



Responsible Blockchain Report

**RBR**

**Feb 11 – Feb 17**

# **Weekly Briefing**

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FinTech4Good aims to provide business leaders with the most up to date blockchain business insights through our Weekly Briefing. We will feature some of the most exciting projects and influencers in the space.

——Xiaochen Zhang  
President of FinTech4Good

## Responsible Blockchain Reports

*Responsible Blockchain Reports are a series of reports prepared by the FinTech4Good Group. We define market trends, identify blockchain stars, interview industrial leaders and provide in depth insights on emerging topics in the blockchain industry.*

*Our Weekly Briefing, Monthly Report and Special Issues are prepared by FinTech4Good Fellows in collaboration with some of the world most influential scholars.*

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# STO WATCH

CityBlock Capital

## STO in the U.S.

**According to The Tokenist, CityBlock Capital To Hold Security Token Sale And Trading On The SharesPost Platform in 2019.**

### ❖ Summary

- CityBlock Capital will be holding an STO for its NYCQ Blockchain Infrastructure Fund to be traded on the SharesPost platform, a new announcement just revealed. The NYCQ Fund does not invest in cryptocurrencies; instead, it invests 90 percent of its capital in early-stage blockchain projects. CityBlock Capital will be tokenizing the fund and token holders will be paid out dividends.
- SharesPost's Alternative Trading System (ATS) will support CityBlock's security token and its trading. The system currently connects some 50,000 institutional and individually-accredited investors.
- SharesPost is a FINRA-registered broker-dealer and launched in 2009 as an online secondary market but has quickly made itself one of the few trading platforms for security token issuers out today.

### ❖ Analysis

CityBlock Capital is not the first blockchain company to announce they would be issuing their token on the SharesPost Platform. Blockchain Capital, another portfolio, also announced in January they would be doing similarly.

# STO WATCH

## STO Launch



**TokenMarket, a UK-based fundraising platform, announced its plan to launch its own STO to raise £10 million within the Regulatory Sandbox of UK Financial Conduct Authority (FCA).**

### ❖ Summary

- Founded in 2016, TokenMarket has successfully supported 30 blockchain companies in raising more than £240 million from over 250,000 investors.
- This offering will be the Series A round for TokenMarket itself. With a total of £9m revenue in 2018, it has been a self-funded venture. It plans to use this additional funding to tap into a bigger market of startup fundraising.
- This offering is planned as two stages. The first phase is a private placement open to professional investors, and the second phase will be a tokenised equity crowdfunding campaign open to self-certified investors in March.

### ❖ Analysis

TokenMarket joined the Regulatory Sandbox cohort of UK's Financial Conduct Authority in July 2018, to develop, test and measure the use case of tokenized equity crowdfunding. This offering represents its initial efforts in developing a non-custodian decentralised fundraising mechanism.

# STO WATCH

## STO Compliance



**Elevated Returns claimed it would collaborate with Securitize to change the technology protocol platform from Ethereum to Tezos blockchain for its first compliant real estate security token ---- Aspencoin.**

### ❖ Summary

- Elevated Returns thought the Tezos blockchain of Securitize is more suitable to Aspencoin because the Digital Security Protocol of Tezos blockchain aims to ensure the compliance of digital asset under different phases. It also planned to issue other real estate security tokens through Tezos blockchain. They would be worth \$1 billion.
- Elevated Returns issued Aspencoin and raised \$18 million in 2018 . It passed the Regulation D of the Security and Exchange Commission and was exempted from registration. The share represented by Aspencoin doesn't have voting right. The shareholders can benefit from the future operation of Aspen St. Regis Hotel owned by Elevated Returns. They can also trade Aspencoin in a licensed secondary exchange ---- Templum Market.

### ❖ Analysis

As the first compliant security token in real estate industry, Aspencoin becomes more compliant through the application of new protocol. It sets a good example for those who want to tokenize real estate.





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