FUNDER ONE CAPITAL

www.funder1.io

Whitepaper V2.0

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Introduction

The tokenization of assets refers to the process of issuing a utility token that is the digital representation of a real asset and secured through the implementation of blockchain technology. These utility tokens, generated through a utility token offering to distinguish it from other types of ICOs, can produce different tokens such as equity, utility, or payment tokens. An ICO creates a digital representation—a utility token—of an asset, meaning that it can represent a demand of a company value and use, ownership of a piece of real estate, or participation in an investment fund and traded on a secondary market or exchange.

Benefits

A new "token economy" offers the significant potential for greater efficiency by reducing the friction involved in the creation, buying, and selling of various securities. We see four key advantages this provides for both investors and sellers:

1. Greater liquidity

Tokenizing of assets—especially private securities or traditional illiquid assets such as fine art—generates trade opportunities on a secondary market of the issuer's choice. This access to a broader base of traders increases potential liquidity, benefiting investors and granting more opportunity to sellers because the tokens benefit from the "liquidity premium," thereby representing a higher value percentage of the underlying asset.

2. Faster and cheaper transactions

Because the token operations occur within smart contracts (software algorithms integrated into a blockchain with trigger actions based on pre-defined parameters), most parts of the exchange process are now automated. This automation reduces the administrative burden involved in buying and selling, with fewer intermediaries needed, leading to not only faster deal execution, but also lower transaction fees and increased security.

3. Increased fiscal transparency

A utility token can have the token-holder's rights and legal responsibilities embedded within the token itself, including an immutable record of ownership. These characteristics promise to add transparency to transactions, allowing anyone to know with whom you are dealing, the express right granted, and who owned any particular asset.

4. Greater Accessibility

Tokenization opens investment in assets to a much wider audience due to reduced investment requirements and accessibility periods. Tokens are divisible by design, meaning investors can create fractional tokens that represent smaller percentages of the underlying assets. If each order is cheaper and easier to process, it will open the way for a significant reduction of required investment amounts. Moreover, the higher liquidity of utility tokens also reduce required investment periods as investors can exchange their tokens on secondary markets, which are globally active 24/7 (subject to regulatory limits).

These advantages most apply to asset classes that are considered illiquid and can benefit from improved transparency, efficiencies, and lower minimum investments. Two areas are particularly interesting when considering the possibilities of tokenization: real estate and fine art. Rather than requiring very large investments, or tying up your money for extended periods with your investment split across several other assets in the fund, tokenization could permit you to invest €50 in the piece of art or specific building in which you are interested, and then easily sell the token at your discretion. This ability to freely choose where you invest will open a new era of much greater personalization and customization in investment—an area that is increasingly relevant as investors now look beyond just returns and pay much closer attention to where their investments are made.

Historical Context: Digital Certainty and Scarcity

On October 31st, 2008, some anonymous person/persons under the alias Satoshi Nakamoto released a white paper, "Bitcoin: A Peer-to-Peer Electronic Cash System" on a cryptography mailing list. The paper outlined a financial system that did not rely on trusted third parties but rather cryptographic mechanisms to eliminate the double-spending problem and the centralization of vulnerabilities (Nakamoto 2008). The Bitcoin network went live January 2009. The Nakamoto protocol implemented clever cryptography to create a novel financial application, a medium of exchange without masters. This alien fintech drew upon decades of research in the areas of public-key cryptography and digital cash systems, succeeding where those attempts failed by eliminating the variable of the vulnerable, centralized server and instead introducing the data structure that became known as the blockchain, a distributed, cryptographically verifiable database underlying the Bitcoin currency.

The real magic of Satoshi's opus, however, was found in the redefinition of the digital object. Before Satoshi's white paper, the identity of a digital object was defined mostly within the context of its presumed greatest
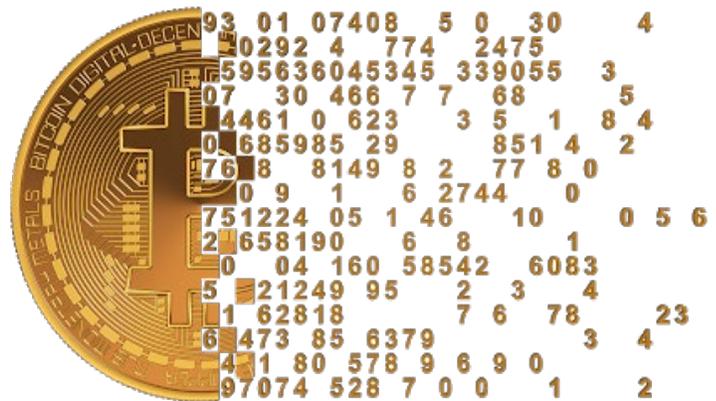
ability: infinite duplication and malleability. While these are essential elements that were the groundbreaking tools that led our foray into the digital realm, they also led to unintended consequences as they evolved. Most of the industry uses developed to take advantage of new digital technologies focused upon and leveraged these two qualities.

Satoshi revealed, however, that a more powerful side of the digital object exists. One where all digital objects are defined by their certainty and scarcity. The evidence of the impact of these factors is found in the qualities of the infinite digital object as well. Because it is defined by its lack of scarcity, there is a noted lack of certainty in any transaction involving an infinite digital object. The ultimate nature and power of digital objects is enforced and maximized through the leveraging of its own elemental certainty. True or False. 1 or 0.

Once this certainty can be utilized, the digital object becomes resilient, sometimes "antifragile," and can organize itself into the specific, defined quantities of serialized inventory. Even at a million defined elements, a digital object with a defined inventory of known objects, is inversely made more certain and scarcer than the infinite digital object.

Obviously, many companies have leveraged infinite digital objects to great advantage, and continue to do so, but their success was always dependent upon the centralization of resources

and data protection. It is the centralized systems that provided the (artificial) certainty and scarcity needed. This is declared as "artificial" because the elements of certainty and scarcity are not innate qualities of infinite digital objects. They are instead created by the forced centralization of access, payment, and verification.

The success and growth of Bitcoin in the light of challenging the world's legal, economical, and even political notions regarding the use of digital objects, has done little more than legitimize the philosophy behind Satoshi's work.

Technology Context: Programmable Blockchains and Smart Contracts

Bitcoin was designed for the singular purpose of its financial application as an alternative currency to challenge the existing establishment. While there were non-financial applications such as "proof of existence," a method of timestamping and hashing a unique digital document, the Bitcoin protocol lacked versatility due to its lack of extensive scripting capabilities—programmability—necessary to develop a wider range of applications. This limitation prompted Vitalik Buterin to propose a new blockchain platform that allowed developers to write and deploy smart contracts—programs that execute on a blockchain—thereby allowing the development of a wide range of decentralized applications (Dapps). Ethereum is a decentralized "world computer" which requires Ether, the protocol currency, to run computations (Buterin 2014).

The notion of the smart contract was originally proposed by Nick Szabo in 1994 before there were any systems capable of actualizing it. The essential thesis: since contracts are "imbedded in the world," in the many facets of our personal and business relationships, it is possible that programmable contracts could facilitate all manner of peer-to-peer interactions and transactions, thus opening many economic opportunities previously unavailable ("Smart Contracts" 1996).

Currently, there are many projects tackling different areas of commerce and finance using blockchain-based architecture, or even building new protocols upon which to build these applications. Whether or not these efforts result in mass adoption of blockchain, cryptocurrency, and decentralization depends on the developers and entrepreneurs in the space keeping the end users of these systems at heart.

Pieces Form a Whole

What we have here is the scaffolding for a new architecture of decentralized systems, simultaneously antifragile and inclusive. The efforts of cryptographers such as David Chaum, Hal Finney, Ian Grigg, Nick Szabo, Satoshi Nakamoto, et al are coalescing into form and purpose as technologists and entrepreneurs challenge the status quo and the powerful monopolies of the world, creating sustainable tools of commerce fit for the overwhelming pace of society.

A lot of the frictions of the world are due to uncertainty: of purpose, of intent. Blockchain and the general notion of triple entry accounting allow a neutral source of certainty in an increasingly digital world, thus making possible to maintain security, pseudonymity, and confidence in one's business and financial endeavors.

The Funder One-Capital Constitution: Codifying Intent

The blockchain is a shared ledger of discrete events constituted in a cryptographically secure data structure. If the transactions are verified and validated in the consensus protocol, the functioning narrative will persist indefinitely. The design and structure of the Funder One-Capital Platform is inherently human-centric, for real, active users are necessary for any dynamic and prosperous network to perform optimally. Since the human element is inseparable from the abstract data in the context of any digital participation, these types of systems require self-governance.

Governance within decentralized networks presents a challenge as the total lack thereof can produce toxicity amongst the human nodes or cause instability or obsolescence within the software itself. A notable example of this is the forking of blockchain software. Such events arise when there is lack of social consensus or clarity of intent behind the community. Politics amongst miners, developers, or others with vested interests can inhibit the growth of a network relying on a blockchain accounting system. The people who rely on these systems indirectly through applications or businesses running the software should not have to experience the stagnation or volatility that arises when there is lack of a fair governance structure from the beginning.

Most blockchain environments operate under the axiom "code is law," which places the data structure and its processes and functionality above the human element. Most of these networks rely solely on crypto-economic schemas which are often defined and implemented in such a way as to inhibit the purpose (if present) of the network with the emergence of influencers, cartels, and other entities basking in the "might is right" ecosystem. When the goal is to maximize human potential, putting the machinery on a pedestal seems outright ludicrous.

The Funder One-Capital Platform will use a constitution as the foundation of its governance. This is inspired by Dan Larimer's research on governance models for the EOS blockchain operating system (Larimer 2016). The Funder One-Capital Constitution will codify and detail the general rules and associated roles within the environment, define the areas of accountability, set methodology of dispute resolution and cement the core values of the network to be accepted by all participants.

Intentionality is a crucial element to the platform. As contractual relationships are one of the main components of commerce between collaborating Entities, the constitution takes this model and applies it throughout the entire network as a system-wide, generalized contract. From the user perspective, this is not unlike a terms and conditions clause. What makes this document different from the average terms and conditions agreement is that it is possible to define and enforce the values of the network rather than focusing entirely on

the rules. Constraints are fine and necessary to define any operating structure, but if they are too many and too granular it will inhibit the growth of the network.

Who is affected by the constitution? The simplest answer would be the user, but since the Funder One-Capital Platform could be the operating system on which real estate projects run their accounting system and business processes, are the users of those applications and services in turn affected by the constitution? Where does privity of contract end in this chain? A lot of this is contextual as some projects launched on Funder One-Capital may choose to default to the original constitution or draft and implement their own. The exact minutiae of this framework are still being defined. Ideally, this document should be static, changing only with the overwhelming indication and approval of the community. A governing document revised over time with accumulating edge cases loses its simplicity and clarity, particularly when used in parallel with a myriad of local and global jurisdictions and regulations.

In practice, the constitution will be presented to the User upon entrance into the network like a terms and conditions clause. The process of verifying one's unique User ID and creating the first pseudonymous Entities for interacting and transacting on the platform requires a cryptographic signature of the constitution by the new user. The hash of this document will be included in every subsequent transaction throughout the network, showing that the user behind the pseudonymous Entity has agreed to the same

parameters as the rest of the network. This satisfies privity of contract, where only the parties to the contract can contest the contract and initiate a dispute.

Blockchains can allow distributed accountability amongst all network participants and do so in a manner that does not compromise the User's privacy or self-sovereignty. However, the processes involved are facilitated through software, so the users as well as the developers of the platform are beholden to the constitution. No exceptions. The goal is to create mechanisms and frameworks that allow intentional interactions and transactions in specified, unambiguous contexts with consent of all parties involved. Next, the conceptual thorn that has challenged philosophers and computer scientists alike: identity.

"Who are You?" The Problem of Identity

To untangle the difficult notion of identity, we once again fall back to the dichotomy of physical vs. digital. In physical space, we often define identity as an indicator of a unique flesh-and-blood human being with a singular, persistent personality. Actual experience would indicate that the domain of one's identity is not singular, but plural. If someone, due to disease or trauma, loses all memory and semblance of who they are or were, identity extends from that individual to their network of peers, their social graph. There is also the actual experience of identity wherein we behave differently in different contexts. We are multifaceted. We contain multitudes.

Identity is not singular. It is correlative.

In digital space, identity presents an even bigger challenge because we lack the face to face interaction that creates trusted relationships. Networks are subject to Sybil attacks, in which one bad actor can create a multitude of identities to overtake or hinder the network. Sybil-resistance is a key requirement for any decentralized system.

As stated above, one of the important elements in establishing a presence in this platform is pseudonymity that does not sacrifice accountability or privacy.

The Value of Pseudonymity

It seems that the use of pseudonyms is quite natural in two areas of activity relevant to this project: digital and online environments.

The world is full of entities who choose other legal identifiers: corporations, stage names, pen names, alter egos, etc. Sometimes this is part of a performance, a conscious attempt to create an aura of mystique and intrigue, an aesthetic, that the artist and audience alike can tune into. Some writers, such as Stephen King and J.K. Rowling, have at some point chosen not to leverage their fame for certain works, so they use pen names (until their real identity is discovered, which is common in such cases.)

The rise of the internet brought a flourish of new identities. People could communicate with one another in relatively private channels. The constraints and social mores of

physical interactions no longer applied. The Cypherpunks of the nineties valued pseudonymity and anonymity as fundamental rights of people within the developing surveillance state, so many of these computer scientists and cryptographers set out to develop more secure methods of encryption to protect the public.

As technologist David Birch writes in *Identity is the New Money*, "All of the identities we exchange are virtual, and while the virtual identities are of course linked to our mundane identities, they should not be confused. None of them is 'real'…all identities are pseudonyms" (Birch, 2014).

The Funder One-Capital Platform allows digital entrepreneurs and their customer base to generate pseudonymous "economic avatars" (Lanier, 2013) through which they can interact and transact with one another in digital commerce. We call these **Entities**.   In keeping with the spirit of digital and digital personae, digital entrepreneurs can generate multiple identities for a variety of contexts; however, this is not without some necessary limitations.

Entry into the platform is invitation-only

This not only allows the network to grow organically as Owners invite their friends and frequent collaborators into the fold, but also helps establish a network built with human nodes, where the connections and points of convergence are key. Ian Grigg's notion of identity as an "edge protocol" (Grigg, 2017) rather than a nodal one resonates here, since we are emphasizing in our design the social graph of individuals and connections therein rather than static features as mundane as name, date of birth, or Social Security number (or some equally extraneous variable implemented outside the US) supplied by a central authority.

The crypto-asset, Funder One-Capitals, are utilized to create unique seat licenses which are required to enter the ecosystem. The first step is to generate a User ID, a human-unique identifier. This is the root ID in the system that establishes presence, the mundane identity of the Owner or Collaborator. This is important if we want to crystallize that individual's presence in the network and verify that he or she is not duplicitous. User IDs, however, are not visible Entities on the network but rather a necessary root to combat Sybil attacks and provide the appropriate bedrock for dispute resolution, arbitration, and generally interfacing with the real world (as the platform evolves to incorporate more advanced use cases, real property assets, etc.) Once a User ID is created, a Funder One-Capital is locked to that ID and taken out of circulation.

The specific process of the digital identity creation is designed to provide a personally encrypted and managed data chain of information that allows the user to share as much, or as little information about themselves that they wish. An individual, secure, and immutable record of personal identity. Your on-chain identity is as important as your off-chain identity and in time, will grow to become more so as social networks and e-commerce become increasingly ubiquitous.

Privacy is not about hiding, it is having the ability to reveal yourself on your own terms. That is why all User information that is collected is stored by each User upon their own data chain, and they can choose to provide access to the information to any requester.

Ultimately, tools such as Driver's Licenses, Social Security numbers, passports and more are arbitrary pieces of identification in which a third party (the government most of the time) vouches for the validity of the information that is provided. Ironically, the information on these forms is generally used to verify the User so that they may gain access to their own information, money, or property. When personally identifiable information is centralized under one authority, that authority will no doubt become the target of massive data breaches, like the case of the Equifax hack, in which the information of 145.5 million Americans was compromised.

Instead, these digital identities, and the secure ownership of them, is utilized in tandem with our analog, physical identities to create a bridge between the digital record chain we create and physical ownership of any asset in question.

Funder One Market Comparison

FUNDER ONE CAPITAL | COMPARISON CHART

| FEATURES	FUNDER ONE CAPITAL	DOMUS	PROPY	HCT TOKEN	REX	CROWDVILLA	BITPROPERTY
Social Network	✓	—	✓	—	✓	✓	—
Full Search Directory	✓	—	✓	—	✓	—	—
Rentals	✓	—	—	—	✓	—	—
Sales	✓	—	✓	✓	✓	—	—
Investments	✓	✓	✓	✓	—	✓	✓
Real-Time Prices in Fiat/Crypto	✓	—	—	—	—	—	—
Auctions	✓	—	—	—	—	—	—
Worldwide Transactions	✓	✓	✓	✓	✓	✓	—
NO Subscription Costs	✓	✓	✓	✓	✓	✓	✓
Transactions on Blockchain	✓	✓	✓	✓	—	—	✓
		—	—	—	—	—	—
Reviews	✓	—	—	—	—	—	—

Blockchain and the Mortgage Industry

Many areas in the financial world have been disrupted by the Internet revolution. However, mortgage lending, despite being one of the largest areas, is still generally conducted under the same traditional system. The mortgage value chain has grown in complexity during the past three decades, due to the trend towards securitization, which has significantly amplified financial supply. Nevertheless, mortgage lending processes remain mostly paper-based and involve many players, making them complicated, tedious and slow.

This has several negative consequences for the borrower as well as for other parties involved. For instance, many borrowers are burdened by the sheer amount of paperwork they need to manage. But the large number of documents that need to be filled and the number of entities involved in the mortgage origination process are a consequence of two facts. First, there's a real need for information gathering, analysis and checks to guarantee that the mortgage loan will be repaid. Second, this continues to be a paper-based legacy process that has not been sufficiently modernized and aligned with technological progress.

Blockchain technology has an enormous potential to address both of these facts. Due to its distributed nature, a blockchain ledger can significantly ease the transfer of and access to information for each of the parties involved in the mortgage value chain. Also, with its unique capability to generate trust, transparency, and record immutability, it is an effective

move toward digitization, not only of mortgage documentation but of all related business processes. In the next sections, a brief explanation of the mortgage value chain will be given in order to point out the shortcomings of the current system. As will be observed, many of these problems can be addressed through blockchain technology.
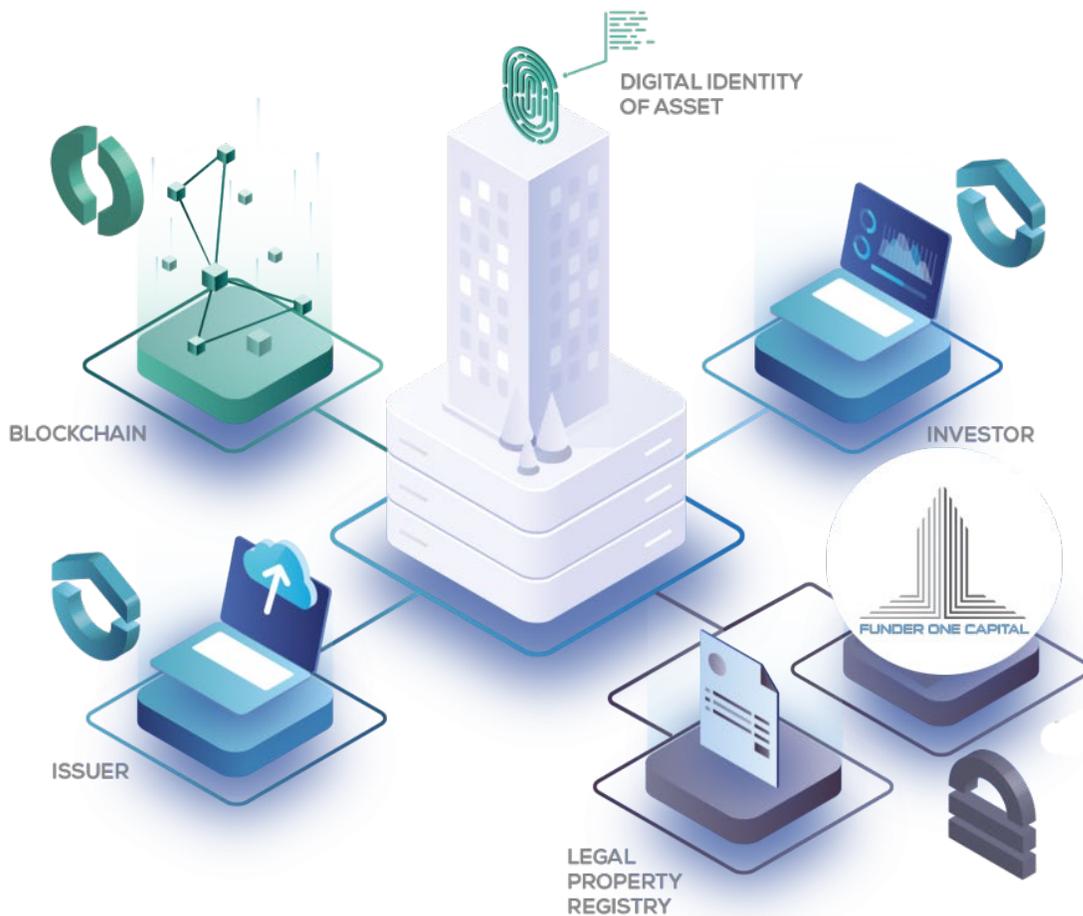
Funder One-Capital Entities

There are three discreet Entities on the Funder One-Capital platform: Owners, Collaborators, and Projects. Each new User will initially start off by creating the first three, as this is necessary to interact and transact on the platform.

Owners start Projects and begin the process of drafting a Project Compact which defines the assets that are created, developed, and offered for distribution within the network.

Collaborators are the various Entities who work within a Compact to help use, maintain, or develop any Project. These entities can be business partners, architects, designers, developers, or even contractors.

Projects are Composite Entities that consist of autonomous Entities bound by the common purpose outlined with the Project Compact.

Finding the Others

Yet again, we find ourselves at the intersection of analog and digital. As mentioned earlier, the Funder One-Capital Platform is an invitation-only environment. Naturally, Owners who have a Project in mind can bring friends and acquaintances, *nodes*, into the network. This is ideal for Users who want to leverage their existing analog and digital networks (social graph) and bring them onto Funder One-Capital to pursue their endeavors.

For a digital commerce platform to really accommodate the needs of its users, there needs to be a social component that allows connections to occur between Owners and Collaborators. These points of convergence are the moments that contribute to the network's growth. An Entity's record of past collaborations can be made transparent to other Entities, allowing the opportunity for networking and enduring professional relationships.

Contracts for Digital Assets

Contracts are imbedded throughout all areas of our society. Politics. Finance. Business. In all industries, the common goal is that all parties of a contract simply want to ensure that agreements are met, usually agreements pertaining to *ownership* and *compensation*. Are my real property rights being protected? Am I getting paid according to the agreed expectations and parameters?

Traditional legally binding contracts are often written in a byzantine prose that few individuals can fully understand much less those affected by the contract. The drafting and deciphering of these contracts have been the domain of lawyers who have spent years learning the codes and intricacies of their field. The user experience of the parties subject to these contracts is unwieldy and inefficient considering existing technical capabilities. In a digital commerce platform that intends to eliminate such frictions, relying on contracts with obscure legalese prose can lead to unnecessary ambiguity of responsibility and intent.Smart contracts are code that execute on the blockchain, directing the movement of value (or assets) in the
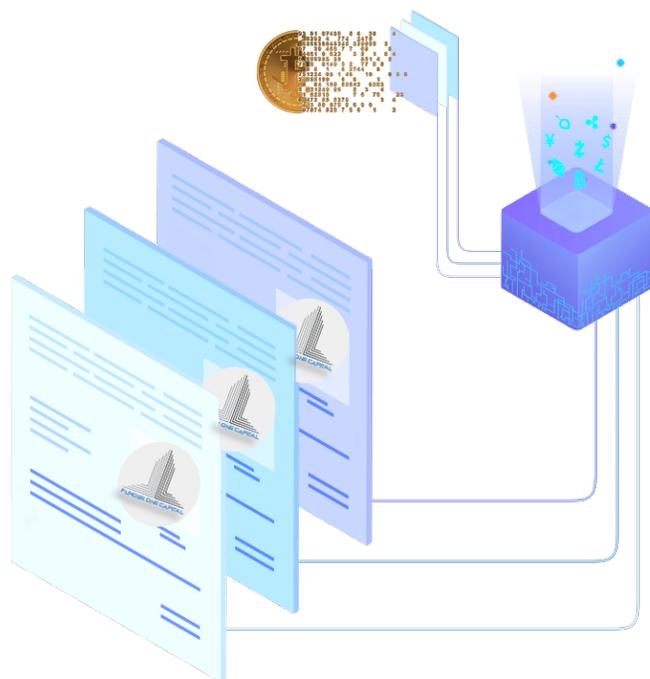
network. Software that runs on decentralized networks holds a lot of potential in automating a wide range of business logic. Being the operable and programmable side of blockchains, smart contracts will play an important role in applications and platforms built on blockchain infrastructure.

The Project Compact: Codifying Intent

The Project Compact is a living document of objectives, settings, and automated agreements (smart contracts). It utilizes Ricardian elements with a simple prose document coupled to it with parameters matching the code, so there is no ambiguity as to the intended purpose of the smart contracts (Grigg, 2015). This helps codify the intent behind a contract. By eliminating the semantic richness and ambiguity of legalese prose, we can maximize the clarity amongst all the parties to the contracts and the courts of the land. The Compact is essentially a nexus of the programmatic agreements around a common endeavor, detailing ownership and compensation as well as detailing the project's goals.

The Compact is not only a tool to reduce friction between different collaborating pseudonymous personas and the resulting distribution of value, it also provides potential Collaborators the means to scope out the prospect of the project as it is being developed.

Since the end user has no reason to interact with raw code, the parameterization of the smart contract can allow one to change very specific variables within the code using templates. There will be a variety of contract templates catered to certain spheres of digital activity. Over time, owners will have access to a library of contracts each designed to implement a specific type of project defined by its intent and number of participants.

Compacts: the combination of operable software and an easily parsable prose contract (intent clause). "What You See Is What You Sign." (WYSIWYS)

By refuting the axiom, "code is law," we can protect the users from possible errors in the underlying software. While smart contracts are deterministic—a given set of inputs will generate a certain output—for security and resiliency of the economic activity taking place we must assume that bugs or errors will occur either within the software or with the participants actions or assumptions themselves ("wetware"). Having the intent clause is a key piece in any meeting of minds. This also builds a nice foundation for arbitration mechanisms for streamlined dispute resolution without resorting to costly and time-consuming litigation. Most courts throughout the land acknowledge arbitration as a valid form of dispute resolution.

The Compact is a stable manifestation of intent that is the machinery of the economic activity around a common endeavor that issues a very specific shape and size of transaction to the blockchain upon an agreed upon set of conditions defined within it. This creates a channel that can assume consensus because all members agree upon all the explicit terms that define that individual channel's means of creating a valid transaction to the blockchain.

Channels of Consensus

The Project Compact provides a critical element within its environment: defining the consensus of its operation within the network in agreement with the Constitution. In completely open blockchain environments, consensus is maintained with the clever combination of cryptography and economic incentives (crypto-economics). This is necessary to maintain the integrity of the network, and guarantee accuracy of the ledger. Now, that's more of an infrastructural element to blockchains which need to combat adversaries seeking to change the narrative.

If the narrative can only be changed upon certain parameters with consensus between certain designated Entities, then you can set up "channels of consensus." The Compact's design does not allow subterfuge because none of the Collaborators can interact with the raw code of the Compact, only certain parameters that define constitutional attributes to

the code. Changes can only be made with transparency and the positive vote of all Entities within the Project. This ensures that all participants are incentivized to work in a beneficial manner on a Project, since the only way it can generate value for the Owners and Collaborators is through that Project's ongoing participation and verification within the network.

You can eliminate the bottlenecks of a distributed network if the Entities within certain consensus channels agree on the settings of the machine (the Compact). Is the machine working? Yes. Okay, moving on. The mechanics of implementation of the Project Compact are defined by the smart contract's protocol, which in turn is defined and enforced by the Funder One-Capital Platform's Constitution that defines the specific parameters by which any contract is considered acceptable by the blockchain and rendered by its ability to transact within it.

Projects as Composite Entities

When Entities work on a Project, there is a "shape" that is formed when these nodes connect. Obviously, if there is an ongoing collaboration between the same Entities, they should be able to reassemble for more Projects. Therefore, Compacts also double as Composite Entities.

This also extrapolates outward in interesting ways considering how partnerships work. A retail development corporation teaming up with multiple construction contractors for a project is an example of two Composite Entities working together for a Project with its own Compact. As value flows into this new Compact, it will then be redirected automatically to the Compacts of each Entity automatically as defined by the Project Compact. This creates fractal business structures without increasing contractual complexity.

Tokenizing Real Property

What happens upon a Project's completion when the asset is now ready for the open market? The efforts need to crystallize into some "thing." In our goal in bridging the best of both worlds—physical and digital—we have determined that utilizing digital bearer certificates in the form of crypto-asset tokens provides the cryptographic certainty and scarcity that can be the pillars of a sustainable digital economy.

By using a scarce object architecture often constrained to the physical realm, we can bring the familiarity of physical possessions into a digital context in a manner that is understood by both the user and the issuer alike (Szabo, 2004), thus allowing many use cases that are made possible at that compromise.

These are not tokenized securities such as Bowie Bonds (Espiner, 2016) that offer future revenue share in exchange for investment, but simply product keys that grant access to specific revenue generated by that project.

An economy of scarce objects is not always the ideal model to achieve sustainability, but in the digital economy this design can create value for all participants in the network if implemented appropriately.

Distribution and Market Entry

There are two methods of distribution which roughly correlate to consumer and wholesale, but the dynamics are a bit different in the context of digital objects. One method is to provide digital assets at a consumer price. When the Customer purchases the product (a transaction that takes place between them and the Compact, not any one Entity within it), a

token is "minted" and put into circulation in the ecosystem. The owner of this newly minted asset can then use it for the defined purpose—rent, lease, share, etc.—and later choose to sell or trade it on the open market to a new owner. The other method presents a wide variety of options and is made possibly only with scarce digital assets: *rail distribution.*

This approach could be compared to the practice of token "airdrops" on other blockchains, except the utility and purpose of the token is explicitly defined and available immediately upon reception, not *a priori.*

The Compact, using the imbedded Funder One-Capital application, has granular control over asset distribution by designating a rail token and applying certain parameters, such as proportioned rates, by which the new asset will be distributed into the ecosystem to all collaborators. This allows a wide range of market strategies. Mutual benefits. Another method is to set rails within one's own asset, increasing demand. There are many ways Owners can use this to their advantage and increase interest in Projects with potential collaborators. Naturally, the rail system is free for those who receive the assets. So how does this generate value?

Distributed Patronage:

A Sustainable Secondary Marketplace Model

The secondary marketplace currently acts like an [event horizon](#) in the digital industries. The tenuous connection between an Owner and their Project is comparable to a black hole absorbing light around an approaching object. Always diminishing, never retaining its brightness and color. This problem is persistent in both the digital and physical markets. After examining the advantages of each, we have reconstituted a new model designed to incentivize users to participate in the distribution of digital assets without eliminating the fractional owners from the equation.

As Users of the Platform accumulate digital assets through consumer sale or rail distribution, they will end up with a sizeable portfolio. Some of these assets they may not want or desire to convert its value into another Project. The solution here is to turn that excess or unwanted asset into value for the Collaborators and the Owners of the assets.

The User can set a basket of assets to sell on the open market. A manual approach to this would result in "mental transaction costs" too high for a good user experience. By employing an autonomous agent, an algorithmic trading bot, a user can sell these extra/unwanted assets on an open market to those who didn't partake in the rail distribution or to those who joined the network afterwards. As of now, many algorithmic

trading systems utilize a decentralized AI trading bot for crypto-assets that allows for customization of trading strategies.

Such a "nanomarket" system, complete with scarce objects and autonomous trading, has already been hypothesized in a pre-blockchain context by Nick Szabo (2007). Blockchain simply helped make this vision possible with transactional certainty and digital scarcity.For the Users of the platform, this can result in a consistent passive income without having to expend much time, energy, or attention.

In order to maximize the value Owners receive from their Projects, the Compact can designate a secondary market transaction fee, denominated in Funder One-Capitals. Whenever the asset moves from one Entity to another, a small "gas" price must be paid. This creates an ongoing stream of revenue that feeds into the Compact and its constituents. In perpetuity.

This model of distributed fractional ownership provides an effective framework for all participants of the platform to tap into various networks of value created by the Projects.

Securing Provenance

All these economic models do not amount to much if Owners' real property are at risk. As mentioned earlier, the Compact has prose elements that can enforce jurisdictional legal ownership as well as compensation. Ownership is a more benign element compared to compensations since the latter is more operable.

The platform will also utilize a novel form of digital management to secure a connection between Owners and their real assets. Instead of the past applications setting artificial limitations such as physical presence and other various nonsense, the model we are keen to utilize is inspired by Benji Rogers's notion of "digital rights expression," in which metadata pertaining to a certain digital asset such as ownership is hardcoded into the file itself (Rogers, 2017). This would allow the settings of the Compact to be honored outside of the Funder One-Capital ecosystem. This can create many different ways to define and provide previously unachievable value to any asset: streaming, time locks, interactive media, virtual reality experiences, etc.

The Obstacles

Some obstacles need to be overcome, however, if tokenization and the broader token economy are to take off. A big problem revolves around regulatory alignment, especially since blockchain-based platforms are de facto decentralized. Security regulations are typically technology agnostic, meaning that utility tokens, depending on their exact features, can fall under the full scope of relevant security regulations, which can vary significantly from jurisdiction to jurisdiction. This is true not just for the creation and initial sale of the tokens, but also for trading them on secondary markets. Consequently, many of the advantages of tokenization are undermined if regulations prevent the free and international exchange of utility tokens.

What is needed are compliant methods of creating and exchanging tokens in a domestic and, ideally, international scope. International regulatory alignment is an unlikely milestone soon, but adding clarity to the regulatory environment for utility tokens and facilitating compliant involvement in the token economy is a possible and necessary path forward if the opportunities are to be realized.

Additionally, regulations specific to tokens or, at the minimum, clear guidance from regulators would be welcome, since there is often uncertainty as to how a utility token should be considered within the law. While it may seem counterintuitive to encourage

regulation of a technology with decentralization and independence as some of its core characteristics, it is important to consider the risks of not providing a legal and safe framework in which the technology can thrive. A lack of scrutiny can allow scams and open the door to hacking—something particularly relevant for a relatively nascent technology. Scams and hacks not only harm investors and the broader economy, but enough of them could discourage investors and cripple the token economy completely.

There has been a considerably uneven approach so far to regulating and accepting tokenization, but there are signs that the traditional market infrastructure is adapting to the token economy. For example, both the US SEC and EU's ESMA have made comments, albeit generic, in this area. Meanwhile, Malta and Switzerland have made more progressive plans to accommodate new marketplaces for tokenized securities1. Having a clear regulatory framework is of vital importance for the safe development of the token economy. In the meantime, a set of common good practices and rules would be a good foundation.

Beyond regulations, as with any new technology or solution, some questions need addressing. How tokens will remain linked to the real asset that they represent is a point of concern. For example, imagine if you own tokens representing a small fraction of 100 gold bars at a bank, and five bars are stolen. What happens to your token and to the other

token owners is crucially important, since the value of tokens becomes greatly undermined if they cannot be proven to be linked to real-world assets. Another point of consideration is the issue of governance. If ownership of an asset, such as a building, is split among thousands of people, there is little incentive for owners to bear the costs associated with that asset, such as maintenance and ensuring rent is collected. There are also concerns related to risks of hacking that any digital or online products have, as well as stability concerns with a hyper-liquid market. These are problems that will likely be overcome or minimized, but they require thought and possibly intermediaries of some sort.

Once those critical issues about the functioning of the token economy can be answered, and there is progress on the regulatory front, tokenization might become increasingly present across the financial industry.

This movement will involve actors from all levels (governments, central banks, private companies, and even local communities), and will depend on their communal effort to

move tokenization forward. If the abovementioned issues are addressed, as adoption increases and overhype—which undermines the true value of the token economy—dies down, the token economy might take off rapidly, with ripple effects throughout the financial services industry and broader economy.

The token economy represents a remarkable power shift from large, centralized trust agents to the individual. Cryptology replaces third-party intermediaries as the keeper of trust, with blockchain participants running complex algorithms to certify the integrity of the ledger of transactions. Financial institutions must determine how they are going to adapt to the token economy. We see major areas that financial institutions must consider if they wish to remain relevant in the token economy:
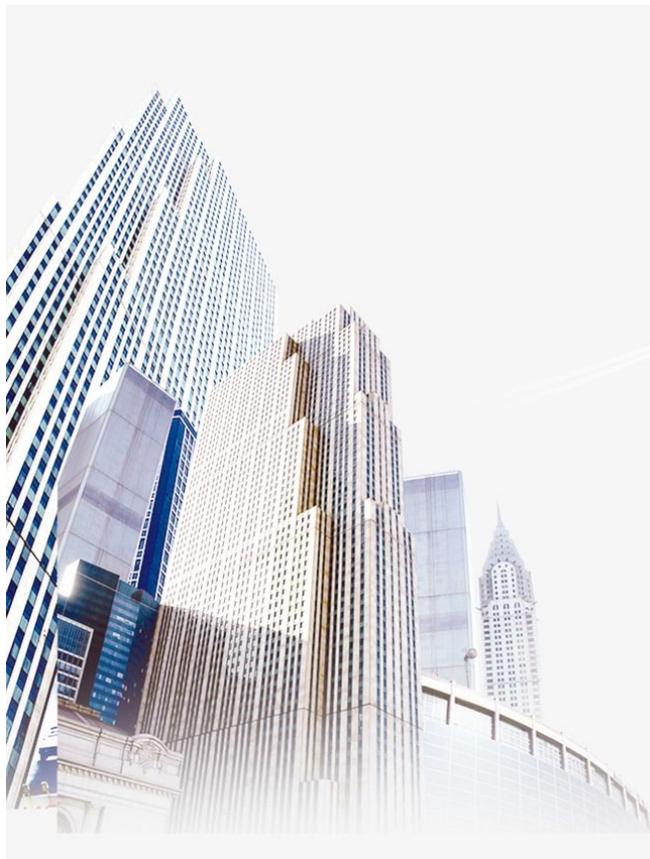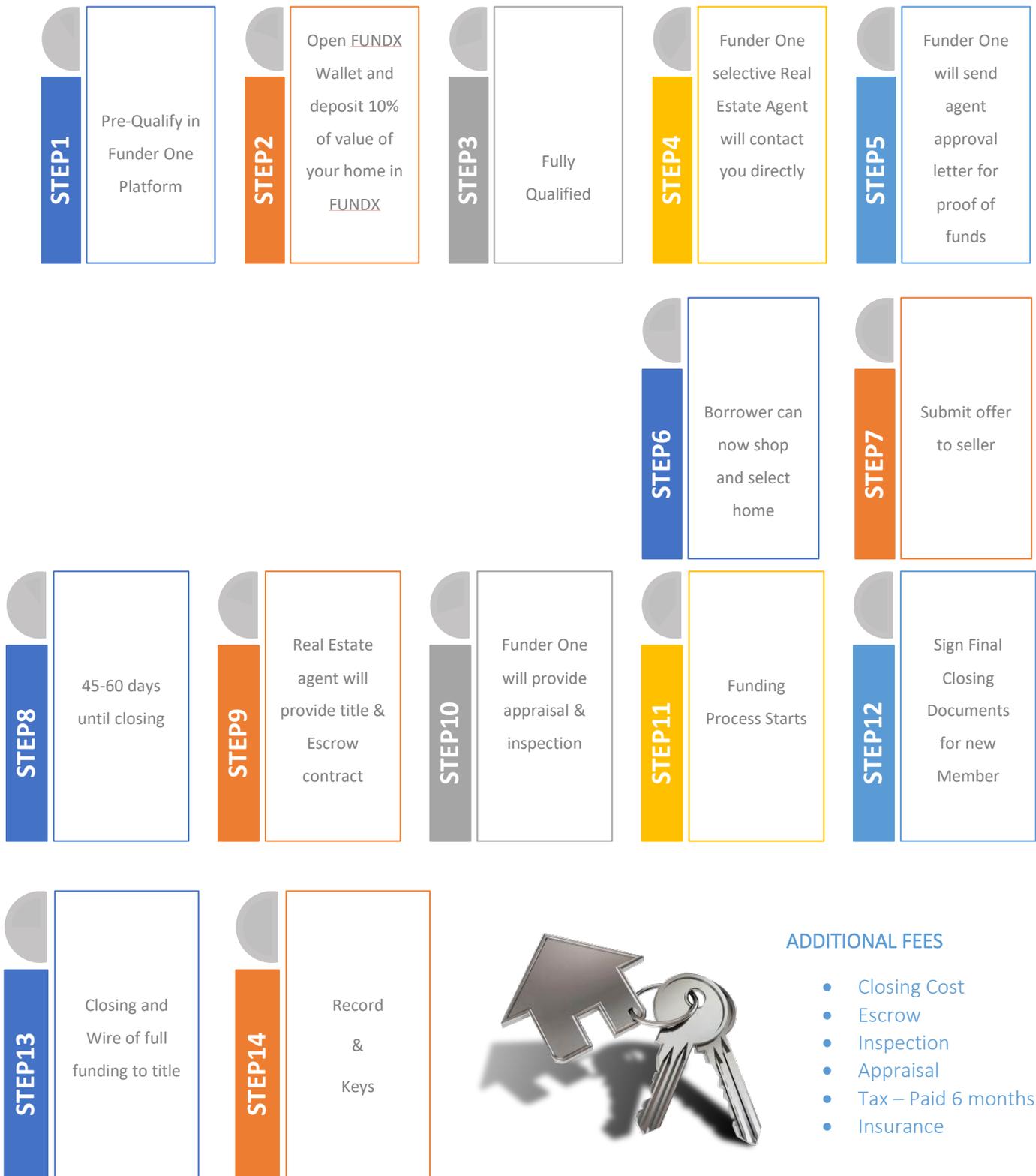
Business Model Overview

Financial institutions will have to choose where to play in the value chain. For example, they might choose to advise issuers on how to structure their token or could act as safe keeper of the tokenized asset (art, real estate property, luxury vintage car, etc.). They could also leverage their expertise as custodian banks or paying agents to create life cycle event transactions on the distributed ledger or, in a more advanced model, implement life cycle processing in smart contracts and deploy them on a public blockchain platform. At the other end of the value chain, they could offer services to maintain customer accounts in cryptocurrencies and tokens or prefer to act as central distributors facilitating access for their clients to transact on diverse tokenization platforms or token exchanges.

Issuer / Borrower model

STEP1 — Pre-Qualify in Funder One Platform

STEP2 — Open FUNDX Wallet and deposit 10% of value of your home in FUNDX

STEP3 — Fully Qualified

STEP4 — Funder One selective Real Estate Agent will contact you directly

STEP5 — Funder One will send agent approval letter for proof of funds

STEP6 — Borrower can now shop and select home

STEP7 — Submit offer to seller

STEP8 — 45-60 days until closing

STEP9 — Real Estate agent will provide title & Escrow contract

STEP10 — Funder One will provide appraisal & inspection

STEP11 — Funding Process Starts

STEP12 — Sign Final Closing Documents for new Member

STEP13 — Closing and Wire of full funding to title

STEP14 — Record & Keys

ADDITIONAL FEES

- Closing Cost
- Escrow
- Inspection
- Appraisal
- Tax – Paid 6 months
- Insurance

Traditional Vs. Funder One Capital

TRADITIONAL HOME LENDING PROCESS

Step 1: Check Your Credit Score

Step 2: Save For A Down Payment and Closing Costs

Step 3: Determine How Much Home You Can Afford

Step 4: Choose A Lender

Step 5: Get Preapproved for A Loan

Step 6: Find the Right Real Estate Agent

Step 7: Start House Hunting

Step 8: Submit offer to seller

Step 9: 45-60 days until closing

Step 10: Real Estate agent will provide title & Escrow contract

Step 11: Get A Home appraisal & Inspection

Step 12: Sign Final Closing Documents

Step 13: Closing and Wire of full funding to title

Step 14: Record & Keys

FUNDER ONE CAPITAL PROCESS

Step 1: Pre-Qualify in Funder One Platform

Step 2: Open FUNDX Wallet and deposit 10% of value of your home in FUNDX

Step 3: Fully Approved

Step 4: Funder One selective Real Estate Agent will contact you directly

Step 5: Funder One will send agent approval letter for proof of funds

Step 6: Start House Hunting

Step 7: Submit offer to seller

Step 8: 45-60 days until closing

Step 9: Real Estate agent will provide title & Escrow contract

Step 10: Agent will provide appraisal & Inspection

Step 11: Funding Process Starts

Step 12: Sign Final Closing Documents for new Member

Step 13: Closing and Wire of full funding to title

Step 14: Record & Keys

Platform integration

Depending on the business model they choose to embrace, they will implement different operating models. One of the main components of those new operating models being the block chain platform, they will have to choose which platforms they will work or collaborate with. This will depend on the regulation they have to follow, the type of products or services they will offer to their clients, and other factors more related to the platform itself, such as its product strategy, and its potential as regards the type and size of the user community. Institutions need to consider an infrastructure that will provide both technical and economic solutions to their business model while also considering the effect it will have on downstream systems. Added to this, if the new platform cannot integrate with legacy systems, institutions may face a partial re- platforming of their information system.
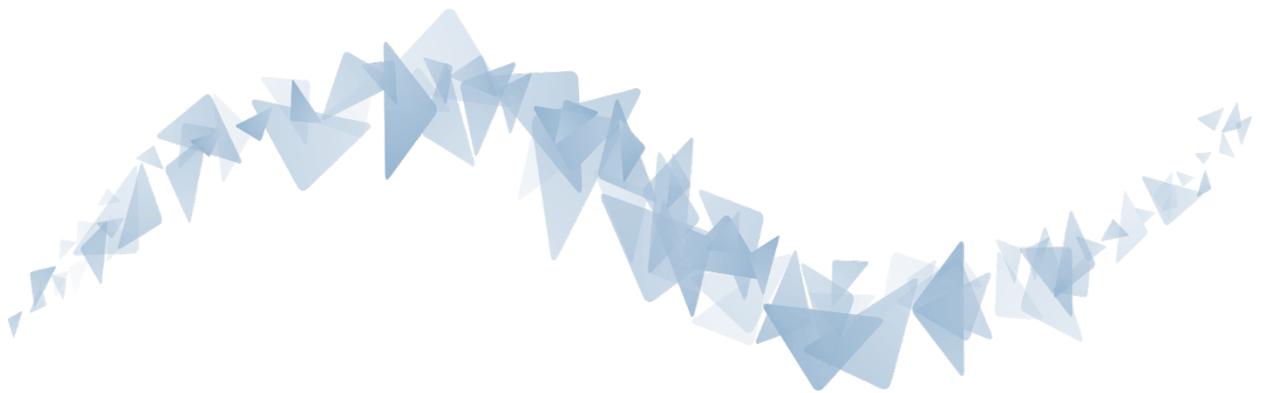
Cybersecurity

With digital payments reaching US$721 billion in 2017, and the growing popularity of bitcoin and other cryptocurrencies, tokens are more often targeted by cybercriminals. While the distributed ledgers themselves implement a high degree of cybersecurity measures at their core thanks to cryptology and consensus among multiple nodes, the whole ecosystem does have some possible weak points at its edges that need to be properly secured. One of them lies in the management of the wallets and private keys that control them; it could also be man-in-the-middle attack or advanced social engineering to steal private keys.

Not only shall the financial institutions consider implementing proper security measures to secure the whole value chain when they run or interact with blockchain platforms, but they might also consider proposing a new kind of service to their customers, for instance, to securely store their wallets and keys. Institutions need to carefully plan for cybersecurity at different levels from network and infrastructure, through systems, to applications, and consider the opportunity of differentiation through advanced cybersecurity prevention.

FUNDER ONE CAPITAL, LTD

A Corporation Registered in the United Kingdom

40 Bank Street Bank Street, Level 18,
London, England, E14 5NR

PRIVATE PLACEMENT MEMORANDUM

$21,000,000.00 USD

$25,000 Minimum Investment

Securities Offered:

Twenty-One Million (21,000,000) U-Shares at a purchase price of One Dollar ($1.00) per share

Maximum Offering: Twenty-One Million Dollars ($21,000,000)

Minimum Initial Subscription: Five Million (5,000,000) Shares ($5,000,000)

Funder One Capital Ltd., a United Kingdom Corporation (the "Company" or "Funder One"), is offering U-Shares (the "Shares" or the "Securities") on a rolling basis at a price of One Dollar ($1.00) per share to "Accredited Investors" only, as such term is defined in Rule 501 as promulgated under the Securities Act of 1933, as amended (the "Securities Act"), for a maximum offering amount of Twenty One Million Dollars ($21,000,000) (the "Maximum Offering Amount") The Offering will continue on a rolling basis until the Maximum Offering Amount has been received. Once submitted, subscriptions are not revocable. The Company may reject subscriptions, in whole or in part, in its sole discretion. The minimum subscription amount is Two Hundred Fifty Thousand Dollars ($25,000.00) or One Twenty-Five Thousand (25,000) Shares. This Confidential Private Placement Memorandum (the "Memorandum") relates to the offer and sale of the Securities pursuant to Regulation D, Rule 506(c) of the Securities Act of 1933 (the "Securities Act"). Offers and sales of the Securities may be affected through unaffiliated FINRA registered broker-dealers and directly by the officers and directors of the Company. All dollar amounts herein refer to United States dollars.

Using the latest in blockchain technology, the Company intends to offer a platform which facilitates new routes of monetization and financing for real estate projects on a worldwide basis by sharing its artificial intelligence through inter ledger protocols using its U-Shares token based artificial intelligence enabling investors to participate in financing and funding for real estate.

INVESTOR SUITABILITY

This investment is appropriate only for investors who have no need for immediate liquidity in their investments and who have adequate means of providing for their current financial needs, obligations and contingencies, even if such investment results in a total loss. Investment in the Shares involves a high degree of risk and is suitable only for an investor whose business and investment experience, either alone or together with a purchaser representative, renders the investor capable of evaluating each and every risk of the proposed investment. CAREFULLY READ THE ENTIRE "RISK FACTORS" SECTION OF THIS PRIVATE PLACEMENT MEMORANDUM.

Each person (the "Investor") seeking to acquire Shares will be required to represent that he, she or it is purchasing for his, her or its own account for investment purposes and not with a view to resale or distribution. The Company will sell Shares to an unlimited number of Accredited Investors who are U.S. or foreign investors and to no more than thirty five (35) non-accredited U.S. or foreign investors. All investors who are not deemed "Accredited" must have such knowledge and experience in financial matters, either alone or together with a purchaser representative, to make them capable of evaluating the merits and risks of such an investment in the Shares being offered. To qualify as an Accredited Investor an investor must meet ONE of the following conditions:

1. Any natural person who had an individual income in excess of Two Hundred Thousand Dollars ($200,000) in each of the two most recent years or joint income with that person's spouse in excess of Three Hundred Thousand Dollars ($300,000) in each of those years and who has a reasonable expectation of reaching the same income level in the current year;

2. Any natural person whose individual net worth or joint net worth, with that person's spouse, at the time of their purchase exceeds One Million Dollars ($1,000,000) (excluding the value of such person's primary residence);

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Fund Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Fund (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of a state or its political

4.   subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of Five Million Dollars ($5,000,000.00) or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;

5.   Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

6.   Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code of 1986, as amended (the "Code"), corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Five Million Dollars ($5,000,000);

7.   Any director or executive officer, or Fund of the issuer of the securities being sold, or any director, executive officer, or Fund of a Fund of that issuer;

8.   Any trust, with total assets in excess of Five Million Dollars ($5,000,000), not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(B)(b)(2)(ii) of the Code; or

9.   Any entity in which all the equity owners are accredited investors as defined above.

Token Sale

A token sale is an innovative fundraising method based on Blockchain technology. Our token sale and the corresponding token creation process is covered by Funder One Capital, a company based in London, England. For maximum transparency and participant protection, the sale is regulated by a Smart Contract deployed on the Ethereum Blockchain and or Binance BNB. During the token sale, FUNDX tokens will be available in return for Ether (ETH) contributions. To obtain FUNDX tokens, contributors will send Ether to the official Funder One token sale Smart Contract address. FUNDX tokens will be automatically sent to the contributors' wallet address as soon as the purchase is confirmed. Funder One will initial start with a Private Sale at a discount for both crypto and professional token purchasers. Once our Private Sale ends we will start the process of selecting a Public Sale.

Token Distribution

Token Sale	60%
Team and Advisors	20%
Marketing / Community	5%
Business Development	10%
Reserve / Future	5%

Use of proceeds

Properties	55%
Marketing	10%
Operations	20%
Partnerships	8%
Legal / Financial Overhead	7%

Lock-up Period

Founders of Funder One will be limited to selling 10% of their total tokens each month for the first 6 months. After those 6 months, they will have an open selling amount.

Private large investors will not be able to sell any of their tokens for the first 60 days. After those 60 days, they will have an open selling amount.
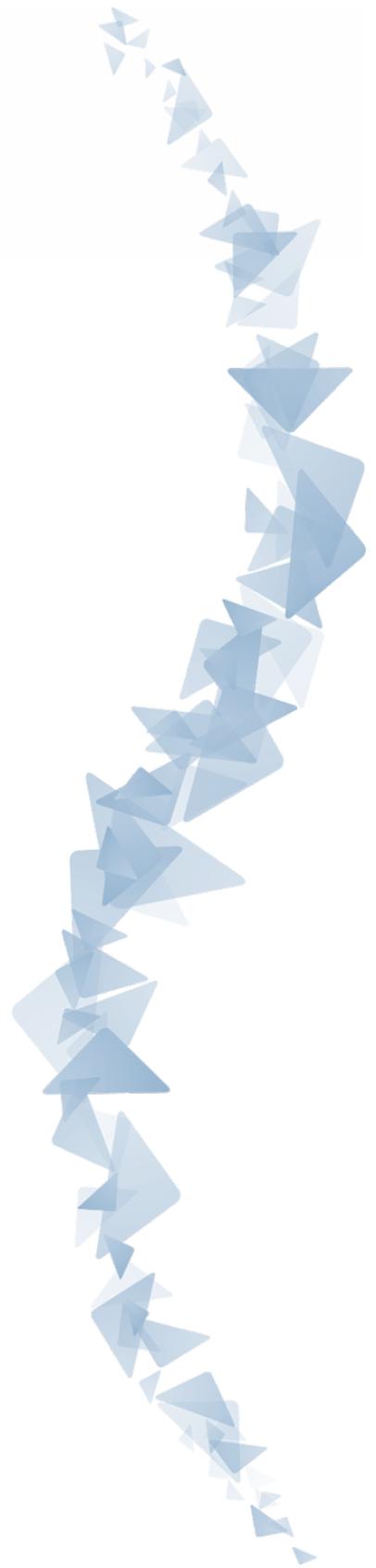
Roadmap

2017 Q4	Idea Started
2018 Q1	Market Validation of Model
2018 Q1	Developed Business Model
2018 Q1	Development of Business Website
2018 Q2	Created Coin Wallets
2018 Q3	Started Development of U Bet Coin Platform
2018 Q3	Minted U Bet Coin
2018 Q4	Began Process of Customer Acquisition
2018 Q4	Began Selling U Bet Coin Privately and Publicly
2019 Q1	Continue Private and Public Sale
2019 Q2	Established Colombia Office
2019 Q3	Created New Supporting Entity Funder One Capital
2019 Q3	Established London Office
2019 Q3	FIRST Tokenization of Real Estate Processed and Successful
2019 Q4	Began Listing of Exchanges
2019 Q4	Began Partnering with Exchanges
2019 Q4	Started Process of Development of Exchange API's
2020 Q1	Start Binance Dex Listing Process
2020 Q1	Hold Private Sale
2020 Q1	Begin Building Social / Real Estate / Crypto Communities
2020 Q2	Close Next Group of Properties
2020 Q2	Finalize API's for Exchange

2/15/2020

Team

Noe Alejandro Granados Guzman – CEO

Noe was born in Colombia, after a brief stint in New York, he returned to his country where he graduated as a Systems Engineer in 1994. His career for more than 25 years has been focused on developing, coordinating and supporting projects at both private and at the government level, in different areas highlighting the financial and human resources. At the beginning of his career he was a professor in the systems subject, then worked for different companies as advisor and IT specialist, he has studied in management and general direction, commercial negotiation specialized in information systems, among others. In recent years he has been focused on the real estate sector in the United States and is also participating in innovation projects in Colombia.

Ced Celestin - COO

Ced Celestin is a real estate broker and investor who has been active in the industry since 1993 and involved in Project Funding since 2009. He is the owner and operator of SoCal Signature Homes – (2010 to Present) and has also been a Mortgage Banker – Finance (1987 to 2009). His Education is in Business Administration – Contra Costa College (1981 to 1982)

Allina Chen - Representative – Taiwan

Allina was born and grew up Taipei, Taiwan where her early years took her into the entertainment field, commercial print & television network and movies prior to moving to Los Angeles CA. Allina then worked with WECTV in broadcasting as a news host where she had the opportunity to voice out and to help the local Asian community in humanitarian projects. Currently is a Managing Partner of G360 Solutions – A Real Estate Redevelopment & Solutions Company where her motto is "We seek to serve and to make every person feel significant" As a Real Estate investor her company will dedicate itself to everlasting education and professional growth that will make the leaders of tomorrow. A past financial advisor for WFG 2014-2016 where assisting clients gain financial knowledge through the insurance industry. Formally CEO of Salt & Light Global, LLC from 2010-2017 a renewable green energy company focusing on solar installations for residential & commercial projects in Hawaii. Allina was in the forefront of the growing demand for solar in Hawaii.

Jeffrey K. Vigilla - Representative – Hawaii

Jeffrey was born and grew up Hawaii. His passion to serve soon turned into a focus in hospitality where he spent close to 40 years honing his craft domestically and globally in the profession. Currently is the CEO/Executive Chef of Chef Point of View Consulting where he brings his experience, strengths in Food & Beverage concept development menu & kitchen design along with personnel training. In 2016 Jeffrey joined the globally recognized Engel & Völkers, Honolulu in 2016 where his desire in real estate is to find the perfect fit in the right location at the best price possible for his clients. His work ethic transcended from his hospitality career into his new passion for real estate. Shortly after he formed a Real Estate Redevelopment company G360 Solutions, LLC His heart to serve leads him to volunteer in a variety of need organizations and currently sits on the Board of The Hawaii Food Bank. Jeffrey embodies the core values of a God-Centered Business, Ethics, Integrity, Inspire, Educate, Leadership & Passion. "Do not conform to the pattern of this world, but be transformed by the renewing of your mind" Romans 12:2.

Patrick Polycarpe - CTO

Patrick is an IT Consultant who focuses on the relationship specifically understanding the personality and expectations of the client organization. He is experienced at analysing the IT requirements of the company and giving suggestions of what technology they need to use. Having the ability to train the employees in a new environment is also one of the responsibilities of an IT consultant. Providing adequate suggestions on strategic planning and operational efficiency is also done by the IT consultant. Provide support and provision of backup to various types of professionals. Networking: LAN/WAN, Routers, Switches, Wireless data communications, Telecommunications systems, Load balancing, Network traffic analysis. Install new or relocate existing PC hardware and software, including connecting hardware to the networks, installing software, transferring data and testing. The city Network is consisted of 350 users citywide including support for their libraries systems.

Compliance

MiFID, Anti-money laundering (AML), know your customer (KYC), and other regulations are at the center of any financial institution's obligations when it comes to client service. In the token economy in which business interactions are more direct, expeditious and irreversible, operational measures to comply with regulations will have to be adapted, potentially becoming more upstream, factorized, and standardized. Institutions should not reinvent the wheel, but collaborate with new actors such as tech start-ups, KYC utilities, or blockchain analytics software vendors to implement new operational measures and demonstrate to the regulators that they remain compliant while operating in the digital space. We can imagine that, soon, KYC processes would likely be realized once by a specialized KYC utility, encoded in a self-sovereign digital identity, and used by customers each time they enter a relationship with a new financial institution.

Provided that they have consent from the customer, financial institutions will transfer the reference to this identity down the value chain so that other institutions know with whom they are dealing, such as a crypto exchange transferring the identity to a bank. This will speed up the on-boarding process, reduce the overall cost of KYC compliance and, at the same time, enable more direct and rapid interactions that are fundamental to the token economy.

Another area that will be affected is taxation. Financial institutions that are responsible for processing some tax will have to adapt their information systems and processes to compute and deduct certain tax schemes, such as withholding tax. Part of that processing might be encoded in a smart contract and automated, and if the tax authorities do not accept payment of tax in cryptocurrencies, financial institutions will remain in the taxation ecosystems.

Jurisdiction

With legislative and regulatory frameworks differing from jurisdiction to jurisdiction, financial institutions must ensure tokens remain compliant both in the issuer's as well as in the investor's multiple jurisdictions (e.g., a Canadian seller and Japanese buyer). They should implement measures to prevent investment by customers from jurisdictions with which a token they offer or give access to is not compliant. This is especially true for institutions that have a global scale.

We expect that with the spread of tokenization there will be new actors, new roles, and new services. A decentralized financial system does not guarantee one without financial institutions, and prepared and forward-thinking institutions will be those that are most able to embrace the token economy. Traditional players will have the opportunity to meet the new demands of a token economy, be it a provision of platforms for storing tokens, or

acting as trusted intermediaries for when the blockchain alone is not enough. Those that do not rise to the challenge will struggle in the face of fierce competition for an exciting new, tokenized world.

There are, however, significant legal and regulatory challenges. In theory, tokenization sounds great, but in practice, you cannot just disregard existing securities laws, tokenize any property, and start selling shares representing fractional ownership in that asset. Any type of token representing fractional ownership is a security and therefore subject to existing securities laws. This is precisely why existing fractional ownership and real estate crowdfunding products such as REITs (Real Estate Investment Trusts) and eREITs are limited. They would love to cater to retail investors but are typically limited to accredited investors due to existing securities laws. Any future reform that allows for blockchain based REITs, which typically tokenize commercial properties, to accept investments from retail investors would also apply to traditional REITs which is precisely why we don't see consider these types of projects to be particularly disruptive or exciting.

Conclusion

Commercial property trading is plagued by being an inherently illiquid asset class involving many hidden costs, regulations, middlemen and a lack of transparency.

With the advent of blockchain-based smart contracts, a trend emerges for establishing disintermediated collaboration structures to engage in the formation of P2P transactions.

The state-of-the-art shows that technologically it is possible to create P2P commercial transaction platforms that eliminate cost-creating and time-consuming intermediaries and obsolete stage processes while fulfilling the goals of a unifying Constitution that ensures that the Projects within the network are strictly defined by intent rather than various competing legal entities, and only for the purposes of securing transactions and defining chain of ownership. This paper fills the gap by answering the question of how to provide a smart-contract/blockchain based commercial property trading and value- chain platform that avoids disintermediated middlemen for enabling P2P trades with low costs and optimized time consumption.

This presents the case for the novel blockchain technology-based Funder One-Capital system for a smart-contracts driven trade of real property. We first define the requirement that must

be satisfied by presenting a unifying Constitution comprising organized sets of refining functional goals of all entities within the Funder One-Capital system. Subsequently, the dynamic behavior of the components ensures all blockchain transactions for definable events that must be immutably stored. This shows with pre-existing industry solutions, the Funder One-Capital system can be quickly deployed. At the same time, we also show that the aspect of creating verifiable smart contracts for the Funder One-Capital system is still a topic of ongoing research and legal regulation, so the implementation of a flexible, network-based constitution allows for the appeal to multiple jurisdictions and changing legal environments through the codification of intent securing all Project Compacts.

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