



MERIDIO

October 2018

The real estate asset class today is inefficient



Inaccessible

Investing confined to
closed networks

Deals are for select
individuals and entities



Illiquid

Long lock up periods
post investment

Lengthy time to
execute transactions



Expensive

High intermediation
costs across value chain

High minimum capital
commitment to invest

Meridio uses blockchain to digitize real estate assets, making transactions faster and cheaper, and data more robust and reliable in real time

Blockchain is a better way to exchange assets, including real estate...

Compliant

Digital shares of real estate assets can be created in any denomination, with regulatory compliance guardrails and metadata encoded in each share

Efficient

Costs associated with creating digital shares decreases significantly over time bringing value to capital source and investment

Trustless

Smart-contracts allow for a programmatic execution and create an environment where relevant market participants have full transparency

... and the crypto market is shifting towards security tokens & asset-backed shares

Regulatory shift

Regulatory acceptance in the U.S. and abroad has paved the way for innovative marketplaces using blockchain technology

United States



J.P.Morgan



Abroad



Meridio creates digital shares (tokens) and a trading marketplace for fractional ownership of real estate



Inaccessible

Broadens investor access to assets via fractional ownership

Increases capital pool for asset owners



Illiquid

Shares are more liquid than whole assets

Reduced time and processes to trade



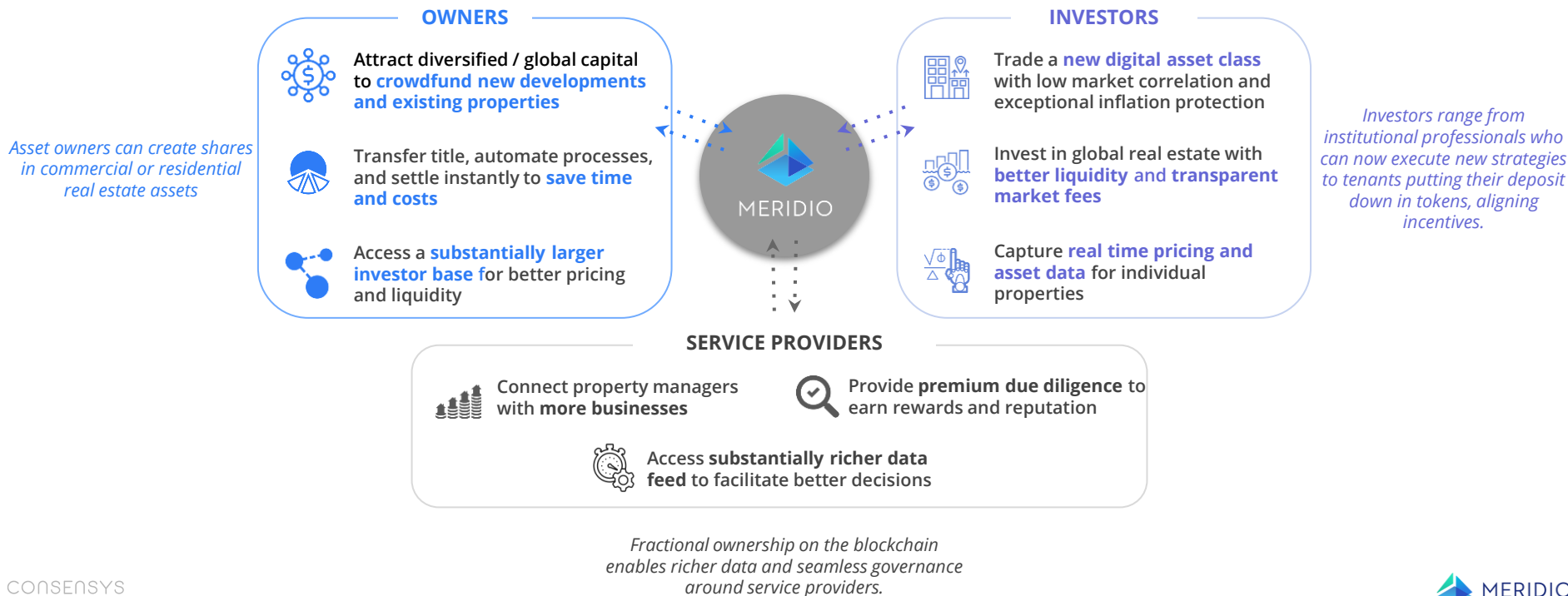
Expensive

Reduced number of parties and fees involved

Reduced minimum capital requirement

Meridio is a blockchain-based platform to crowdfund and trade real estate assets

Meridio connects a three-sided marketplace
with fractional ownership shares in individual properties



Meridio uses blockchain to ensure regulatory compliance for all shares on the platform

KYC & AML Verification



- Platform access provisioned based on investor identification & accreditation
- Investors will only be able to view and purchase assets for which they are eligible

Customizable Share Structure



- Trading restrictions and provisions codified in smart contract on blockchain
- Restrictions based on jurisdiction or asset type included in smart contract

Encoded Compliance



- Trading restrictions and provisions codified in smart contract on blockchain
- Restrictions based on jurisdiction or asset type included in smart contract

Case study: 304 Troutman Multifamily Residential, New York

The Asset

- Stabilized 5-unit multi-family in Brooklyn, NY owned by a RE private equity firm (CCM)
- Asset held in legal corporate structure
- Investors locked in, unable to recapitalize or participate in a secondary market

Tokenization on Meridio

- Digital shares of investors' equity created
- Custom whitelist of eligible investors established
- Investors on-boarded onto platform
- Completed within 60 days

Key Achievements



Greater liquidity for investors to recapitalize with others



Trading costs significantly reduced between investors



Real-time asset valuation



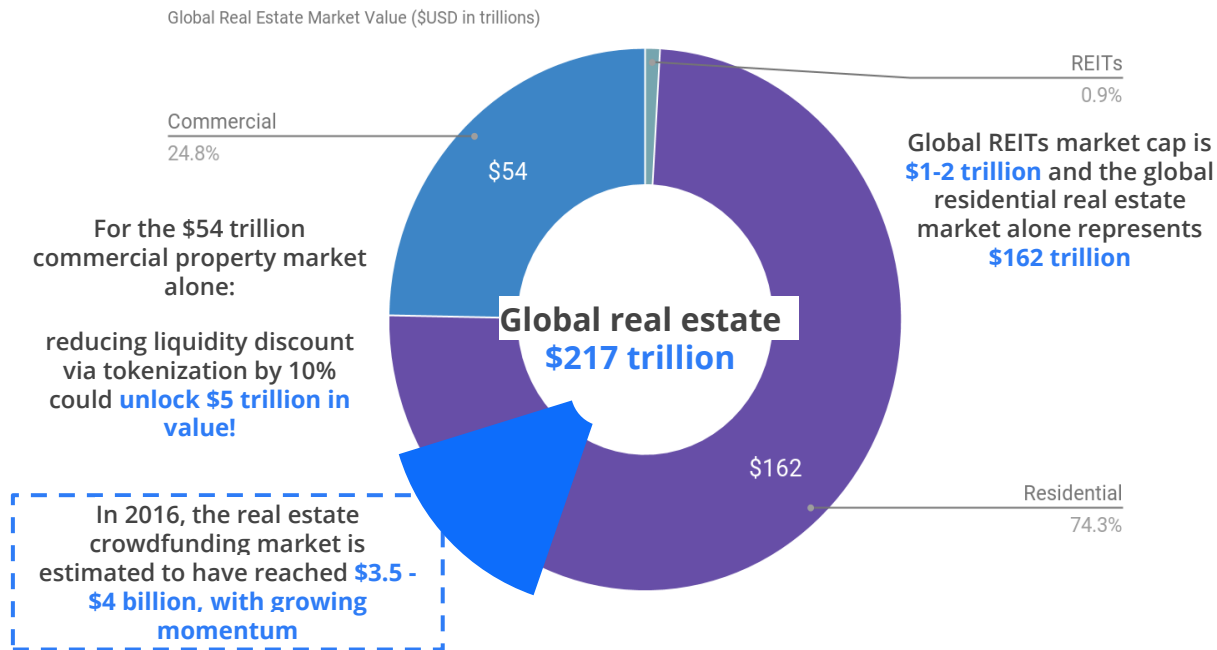
Ability to raise funds for improvements down the road

Press on the first tokenized asset:

The
New York
Times



From a market perspective, security tokens can unlock high liquidity premiums



- Real estate has a **clear regulatory framework** and guidance as a security, making it an ideal base for security tokens using blockchain
- Market **demand for asset backed tokens**, compared to utility / consumer tokens
- Tokenization can **address issues** in the real estate industry:
 - Opaque data
 - Illiquid asset class
 - Inaccessible to majority of investors
 - High transaction fees and capital commitments

Sources

1. <https://hackernoon.com/traditional-asset-tokenization-b8a59585a7e0>
2. [http://www.ey.com/Publication/vwLUAssets/global-perspectives-2016-reit-report-ey/\\$File/ey-global-perspectives-2016-reit-report.pdf](http://www.ey.com/Publication/vwLUAssets/global-perspectives-2016-reit-report-ey/$File/ey-global-perspectives-2016-reit-report.pdf)
3. http://www.savills.com/_news/article/105347/198559-0/1/2016/world-real-estate-accounts-for-60--of-all-mainstream-assets
4. <https://www.forbes.com/sites/navathwal/2017/02/17/real-estate-crowdfunding-3-trends-to-watch-in-2017/>

Demand for asset-backed shares is driven by four types of investors

Existing real estate markets

\$217tr global real estate market

Fresh capital

\$300bn crypto asset holdings



Institutional RE investors

Accredited investors who can participate in early days

Strong interest in liquidity through tokenization

Strong interest in increased data transparency and accuracy

Increased RE portfolio strategy capabilities



High net worth individuals

Accredited investors who can participate in early days

Traditional interest in real estate as portion of investments

Growing interest in blockchain, but not cryptocurrency volatility

Increased RE portfolio strategy capabilities



Retail investors

Traditionally "locked out" of RE investments due to binary options

Increased comfort with blockchain investments (eg Coinbase)

Comfortable with digital investing solutions (eg RobinHood)

Interest in new RE models (eg rent to buy, partial ownership)



Cryptocurrency Investors

Accredited investors who can participate in early days

Familiar with cryptocurrencies and tokens

Strong interest in stable tokens

Strong interest in RE, but turned off by high fees and lack of data

The value of real estate on blockchain is realized when the entire property lifecycle is on chain

6 Real-time accounting

With a property's ownership and cash flows recorded on-chain, investors and asset owners benefit from real-time, automated, accounting enabling easy end-of-year tax and financial disclosures.

1 Land title and deed recorded

Replace outdated paper deeds with true digital assets, utilize smart contracts to transaction seamlessly, and track it all on a shared immutable ledger.

2 Property sale and title assignment

The foundation for any digital asset is executable and traceable legal agreements on chain. This enables faster transactions with traceable data.

3 Tokenized property ownership

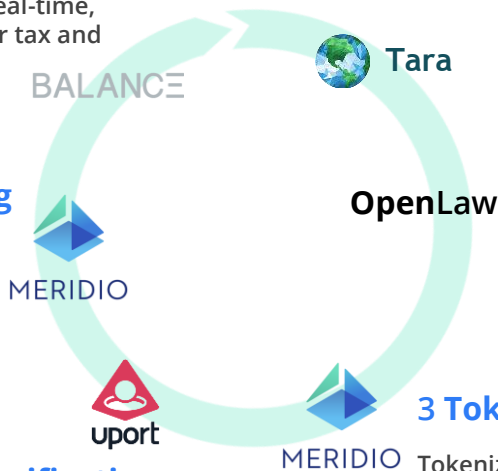
Tokenize the property ownership to create global investment opportunities. The owner benefits from new capital and liquidity while token holders get access to diverse investment options.

4 Investor / tenant identity verification

Streamline background checks for tenants and potential buyers by using a blockchain-based identity system, reducing overhead cost and increasing security.

5 Payment, leasing and coworking booking

A leasing and coworking app with leases to be signed on-chain creates transparent real-time valuation data. Rent is paid in ETH by tenants, and dividends are automatically distributed to investors in proportion to their token holdings.



Meridio's product portfolio

Current products		Future products			
Meridio Issue and invest in shares of RE assets Create, purchase, and trade digital RE shares Institutional and retail RE capital markets KYC, AML, accreditation checks Whitelist of investors for each asset or share RE token industry standard developed	Meridio/Tara Land title & document workflow Land registry, tracking, and transaction Secure blockchain title deeds and transfers Automated property lifecycle Configurable property workflow modeling Unique property ID across agencies	Meridio Real estate exchange Operate a licensed ATS with custody for RE shares BD registration in progress Meridio/uPort User / Asset Reputation System Build user and asset scores with RE brokers, data firms In development with uPort	Merido/OpenLaw Integrated legal agreements Purchase docs integrated in token In development with OpenLaw Meridio/Balanc3 Automated real-time accounting Real-time valuation and accounting In development with Balanc3	Meridio Lease and sales agreements Propose, sign and validate leases on-chain Immutable record of leasing data Meridio Co-working token model Design standard coworking token standard Implement hotdesk functionality	Meridio Rent, sales and investor payments Enable rent payment on-chain, in ETH or DAI Automate investor cash distributions Meridio Decentralized AirBnB Develop platform for home sharing Reputation scores for hosts and visitors user-owned
Products deployed		In progress	Future products		

Real estate owners + Meridio

Proposed collaboration: Tokenize an asset on Meridio



1. **Identify and list stabilized property**, well-suited for tokenization
2. **Create token** representing existing ownership in said asset
3. **Position** the asset for liquidation, crowdfunding, or **innovative governance models**



Maximize occupancy and revenues

- Token-based rental model enables asset owners to sell access tokens and allow tenants to sublease unused space, allowing dynamic space release and upfront payment.
- Enable dynamic pricing and short-term leases



Diversify and grow portfolio

- Crowdfund acquisition of new leases or developments to fill demand for a space up front and maximize ROI.



Foster a strong community

- Align tenant incentives to foster “shopping local” and recruiting new quality tenants
- Accept tenant deposit through investment in tokens
- Accept token as (discounted) means of payment for add-on services from owner or partners



Improve operational efficiency

- Utilize a blockchain system to issue and sign leases, making it easy to track and manage leases for shorter periods
- Enable flexible lease terms and new logic to be included that were previously unenforceable, e.g. incentivizing tenants based on business performance
- Accept crypto payments to enable real-time settlement, automated payments and codified enforcement of lease terms

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Step 1 - Identify asset and ideate token design

Timing: August 2018

- Tokens will represent lease/income for one select property, and the respective income they generate but no governance rights
- Tokens would represent a portion of entire legal entity created to own the property and its deed

Step 2 - Register asset with Meridio

Timing: August 2018

- Submit basic information about asset [here](#)
- Print, sign and return [MoU](#) - even at this stage, the process is **non-binding**

Step 3 - Tokens viewable on Meridio platform at beta launch

Timing: August 2018

- Upon Meridio's public beta launch in May, investors on the platform will be able to *view the upcoming offering, and "follow" the property*
- Once there is sufficient interest from investors go ahead with legal documents

Step 4 - Legal agreements and tokenization

Timing: August-September 2018

- Legal counsel from Meridio and the property owner to sync and work on official offering documentation (Financial Information, Seller Term Sheet, ToS / User Agreement etc)

Step 5 - Crowdfund tokens on Meridio

Timing: September-October 2018

- Offering goes live on Meridio - purchaser could be any investor from whitelist (which itself will depend on deal structure: private placement vs public filing)

MERIDIO

Appendix



Meridio team (US)

Strategy & Business



Mohammad Ali Shaikh

Global real estate expertise across property level, fund level REITs and ETFs at BlackRock and Legg Mason

Focused on crypto-economic token research at ConsenSys

Consultant at BCG - Private Equity Practice

Investments in emerging market PE at Abraaj

Thomas Klocanas
Business Development

Asha Dakshi
Strategy & Product Manager

Connor O'Day
Blockchain Economics & Marketing

Gary Wu
Acquisitions & Asset Management

Saqib Rashid
Strategic Advisor



Product & Tech



Corbin Page

Product & Tech-lead on one of the world's first RE blockchain apps built for a major client in Dubai

Built and launched multiple products at Millennium and Bridgewater while running a dev shop

Previously Project Lead at Accenture and Appian

Chris Smith
Full Stack Blockchain Engineer
Senior Smart Contract Engineer

David Conroy
Senior Technical Director

John Storey
Full stack developer

Francisco Inchauste
Lead product designer

+ 5 full time developers



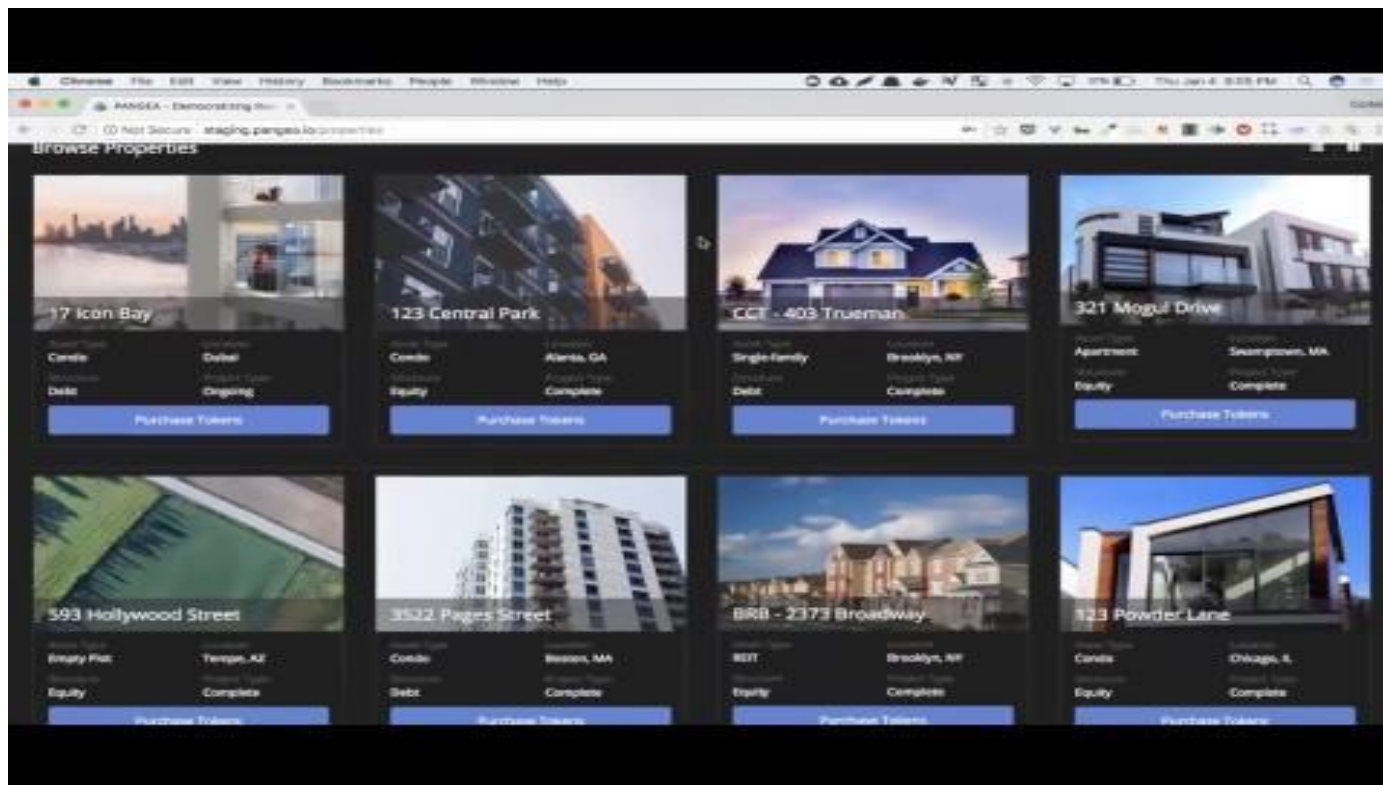
Regulatory structure: United States SEC

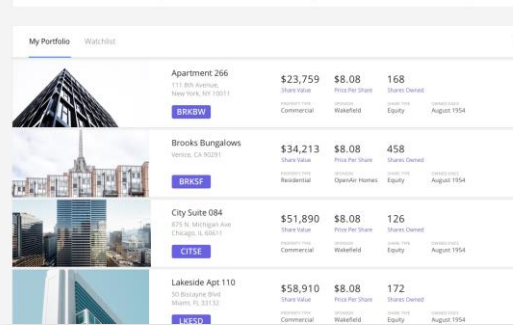
Selection for initial assets¹

<div>Legend</div> <div>best</div> <div>medium</div> <div>worst</div>		<div></div>					
		"Full registration"	"Light registration"		Registration exemptions		
					Reg D	Reg S	
			SEC Registration	Reg A			Reg 506 B
			Tier 1	Tier 2			
Amount Raised	Offering Size	No limit	\$20m annually	\$50m annually	No limit	No limit	No limit
Distribution	Investors (distribution)	All investors	All investors	All investors	Accredited + 35 others	Only accredited, no bad actors	non-US investors
	Fundraising limitations / investor	None	None	10% of income or net worth, unless accredited	None	None	None
	Solicitation (marketing)	No limitations	No limitations	No limitations	No solicitations	No limitations	No limitations
Liquidity	Restriction on re-sale	Not restricted	Not restricted	Not restricted	Restricted	Restricted	Restricted
	Liquidity	High	High	High	Limited ²	Limited	Limited
Registration	Eligible Issuers	US & Canadian	US & Canadian	US & Canadian	SEC registered and private companies	SEC registered and private companies	SEC registered and private companies
	Registration costs	High	Medium	Medium	Low	Low	Low
	Disclosure requirements	SEC mandated disclosure	SEC mandated disclosure	SEC mandated disclosure	Mandated disclosure to non accredited investors	No mandated disclosure	Less

1. Based on registration requirements, cost compared to size of asset, and disclosure requirements
2. Under SEC Reg D, 506B, non solicitation clause enables secondary market trading amongst accredited investors, whereas 506C limits secondary market trading with instances of solicitation

Alpha demo



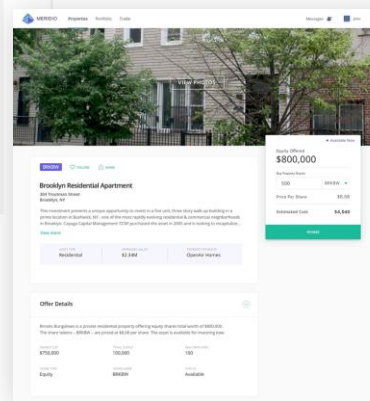


Exchange Prices

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Mauris finibus erat ac ex tempor, nec blandit felis facilisis. Donec gravida nec nisl quis fringilla.



The screenshot displays the Jorum Financials dashboard, which is organized into several sections:

- Summary Metrics:** Located at the top, this section provides a quick overview of key financial indicators:
 - Assets:** 10,000,000
 - Liabilities:** 10,000,000
 - Equity:** 10,000,000
 - Revenue:** 100
 - Profit:** 100
 - Expenses:** 100
- Property Details:** This section contains three charts:
 - Property Value:** A line chart showing a steady increase from 10,000,000 to 10,000,000.
 - Property Income:** A bar chart showing income levels of 10,000,000, 10,000,000, and 10,000,000.
 - Property Expenses:** A bar chart showing expense levels of 10,000,000, 10,000,000, and 10,000,000.
- Financial Details:** This section includes a line chart showing a steady increase from 10,000,000 to 10,000,000.
- Rental Details:** This section includes a line chart showing a steady increase from 10,000,000 to 10,000,000.
- Expense Details:** This section includes a line chart showing a steady increase from 10,000,000 to 10,000,000.

At the bottom of the dashboard, there is a section for **Openair Homes**, which includes a circular image of a house and a brief description of the company's mission and vision. To the right of this section is the **Jorum** logo, which consists of the word "Jorum" in a stylized font with a circular icon containing the letters "J" and "O".



Total Portfolio Value



\$66,117

⌚ Last updated March 16, 2018

Total Returns



\$12,763

⌚ Last updated March 16, 2018

Rental Income



\$18,376

⌚ Last updated March 16, 2018

Cash Available



\$7,910

⌚ Last updated March 16, 2018

My Portfolio

Watchlist

Sort by

Asset Value



Apartment 266

111 8th Avenue,
New York, NY 10011

BRKBW

\$23,759

Share Value

PROPERTY TYPE
Commercial

\$8.08

Price Per Share

SPONSOR
Wakefield

168

Shares Owned

SHARE TYPE
EquityOWNED SINCE
August 1954

Transfer

Details



Brooks Bungalows

Venice, CA 90291

BRKSF

\$34,213

Share Value

PROPERTY TYPE
Residential

\$8.08

Price Per Share

SPONSOR
OpenAir Homes

458

Shares Owned

SHARE TYPE
EquityOWNED SINCE
August 1954

Transfer

Details



City Suite 084

875 N. Michigan Ave

\$51,890

\$8.08

126

Transfer



Trade Request

Wallet: Ready
My Wallet Name

BRKBW

Brooks Bungalows

[View Asset](#)

Buy

Sell

Sell to



Paul Smith

[Edit](#)

For

\$1,000

USD

Shares

800



Using



DAI 1,000



ETH

Exchange Prices

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Mauris finibus erat ac ex tempor, nec blandit felis facilisis. Donec gravida nec nisl quis fringilla.

Request
Expiration

08/15/18 10:05 AM

Back

Continue



VIEW PHOTOS

BRKBW

FOLLOW

SHARE

Brooklyn Residential Apartment

304 Troutman Street
Brooklyn, NY

This investment presents a unique opportunity to invest in a five unit, three story walk up building in a prime location in Bushwick, NY - one of the most rapidly evolving residential & commercial neighborhoods in Brooklyn. Cayuga Capital Management 'CCM' purchased the asset in 2005 and is looking to recapitalize...

[View more](#)

ASSET TYPE

Residential

APPRAISED VALUE

\$2.34M

PROPERTY SPONSOR

OpenAir Homes

Offer Details

Brooks Bungalows is a private residential property offering equity shares total worth of \$800,000. The share tokens - BRKBW - are priced at \$8.08 per share. The asset is available for investing now.

MARKET CAP
\$750,000

TOTAL SUPPLY
100,000

MAX INVESTORS
100

SHARE TYPE
Equity

SHARE NAME
BRKBW

STATUS
Available

Equity Offered

\$800,000

Buy Property Shares

500

BRKBW

Price Per Share \$8.08

Estimated Cost \$4,040

Invest

MARKET CAP
\$750,000

TOTAL SUPPLY
100,000

MAX INVESTORS
100

SHARE TYPE
Equity

SHARE NAME
BRKBW

STATUS
Available

Property Details

PROPERTY TYPE
Condominium

PROPERTY TYPE
Condominium

TOTAL SIZE
1,260 Per Sqft

UNIT SIZE
460 Per Sqft

BEDROOMS
2 Beds

BATHROOMS
2 Baths

YEAR BUILT
1926

AMENITIES
Beach Access

PROPERTY MANAGER
Cayuga Capital Management

Financial Details

Rental Details

Expense Details

THE SPONSOR



OpenAir Homes

Open Air Homes specializes in high-End Rentals. With a speciality in creating inspiring places for unique people, OAH owns and manages high quality living for a diverse clientele.

THE MANAGEMENT



Cayuga Capital Management

CCM is a significant real estate holder in Brooklyn, New York, helping transform and grow the neighborhood for over a decade. CCM currently owns approximately 450 apartment units and almost 450,000 SF of commercial space in Brooklyn.