EQTY

The tokenization of real-world assets isn't a distant future. It's happening now.
But in a rush to bring assets on-chain, something critical has been overlooked: trust.

Today's platforms tokenize claims, not ownership. They offer access, not assurance.

EQTY is different.

We are building the missing link between real-world legal ownership and blockchain liquidity.

Anchored proofs. Verifiable identities. Privacy-respecting compliance. Real assets.

EQTY doesn't just connect assets to DeFi — it connects them to reality.

Welcome to the new standard for real-world ownership.

LTO NETWORK

Introduction

The tokenization of real-world assets (RWA) is no longer an idea for tomorrow. It's unfolding today, with major institutions and blockchain platforms racing to bring trillions of dollars in real estate, equity, and commodities onto public networks.

The numbers are almost incomprehensible:

- **Global Real Estate**: Estimated value over **$280 Trillion**.
- **Global Art Market**: Valued around **$1.7 Trillion**.
- **Collectibles** (Cars, Watches, Memorabilia, Wine etc.): **Hundreds of billions** more.
- **Infrastructure, Private Equity, Debt**: Estimated at **$12 trillion**, with private equity alone forecast to double by 2030.

This isn't just a niche; it's the **largest store of wealth on the planet**, still largely locked outside blockchain rails.

Industry forecasts anticipate that the tokenized asset market could reach **$16 trillion** by 2030 (source: Boston Consulting Group, 2023).

Yet beneath the momentum, a fundamental flaw is becoming clear:
Most RWA platforms are simply DeFi protocols wrapped around claims.

They focus on who can trade a token, not whether the token actually represents something enforceable in the real world.
They prioritize liquidity, but neglect verifiable ownership.
They offer access, but leave trust behind.

EQTY is built to solve this problem at the root.

Real-world assets don't just need tokenization. They need tokenization that can be verified, audited, and defended in a blockchain environment **and** in a court of law.

At EQTY, we are building the bridge between digital markets and real-world ownership. Not just creating tokens, but anchoring real rights, real identities, and real compliance into every asset we touch.

Where others chase liquidity first, we start with ownership, because without trust, liquidity is just noise.

Anchored proofs. Verifiable issuers. Privacy-respecting compliance. All tied back to real assets — in the real world.

The Problem with Existing RWA Platforms

As real-world asset (RWA) tokenization gains momentum, dozens of platforms are emerging, offering compliance frameworks, investor gating, and token issuance services.

At first glance, it looks like the problem is solved.

But a closer look reveals a structural flaw:
RWA platforms rely on **themselves** as the root of trust.

They decide:

- Which issuers are credible
- Whether documents are valid
- Whether assets are real.

This means users must trust the platform — not the system itself. And platforms face a structural conflict of interest: the more assets they tokenize, the more revenue and adoption they generate.

When the same entity benefits from lowering standards and controls the trust layer, true decentralization is impossible.

Trust becomes a business decision, not a guarantee.

Fragile Proof of Ownership

Platforms like OM, Polymesh, and Provenance have made compliance easier. They enforce KYC, accreditation checks, and primary issuance rules effectively.

But when it comes to the asset itself — the ownership proof, the legal documents, the real-world linkage — **trust is shifted onto the platform**.

- Documents are referenced off-chain, but rarely anchored immutably.
- Issuer identities are verified internally, not publicly attestable.
- Asset claims rely on the platform's promise, not on cryptographic proofs.

The result:

- Tokenization becomes **permissioned by platform operators**, not anchored in decentralized systems.
- Investors must **trust the middleman** instead of trusting the system.

Private Data and Legal Histories

Assets in the real world carry private histories:

- Maintenance records.
- Title transfers.
- Legal disputes.
- Special conditions.

Other tokenization models ignore or centralize these private documents, offering no standardized, tamper-proof way to transfer full ownership histories along with the asset.

Without a verifiable private chain of events, real-world tokenization remains incomplete — exposing buyers and issuers to legal risks and broken provenance.

Liquidity is Gated

The dream of tokenization is liquidity: making once-illiquid assets accessible and tradable.

But many platforms trap tokenized assets inside closed ecosystems, limiting transferability and DeFi integration.

Instead of freeing value, they build new walls around it.

Why This Isn't Good Enough

If RWA tokenization is meant to open global markets and unlock trillions in trapped value, it can't be built on centralized trust.

It must be:

- Cryptographically verifiable.
- Auditable by third parties, regulators, and courts.
- Anchored outside the control of any platform.
- Transferable and composable across open financial ecosystems.

Without decentralized trust, verifiable ownership, secure private histories, and open liquidity, **tokenized real-world assets risk becoming a new form of gated assets — not the revolution they promise.**

Tokenizing Real-World Ownership

Tokenizing a real-world asset is not just about minting a token.

For tokenization to mean anything beyond marketing slogans, the digital representation must be done in a way that is **trustless, immutable,** and **private where necessary**.

EQTY is built from the ground up to achieve this.

Verified Identity: Trust Without Centralization

In real-world asset tokenization, **it is critical to know the identities of the companies and parties involved**, whether they are the asset issuers, custodians, or independent validators like notaries.

Investors must be able to trust that the entity behind a tokenized building, company, or artwork is real, verifiable, and legally accountable — not just at issuance, but throughout the asset's lifecycle.

Rather than becoming a new central authority, **EQTY leverages the existing global trust network that already secures the internet**: the TLS Public Key Infrastructure (PKI). Every party's identity is verified through standard X.509 certificates — the same system used by banks, governments, and enterprises worldwide.

EQTY acts purely as a facilitator — it does not issue, validate, or control these certificates. Trust remains in the hands of independent, globally recognized certificate authorities.

Other blockchain platforms use cryptographic standards that are incompatible with the TLS ecosystem. LTO Network uniquely supports multiple key types, including P-256 — the elliptic curve standard broadly supported within TLS infrastructure.

This allows EQTY to bridge blockchain accounts with real-world X.509 certificates, enabling verifiable identities without introducing a new centralized authority or trust bottleneck.

Building Decentralized Trust Networks

Tokenizing an asset means little unless its real-world existence can be independently verified.

Claims about ownership, condition, and legal standing must be validated by trusted third parties — otherwise, the connection between the digital token and the physical asset is fragile or even meaningless.

In EQTY, validation is handled through **decentralized trust networks**.

Independent parties, such as notaries, appraisers, and legal authorities, can attest to an asset's authenticity and legal status.

EQTY itself does not control these networks; it simply facilitates their structure and validation mechanisms. Attestations are publicly verifiable and anchored immutably on-chain.

Trust moves from centralized promises to independently verifiable facts.

Ownables: Private, Immutable Ownership Dossiers

Ownership isn't just about holding a token — it's about holding the full history that defines the asset.

Real-world assets come with private documents and legal events: title deeds, transfer agreements, leases, encumbrances, and insurance claims.

Other RWA platforms ignore the private side of ownership. Without a secure, standardized way to capture and transfer this history, ownership on-chain becomes shallow, and legal risks grow.

EQTY solves this through Ownables.

Ownables are self-contained packages with a smart contract and microledger that live on the LTO Network private layer.

Each tokenized asset has an associated **Ownable** that serves as a private, immutable dossier that records all critical documents and events related to the asset.

- **Every change** — from a new lease agreement to a legal dispute — is added as a verifiable event.
- **Ownership transfer** automatically includes transfer of the full dossier and history.
- **Audit trails** are built-in — cryptographically secured, tamper-proof, and accessible to the rightful owner.

In EQTY, owning an asset doesn't just mean owning a token. **It means owning its full, verifiable legal reality.**

Connecting Private Ownership to Public Markets

While Ownables secure the private, legal reality of asset ownership, NFTs bridge these assets to public blockchain ecosystems.

Each Ownable is cryptographically bound to an NFT representing the asset on a public chain. In the EQTY MVP, NFTs are deployed on Ethereum.

Ownership is linked through the owner's Decentralized Identifier (DID), which connects multiple cryptographic keys into a single verifiable identity. This ensures that control over the Ownable and control over the NFT are cryptographically unified, without relying on a single key type.

Independent attestations — for example, by notaries or appraisers — are public statements with cryptographic proof on the LTO Network. They directly reference the corresponding NFT, creating an auditable and decentralized validation trail.

In the future, EQTY will enable assets themselves to be hosted directly on LTO Network as Smart Assets, allowing both private dossiers and public asset representations to live natively on one chain, while maintaining compatibility with external DeFi ecosystems.

Orchestrating Legal Procedures with LetsFlow

Tokenizing ownership is not just a technical process — it must mirror real-world legal procedures like registration, transfer of title, and lien handling.

These procedures vary significantly across jurisdictions, asset classes, and regulatory environments. A fixed, hardcoded process would fail to meet these realities.

EQTY solves this through LetsFlow — a flexible, auditable workflow engine designed for real-world complexity.

It allows EQTY to define and execute dynamic workflows for each legal procedure, including:

- Registration of new assets.
- Transfer of ownership.
- Verification and attestation processes.
- Handling of special conditions or restrictions.

LetsFlow uses an event-sourcing model, where the current state of any process is not simply stored — it is the logical result of a verifiable sequence of events. This approach mirrors the principles of blockchain itself, ensuring that every legal procedure on EQTY is **transparent, auditable, and tamper-resistant** by design.

Through LetsFlow, EQTY combines legal compliance, procedural flexibility, and blockchain-level auditability into a seamless process — adapting to local laws without sacrificing decentralization.

Conclusion

Through verifiable identities, decentralized trust, immutable ownership dossiers, and flexible legal orchestration, **EQTY builds the foundation for real-world asset tokenization** — anchored in truth, not promises.

Fractionalization Via Tokenized Vaults

Tokenizing an asset solves the problem of verifiable ownership — but not the problem of access.

To unlock value and make ownership practical, assets must become **divisible and tradable**.

A €2 million building or a €500,000 painting doesn't fit into most investor portfolios. But fractionalizing that ownership — turning it into a set of digital shares — opens the door to broader participation, better liquidity, and more dynamic use cases.

EQTY enables this through tokenized vaults.

Each asset represented by an NFT can be deposited into a vault, which issues standardized ERC-20 shares that represent proportional ownership. These shares are tradable, composable, and DeFi-compatible — allowing users to engage with real-world assets like they would with any digital token.

What makes EQTY's approach unique is not just the technology, but the built-in protections and open design:

- No platform lock-in
- Investor safeguards
- Real liquidity on open markets
- Compliant access controls where needed

The vault model creates a flexible but trustworthy structure for fractional ownership — bridging the legal world of real assets with the dynamic world of DeFi.

ERC-4626 Vaults

EQTY uses the **ERC-4626 vault standard** to facilitate fractional ownership of tokenized assets.

When an asset's NFT is deposited into a vault, the vault issues a fixed number of **ERC-20 shares** that represent fractional ownership. Participants can acquire these shares by contributing capital during a defined funding window.

Key parameters include:

- **Total share supply** — how many units of ownership will exist.
- **Target capital raise** — how much funding the issuer is seeking.
- **Contribution period** — how long participants have to commit funds.

Until the vault is finalized, funds and shares remain locked. This ensures transparency and protects early participants from premature trading or unexpected outcomes.

By using open standards like ERC-4626 and ERC-20, EQTY ensures that ownership shares are fully compatible with the broader DeFi ecosystem — without vendor lock-in or custom infrastructure.

Built-In Safeguards: Soft and Hard Caps

To protect investors and ensure a fair funding process, each vault includes two key constraints: a **soft cap** and a **hard cap**.

- The **soft cap** is the minimum amount of capital required for the vault to proceed. If it's not reached by the end of the contribution period, the vault is cancelled and all funds are refunded — no shares are issued.

- The **hard cap** is the maximum amount of capital the issuer is willing to accept. Once the hard cap is reached, the vault closes early and no further deposits are allowed.

This structure ensures:

- The asset isn't underfunded — the soft cap guarantees that the minimum funding needed to acquire or manage the asset is met.

- The asset isn't overfunded — the hard cap prevents excessive dilution or unnecessary capital intake.

During the contribution window, the vault remains in a pending state. Funds are locked and shares are non-transferable until the vault either fails or finalizes.

This mechanism provides **fairness, predictability, and clear risk boundaries** — both for issuers and investors.

Vault Finalization and What Happens Next

At the end of the contribution period — or when the hard cap is reached — the vault transitions from pending to finalized.

If the soft cap was not met, the vault fails gracefully and all funds are automatically refunded.

If the soft cap is met, **the vault is finalized**:

- The raised capital is released to the issuer or asset custodian.
- Shares are distributed to contributors based on their contribution.
- Ownership is now fractional — recorded transparently and immutably on-chain.

At this point, the shares become fully transferable. They can be sent between wallets, used in DeFi protocols, or traded on public markets — depending on how the asset is integrated with liquidity infrastructure.

This marks the transition from the initial offering to an open market phase, where tokenized ownership becomes liquid, discoverable, and composable — without compromising the legal foundation that underpins it.

DeFi Integration and Secondary Liquidity

Once a vault is finalized and shares are distributed, ownership of the asset becomes liquid — no longer locked in legal documents or controlled by a central registrar.

These shares — standard ERC-20 tokens — can now flow freely across DeFi.

But liquidity doesn't emerge automatically.

EQTY includes a mechanism to provide **immediate market access** through integration with established DeFi infrastructure.

By combining real-world ownership with decentralized exchanges and automated liquidity provisioning, EQTY transforms static tokenization into a dynamic financial layer — where real assets can be discovered, traded, valued, and used as financial building blocks.

This chapter explains how EQTY bootstraps liquidity, enables secondary trading, and ensures that real-world ownership is not just tokenized — but made financially usable in open markets.

Automated Liquidity Provisioning

For tokenized ownership to be tradable, it needs a market — and markets need liquidity. Without it, shares are just static tokens with no meaningful price discovery or exit options.

To solve this, EQTY vaults include an **automated liquidity provisioning mechanism** that activates when a vault is successfully finalized.

Upon finalization:

- A portion of the raised capital (e.g. ETH, USDC)
- And a portion of the issued shares are automatically deposited into a **Uniswap v3 liquidity pool**.

This creates an **initial trading pair** with a known price curve — allowing participants to trade shares immediately after distribution.

The vault defines:

- The **initial price** of the shares
- The **price range** for concentrated liquidity
- The **proportion** of capital reserved for liquidity vs. issuer payout

The result is that every finalized vault comes with a **ready-to-trade asset**, listed in a decentralized exchange — without requiring centralized listing, custodians, or market makers.

This approach ensures that even the smallest tokenized asset can have an open market presence from day one — enabling real-time pricing and flexible investor participation in secondary markets.

Trading and Price Discovery

Price discovery isn't just about trading — it's about **understanding value**.

Within the EQTY app, users can view live market data for each tokenized asset: current price, historical trends, vault metrics, and real-time trading volume.

This creates transparency not only for investors but for asset issuers and external observers:

- **Issuers** can see how the market values their offering.
- **Investors** can evaluate market sentiment before committing.
- **Observers** gain insight into asset class performance — from real estate to art.

Instead of relying on private valuations or opaque sales processes, **EQTY enables market-driven valuation** — where price is determined by supply, demand, and investor confidence.

The result is a new kind of price discovery: **open, transparent, and rooted in real-world ownership**.

A Liquid Foundation for Real Ownership

By combining tokenized vaults with decentralized trading infrastructure, EQTY makes real-world assets more than just visible — it makes them **usable**.

Ownership becomes dynamic:

- It can be acquired, sold, or held with precision.
- Valuation emerges from the market, not closed-door appraisals.
- Liquidity is not an add-on — it's built-in.

But tradability is only part of the picture. For assets to function over time — to distribute value, evolve, or be sold — they must be governed, maintained, and compliant.

Governance and Compliance

Fractionalizing and trading real-world assets is only part of the story. Assets don't just sit — they generate income, require upkeep, and eventually get sold, refinanced, or retired.

For tokenized ownership to remain meaningful, investors need more than liquidity. They need a way to **govern the asset**, receive distributions, and remain in compliance with relevant regulations — all without reintroducing central control.

EQTY provides this through a combination of **on-chain governance**, **legal orchestration**, and **credential-based compliance**, ensuring that ownership isn't just legal and liquid — it's also actionable.

Governing Tokenized Assets

When ownership is shared, decisions need structure. Who decides when to sell the asset? What if repairs are needed? Should profits be distributed or reinvested?

EQTY enables these decisions through **on-chain governance**, directly tied to share ownership.

Each asset can define:

- **Voting rights per share**
- **Decision thresholds** (simple majority, supermajority, quorum)
- **Proposal types** (e.g. sell the property, approve a budget, change legal representative)

Token holders can vote directly in the EQTY app, and results are recorded immutably on-chain.

This governance model is flexible — customizable per asset — and enforces one key idea:

Control follows ownership.

Whether the asset is real estate, equity, or collectibles, investors remain actively involved — not just passive holders of tokens.

Enforcing Real-World Outcomes

On-chain governance only has value if it leads to real-world consequences. When token holders vote to sell an asset, distribute profits, or redeem ownership, the decision must be enforceable — not just symbolic.

EQTY solves this through a **legal framework that wraps each asset**.

Every tokenized asset is governed by a set of legal agreements and custodial structures established during issuance. This framework ensures that token holder rights are recognized and enforceable in the real world.

When governance decisions are made:

- **Legal custodians or appointed notaries** carry out the required actions — such as initiating a sale, releasing documents, or executing a transfer.
- The underlying contracts specify that **token-based governance has legal force** — the vote isn't advisory, it's binding.
- If necessary, a notary or legal representative can be compelled to act, ensuring that outcomes are honored.

For example:

- A vote to sell a tokenized property triggers a formal sale process and distribution of proceeds.
- A vote to redeem the asset leads to the legal handover of the physical good or title.
- Profit-sharing decisions result in automatic vault-based distributions.

The governance layer isn't just decentralized — it's enforceable.

EQTY creates a system where token holders are not passive investors but **co-owners with real rights**, managed transparently through smart contracts and protected by enforceable legal structures.

Access Control and Compliance

While EQTY embraces decentralization and open financial infrastructure, it also acknowledges the regulatory realities of tokenizing real-world assets.

Some assets — such as real estate, securities, or high-value collectibles — require restrictions on who can participate: only accredited investors, citizens of certain countries, or verified entities may be legally eligible.

EQTY addresses this through **EQTY Passport** — a credential-based compliance layer fully integrated into the platform.

Previously known as Proofi, EQTY Passport enables:

- **Pre-checks during participation** in vaults and sales
- **Ongoing eligibility enforcement** when transfers or redemptions occur
- **Regulatory audits** without exposing user data

Each asset can define its own compliance criteria — whether based on jurisdiction, accreditation, or other investor requirements. These **conditions are encoded into the smart contract and published publicly**.

When a user wants to participate:

- They request access through EQTY Passport.
- A trust provider (such as EQTY or a third party) validates their eligibility.
- If approved, their wallet is whitelisted — otherwise, interaction is blocked.

Importantly, this model is **privacy-preserving**:

- No personal data is stored on-chain.
- All decisions are anchored and auditable if needed.
- Regulators or issuers can access proof of compliance upon request — but only with justification.

The result is a compliance system that scales across jurisdictions, adapts to local laws, and maintains user privacy by design.

Jurisdictional Flexibility

Tokenizing real-world assets means operating across diverse legal systems — each with its own rules, standards, and expectations around ownership, compliance, and asset management.

EQTY is built to **adapt to these differences**, not ignore them.

Instead of enforcing a rigid legal model, EQTY's governance and compliance layers are designed to be **jurisdiction-aware**:

- **Issuers can define asset-specific legal terms** and processes that reflect their local laws.
- **Compliance requirements** (enforced via EQTY Passport) can vary by country or asset class.
- **Custodians and notaries** can operate under national regulations while anchoring their roles transparently on-chain.

This flexibility extends to both the **governance structure** and the **legal wrapper** tied to the asset.

A real estate token in the Netherlands can follow notarial sale procedures, while an equity offering in the U.S. can enforce SEC-defined accreditation rules — all within the same EQTY infrastructure.

This modular approach ensures that EQTY can scale globally, **serving a broad range of asset types and legal frameworks — without sacrificing verifiability, auditability, or decentralization.**

A Trustworthy Framework for the Real World

With enforceable governance, transparent compliance, and legal adaptability, EQTY ensures that tokenized ownership remains meaningful beyond the blockchain.

Investors don't just own a piece of an asset — they have a voice, legal protection, and access to a framework that works across borders.

This is more than tokenization. It's a new standard for trust, transparency, and ownership in the real world.

Platform Fees and Token Integration

Building a sustainable platform requires more than great technology — it requires a business model that rewards growth without compromising decentralization.

EQTY is designed to generate revenue at multiple levels: asset tokenization, secondary market activity, compliance services, and value-added integrations.

This creates a healthy, self-sustaining ecosystem where:

- **The platform earns revenue** to support its development and expansion.
- **Participants benefit** from fair and transparent fees.
- **The LTO token** is directly tied to EQTY's success through a unique Fee Vault model.

In this chapter, we explain how EQTY balances platform sustainability with community alignment, ensuring that as adoption grows, everyone benefits.

How EQTY Generates Revenue

EQTY's revenue model is built on real usage — aligning the platform's success with the growth of tokenized real-world assets.

When a tokenized asset vault finalizes successfully, a small percentage of the raised capital is allocated to EQTY. This success-based fee is defined transparently in the vault's smart contract and ensures the platform is rewarded for enabling issuance, compliance, and liquidity provisioning.

In addition, EQTY earns revenue through:

- **Secondary market activity** A portion of trading fees from decentralized exchanges like Uniswap can be directed back to EQTY's treasury or Fee Vault, ensuring the platform benefits as assets gain traction.
- **Compliance and verification services** EQTY Passport may generate fees for investor verification, credential renewal, or audit support — depending on jurisdiction and asset class.
- **Legal structuring and custodial services** For more complex offerings, EQTY may partner with legal firms and custodians. Coordination and integration fees offer a potential revenue stream as these services are built into the platform These sources make EQTY not just viable, but scalable — earning revenue at every phase of an asset's life cycle, from issuance to trading and governance.

Aligning Value with the LTO Token

EQTY's fee model is designed to be transparent, decentralized, and aligned with the broader LTO ecosystem.

All platform fees — from successful vault fundraising, secondary market trades, or other activity — accumulate in a dedicated **Fee Vault**. This vault holds funds in a stable asset like USDC, ensuring that value is preserved as the platform grows.

However, no one — not the team, not any admin — can withdraw from the Fee Vault directly.

The only way to unlock the funds is by **burning LTO tokens**.

Here's how it works:

- A user sends LTO tokens to a burn address, permanently removing them from circulation.
- In return, the Fee Vault releases a proportional amount of USDC to that user.
- The mechanism operates as an **on-chain swap**: LTO is exchanged for a share of the accumulated fees, but unlike a normal exchange, the LTO is destroyed.

This creates a form of **arbitrage**. If the amount of USDC in the Fee Vault grows faster than the value of LTO, users are incentivized to acquire LTO from the open market and burn it, gaining USDC in return. If no one burns LTO, the value stays locked, creating pressure that builds over time.

The system doesn't enforce a fixed peg between LTO and the vault's contents. Instead, the market decides when burning LTO is worthwhile — balancing demand, supply, and opportunity. It's a fully decentralized mechanism that encourages community-driven extraction of value, without centralized control.

This model benefits the broader ecosystem in multiple ways:

- It creates **buy pressure** for LTO as platform usage grows.
- It introduces a **deflationary mechanism** tied to real activity.
- It ensures that **value is not silently extracted** by intermediaries, but recycled into the community through transparent token dynamics.

In this way, EQTY's success doesn't just fund the platform — it creates a long-term incentive structure that connects usage, value, and network participation.

Sustainable Incentives for a Growing Ecosystem

EQTY's fee model isn't just about monetization — it's about alignment.

By generating revenue through real platform usage and linking that value to LTO through an open, burn-based mechanism, EQTY creates a system where growth is transparent, incentives are clear, and value flows back into the ecosystem.

At the same time, the platform retains the flexibility to evolve — supporting its own sustainability while reinforcing the utility and relevance of the LTO token.

It's a model built not just for now, but for scale.

Where It All Comes Together

Over the past years, LTO Network has built a battle-tested blockchain, real digital ownership through Ownables, and a verifiable trust layer anchored to the real world.

EQTY brings all of that into focus.

This is not another toolset. It's a unified platform built to solve a real problem: **making real-world ownership verifiable, liquid, and actionable** — at scale.

With EQTY, we've moved from being an infrastructure provider to delivering a complete solution:

- Tokenized assets, backed by legal frameworks.
- Verifiable identities and anchored proofs.
- Private ownership histories, real governance, and open DeFi access.

Focused. Composable. Ready.

We're not waiting for adoption.
We're not offering parts of a vision.
We are the product.

EQTY is where everything we've built becomes usable — and where the next wave of adoption begins.