



Responsible Blockchain Report

RBR

# 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

## Investment Via STO



EVAIO has announced to invest in Faraday Future (FF) 900 million USD over 3 years via indirect STO on November 13, 2018.

### ❖ Facts:

- Most of team members of EVAIO are ex-tesla managers combined with specialists in crypto and blockchain. The company aims to build a blockchain for electric vehicles and successfully completed EVA token private sale earlier this year.
- Stifel, an US investment bank will serve as FF's financial adviser and assist FF with this financing.
- Before the investment contract, FF has been attempting to cancel a \$2 billion deal that would give 45% ownership stake to the Evergrande Health Industry Group, a Chinese healthcare company.

### ❖ Significance:

If the big investment via STO finally achieves, Faraday Future may be able to obtain support from the crypto world in next few years.

### ❖ Opinion:

The investment would be a good example for STO financing and stimulate the development of STO market.

# STO WATCH

## Crowdfunding Via STO



Ockel Computers is the first Dutch company to pioneer the STO fundraising format.

### ❖ Facts:

- Ockel Computers is a computer hardware maker. Particularly, the company work with technology giants like Intel and Microsoft to produce machines that meet international quality standards.
- Ockel Computers believes that blockchain technology is reshaping the business landscape. Particularly, companies that launch STO are empowered to raise funding without over-reliance on cultivating a lead investor.
- The CEO of Ockel asserts that “An STO is different from previous token offerings in that it provides investors with more assurance because with STOs investors get real shares in the company, based on concrete value.”

### ❖ Significance:

STO has gained traction in the Netherlands. Ockel’s STO falls under the purview of the Dutch Authority for the Financial Markets (AFM).

### ❖ Opinion:

STOs enable companies to activate their constituencies instead of relying solely on major shareholders or bank loans.

# STO WATCH

## STO Launch in the U.S



StartEngine, an equity crowdfunding and security token offering platform, launched its security token offering to accredited investors under the Reg D exemption of SEC on November 12, 2018.

### ❖ Facts:

- The StartEngine announced their first Reg A+ offering in March 2018, which has not been qualified by SEC. This offering under the Reg D 506(c) will remain open until their Reg A+ filing is approved.
- The shares are considered to be preferred equity and are priced at \$7.50 each. A minimum investment for the accredited offering has been set at \$10,000. StartEngine aims to raise \$10 million during this round.
- The StartEngine plans to launch a broker-dealer and Alternative Trading System (ATS), called StartEngine Primary, and a security token trading platform, called StartEngine Secondary, which are pending the approval of the SEC and FINRA.

### ❖ Significance:

StartEngine has been one of the pioneers in security token offering. The funding they raise will be used to further develop its platform.

### ❖ Opinion:

Launching STO under the Reg D rules is the common practice in the industry, given the complex processes and disclosure requirement of Reg A+ STO. Therefore, there have been very few cases of Reg A+ STO in the market.



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FinTech4Good (FT4G) is a global network which connects start-ups, investors, industry leaders and public sectors to introduce impactful fintech and blockchain solutions to frontier markets through incubation, acceleration and investment.