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
- Goldman Sachs
- J.P. Morgan
- tZERO

Abroad
- MAS
- Bank of England
- European Central Bank
Meridio creates digital shares (tokens) and a trading marketplace for fractional ownership of real estate

<table>
<thead>
<tr>
<th>Inaccessible</th>
<th>Illiquid</th>
<th>Expensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadens investor access to assets via fractional ownership</td>
<td>Shares are more liquid than whole assets</td>
<td>Reduced number of parties and fees involved</td>
</tr>
<tr>
<td>Increases capital pool for asset owners</td>
<td>Reduced time and processes to trade</td>
<td>Reduced minimum capital requirement</td>
</tr>
</tbody>
</table>
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

**OWNERS**
- Attract diversified / global capital to crowdfund new developments and existing properties
- Transfer title, automate processes, and settle instantly to save time and costs
- Access a substantially larger investor base for better pricing and liquidity

**INVESTORS**
- Trade a new digital asset class with low market correlation and exceptional inflation protection
- Invest in global real estate with better liquidity and transparent market fees
- Capture real time pricing and asset data for individual properties

**SERVICE PROVIDERS**
- Connect property managers with more businesses
- Provide premium due diligence to earn rewards and reputation
- Access substantially richer data feed to facilitate better decisions

Investors range from institutional professionals who can now execute new strategies to tenants putting their deposit down in tokens, aligning incentives.

Fractional ownership on the blockchain enables richer data and seamless governance around service providers.
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
- CNN
- CNBC

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

- In 2016, the real estate crowdfunding market is estimated to have reached $3.5 - $4 billion, with growing momentum.
- For the $54 trillion commercial property market alone:
  - Reducing liquidity discount via tokenization by 10% could unlock $5 trillion in value!
- In 2016, the real estate crowdfunding market is estimated to have reached $3.5 - $4 billion, with growing momentum.
- Global real estate $217 trillion
  - Commercial 24.8%
  - Residential 74.3%
  - Global REITs market cap is $1-2 trillion and the global residential real estate market alone represents $162 trillion.

Sources:
1. https://hackernoon.com/traditional-asset-tokenization-b8a59585a7e0

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

**Existing real estate markets**

- **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

**Fresh capital**

- **Institutional RE investors**
  - High net worth individuals
  - Retail investors

- **Existing real estate markets**
  - $217tr global real estate market

- **Fresh capital**
  - $300bn crypto asset holdings

**Consensus**

- **Institutional RE investors**
  - High net worth individuals
  - Retail investors

- **Existing real estate markets**
  - $217tr global real estate market

- **Fresh capital**
  - $300bn crypto asset holdings
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.

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.

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.

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.
## Meridio’s product portfolio

### Current products

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meridio</td>
<td>Issue and invest in shares of RE assets</td>
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<tr>
<td>Meridio/Tara</td>
<td>Land title &amp; document workflow</td>
</tr>
<tr>
<td>Create, purchase, and trade digital RE shares</td>
<td></td>
</tr>
<tr>
<td>Institutional and retail RE capital markets</td>
<td></td>
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<tr>
<td>KYC, AML, accreditation checks</td>
<td></td>
</tr>
<tr>
<td>Whitelist of investors for each asset or share</td>
<td></td>
</tr>
<tr>
<td>RE token industry standard developed</td>
<td></td>
</tr>
</tbody>
</table>

### Future products

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<tr>
<th>Product</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Meridio</td>
<td>Real estate exchange</td>
</tr>
<tr>
<td>Meridio/OpenLaw</td>
<td>Integrated legal agreements</td>
</tr>
<tr>
<td>Meridio</td>
<td>Lease and sales agreements</td>
</tr>
<tr>
<td>Meridio</td>
<td>Rent, sales and investor payments</td>
</tr>
<tr>
<td>Meridio/OpenLaw</td>
<td>Purchase docs integrated in token</td>
</tr>
<tr>
<td>Meridio/日凌晨</td>
<td>Propose, sign and validate leases on-chain</td>
</tr>
<tr>
<td>Meridio/日凌晨</td>
<td>Enable rent payment on-chain, in ETH or DAI</td>
</tr>
<tr>
<td>Meridio/日凌晨</td>
<td>BD registration in progress</td>
</tr>
<tr>
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<tr>
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<td>Design standard coworking token standard</td>
</tr>
<tr>
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<td>Develop platform for home sharing</td>
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### In progress

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### Products deployed

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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
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

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)
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

ConsenSys
## Regulatory structure: United States SEC

<table>
<thead>
<tr>
<th>Registration</th>
<th>&quot;Full registration&quot;</th>
<th>&quot;Light registration&quot;</th>
<th>Registration exemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC Registration</td>
<td>Reg A</td>
<td>Tier 1</td>
<td>Tier 2</td>
</tr>
<tr>
<td>Amount Raised</td>
<td>Offering Size</td>
<td>No limit</td>
<td>$20m annually</td>
</tr>
<tr>
<td>Distribution</td>
<td>Investors (distribution)</td>
<td>All investors</td>
<td>All investors</td>
</tr>
<tr>
<td></td>
<td>Fundraising limitations / investor</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Solicitation (marketing)</td>
<td>No limitations</td>
<td>No limitations</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Restriction on re-sale</td>
<td>Not restricted</td>
<td>Not restricted</td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Eligible Issuers</td>
<td>SEC registered and private companies</td>
<td>SEC registered and private companies</td>
<td>SEC registered and private companies</td>
</tr>
<tr>
<td>Registration costs</td>
<td>Disclosure requirements</td>
<td>SEC mandated disclosure</td>
<td>SEC mandated disclosure</td>
</tr>
</tbody>
</table>

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
Meridio is live on the Ethereum Mainnet
Trade Request

BRKBW Brooks Bungalows

Sell to: Paul Smith

For: $1,000 USD

Shares: 800

Using: DAI 1,000

Request Expiration: 08/15/18 10:05 AM

Exchange Prices

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Vivamus bibendum urna et vulputate varius. Proin nec lacus ut nunc placerat ultricies. Ut quis eleifend purus, id imperdiet libero.

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

Back
Continue
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 2015 and is looking to recapitalize...

Property Details

- **Property Type**: Condominium
- **Size**: 1,260 sq ft
- **Amenities**: Beach Access
- **Manager**: Cayuga Capital Management

Financial Details

- **Price Per Share**: $8.08
- **Estimated Cost**: $4,040

Offer Details

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

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Acreage Value</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$2.34M</td>
<td>OpenAir Homes</td>
</tr>
</tbody>
</table>

THE SPONSOR

**OpenAir Homes**
Open Air Homes specializes in high-end Rentals. With a specialty 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 real estate holder in Brooklyn, New York. It helps 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.