | ✓ | ✓ |
| Low cost entrypoint | ✓ | | ✓ | ✓ |
| Exit on your own timeline | ✓ | | | |
| Benefit from equity appreciation | ✓ | ✓ | | ✓ |
| Control what you invest in | ✓ | | | ✓ |

EYES ON THE PEAK

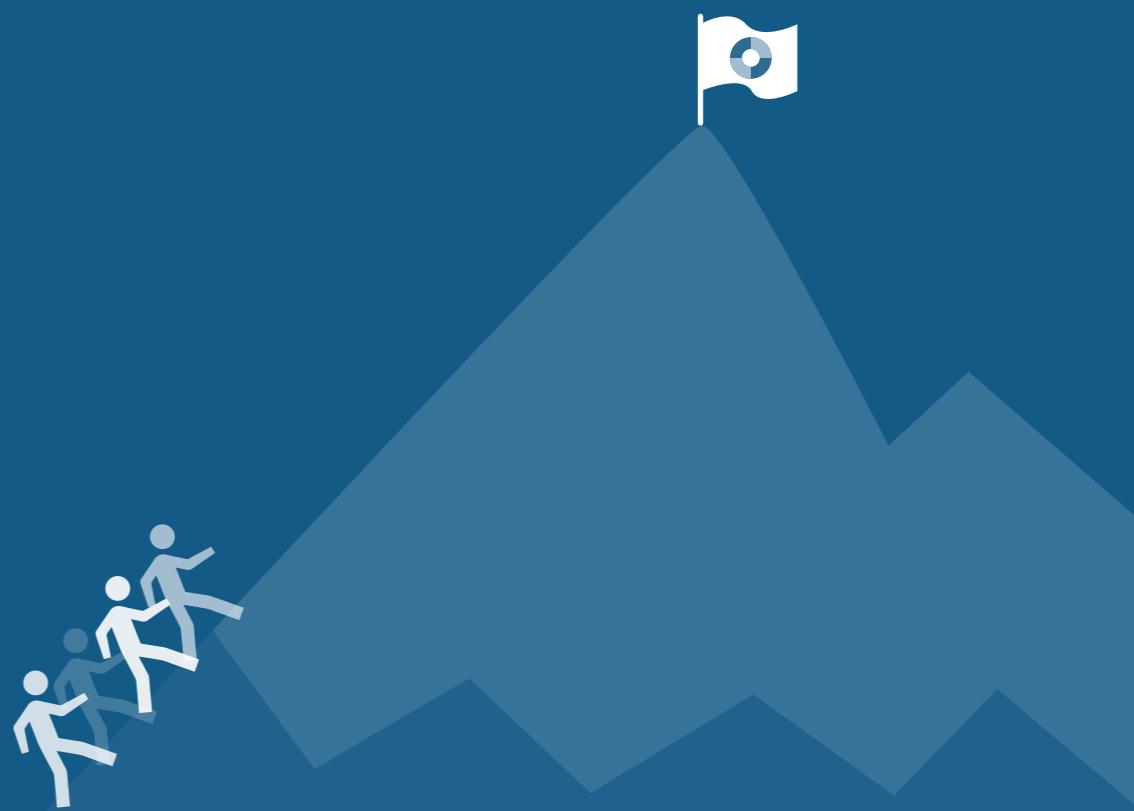
OUR VISION



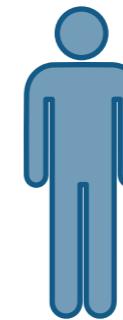
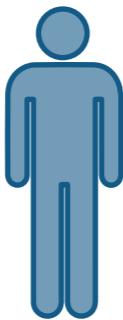
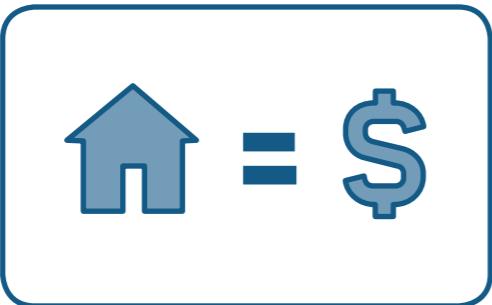


THE CLIMB

WHAT WE'LL DO



OUR VALUE PROPOSITION



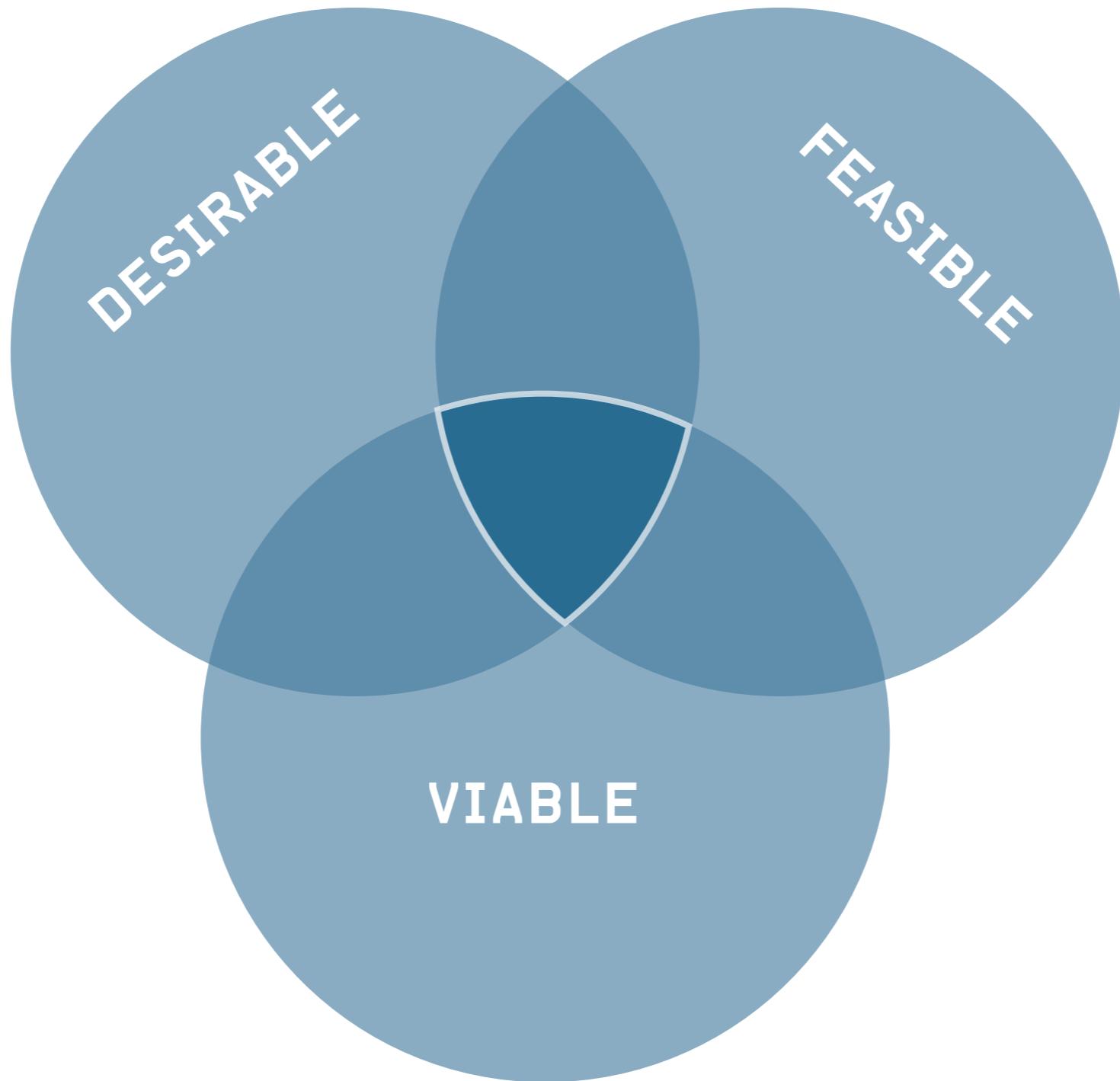
THE PROPERTY OWNER

Unlock the capital trapped in their homes.

THE INVESTOR

Easily enter & exit the residential real estate market on their own terms.

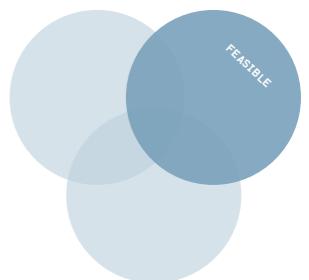
IT'S GONNA WORK



FEASIBILITY



chain



VIABILITY

PHASE 0

SUBSIDIZE TO DRIVE ADOPTION

Platform is discounted for both sides of the market

PHASE I

CHARGE INVESTORS

BUY & HOLD INVESTOR
\$30/month for access to platform

ACTIVE TRADER

(MINIMUM 3 TRADES PER MONTH)
0.3% fee per trade

**YR1 BOSTON REVENUE
\$2.4M***

PHASE II

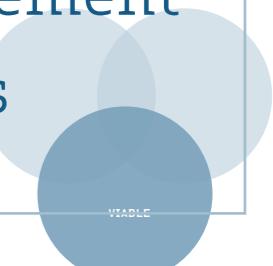
CHARGE HOMEOWNERS

Upfront \$1K fee + 5% based on amount of equity opened

CHARGE FOR ANCILLARY SERVICES

Referral program to property management or other services

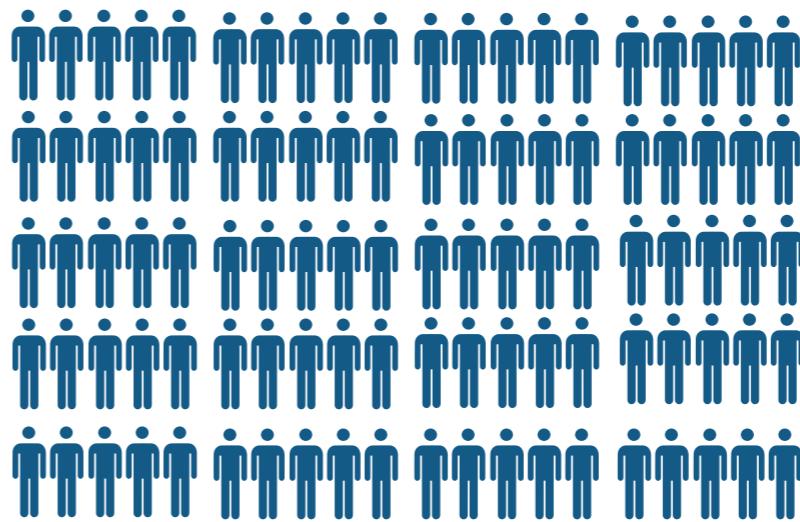
* 1% market penetration, \$5K average trade, 50/50 B&H vs AT



DESIRABILITY - QUANTITATIVE

100+

interviews with real
estate stakeholders

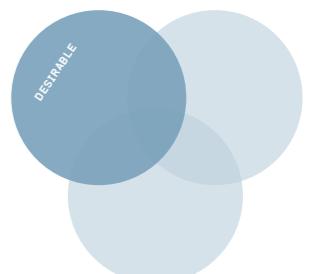


30

signups this week

10%

email signup rate
(on our sparse, single
page website)



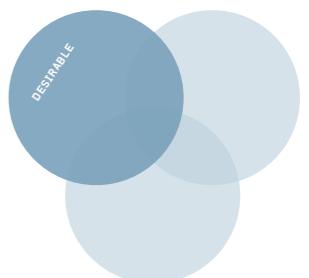
DESIRABILITY - QUALITATIVE

PROPERTY OWNERS

“I wish I kept 25% of my condo in New York.”

“Definitely, money now is much better than money later.”

“If we could have kept our condo’s value in Boston with something like this...”



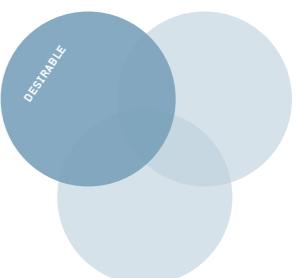
DESIRABILITY - QUALITATIVE

POTENTIAL INVESTORS

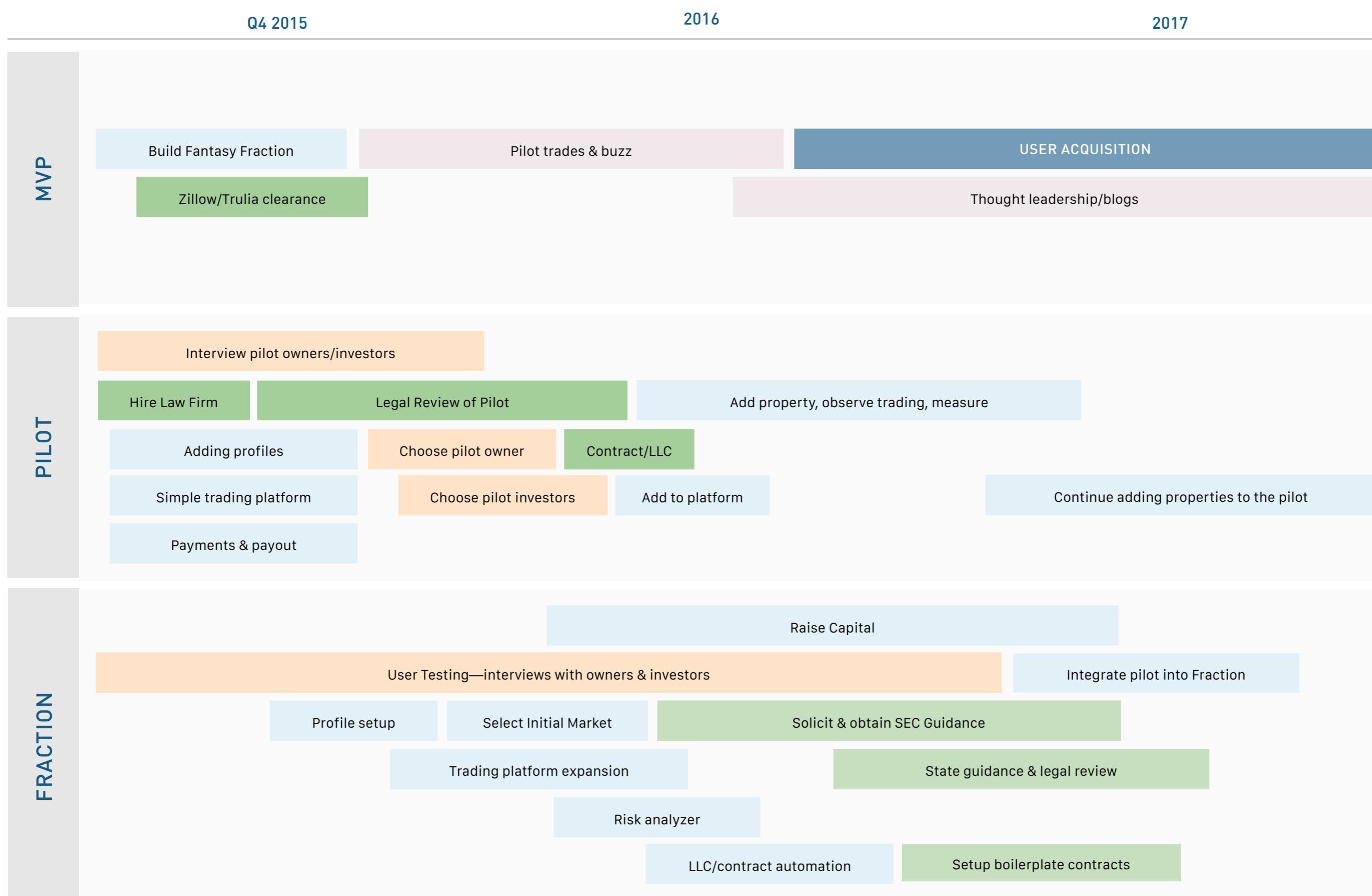
“I definitely want to invest in my neighborhood.”

“Where can I sign up?”

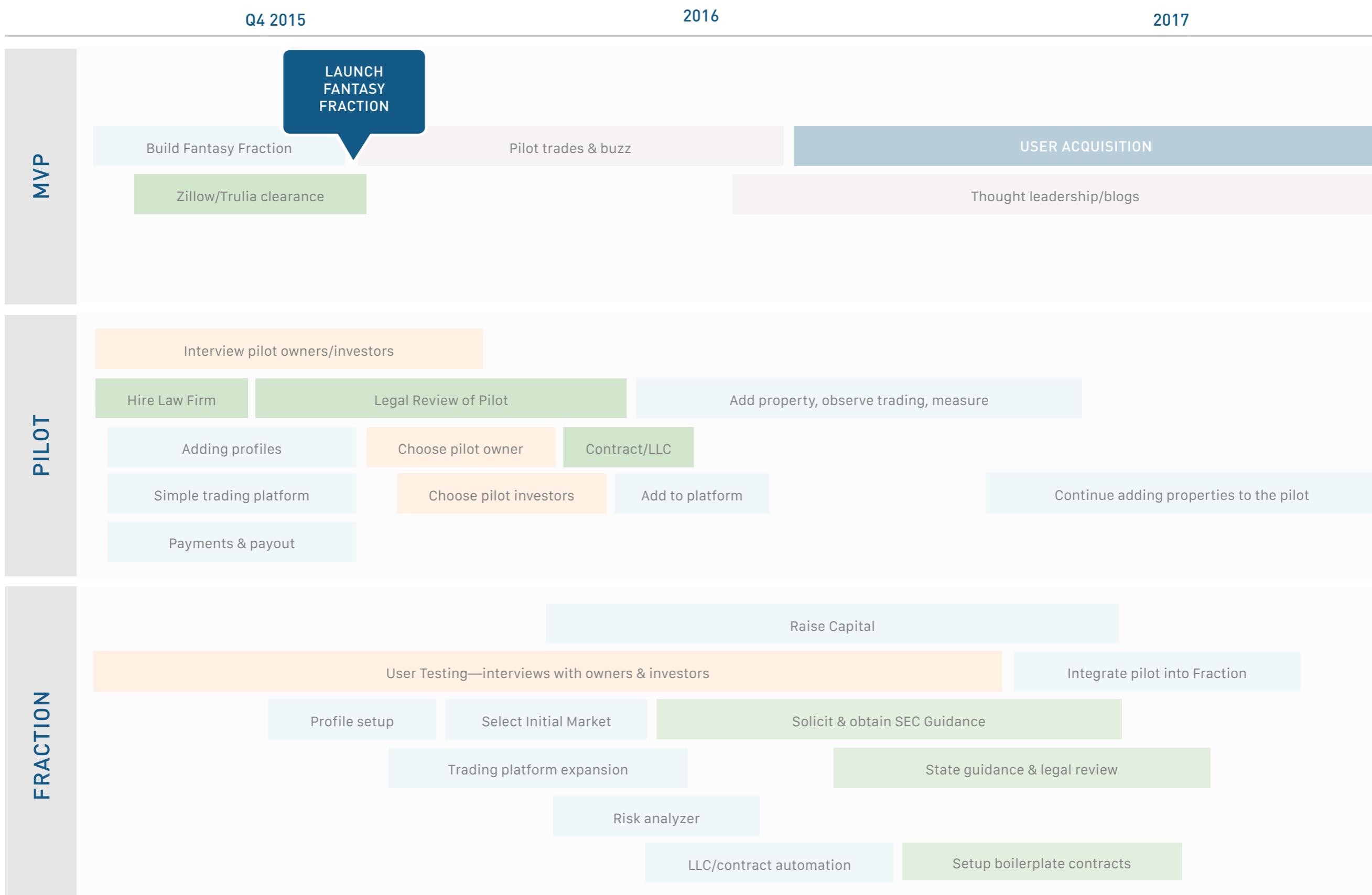
“So houses are like companies? Now that's really interesting.”



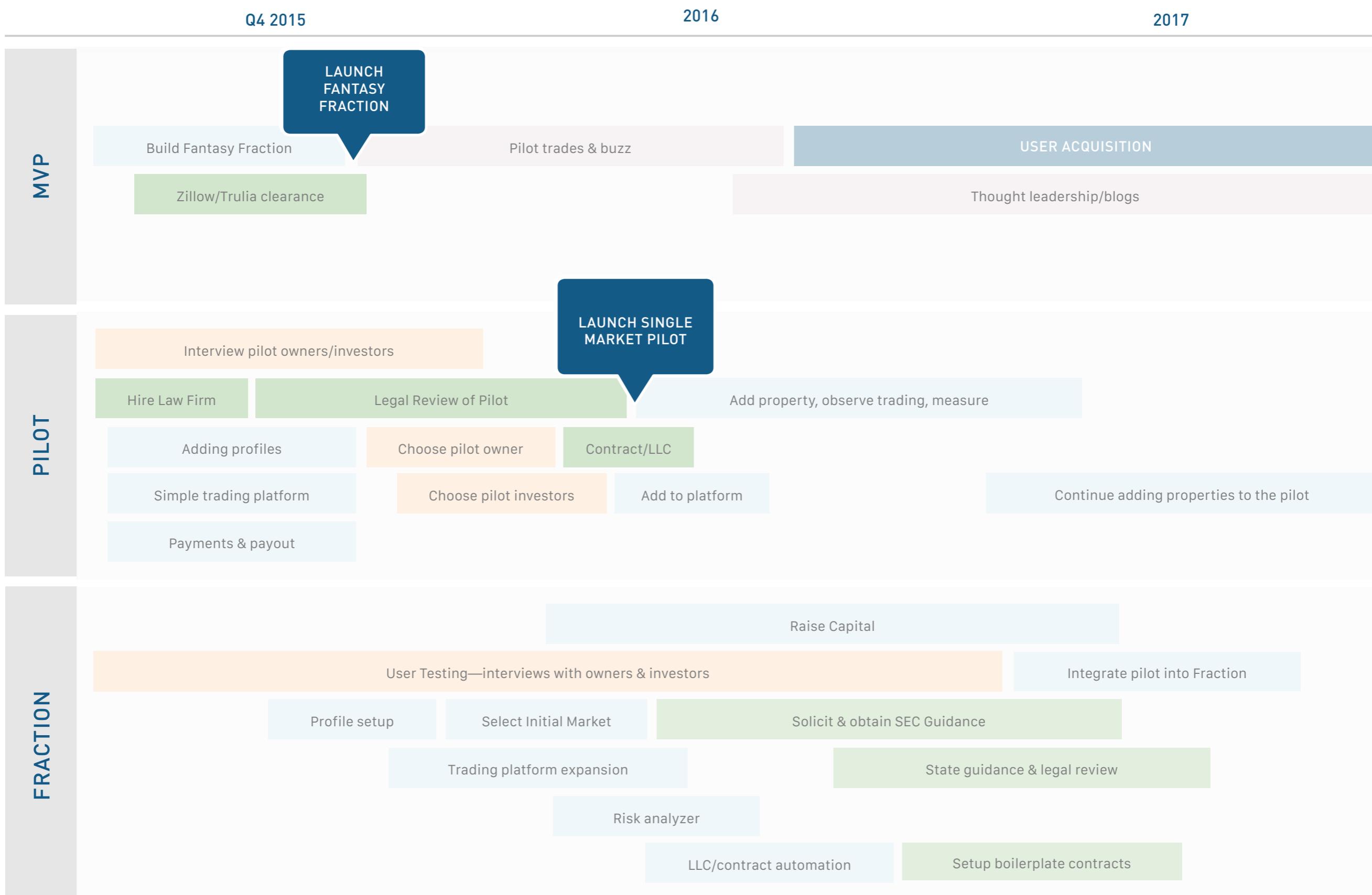
ROADMAP TO REALITY



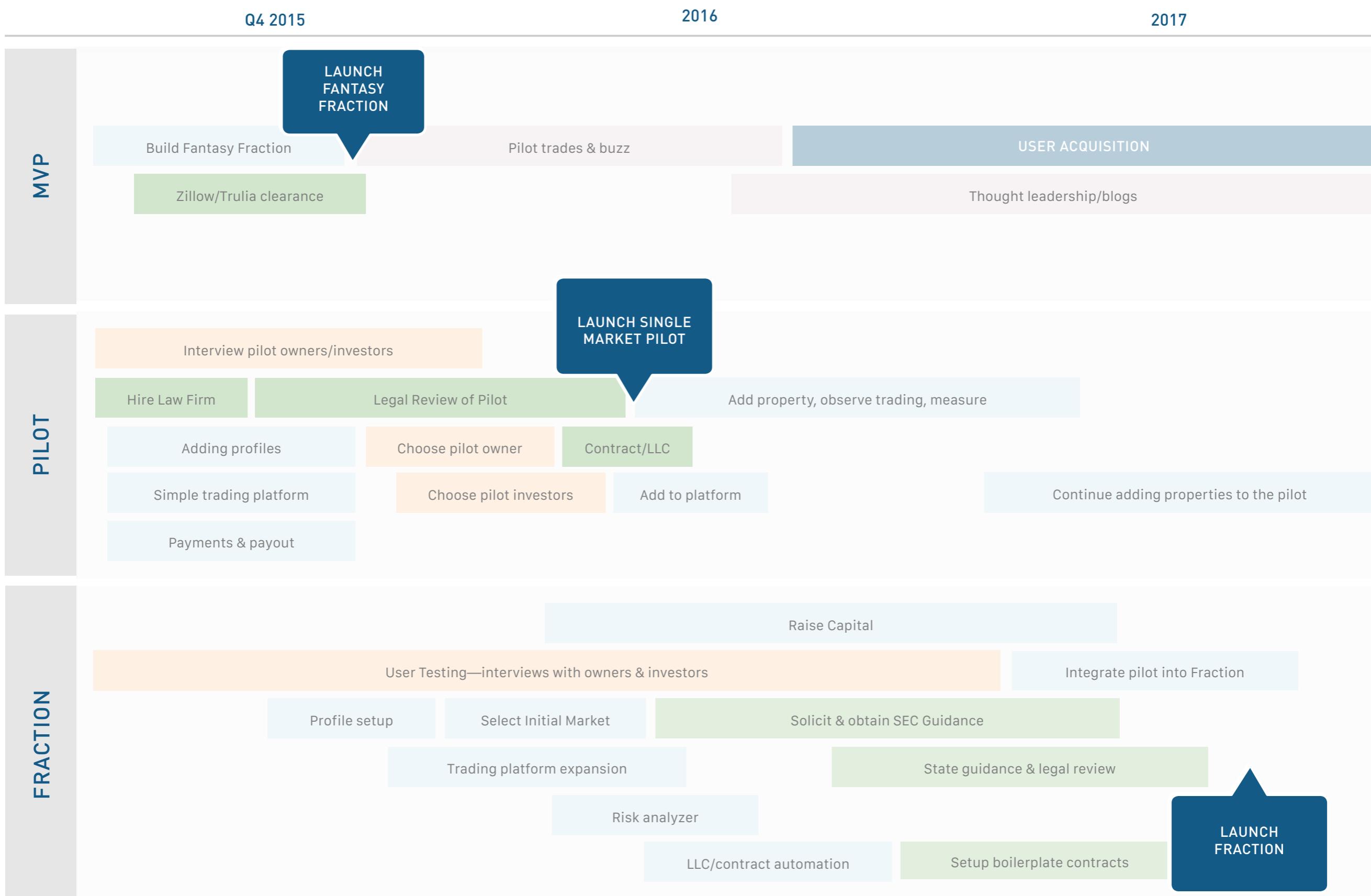
ROADMAP TO REALITY



ROADMAP TO REALITY



ROADMAP TO REALITY



MVP - FANTASY FRACTION



FRACTION

PORTFOLIO

BUY

HISTORY

ADD CASH

IMAGINE

CASH: \$262,576.33

PORTFOLIO

Your investable balance is \$262,576.33. Why not [search for more properties?](#)

Want to up your fractions? [Link your bank account](#) and transfer more money.

MY FRACTIONS

| | ADDRESS | PERCENT OWNED | VALUE | RETURN | SELL |
|--|-------------------------------------------------|---------------|--------------|--------|----------------------|
| | 3-7 Bow St UNIT 2, CAMBRIDGE, MA 02138 | 4.7% | \$120,033.16 | 14.70% | SELL |
| | 194 Prospect St, Cambridge, MA 02139 | 8.4% | \$68,335.26 | 3.57% | SELL |
| | | | | | |

MVP - FANTASY FRACTION



FRACTION

PORTFOLIO

BUY

HISTORY

ADD CASH

IMAGINE

CASH: \$262,576.33

PORTFOLIO

Your investable balance is \$262,576.33. Why not [search for more properties?](#)

Want to up

Sell My Fraction

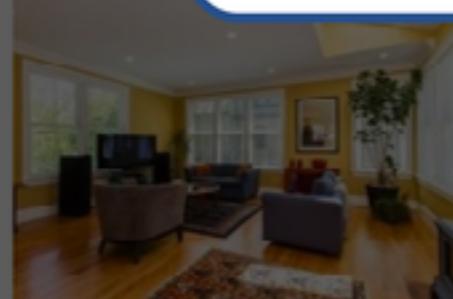


3-7 Bow St UNIT 2, CAMBRIDGE,
MA 02138 .

Percent Owned: 4.70%
Current Value: \$120,033.16

3.2 %

SELL



194
Prospect St,
Cambridge,
MA 02139

8.4%

\$68,335.26

3.57%

SELL

GEAR UP



THE BLOCKCHAIN



THE BLOCKCHAIN

WHY?

Infinitely scalable

Easier tracking of dynamically changing ownership

Interoperability with future platforms

Foundation for the future of homeownership

THE BLOCKCHAIN

WHY?

Infinitely scalable

Easier tracking of dynamically changing ownership

Interoperability with future platforms

Foundation for the future of homeownership

HOW

Uses open asset protocol

Properties represented by public addresses

Metadata includes ownership information

Automated rental income distribution

SUMMIT DAY

MINIMUM VIABLE ASCENT



PAINKILLER FIRST USE CASE

SITUATION



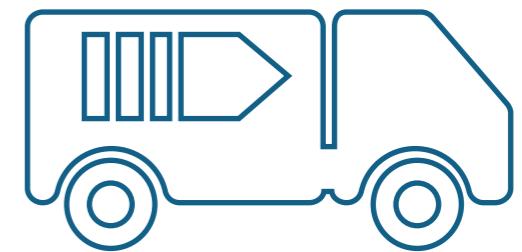
**JOB-TRIGGERED
MOVE & HOME SALE**

EVIDENCE

“I wish I had kept
25% of my condo
in New York!”

“If we could have
kept part of our
condo in Boston
with something
like this...”

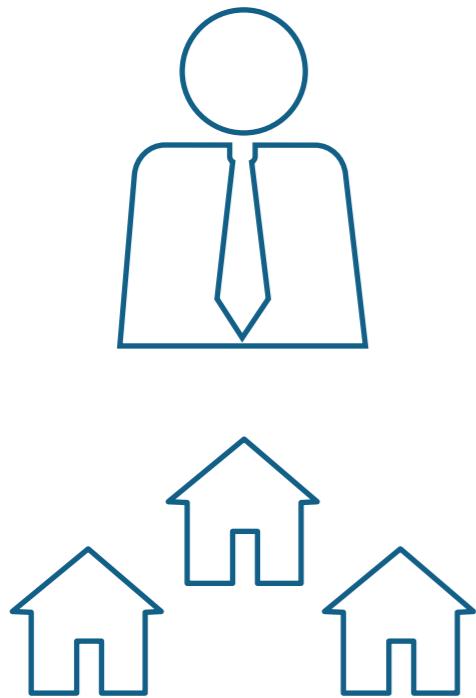
PILOT



**SELLER WHO
HOLDS ONTO
UPSIDE**

PAINKILLER FIRST USE CASE

SITUATION



**SMALL TIME
LANDLORDS**

EVIDENCE

“I’d do this with 100% of my rental property—but my home is my castle. I’d have to verify that this works first.”

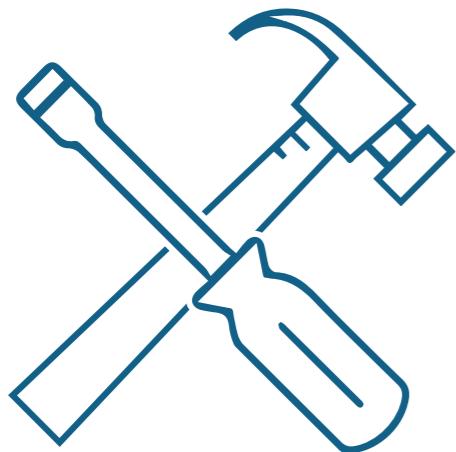
PILOT



**LANDLORD WHO
NEEDS CAPITAL**

PILOT OPTIONS & PLANS

SITUATION



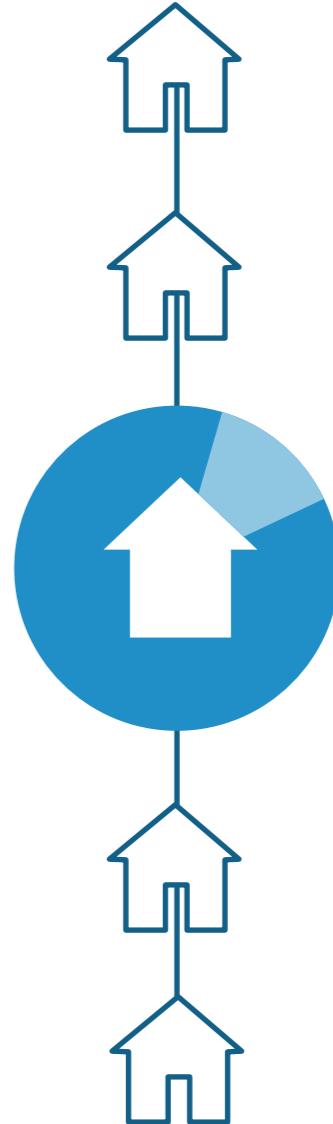
**FRACTION BUILDS
THE MARKET**

EVIDENCE

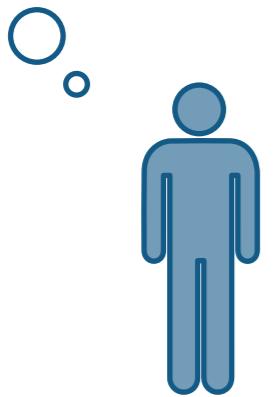
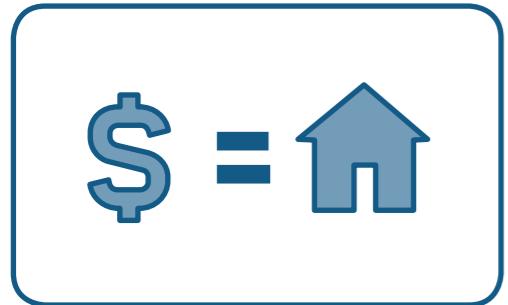
“I would do this
if I knew that it
worked.”

“I would have
to see the
system working
to trust it.”

FRACTION RENTAL PROPERTIES



OUR INITIAL INVESTOR



INVESTOR

Late 30s through early 50s.

Lives in a high income area.

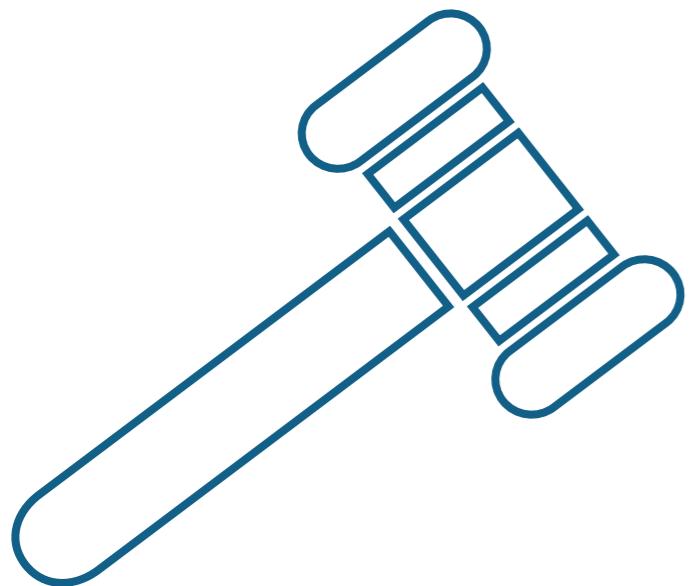
Makes over \$100K/yr

Owns a home

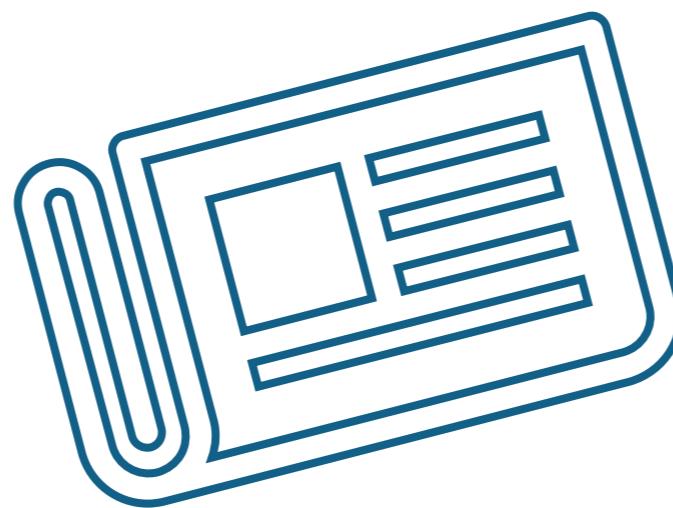
Doesn't consider himself a "real estate investor."

Sees property appreciating around him, but isn't ready to put a down payment on a new property.

RISKS & MITIGATORS



**LEGAL &
COMPLIANCE**



**PUBLIC
RELATIONS**



**FACILITATING
LIQUIDITY**

LET'S MAKE IT REAL

“Move quick on this. Don’t waste
time in getting it to market.
This is a good idea.”

– Developer at a \$2.3B REIT

WHAT WE NEED

\$\$\$

Further incubation to get to an MVP

LEGAL

Regulatory advice & support in creating a new security

TEAM

Build out the team with domain expertise

GUIDANCE

Continuing support and input from experts on what to consider

“Let me give you my e-mail address now. Let me know as soon as you launch this platform so I can use it.”

– Homeowner & Investor



THANK YOU
