



**bloxable**

## BLOXABLE WHITEPAPER

Smart Contracts Structured Debt powered by Ethereum.

The world's most sophisticated debt platform.

**March 2018**

**V1.2**

**IVAN ZONE (ZDANOV)**

This whitepaper (“**Whitepaper**”) is meant to describe the currently anticipated plans of Bloxable, Inc. (“Bloxable”) for developing a new blockchain token mechanism (“Token”) that will be used on the platform sponsored by Bloxable (“Platform”). Nothing in this document should be treated or read as a guarantee or promise of how Bloxable’s business, the Platform, or the Tokens will develop or of the utility or value of the Platform or the Tokens. This Whitepaper outlines Bloxable’s current plans, which could change at its discretion, and the success of which will depend on many factors outside Bloxable’s control, including market-based factors and factors within the data and cryptocurrency industries, among others. Any statements about future events are based solely on Bloxable’s analysis of the issues described in this document. That analysis may prove to be incorrect.

This document by itself does not constitute an offer or sale of the Tokens or any other mechanism for purchasing the Tokens (such as, without limitation, a “simple agreement for future tokens” related to the Tokens). However, this Whitepaper is being included in the offering materials for a simple agreement for future tokens. When making an investment decision, this Whitepaper should be read in conjunction with the other definitive offering documents, including the risk factors. Purchasing of Tokens or a simple agreement for future tokens is subject to many potential risks. Some of these risks are described in the offering documents. Purchasers of Tokens or simple agreements for future tokens should be aware that these investments could lose all or some of their value.

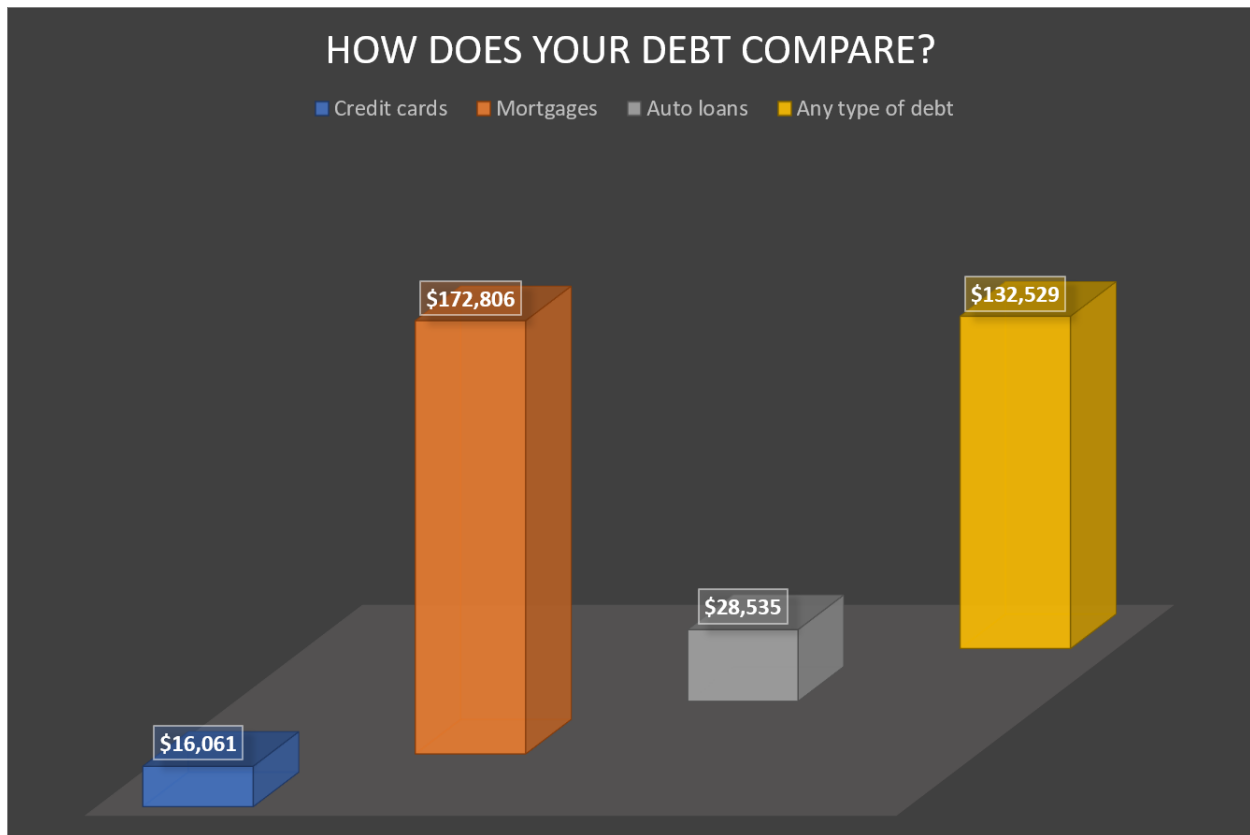
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# Summary

“Americans carry more than \$12 trillion in debt. That makes banks very happy.”

According to a 2016 Nerdwallet report, the average American Household carries \$172,806 in mortgage debt, representing a total pool of \$1.1 trillion. Student loan debt averages \$49,042 by household and makes up a pool of \$1.3 trillion in debt.



At the same time, unbeknownst to most Americans, a large majority of these debts and loans, which they rely on in their daily lives, are pooled together and structured or securitized into tradeable bond products. This process is called securitization and is an area of structured finance.

As blockchain and smart contracts stand to disrupt the financial industry, the Bloxable project is geared to issue BLX tokens as part of an enterprise blockchain solution that we believe can revolutionize structured finance and debt markets as we know them today.

This Whitepaper will communicate more details about the Bloxable project and the BLX token. At a desktop level, the Bloxable project creates enterprise-grade decentralized solutions for debt markets in two ways:

1. Placing loans on immutable open ledger
2. Structuring and securitizing pools of loans through enterprise-grade smart contracts

Financial institutions, including the fastest growing segment of Peer-to-Peer Market Lenders should care, because, in our view, Bloxable enterprise solutions and the BLX token used to access the Bloxable platform have the potential to cut costs by a factor of 10-100x while delivering a faster, more secure and more convenient service. Currently, a \$100m Securitization Deal may result in \$7-9m in various fees to intermediaries and middlemen. Bloxable reduces these fees through its automated smart-contracts-driven platform.

Borrowers should care because, aside from receiving a potentially faster, more convenient and more secure service, they are able to use the BLX token to cover loan origination fees, broker fees and interest payments. Additionally, they will be rewarded with BLX tokens for regular on-time payments and improvements in their credit-worthiness profiles.

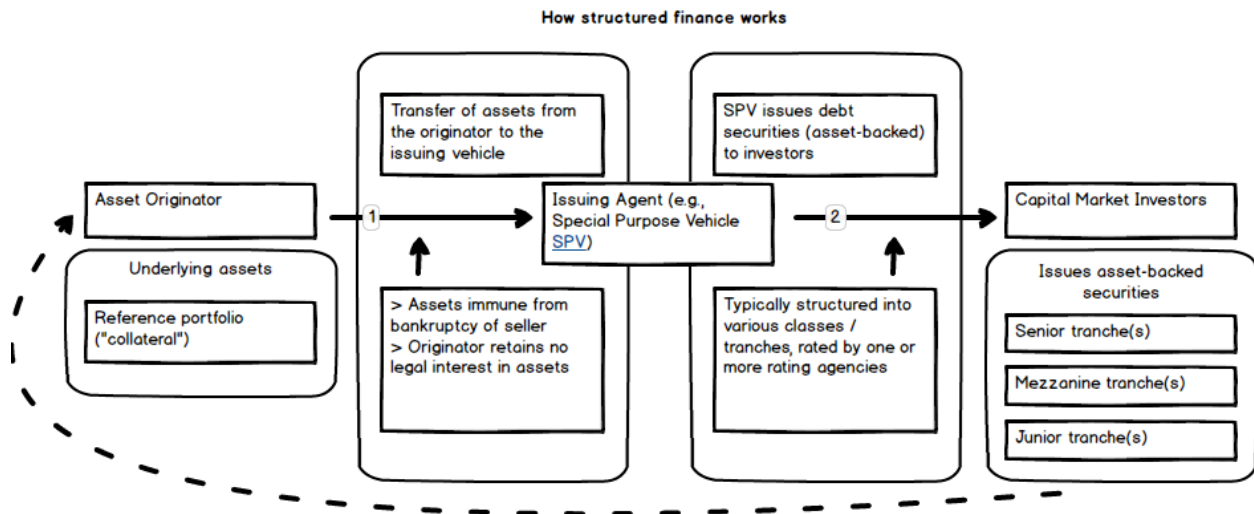
This Whitepaper is the first window into the Bloxable crypto-economic ecosystem, which stands to fundamentally remake the current state of the debt markets lifecycle.

# What is Structured Finance?

As per Wikipedia “structured finance is a sector of finance that was created to help transfer risk using complex legal and corporate entities. This transfer of risk, as applied to the securitization of various financial assets (mortgages, credit card receivables, auto loans, etc.), has helped provide increased liquidity or funding sources to markets like housing and to transfer risk to buyers of structured products; it also permits financial institutions to remove certain assets from their balance sheets, and provides a means for investors to gain access to diversified asset classes.”

Increasing numbers of financial institutions employ structured finance to transfer the credit risk of the assets they originate from their balance sheets to those of other financial institutions, such as banks, insurance companies, and hedge funds. They do it for a variety of reasons. It is often cheaper to raise money through securitization, and securitized assets are then less costly for banks to hold because financial regulators have different standards for them than for the assets that underpinned them. In principle, this "originate and distribute" approach brings broad economic benefits too—spreading out credit exposures, thereby diffusing risk concentrations and reducing systemic vulnerabilities.

In its most basic form, the process involves two steps (see chart). In step one, a company with loans or other income-producing assets—the originator—identifies the assets it wants to remove from its balance sheet and pools them into what is called the reference portfolio. It then sells this asset pool to an issuer, such as a special purpose vehicle (SPV)—an entity set up, usually by a financial institution, specifically to purchase the assets and realize their off-balance-sheet treatment for legal and accounting purposes. In step two, the issuer finances the acquisition of the pooled assets by issuing tradable, interest-bearing securities that are sold to capital market investors. The investors receive fixed or floating rate payments from a trustee account funded by the cash flows generated by the reference portfolio. In most cases, the originator services the loans in the portfolio, collects payments from the original borrowers, and passes them on—less a servicing fee—directly to the SPV or the trustee. Securitization represents an alternative and diversified source of finance based on the transfer of credit risk (and possibly also interest rate and currency risk) from issuers to investors.



## Problem

There is no doubt that structured finance significantly contributes to funding economic growth. With financial institutions now subject to restrictions on extending funds and credit, capital markets solutions like structured finance help support growth by opening alternative sources of financing. Releasing value for originators allows them to reallocate capital to other productive areas.

The 2008 financial crisis clearly demonstrated a strong need to address the problems in structured finance head-on so that a fair, transparent and secure system could be built to lower risks, increase efficiencies and reduce costs. The key issues we foresee are as follows:

1. Origination and Underwriting:
  - a. Time Lag: The current process of origination and underwriting can be cumbersome and involves many manual steps that are prone to human errors. The documentation associated with this process is lengthy to such an extent that it typically adds up a long duration of time before the loan can be put in place.
  - b. Opacity and Standardization: Origination process is highly opaque as lenders use different formats to record data. Digital records are often just scanned copies of paper contracts. These records reside in heterogeneous formats, thereby making data reconciliation a very difficult

process, raising the likelihood of inconsistencies among sponsors, issuers, underwriters, investors, regulators, and rating agencies. This information asymmetry reduces market efficiency.

- c. **Costs:** The regulatory framework involves creation of an absolute paper trail at each step by all of the players engaged, thereby leading to high compliance costs, increased time and more participants needed to prepare these documentations. A lot of industry players, such as micro lenders and other smaller institutions, cannot avail the benefits of structured finance because of the high fees and ancillary costs associated with the process. These costs tend to eat away the possibility of gaining any tangible benefits for these organizations and thereby exposes them to the complete burdensome risks of their loan portfolios.
2. **Structured Finance**
    - a. **Regulatory Reporting Burden:** Post 2008, regulatory reporting has become a top priority to ensure that all risks are clearly highlighted and to ensure that solvency of institutions can be stress-tested by measuring the quality of assets held by them. However, the increased regulatory reporting forces all involved entities to incur additional costs of building out new systems needed to report this data in a consistent format. The need for regulators to reconcile these positions and obtain a comprehensive picture of all participants' involvement comes at a great expense.
    - b. **Fraud Prevention:** It is important to ensure that double-pledging can be controlled as a high priority across these loans so that fraud can be minimized, and a clear track of asset ownership can be established to comply with relevant AML/KYC regulations. Structured Finance industry is burdened with paperwork that tends to eat up a lot of time which could instead be focused on better servicing client needs and ensuring that the product experience is better tailored to their needs and adheres to all regulations. There is also a need to weed out bad actors from the system who tend to bring a bad name to the industry by their wrongful behavior yet still get to come back to this space to continue to profit.
  3. **Servicing**
    - a. **Intermediary/Audit Costs:** The enhanced due diligence processes at each step, and increased number of intermediaries that need to be engaged, have led to a ballooning of costs. Increasing numbers of intermediaries, coupled with audit trail requirements, add up to burdensome complexity of tracking each step of the loan and security servicing. Meanwhile, this



process is already quite painful when done with traditional methods, given that a standard does not exist to manage this data. The biggest issue plaguing the financial services industry are significant regulations that require engaging these specialized intermediaries for tasks that could potentially be simplified and managed by technology platforms made possible due to the advent of the blockchain, the open ledger and smart contracts. Automating these mundane processes would also reduce manual errors and potentially reduce fraud and turnaround times.

## Bloxable Platform

Bloxable intends to help address this current complexity by utilizing our strong understanding of the industry and blending it with the power of blockchain to make the whole process quicker, simpler and more secure with an additional benefit of reducing operational costs and associated fees by lowering the number of middlemen involved.

The availability of the Bloxable blockchain-based structured finance platform will primarily impact investors, custodians and trustees in the structured finance market. Blockchain technology provides a potentially more secure method of transferring assets. It can also reduce much of the collateral-based risk to investors. The risk of “double selling” of assets, whether through fraud or mistake, would be reduced or eliminated on a blockchain-based platform. In addition, blockchain could provide more certainty of ownership of loans and could enhance the speed and reliability of the dispute resolution process. The Bloxable blockchain-based platform would help provide the ability to identify actual ownership. Ease of transfer would permit the creation of more efficient primary lending to prospective investors, as smaller loan amounts could be originated more profitably, leading to more collateral available for securitization. Assets originated through marketplace lending could especially benefit by being originated, securitized and traded on blockchain-powered platforms.

## Blockchain-based Structured Finance benefits

Bloxable intends to utilize the latest innovations in blockchain technologies to help simplify some of the most critical aspects of structured finance, namely:

- **Speedy Execution:** Bloxable platform will automate the complete Structured Finance process by moving all execution conditions to be self-operating via smart

contracts (details of which are provided below). Using smart contract-based flows, the Bloxable-powered loans will have a much smaller chance of manual errors and will require less turnaround time, as most of the computation-intensive components, along with the associated regulatory aspects, will be automated.

- **Transparency:** The reduced human intervention, due to smart contract-enabled automation, will also ensure better standardization of all contracts, leading to much more robust and efficient processes being put in place. This standardization, coupled with the immutable data integrity on the blockchain, will fuel a more transparent ecosystem, whereby all data is clearly visible to all loan actors on a need-to-know basis and governed by their roles permissioned into the ecosystem. The enhanced transparency will lead to better and more efficient price discovery and quicker resolution of disputes amongst various parties.
- **Reduced Costs:** The Bloxable platform reduces the need to engage multiple third-party service providers to facilitate all phases of structured finance. Our platform removes information asymmetry, thereby leading to better price discovery, without the need to pay costly intermediaries. This helps enhance valuation and improves the actual flow of funds across the complete ecosystem thereby eliminating inefficiencies and reducing operational overhead costs.
- **Data Integrity:** The current setup in the structured finance landscape creates large inefficiencies around the storage, reconciliation, transfer, and transparency of data across multiple independent entities. This is all because each entity tends to store data locally with no external access, thereby providing no ways and means to ensure that the information is the same across all the flows of the structured finance process. Having all this information on Bloxable's decentralized platform enables consistent data access across-the-board for all participants, which helps them in ensuring consistency and lessens the chances of reconciliation errors.
- **Audit Trail:** Bloxable platform intends to prevent the repeat of problems that plagued the industry during the 2008 financial crisis. The Bloxable platform leverages the blockchain immutability to create a chronological audit trail of all transactions performed. This capability enables the platform to comply with specific regulatory and audit requirements, articulated post the financial crisis, enabling the ability to report a systemic view of the ownership of the underlying securitized assets and reporting the title ownership for each of the assets involved. The Bloxable platform eliminates fraud by verifying each asset for double-pledging, thereby maintaining uniqueness and a properly documented audit trail.

- **Security:** Bloxable platform ensures security by blending in the blockchain-based safeguards with specific enhancements made around data integrity. We will be implementing best practices with regards to securing the platform to ensure that it meets enterprise grade standards. For our users, we will have two factor authentications enabled by default, ensuring that all users are secured from traditional hacking methods. Apart from this, all our sections are modularized, ensuring respective access control policies to be implemented effectively. Our trading data would reside on the blockchain, ensuring that no centralized authority has the capability to manipulate the data in any possible form. All off-chain data will be secured in a multi-sig fashion, whereby no one person would have the ability to manipulate any data. This ensures that the highest level of data integrity is always maintained .

Multi-sig wallets will be setup on the platform to securely store and manage the cryptocurrency assets such as tokens held by Bloxable. These tokens will be shuffled between hot wallets and cold storage as per-need, thereby reducing the possible attack surface that is exposed to the external world. The cold storage wallets would be secured with multi-sig cryptographic keys sharded to prevent any possible leaks. The cold storage will be stored in an access-restricted environment accessible only to a select few people and managed under the most rigorous security practices employed in the industry.

The Bloxable platform Oracles will be built on the Intel SGX secure enclave platform, which is perfectly integrated to help enforce all data Oracles to communicate using untampered hardware. This approach ensures high quality data with guaranteed integrity. Whenever enclave data leaves the on-package caches to be written to platform memory, the data is automatically encrypted, and integrity is protected. This prevents malicious individuals from using memory probes or other techniques to view, modify, or replay data or code contained within the enclave.

Additionally, specific enhancements will continue to be developed on the platform to prevent any new security issues in this space.

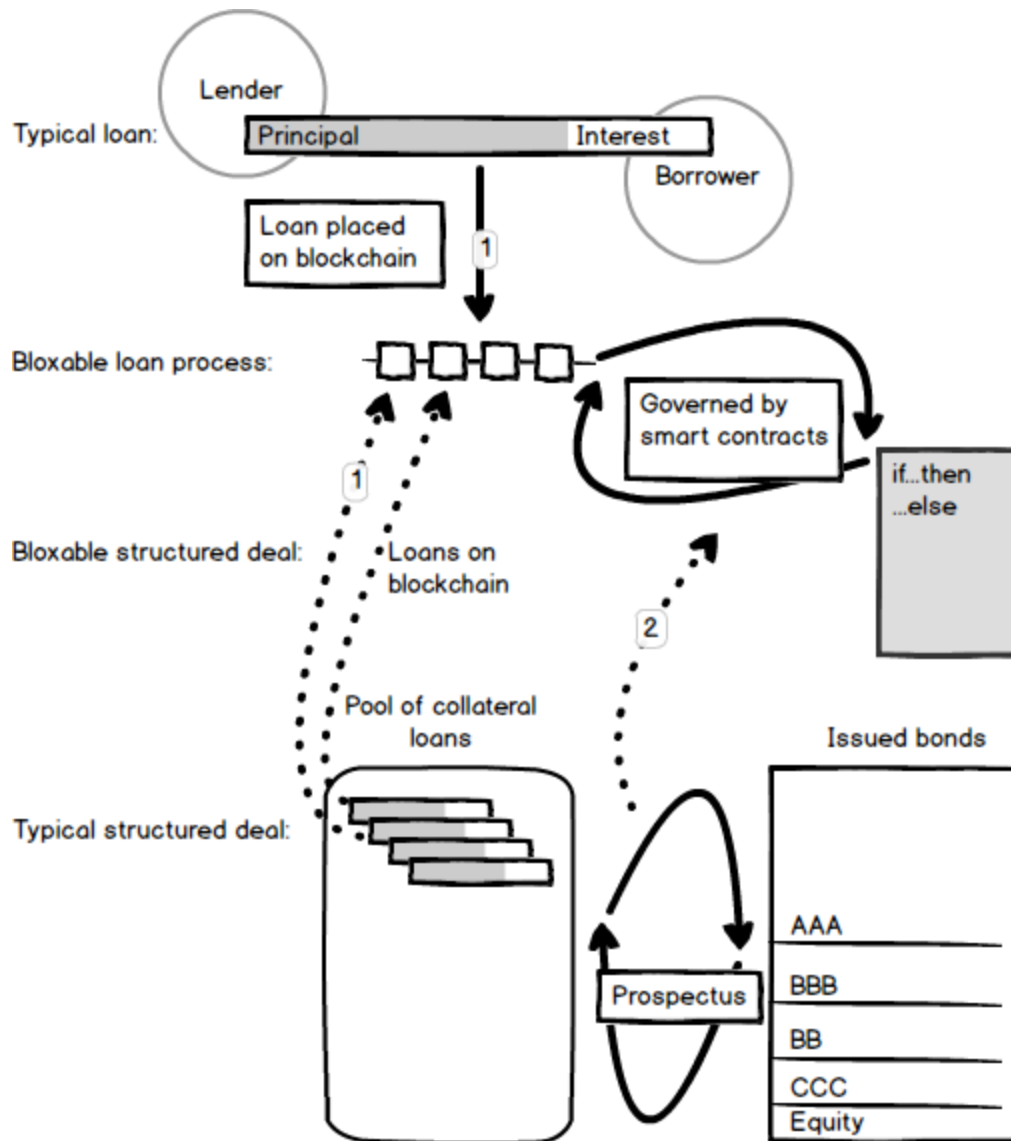
## Bloxable Origination Module

Bloxable platform will use smart contracts developed with private permissioned blockchain components that will provide enhanced interoperability between traditional systems and the Bloxable platform. Also, these components will provide enterprise-

ready features which are essential for smooth operations in any financial industry application.

Blovable smart contracts will enable the below listed generic workflow for any asset securitization done on its platform. However, the platform also allows market participants to customize operational workflows based on their requirements and applicable regulatory considerations. Standard smart contract templates will be available by default for the platform users to get started. The standard workflow would incorporate the following different smart contracts:

In the initial phase, the Blovable origination module is intended to help actualize vanilla loans such as P2P loans, credit card loans, mortgages, student debt, auto loans and others. Post the successful implementation of this phase, the focus will shift to enhancing the origination capabilities enabling origination of exotic products such as Asset Backed Securities (ABS).



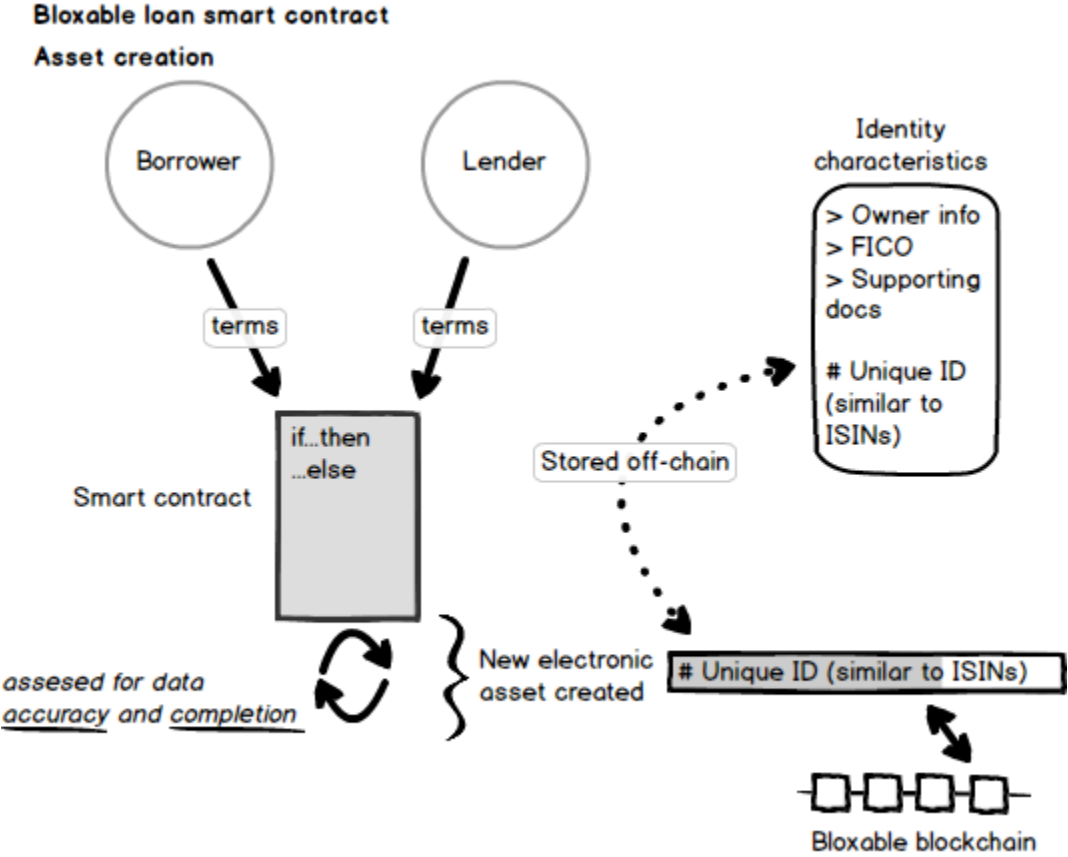
## Origination Smart Contracts

### 1. Blovable Loan Smart Contract:

- a. **Asset Creation:** The borrower and lender would need to agree to the terms of a loan using the standard or custom smart contracts which will be assessed automatically for data accuracy and completion. Following this process, a new electronic asset is created on the Blovable private permissioned blockchain with unique identifiers tagged based on the required parameters. These identifiers will act similar to how ISINs are currently used by the financial industry to identify products. The smart

contract would then store off-chain the identity characteristic data, such as ownership information and other pertinent underwriting data. This data will consist of supporting documents, FICO scores, etc. This information will be encrypted and tagged to the blockchain loan identifier and can only be altered with a mutual consent of all parties. Only then will blockchain info be accordingly updated.

- b. Servicing Info: Loan Servicing for the asset in question will be automated by the smart contract, thereby reducing the chance of manual errors or omissions. Payment obligations, history and defaults will be automatically recorded along with ownership information to enable a trustworthy rating for the borrower. The recording of Servicing Info via smart contracts on blockchain also enables us to better address dispute resolution.

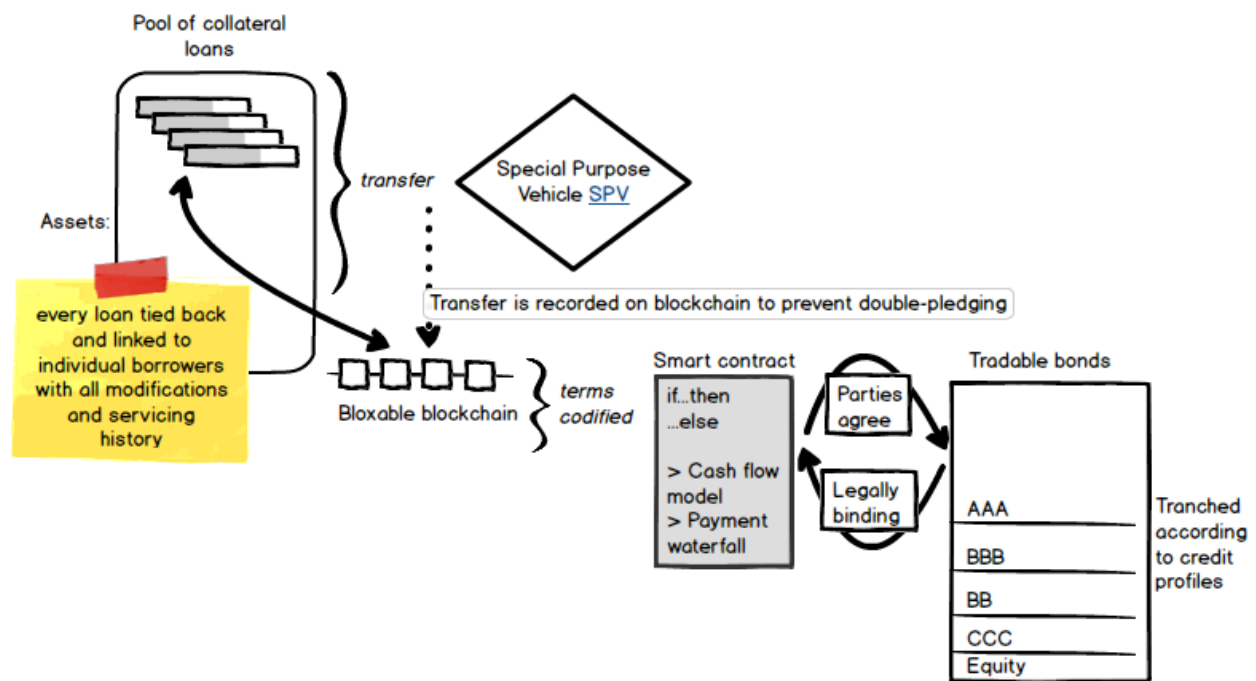


2. Bloxable Structured Finance Smart Contract:

- a. The Structured Finance smart contract enables the issuer to pool together all loans selected for securitization under a single product and transfers

them to a Special Purpose Vehicle (SPV), this transfer of assets is recorded on the blockchain to prevent double-pledging. This recording of assets on blockchain helps tie back every loan linked to an individual borrower along with all modifications and servicing history permanently recorded. The smart contract then codifies the transaction's terms, including its cash-flow model, which all the parties to the contract agree to, thereby making the smart contract legally binding. The contract is executed digitally, without the need for cumbersome paperwork.

**Bloable structured finance smart contract**



**3. Bloable Servicing and Payments Smart Contract:**

- a. The Servicing and Payments Smart Contract takes care of many ancillary activities related to the loan and structured finance, whereby it helps to automatically collect payments from loan servicers, references the cash-flow model specified in the contract governing the SPV, and distributes payments to the beneficiary holders of the security with only minimal delays for settlement. This information stream is relayed to rating agencies and the secondary markets.

The smart contracts stated above will have access to external information from secured and authenticated data sources in the form of Oracles. These Oracles will be necessary

to provide trigger information for the smart contracts, enabling actions on that information and automated decisions of the next steps of action. The Oracles would be categorized as follows:

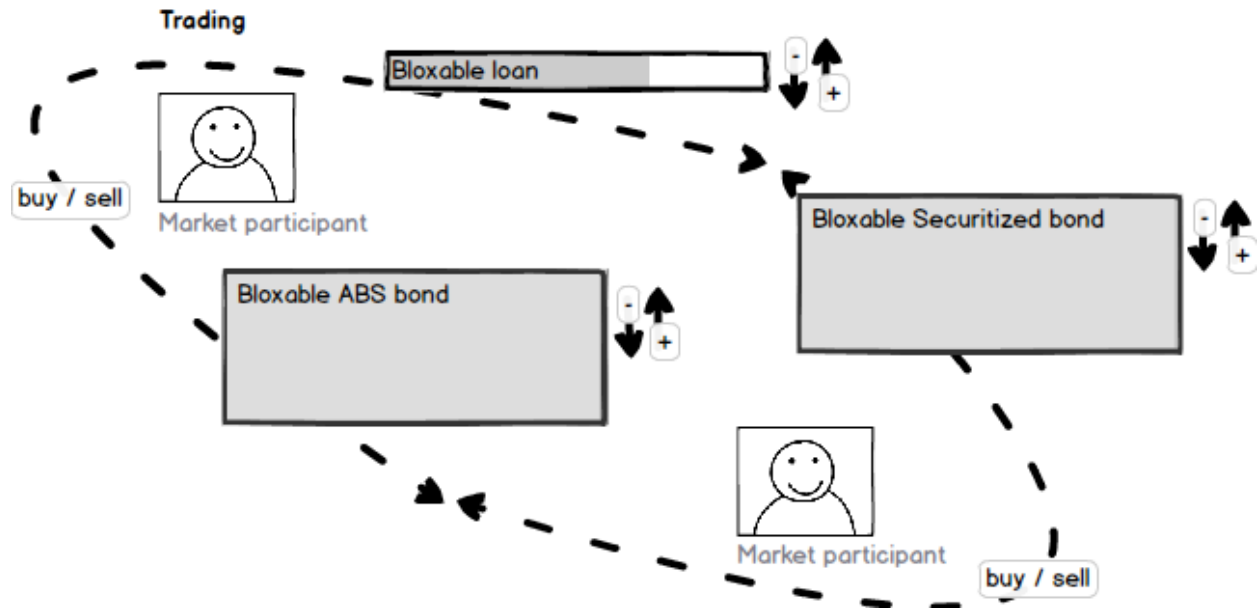
1. Ratings: These Oracles provided trusted sources of information about the rating scores for each of the assets included in the securitization process, thereby enabling accurate views of asset qualities and possible defaults.
2. Real-Time Price Quotes: External live price quotes for the asset are consistently fed into the smart contract via the Oracle to monitor price movements and detect any obligations that may be triggered by price changes.
3. Payments Services: These Oracles enable payment servicing of the asset and recording of the relevant information for payment history.

## Blovable Trading Module

Blovable Trading module will enable the platform users to originate and trade initially in the loans originated on the platform itself. This way the platform provides assured liquidity to investors and other players in the marketplace. Thereafter, the platform will be extended to trade externally originated loans, Securitized Products, Structured Products and Asset Backed Securities.

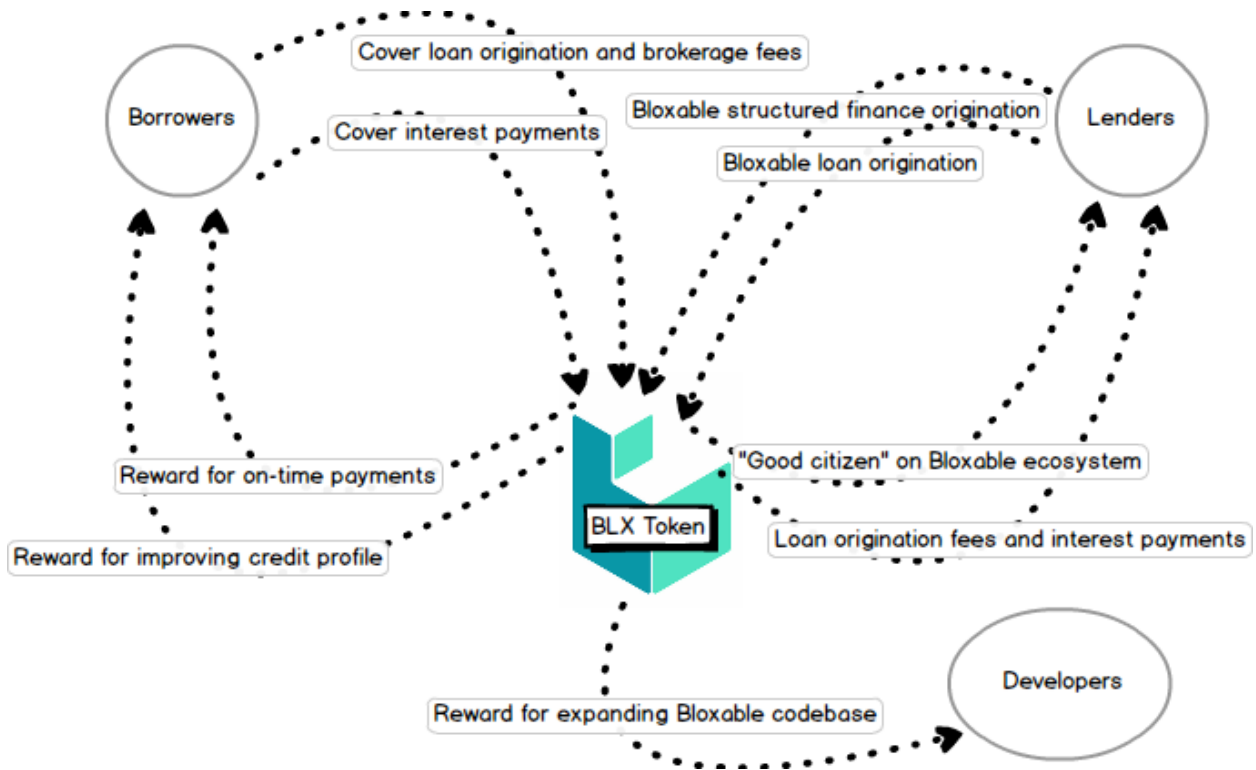
Blovable platform will enable these trading activities with the use of smart contracts developed using private permissioned blockchain components that will provide enhanced interoperability between traditional systems and the Blovable platform. Blovable platform's unique blockchain-based architecture enables improved deal execution through better data insight and asset selection, obtained due to immutable data stored on the blockchain. This helps enable the system to run complex historical analyses, monitor performance, and analyze key information. Not only does this help the platform users to automate the structured / asset-based funding process with powerful algorithms and easy-to-use scenario builders incorporating key covenants, it also - at the same time - tracks performance relative to deal triggers and compliance. Blovable platform has built-in modules that help create plug-and-play solutions based on user preferences and loan origination features.





## Bloxable Tokens

Bloxable’s structured finance platform will heavily rely on Bloxable (BLX) tokens for structuring and securitizing various product offerings in a regulatory compliant financial format. BLX tokens are the underlying economic unit of the Bloxable marketplace that helps perform all transactions related to the platform.



## Product Issuers

All product issuers looking to structure and / or securitize their products on the Bloxable platform will be required to pay the necessary fees in the form of BLX tokens. The amount of fees paid is governed by multiple factors such as product complexity, jurisdictions, duration and the amount involved. The issuers can provide additional incentives to promote further participants to create associated features which can help speed up the process and help create an ecosystem around the whole exercise. The Bloxable platform is intended to create an environment of promoting issuers by rewarding them for their good behavior in terms of enhanced benefits on the platform. After every deal done on the platform, all issuers and engaged entities will be rated on their engagement and performance on the platform. This rating will be based on certain parameters such as good governance, ease of dealing and lack of arbitration record. The higher the rating, the better the rewards that will be offered in terms of lower platform fees and other analogous benefits. Bloxable intends to create a loyalty program feature with the Bloxable tokens that will reward good behavior of participants and in-turn create network effects to ensure that the customers are kept engaged on the platform with these incentives.

# Oracles

Oracles help provide the necessary external data that is needed in the structured finance workflow to ensure that the product is created in accordance with the regulatory requirements and with the most up-to-date market information. These data providers would be namely:

1. **Market Data Providers:** These providers furnish latest market pricing and other related information for the product class.
2. **Credit Rating Agencies:** These providers assign credit ratings, which rate a debtor's ability to pay back debt by making timely interest payments and the likelihood of default. The agencies may rate the creditworthiness of issuers of debt obligations, of debt instruments, and in some cases, of the servicers of the underlying debt.
3. **Auditors:** The auditors provide the guarantee and peace of mind in terms of the relevant paperwork being in-order and compliant with all regulatory aspects. The auditors can directly plug into the system and view the immutable record of the security and provide their assessment with the use of an audit trail created on the blockchain.
4. **Legal Providers:** The legal providers help supply legal templates and other associated legal support that can be directly fed into the smart contract logic to make it a legally binding contract.
5. **External trigger event providers:** There may be specific requirements to induce additional data points in the smart contract that can be used to better manage the product issuance and associated workflows. These external providers can be easily integrated to ensure direct data consumption in a safe, secure and authenticated fashion by the smart contract.

Oracles will be developed in partnership with all these partners stated above whereby Bloxable will help in creating a plug-and-play API-based environment, helping legacy data feeds to be directly integrated into the Bloxable platform and at the same time have authenticated characteristics. The use of each of these Oracles will incur a minimal fee in terms of Bloxable tokens, hence avoiding spam transactions and enabling the system to have a healthy and prioritized use of resources. The Oracles will in-turn enable smart contracts to conduct most of the business logic flows much more quickly and in an automated fashion, thereby enabling faster turnaround times in terms of trigger events.

## Borrowers

Bloxable will provide enhanced capabilities to the borrowers on the platform that will enable them to perform multiple functions of the loan origination process in one place. The borrowers will be able to use Bloxable tokens to cover loan origination, broker, and other fees associated with borrowing funds, thereby removing the friction of having to wire funds to the originator and then having to wait for the funds to be received to activate the next steps. Bloxable tokens help eliminate the payment friction by crediting instant payments, thereby reducing the turnaround time for all actors. The Bloxable tokens will also help facilitate interest payments on borrowed debt with BLX tokens thereby ensuring that an effective track record is maintained of the loan servicing, a data point that can be used to reward on-time payments and help reduce the borrowers' future borrowing costs by helping improve their credit score in a proprietary credit-scoring algorithm.

## Developers

Bloxable will provide a set of standard smart contract templates that can be used for the structured finance processes. However, to meet the ever-growing demand for creating non-standard products, developers will play a critical role in developing the smart contracts needed to address these specific requirements from the issuers. Most of these smart contracts will be for structured finance and related offerings, but there may be a need for custom contracts specific to an issuer's particular needs. A fee in form of BLX tokens will be charged each time a new customer contract is deployed on the platform.

## Token distribution

The launch of Bloxable Tokens (BLX), and the corresponding SAFT Offering (SAFT Offering). The eventual number of BLX tokens created depends on the amount of contributions received. The BLX will only be issued to the respective wallets once the Bloxable Structured Finance Platform goes live, which is currently slated to happen at the end of Q4 2018.

The BLX tokens do not in any way represent any shareholding, participation, right, title, or interest in Bloxable Inc. or any other company, enterprise or undertaking, nor will BLX

tokens entitle token holders to any promise of fees, revenue, profits or investment returns.

The SAFT Offering will commence on in early 2018 (**to be determined**):

- Either Ether (ETH) or US Dollars (USD) can be contributed and turned into BLX.
- The SAFT Offering will be hard-capped upon receipt of ~33,333 ETH (current ETH price = ~USD \$600) or ~\$20 million USD.
- 50% of all tokens to be sold during the SAFT Offering.
- The SAFT Offering will last 90 days, the start date and time will be communicated via the Bloxable website mentioned in this Whitepaper.
- Participants willing to contribute to and support the development of Bloxable platform can do so by first being Whitelisted on the Bloxable website [www.bloxable.com](http://www.bloxable.com), executing appropriate SAFT documents and sending Ether or US Dollars to the designated smart contract address or account.

Token name	Bloxable Token
Ticker	BLX
Legal qualification	The offering is a SAFT offering
Number of tokens	2000 BLX per ETH
Target contributions	Hard Cap of ~\$20 million USD
Timeline	TBD
Trading	TBD
Transferability	The SAFTs (and tokens) will not be freely transferrable at the outset – they will be transferrable only among accredited investors after 90 days, in transactions that are conducted outside the US to non-US persons, or freely after a year
Legal adviser	Wilson Sonsini Goodrich & Rosati

## Token allocation

### **Crowdsale - 50%**

50% of BLX created during the SAFT Offering will be allocated to the public contributors

who send ETH or USD to the smart contract address or account.

### **Blovable Core Team - 20%**

20% of BLX created during the TGE SAFT Offering will be allocated to Blovable Core Team, including the Founders, to-be-key members and early members, all locked in a 24-month vesting period, and 12-month cliff. This will further align the Founders' interests with executing upon the long-term goals.

### **Developer Pool - 15%**

15 % of BLX created during the SAFT Offering will be allocated to the development resources engaged in helping with the smart contracts, helping with legal arrangements, partnerships and the bug bounty fund. In the middle term, Blovable will leverage many critical partners who will enable Blovable platform. Also, as more and more complex smart contracts are created, the bug bounty fund will become essential.

### **User Growth Pool - 15%**

15% of BLX created during the SAFT Offering will be allocated to early contributors according to a list of weighted contributions. These resources will enable the Blovable platform reach critical mass and gain traction on both issuer side and investor side, thereby helping the platform grow.

## Roadmap

### Key Activities & Partnerships

Blovable intends to use the funds generated from the SAFT Offering as follows:

### Use of Funds Raised

#### Product Development and R&D

65% of the funds are expected to be spent on Product development which includes improving the end-user experience, ease of inputting data, building the data Oracles and connectivity, and creating smart contracts. The budget will be spent on hiring blockchain developers, full-stack developers, researchers, data scientists, smart

contract engineers, financial specialists, risk analysts, marketing managers, security specialists, etc. and building the technological infrastructure. Bloxable intends to be the one-stop-shop for all activities related to structured finance starting from loan origination to creating SPV's and setting up prepayment schedules and so on. Given the unique blend of Blockchain and Financial technology, a technical team with a strong understanding of structured finance workflows is required who can help deliver world class experience to our customers. This will enable us to deliver our solution platform to comply with highest level enterprise delivery standards.

## Marketing and Business Development

15% of the funds are expected to be spent on Marketing and Business Development of the Bloxable Platform. The marketing budget is not significant compared to the target number of customers we intend to acquire. The key source of new customers is going to be institutional sales team that will do extensive business development activities targeting financial institutions, hedge funds and other structured finance industry players looking for alternative structured finance platforms that offer superior customer experience and pricing capabilities compared to existing systems. The Marketing and Business Development focus is to bring the complete ecosystem onto the platform to make it gain critical mass and develop network effects that will in-turn drive rapid adoption and accelerate network growth.

## Legal and Accounting Expenses

5% of our funds are expected to be used for Legal expenses given the nature of the industry we operate in. Compliance is key to the long-term success of the Bloxable Ecosystem, and our budget allocated to legal costs ensures that we fit within regulatory parameters in any new markets we enter. There is a substantial cost associated with integrating all those partners, acquiring all the necessary licenses across multiple jurisdictions, building out compliance teams, legal fees and general technical architecture setup. With the use of blockchain technology we have helped reduce a lot of manual compliance overhead and simplified the auditing processes thereby enhancing regulatory compliance efficiencies.

## Operations and Administration

10% of our funds are expected to be spent on the Operations aspect of our business. To ensure that day-to-day operations continue running smoothly as the organization expands, a greater focus will be placed upon processes, and the hiring of additional operations managers will be required.

## Contingency Reserves

5% of our funds are expected to be kept as contingency reserves for our business. These contingency reserves help us protect ourselves from unforeseen circumstances and any budgetary challenges that we may face. However, we do not anticipate them to be put into use anytime soon.

# Development Roadmap

## 2018 Q1-Q2

Post the SAFT Sale completion, Bloxable intends to add additional members to the technical team and complete numerous business development initiatives.

## 2018 Q3

**Smart Contracts Structured Debt Network** is anticipated to be rolled out, pooling together and securitizing loans from leading decentralized lending platforms: [SALT](#), [ETHLend](#), [Lendroid](#) and others.

## 2018 Q4

Bloxable intends to make the Vanilla Loan origination component of the platform live as Phase 1 for private beta users with loan origination services needs. In this phase, users will be able to originate commercial loans and mortgages. This phase will allow Bloxable to gain valuable user insights about the platform and collect operational parameters that will be used to streamline processes and implement industry best practices in this new setup.

## 2019 Q2



Using the analytics gained from the Beta Launch, Bloxable will initiate development of the smart contract module that will be used to issue structured finance products on blockchain and create immutable auditable records that will be shared with data partners. The smart contracts will enable an ecosystem to allow integration of multiple data partners from the industry using secured and verified data oracle architecture to ensure consistent and regular flow of information to guarantee that the system remains updated.

## **2019 Q4**

Bloxable will implement the Primary Trading module on blockchain that will enable addition of derivatives categories on the blockchain-based platform. The platform will help add further trading capabilities to help in primary trading of structured finance products originated on the Bloxable platform thereby creating an avenue to provide liquidity for the structured finance and securitized products. The platform will also start onboarding hedge funds and other financial services institutions that are actively engaged in trading of structured finance and derivatives products.

## **2020 Q2**

Feature enhancements to the origination module and the trading module will be made in addition to enabling exotic product origination and secondary trading onto the platform to help provide consistent product liquidity across various asset classes. This will mark the full-fledged operation of the complete structured finance platform with a stable deal flow and high engagement of industry players leading to strong volumes and efficient trading venue.

# Team

The Bloxable team is made up of some of the best serial entrepreneurs who have consistently excelled in building smart companies that have developed solutions addressing some of the biggest pain points of consumers and delivered top class products.

## Ivan Zone (Zdanov) - CEO

Education: Computer Science with Honors, Washington and Lee University. MBA, The Wharton School, University of Pennsylvania. MA in International Studies, The Lauder Institute, University of Pennsylvania.

Experience: Structured Finance Trader and Originator at \$5 billion AUM Hedge Fund Petra Capital Management. Commercial Real Estate Loan Originator at Cushman & Wakefield. Quant Portfolio Manager at AllianceBernstein, \$500 billion Global Asset Manager. Venture Capitalist at GVA Capital, International Venture Capital Firm. Serial entrepreneur: Fintech, Web, Mobile.

Passion: Enthralled with the potential of blockchain and smart contracts to fundamentally alter the current economic and social systems to more equitably and fairly reward significant contributions to society and humanity at large. Reinventing structured finance is just the first small step to revolutionizing financial and power systems currently governing planet earth.

FINRA Licensed: Series 7 Registered Representative (Financial Industry Regulatory Authority)

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