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# UNIVERSAL LENDING PLATFORM

A Blockchain Solution to Borrowing Complexity & Identity Risk

PrimeChain, White Paper.

Version 2.0

By LeadPoint, Inc.

Last Updated April 24, 2018

From the founders of LeadPoint

[leadpoint.com](http://leadpoint.com) | [moneytips.com](http://moneytips.com) | [primechain.com](http://primechain.com)

*“PrimeChain is the clear solution to consumer financial privacy, while also serving as a vital onramp to global lending.”*

**— Marc Diana, LeadPoint CEO**

Special thanks to the LeadPoint team for validating challenges in the macro financial lending market and identifying tangible daily challenges to consumers and lenders/investors. Most importantly, for isolating flaws in current business models, including its own, and providing insights to allow PrimeChain to define its solution and market approach.

LeadPoint, established in 2004, is a US based market leading fintech company, facilitating over 7 million annual lending opportunities in US mortgage, personal loans, credit cards, auto loans and student loans. LeadPoint operates a lead exchange platform at [leadpoint.com](http://leadpoint.com), and a consumer facing personal finance destination at [moneytips.com](http://moneytips.com), to deliver fintech products and solutions to both business and consumers.

## ABSTRACT

Both consumers and lenders today struggle with a common problem: our legacy system for gathering, tracking, rating, storing and sharing personally identifiable information (PII) is badly broken. And the costs of this broken system are staggering — in dollars spent, time wasted and peace of mind shattered.

One need look no further than last year’s massive Equifax data breach to grasp the scale and urgency of this problem. In a single act of cybercrime, 150 million Americans had their credit files and PII stolen, and now face multiple acts of identity theft for the next decade or more.

Not surprisingly, consumers feel powerless to control their confidential information and financial lives today. They’re also beleaguered by the pain and complexity of borrowing, as a single mortgage application file can now run 500 pages.<sup>1</sup>

Lenders and other financial institutions are also harmed by the legacy system. In the first six months after Equifax was hacked, the company hemorrhaged \$4 billion in direct costs, while many large banks now spend \$500 million dollars annually on cybersecurity. Moreover, the growing complexity and expense of both processing consumer loan applications and securing associated PII, is hampering product innovation and market development at the worst possible time — as billions of prospective borrowers are emerging, who lack credit, in an increasingly affluent global economy.<sup>2</sup>

The authors of this White Paper, who are the founders of PrimeChain, are more than casual observers to these problems. In 2004 we founded LeadPoint, the world’s first — and largest — online exchange for bringing borrowers and lenders together. Thus, we have clear and longstanding visibility into the maddening complexity, inefficiency and insecurity of the multi trillion dollar consumer finance market.<sup>3</sup> Fortunately, we also have a plan to address these chronic ills — while securing PII and engaging new borrowers and investors worldwide. It’s called *PrimeChain*.

PrimeChain is a breakthrough blockchain platform that is designed to enable consumer lending worldwide, while effectively decoupling PII from financial data. The PrimeChain vision consists of two complementary parts:

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- 1 CNN Money, December 12, 2013 - “500-page Mortgage Applications are the New Normal”
  - 2 Brookings, February 28, 2017 - “The Unprecedented Expansion of the Global Middle Class”
  - 3 Urban Institute, Housing Finance Chartbook 2016

1. To provide consumers with more cost-effective borrowing choices — while securing their PII and minimizing transaction friction;
2. To provide lenders and investors with more abundant, risk-adjusted opportunities to deploy their capital globally.

To support the *former*, eChain will introduce the anonymized Universal Lending Profile (ULP) at the launch of our business. The ULP combines a standard credit application — that can be submitted to multiple lenders (and over time, in many nations) — with a digital locker that houses the borrower’s current credit report and loan documents (proof of income, bank statements, tax returns, etc.) This anonymized ULP (which uses proprietary blockchain technology to decouple PII from financial data, while attesting to data accuracy) will enable a wide range of lending transactions — from mortgages and car loans to credit card approvals — to proceed far more securely and efficiently than in the legacy system.

To support the *latter*, PrimeChain will build a Global Lending Platform (GLP) in Phase II of our business, providing investors with risk-adjusted consumer lending opportunities on a worldwide basis. Both the GLP and its risk-scoring algorithms leverage technology already built for LeadPoint’s industry-leading Marketplace platform.

In pursuit of this vision, PrimeChain enjoys the significant advantage of not being a pure startup. Rather, PrimeChain is an extension of LeadPoint, Inc. (LPI), an established, profitable, market leading company. Through PrimeChain, LPI is migrating its mature business model — which drives some 7 million consumer borrowing inquiries and 600,000 issuances of credit — to the blockchain.

By leveraging LeadPoint’s captive lending flow, along with its current technology, talent, best practices and strategic relationships (which include thousands of lenders), LPI can fasttrack PrimeChain’s development and adoption.

In contrast, most blockchain solutions will struggle to introduce their new model while grappling with the myriad challenges facing *any* new business — i.e., operations, technology, marketing, sales, HR, legal, etc. To compound those challenges, these new companies will be alone and adrift, lacking the resources, expertise and guidance of an established parent.

With respect to the competitive landscape, to our knowledge, there are virtually no direct competitors to PrimeChain’s integrated solution. But there are a number of indirect competitors who each offer one or more *individual* elements of our solution. These entities — and their focus areas — are identified in Section 6.

To sum up, PrimeChain — like most breakthroughs — grafts a revolutionary concept or technology to a simple premise. *Our* premise is that PII should always be kept separate from financial data, as that's the surest way to protect it. Our revolutionary concept — *and technology* — is to introduce a blockchain-enabled Universal Lending Profile where PII is encrypted and sequestered on a sophisticated second-layer network.

By combining this simple premise and revolutionary platform with the unsurpassed experience of our founding team — in the consumer finance, technology and entrepreneurial domains — it's easy to see why PrimeChain's moment has arrived.

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## 1.0 THE MARKET PROBLEM

Both consumers and lenders today struggle with a common problem: our legacy system for gathering, tracking, rating, storing and sharing personal financial information is badly broken. And the costs of this broken system are staggering — in dollars spent, time wasted and peace of mind shattered.

One need look no further than last year’s massive Equifax data breach to grasp the scale and urgency of this problem. In a single act of cybercrime, 150 million Americans (more than half the adult population) had their credit files stolen — replete with names, addresses, birthdates, social security and driver’s license numbers.<sup>4</sup> These innocent consumers now face multiple acts of identity theft for the next decade or more, as core elements of their personally identifiable information (PII) are sold on the dark web for as little as \$30. Global consumers face similar threats — as the Yahoo hack of 3 billion member files made plain.

Lenders and other financial institutions are also harmed by the legacy system. In the first six months after Equifax was hacked, the company hemorrhaged \$4 billion in direct costs — which are still rising.<sup>5</sup> Prevention is also expensive, as many large banks now spend \$500 million dollars annually on cybersecurity.<sup>6</sup> Tragically, these lavish countermeasures are often in vain, as the very nature of our system for gathering, storing and sharing PII has grown archaic and unsustainable. Just ask Target, Yahoo and Equifax.

The authors of this White Paper are more than casual observers to these problems. In 2004 we founded LeadPoint, the world’s first — and largest — online exchange for bringing borrowers and lenders together in mortgage, credit card, personal loan, auto loan and student loan transactions. Thus, for more than a decade, we’ve witnessed the costly and maddening complexity, inefficiency and insecurity of this multi-trillion dollar market.<sup>7</sup>

Based on this direct experience, we have a clear understanding of how both consumers and lenders are impacted by the legacy system of utilizing PII in financial transactions. Let’s review those impacts now, before turning to our proposed solution:

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4 CNN Money, September 11, 2017. (Original estimate of 143 million files stolen was later updated to 150 million.

5 Money, September 12, 2017

6 Forbes, December 23, 2015 - “Chase, Bank of America, Citibank And Wells Fargo Spending \$1.5 Billion To Battle Cyber Crime”

7 Urban Institute, Housing Finance Chartbook 2016

## Consumer Impacts:

- **Identity Theft is Pervasive, Costly and Terrifying** - It's easy to understand why consumers feel powerless to protect their family's privacy and economic safety. Here are just a few recent examples:
  - » In 2013, 43 million consumer credit records were hacked from **Target**
  - » During 2013-14, 3 billion account records were stolen from **Yahoo**
  - » In 2016, ID theft grew by 16%<sup>8</sup> with 15.4 million Americans suffering \$16 billion in losses.<sup>9</sup>
  - » For 2017, ID theft grew by another 8%, with \$16.8 billion in losses for 16.7 million consumers.<sup>10</sup>
  - » In 2017, **Equifax** — one of the nation's three giant credit rating bureaus — had 150 million complete consumer credit files hacked.<sup>11</sup>
  - » Single and grouped items of stolen PII — such as SS#, address and DL# — from these data breaches and others, are routinely sold every day on the Dark Web
- **Legacy Credit Applications are Burdensome and Fragmented** - When a consumer seeks a mortgage or vehicle loan, they must fill out a long and tedious application that is proprietary for each lender. So a consumer applying for a mortgage from four separate banks will typically fill out four separate applications. If the same consumer applies for a car loan six months later, the process repeats itself with each lender. To make this process even more painful, borrowers often must provide a host of documents — like tax returns, bank records and W2s — with each application. Even credit cards demand a separate application for each new card. Consequently, the time spent by borrowers on completing and shuffling all this paperwork is, for many, downright maddening.
- **Borrowing Costs are Driven Higher** - The costs borne by lenders to collect, administer, process, analyze and store all this disparate consumer data — combined with the longterm legal, financial and reputational risks of maintaining custody of the consumer's PII — create upward pressure on lending rates. This makes all forms of consumer

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8 CNBC - 2/1/2017

9 2017 Identify Fraud Study - Javelin Strategy & Research

10 Wall Street Journal, February 6, 2018 - "Identity Fraud Hits Record Number of People"

11 CNN Money, September 11, 2017. (Original estimate of 143 million files stolen was later updated to 150 million.)



borrowing more expensive, from simple credit cards, to car loans, to 30 year mortgages.

- **Many Financially Capable Borrowers are Shut Out** - There are some 30 million small business in the US, and over 25 million of them are sole proprietorships.<sup>12</sup> Banks seldom lend to sole proprietors, regardless of their financial stability. (By way of example, these businesses generated \$331.8 billion in annual profits in 2015,<sup>13</sup> but the bank loan approval rate for small business loans — including those backed by the SBA — sat at an abysmal 21.6% rate in 2016<sup>14</sup>). Additionally, there is a growing population of new, middle class consumers in emerging nations — like China, India, Brazil, Chile, Malaysia, Indonesia, Croatia and Turkey — who have the financial capability of taking on credit responsibly, but find it unavailable in their local environments. This population exceeds two billion people today and is rising fast.<sup>15</sup> It represents a major growth opportunity for global lenders and investors in the coming years — if they can find a way to access PII securely and make sound credit decisions.

### **Lender Impacts:**

- **Loan Processing and Administration Costs are Too High** - While it's difficult to quantify the exact costs borne by lenders to collect, administer, process, analyze and store consumer loan data and PII, there is no question these costs are painfully high. Consider that the average mortgage application has swollen to over 500 pages — up from 100 pages in 2006.<sup>16</sup> This is partly due to more stringent verification of income and employment required since the housing crash, and partly for identity checks mandated by the Patriot Act. In any case, there were 13.9 million mortgage applications submitted in 2016<sup>17</sup> alone. That's over 7 billion pages of mortgage applications to track each year — assuming each borrower applies to just one bank. If the average borrower applies to two banks, that number doubles to over 14 billion pages. You get the idea. And this is for just one subset of the lending industry — mortgages. When you add in vehicle loans, personal loans, student loans and credit cards, it's easy to see that lenders are being deluged by paperwork, and that it costs them vast sums annually to process, administer, store and protect all this information — including the ultra-sensitive PII of tens of

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12 Internal Revenue Service Report “Sole Proprietorship Returns, Tax Year 2015”  
<https://www.irs.gov/pub/irs-soi/soi-a-inpr-id1708.pdf>

13 ibid

14 Biz2Credit Small Business Lending Index - March, 2016

15 Brookings, February 28, 2017 - “The Unprecedented Expansion of the Global Middle Class”

16 CNN Money, December 12, 2013 - “500-page Mortgage Applications are the New Normal”

17 The Federal Financial Institutions Examination Council (FFIEC) Report: 2016 Data on Mortgage Lending

millions of prospective and actual borrowers.

- **Data Security Costs are Skyrocketing** - In 2015, Lloyd's of London estimated that cyber attacks cost businesses some \$400 billion annually.<sup>18</sup> Forbes put that number at over \$500 million just one year later.<sup>19</sup> Juniper Research forecasts this figure to reach an astonishing \$2 trillion annually by 2019.<sup>20</sup> By any yardstick, cybercrime — and attempts to thwart it — is now a painfully expensive business cost. This is especially true for lenders, who are spending billions of dollars each year to prevent and recover from such attacks. For example, JP Morgan Chase paid \$500 billion for cybersecurity in 2015<sup>21</sup>, with Bank of America forking out a cool \$400 million.<sup>22</sup> In this post-Equifax era, those numbers continue rising for banks and other lenders, exerting upward pressure on their lending rates while also threatening profits.
- **Lack of innovation by Lenders at a Time of Breathtaking Opportunity** - The two-headed monster of skyrocketing administrative and cybersecurity expense is impacting lenders in another key area: product innovation. As corporate dollars and executive bandwidth are bled off in the daily fight against this beast, there are fewer resources left to create, test and market innovative lending products. And the timing of this resource drain couldn't be worse, as billions of prospective borrowers are emerging in an increasingly affluent global economy.<sup>23</sup> At the moment of prime opportunity to bring fresh and relevant financial instruments to the world, too many lenders are choked in bureaucracy and mired in cybersecurity wars — rather than forging ahead.
- **Lack of Standardized Credit Profiles Makes Risk Analysis Less Precise** - While most lenders use comparable standards of credit risk analysis — and analyze common financial data (such as income, employment status and credit history) — they use cumbersome and proprietary applications that are incompatible with the loan processing systems of other lenders. This forces borrowers to fill out multiple loan applications — and provide multiple documentation packages — when shopping for a single mortgage, or when seeking another form of credit downstream. Put simply, this siloed, archaic process of onboarding new loan applicants creates needless pain for borrowers, while adding friction and complexity for lenders. Risk analysis also suffers, as bulky loan packages are harder

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18 Forbes, January 17, 2016 - "Cyber Crime Costs Projected to Reach \$2 Trillion by 2019"

19 ibid

20 Juniper Research, May 12, 2015

21 Wall Street Journal, August 3, 2015 - "JP Morgan to Accelerate Timetable for Cybersecurity"

22 Forbes, December 15, 2015 - "Chase, Bank of America, Citibank And Wells Fargo Spending \$1.5 Billion To Battle Cyber Crime"

23 Brookings, February 28, 2017 - "The Unprecedented Expansion of the Global Middle Class"

to administer and keep current, and as errors are sometimes made by borrowers and/or lending staff. Less precise credit analysis means some loans will be rejected that should have been approved, and vice versa. All this reduces profitability of the loan portfolio over time, while increasing bad debt.

- **Emerging Investors are Shut Out:** Just as millions of financially capable borrowers from emerging nations are blocked from legacy credit sources today, many investors from such nations find it challenging to connect with risk-adjusted investment opportunities in global lending. One of the main drivers of this isolation is their difficulty assessing lending risk through the legacy system. A second driver is the inability to contract directly and securely with global borrowers. Consequently, their investment capital currently flows through costly middlemen, or into alternative investments — thereby decreasing the pool of capital available to global borrowers, while contributing to the higher cost of credit.

Taken together, it's easy to see that our legacy system for gathering, storing, analyzing and distributing personal credit information adversely impacts both borrowers and lenders. Now let's turn our attention to the PrimeChain vision for addressing these problems in a transformational way.

## **2.0 MARKET SOLUTION: PRIMECHAIN UNIVERSAL LENDING PLATFORM**

### **2.1 Vision**

The PrimeChain vision consists of two complementary parts:

- 1. To provide consumers with more cost-effective borrowing — while securing their PII and minimizing transaction friction;*
- 2. To provide lenders and investors with more abundant, risk-adjusted opportunities to deploy their capital worldwide.*

To support the former, PrimeChain will introduce a blockchain-enabled, anonymized Universal Lending Profile (ULP) at the launch of our business. The ULP combines a standard credit application — that can be submitted to multiple lenders — with a blockchain-attested digital locker that houses the borrower's current credit report and loan documents (proof of income, bank and investment statements, tax returns, summary of

debts, etc.) Additionally, each ULP will be risk-adjusted — by adapting current LeadPoint scoring technology — thereby increasing the ULP’s value and appeal to lenders.

Over time, the ULP has the opportunity to accommodate loan documents from many nations. But it will be decoupled from PII at the outset; with PII encrypted and stored in a sophisticated, off chain network. This anonymized ULP can enable a wide range of consumer lending transactions — from mortgages and car loans to credit card approvals — to proceed far more securely and efficiently than in the legacy system.

To support the *latter*, PrimeChain will introduce its Global Lending Platform (GLP) in Phase II of our vision. The GLP will provide both traditional lenders and a growing investor population with risk-adjusted consumer lending opportunities on a worldwide basis. PrimeChain tokens (called PRIMES) will be used to fund the tokenization cost of bundling loans into risk-adjusted offerings (1% of each loan’s Lifetime Interest will be held in PRIMES).

## **2.2 Mission**

Like most breakthroughs, PrimeChain grafts a revolutionary concept to a simple one in the execution of an inspiring mission. PrimeChain’s mission is to create a Global Lending Platform that enables consumers and lenders to connect — completing loan transactions more securely and efficiently — on a worldwide basis.

PrimeChain will accomplish its mission by harnessing the key benefits of blockchain (data accuracy and immutability) while overcoming its principal defect (that a blockchain ledger is inherently public...so it can’t house sensitive data on-chain). In so doing, we’ll introduce the PrimeChain platform, which will enable consumers and lenders around the world to interact far more efficiently and collaboratively.

The fulfillment of this mission can yield breathtaking results: consumer identity and personal information can become vastly more secure; borrowing can get faster, easier and less expensive; borders can fade as consumers and investors in emerging markets enter the lending ecosystem; and financial institutions can unlock resources and bandwidth to create innovative products for an expanding global market.

## **2.3 Key Elements of the PrimeChain Solution**

PrimeChain is based on the simple premise that PII should always be kept separate from financial data, as that’s the surest way to protect it. If the 155 million customer records stolen

from Equifax had been successfully anonymized (meaning the financial data and PII would be separately encrypted and stored), the hackers would have ended up with a vast, worthless database and consumers would not be at risk. Tragically, Equifax kept all this data unified; shielded only by archaic — and vulnerable — security protocols. Why did Equifax fail to anonymize these credit files? Because they lacked the current ability and technology to do so. Sadly, that's also true for virtually all financial institutions today — even those spending billions to thwart cybercrime. They simply haven't figured out how to securely separate PII and financial data in an ecosystem that demands — and devours — trillions of pages of consumer loan documents every year.

***But PrimeChain has.***

We do so by grafting a revolutionary technology platform — PrimeChain — to the simple yet powerful idea of separating PII from financial data. There will be two distinct phases in the rollout of our solution:

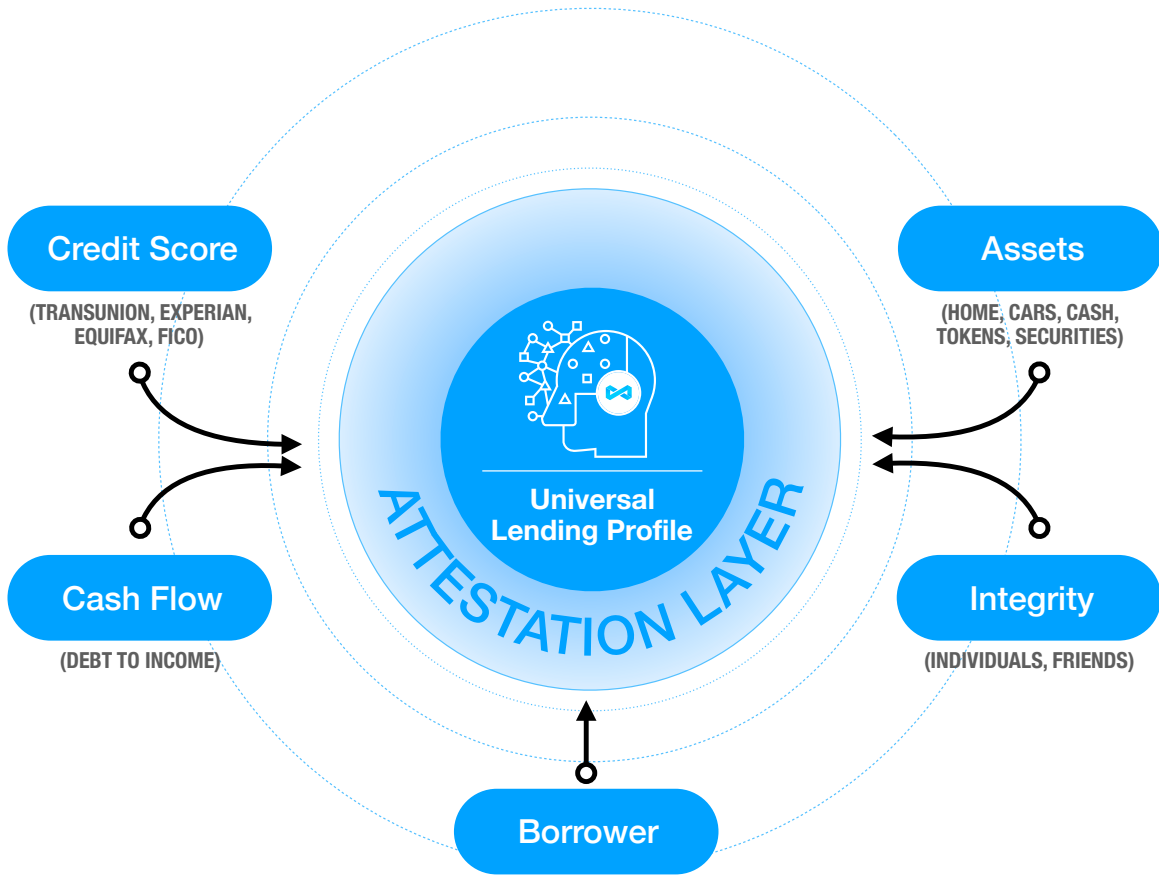
**Phase I** - involves creating and promoting the widespread adoption in the US market of our anonymized, risk-scored Universal Lending Profile. This phase alone can ensure PrimeChain's economic viability, as it lets us monetize the tackling of a vast, acute problem: keeping PII safe in consumer lending.

**Phase II** - involves introducing and promoting adoption of the Global Lending Platform (GLP). This phase will extend the benefits of the PrimeChain platform and ULP to a global population of borrowers, lenders and investors. PrimeChain tokens (called PRIMES) will be used to fund the tokenization cost of bundling loans into risk-adjusted offerings (1% of each loan's Lifetime Interest will be held in PRIMES).

***Here are the six key elements of our Phase I Solution:***

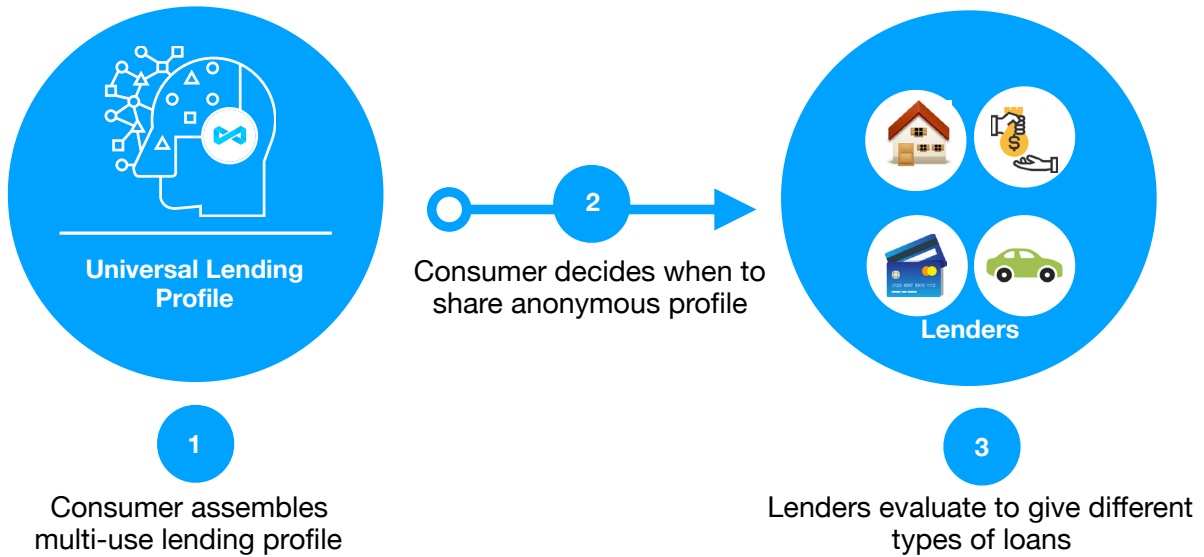
- First, PrimeChain will build on the groundbreaking technology of blockchain, using algorithms and consensus among multiple, decentralized computers to attest that all transaction data is accurate, trustworthy and immutable. Smart contracts on the block chain will record all quoting, applications, lending contracts and payments against lending contracts.
- Next, to isolate PII from financial data — which fully anonymizes the data — PrimeChain must address a key problem inherent in traditional blockchain architecture: that the blockchain ledger is inherently public. To solve this, PrimeChain augments

its blockchain with a sophisticated second layer — an off-chain network that enables secure, decentralized data computation and exchange. Put simply, the consumer’s PII is encrypted and permanently decoupled from his or her financial data, and it now resides in the off-chain network.



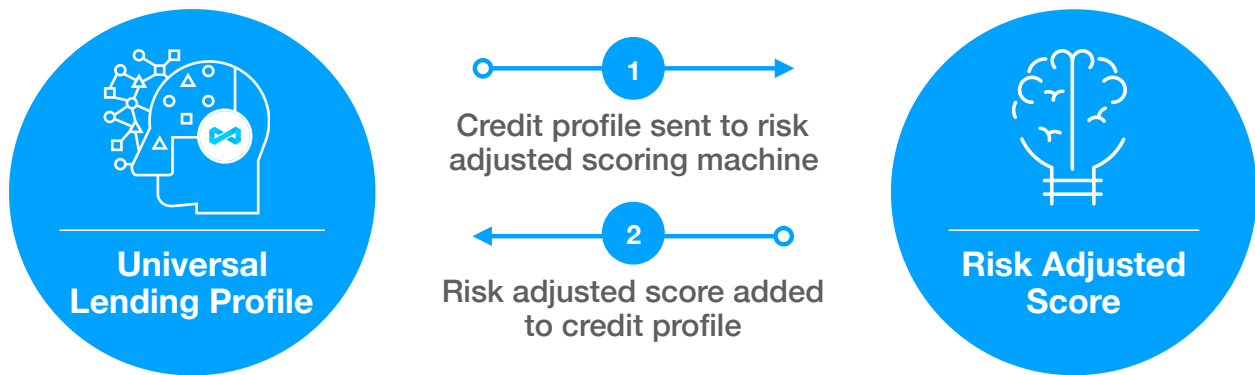
**Anonymized Universal Lending Profile**

- Third, consumers will be encouraged to obtain a free Universal Lending Profile (ULP), and to use their ULP when applying for credit. Embedded in each ULP is a standard loan application that can be used for mortgage, vehicle loan, personal loan, credit card and other loan types. Also embedded will be support documentation commonly provided by borrowers, such as income verification, bank statements, etc. Consumers can update their ULP at any time, and it is auto populated with fresh data from credit reporting agencies to keep it current. ULPs will evolve over time:



- » Our launch ULP will save borrowers considerable time and stress in applying for consumer loans, while providing a new standard of security for their PII. Keep in mind that only the consumer can authorize lenders to combine a winning offer with their encrypted PII. This will be accomplished and verified through authentication keys generated by the PrimeChain blockchain.)
- » Downstream, the ULP will become submittable by the borrower to virtually any lender, thus becoming truly universal (see Section 4.2, Product Roadmap).
- The fourth key element will be incentivizing consumers to both create and utilize their ULPs. This will be accomplished through an attractive rewards program. PrimeChain will reward our users for such behaviors as:
  - » Creating their anonymized ULP;
  - » Completing their ULP;
  - » Sharing their ULP with lenders when applying for a 1st or 2nd mortgage, car loan, credit card, personal loan, etc.;
  - » Referring other consumers who also create ULPs;
- Fifth, lenders will be integrated onto the PrimeChain platform, attracted by the prospect of growing loan volume, while reducing both transaction friction and exposure to consumer PII.
- The sixth and final element of the PrimeChain solution is our unique ability to present loan applications to global lenders and investors on a risk-adjusted basis. We'll score

anonymized ULPs against a wide range of data points, including: current and historic debt; the servicing of that debt; provable income; provable assets; key demographic factors not included in legacy credit bureau scoring; and other data. This scoring engine will enable lenders to filter incoming applications according to their risk tolerance and product mix. This technology is based on 5th generation, machine learning algorithms developed by LeadPoint to score millions of mortgage leads every year. The ability to receive and filter pre-scored applications will help lenders be more innovative in product development, while making better credit decisions.



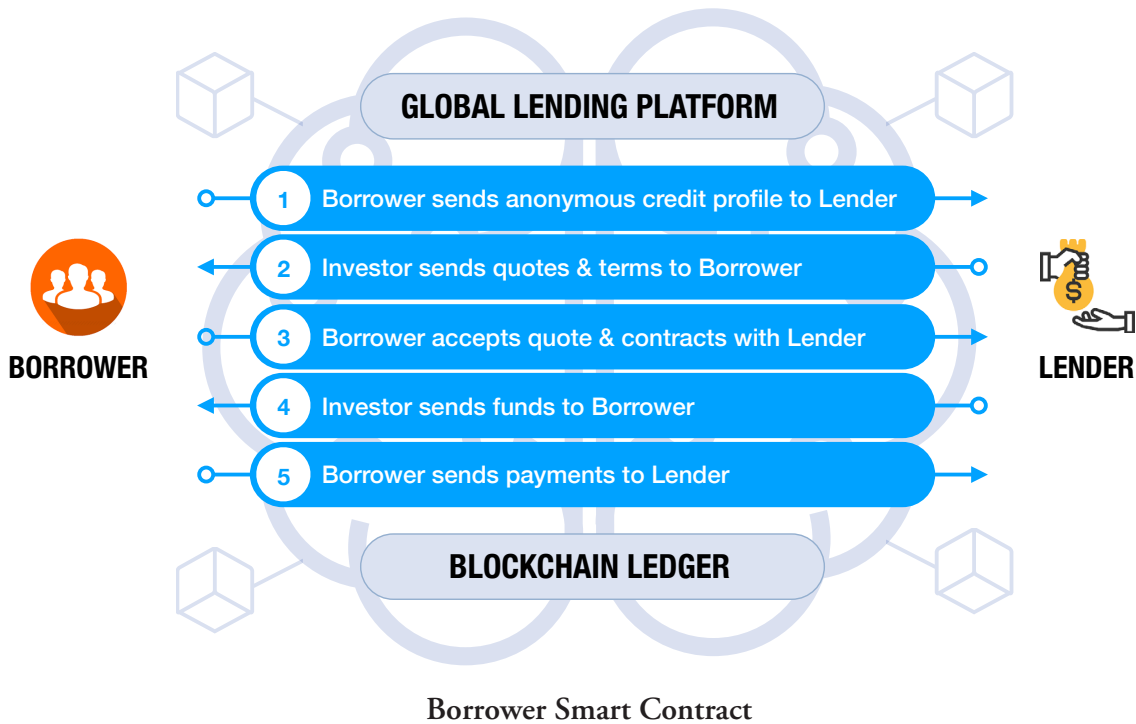
Risk-Scored Universal Lending Profile

***The Phase II Solution:***

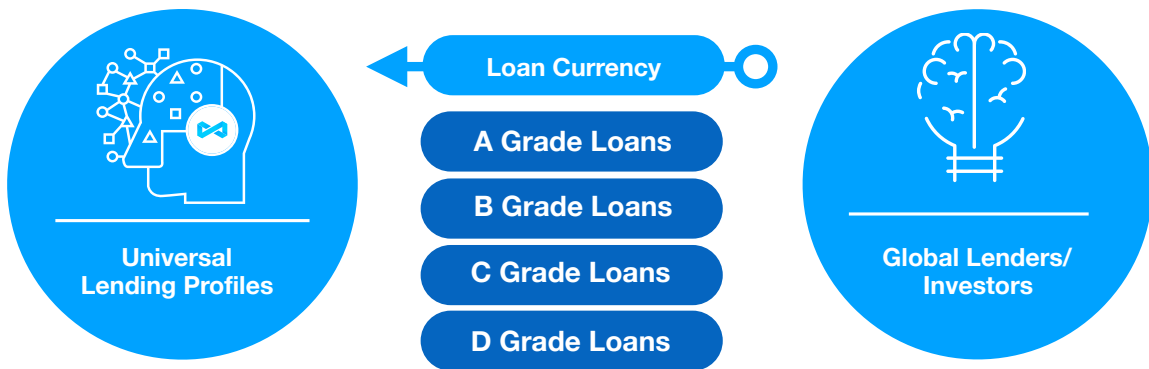
This phase will extend the benefits of the PrimeChain platform and ULP to a global population of borrowers, lenders and investors. It consists of two key steps.

- 1. The Global Lending Platform** - will use blockchain-enabled smart contracts to facilitate consumer borrowing on a worldwide basis. Risk-adjusted lending profiles will be presented for loan quotes, commitments, funding and payments through loan maturity.





**2. Investors fund pools of risk-adjusted lending profiles through Smart contracts**  
 - PRIME tokens will be used to fund tokenization cost of bundling loans into risk-adjusted offerings (1% of Lifetime Interest is held in PRIMES).



Each loan's tokenization cost is held in PRIMES — at 1% of the loan's Lifetime interest

**Global Investor Smart Contract**

## 2.4 Vast Addressable Market

Consumer borrowing in the US and abroad is absolutely booming — with no signs of relenting anytime soon. The sheer scope of this market, combined with the worsening problems of consumers and lenders detailed in Section 1, demonstrate that a vast addressable

market exists for the PrimeChain solution set. Consider the following facts and trends:

- In November 2017, **US consumer borrowing** posted its largest monthly gain in 16 years, climbing 8.83%, with outstanding consumer credit rising \$27.95 billion.<sup>24</sup>
- The **US mortgage** market alone totaled \$25.4 trillion at the end of Q3 2017,<sup>25</sup> with new mortgage originations in 2016 topping \$2.06 trillion.<sup>26</sup>
- **Vehicle loans** to American consumers topped \$1.2 trillion by the end of 2016.<sup>27</sup>
- **Student loans** in the US totaled \$1.36 trillion by the end of 2016.<sup>28</sup>
- In June 2017, consumer **credit card debt** reached an all-time high of \$1.021 trillion.<sup>29</sup>
- **Global borrowing** is also at an all-time high, with Finaccord Research projecting worldwide consumer lending to hit \$51.9 trillion by 2019.<sup>30</sup>
- **Consumer borrowing** is forecast to continue growing at a 4.88% CAGR through at least 2020.<sup>31</sup>

### 3.0 THE PRIMECHAIN EDGE

The creators of PrimeChain are well positioned to transform how PII is secured in financial transactions, while facilitating global lending in new and powerful ways. As the founders of LeadPoint — the world’s largest online exchange for bringing borrowers and lenders together — they have 13 years direct visibility into the massive complexity, cost and pain inflicted on these stakeholders by the legacy system.

Additionally, PrimeChain’s founders were instrumental in creating and transforming the multi billion dollar affiliate marketing industry, as founders of Commission Junction (CJ) and Impact Radius. CJ is the world’s first and largest affiliate network/platform, while Impact Radius ranks among the world’s leading digital marketing platforms — transacting in over 80 currencies.

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24 Wall Street Journal, January 8, 2018 - “U.S. Consumer Credit Posts Largest Gain in 16 Years”

25 Housing Finance Policy Center

26 Urban Institute, Housing Finance Chartbook

27 NerdWallet - “2017 American Household Debt Study

28 ibid

29 MarketWatch, August 8, 2017

30 Finaccord report, May 3, 2016

31 Technavio Report - “Global Consumer Credit Market 2016-2020”

This unique combination of entrepreneurial and operational expertise in the consumer lending and digital marketing spaces — complemented by decades of advanced technology development — gives our founders the strategic vision, professional experience and technical depth to bring PrimeChain successfully to the world.

### 3.1 Founders and Team

**Marc Diana - Founder, President & CEO:** With a deep understanding of both technology and market opportunities, Marc has been building disruptive and successful internet and tech companies for 20 years. He co-founded LowerMyBills.com in 1999, where he built the mortgage unit by combining Ameriquest with online short form lead generation. LowerMyBills was sold to Experian in 2006 for \$440 million. Marc joined forces with Per Petterson (co-founder of Commission Junction) to create Estalea, a California private equity firm that would focus on creating technology startups. The first three companies created by Estalea were: LeadPoint (the world's first online mortgage lead exchange) in 2006; Savings.com (a global community for consumer savings) in 2004; and Impact Radius (a transformational digital marketing/affiliate marketing platform) in 2008. All three became groundbreaking and highly successful businesses. Savings.com was acquired by Cox Communications (NYSE:COX) in 2012 for \$125 million, while LeadPoint and Impact Radius remain in the Estalea portfolio. Marc has been LeadPoint's CEO since inception. He received a B.A. in Business from Villanova University.

**Per Pettersen - Founder & Chief Technology Officer:** A technical visionary and world-renowned entrepreneur, Per helped birth a number of market leading internet and tech companies. In 1998, he co-founded — and served as Chief Technology Officer for — Commission Junction (CJ), which rapidly became the world's largest affiliate marketing network. CJ was acquired by ValueClick (NASDAQ:VCLK) in 2003 for \$58 million. Per next teamed up with Marc Diana (co-founder of LowerMyBills.com) to create Estalea, a California private equity firm that would focus on creating technology startups. The first three companies created by Estalea were: LeadPoint (the world's first online mortgage lead exchange) in 2004; Savings.com (a global community for consumer savings) in 2006; and Impact Radius (a transformational digital marketing/affiliate marketing platform) in 2008. All three became groundbreaking and highly successful businesses. Savings.com was acquired by Cox Communications (NYSE:COX) in 2012 for \$125 million, while LeadPoint and Impact Radius remain in the Estalea portfolio. Per was Impact Radius' CEO from 2008-2017. He earned his B.S. in electrical engineering and his M.S. in computer engineering from the University of California at Santa Barbara.

**Jas Dhillon - Co-Founder, Chief Strategy & Product Officer:** Jas brings over 25 years of experience as a technology executive and product/business strategist to his co-founding role at PrimeChain. His extensive entrepreneurial and technical operations expertise will better enable PrimeChain to design, engineer and execute its Global Credit Exchange vision. Simply put, that vision is to leverage blockchain and associated technologies to securely connect consumers and lenders in credit transactions. Jas' Background includes 14 years as an Entrepreneurial CEO and 18 years as an Operating Executive, creating and growing profitable SaaS companies like BlueLine OnLine (acquired by Sword Group.), Zero Degrees, Inc. (acquired by Interactive Corp.) and Evidence.com (formerly Taser, Intl.) He founded and exited three successful venture-backed SaaS companies in Engineering Collaboration, Business Social Networking, and IoT Video. As CEO, Jas raised \$100M+ of equity investment, established and nurtured long term executive-client relationships, and negotiated complex growth partnerships. Previously, Jas was a senior executive at Microsoft, where he served as Head of Business Development for Office 365. Jas earned a Master of Science in Systems Management from the University of Southern California in Los Angeles, with a special focus on Information Technology and Entrepreneurship. He also received a Bachelor of Science in Electrical Engineering from Ohio University.

**Mark Fidelman - Chief Marketing Officer:** With a rich understanding of online and offline sales ecosystems, Mark has spent more than two decades developing breakthrough marketing approaches that drive superior results for both. These approaches include influencer marketing, advanced social marketing, public relations, and incentivized peer engagement. His background includes senior technology sales and marketing positions with A.T. Kearney, EDS (now HP), CT Space and Autodesk, plus consulting partnerships with Oracle, Microsoft and IBM. Mark has been named a 2017 Top 20 influencer of CMOs by Forbes Magazine, a Top 25 Social Media Keynote Speaker by Inc Magazine, and a Huffington Post Top 50 Most Social CEO. Mark writes the Socialized and Mobilized Columnist on Forbes and is a globally recognized thought leader on the subject of Social Business, Mobile Business and Mobile Social Networks. He has interviewed hundreds of Global 3000 CXOs and speaks and writes regularly about how they are impacting today's business.

**Noah Staitman - Chief Revenue Officer:** With over 20 years experience growing sales for leading financial, telecommunications and Internet companies, Noah brings both strategic and technical expertise to the revenue domain of PrimeChain. For the past nine years, he has served as Executive Vice President of Sales at LeadPoint, where he also serves as Chief Revenue Officer. Prior to joining LeadPoint, Noah was Sales Director at LowerMyBills, an

Experian Interactive Media company. In his tenure there, he defined the business model and determined both product and sales strategies for the newly launched LowerMyBills.co.uk platform. Noah also delivered strong year-over-year revenue growth to the company. Prior to LMB/Experian, Noah served as the Director of Sales and Marketing at LoanWeb.com where he helped the company grow revenue nearly 900% in less than three years.

**Michael Dubrow - Chief Business Development Officer:** Michael has co-founded successful and enduring businesses in multiple industries. He joined Estalea in 2012 to provide its portfolio companies with strategic, marketing and business development consulting. Prior to joining Estalea Michael was the founder and CEO of Dubrow Marketing Associates, which crafted multi million dollar online and offline distribution partnerships for leading membership companies in the US and Europe, including Vertrue and AEGON. Before that he was a co-founder of Bargain Network, Inc. (Bargain.com), a direct-to-consumer marketing organization that grew from a small startup into a \$65 million exit eight years later. Also at this time, Michael co-founded inQ (now TouchCommerce.com), a pioneer in the online service bureau industry. Earlier, he co-founded two institutional investment firms: Chambers Dunhill Rubin & Co. (where he structured more than \$10 billion in stable value investments for employee benefit plans and municipal bond issuers) and Vision Capital, Inc. (an SEC-registered investment advisor whose transactions included the reinvestment of \$240 million in bond proceeds for the City of Philadelphia Justice Center).

**Henry Min - Chief Experience Officer:** Henry has 20 years experience in creative direction and product management, with a focus on creating innovative digital user experiences. He is a Principal and Chief Experience Officer at Estalea, a California private equity firm that helped found LeadPoint, Impact Radius, Savings.com and MoneyTips. Henry helps oversee the firm's work globally, driving creative excellence in design and user experience across the organization. Previously, he served as Founder and CEO at Nestivity, a social media marketing software company which was acquired and merged with Adly, a Los Angeles based company backed by Upfront Ventures, Greycroft Partners and Seimer Ventures. Henry was also a founder and Creative Director at Digitas and Razorfish. His work has received numerous industry awards , including: IAB's MIXX awards (American Express), OMMA (OPEN for Small Business), Cannes Lion (Financial Times), CLIO (Casio G-Shock), and the Webby's (Ford.com and HBO's "Band of Brothers" series). Henry is a graduate of Parsons School of Design.

**Oliver Bussmann** - is a globally recognized technology thought leader and driver of large-scale transformation at multinational organizations. The Founder and CEO of Bussmann Advisory AG, he advises enterprises and start-ups looking to stay ahead of the digital disruption curve. He also holds important mandates in industry associations, including as President of the Swiss Crypto Valley Association, Global Ambassador for UK-based Innovate Finance and as a Board Member of Identity 2020. From 2013 to 2016 Bussmann was Group Chief Information Officer of UBS, where he successfully led a major IT transformation effort, instituted a new group-wide innovation framework and established UBS as a pioneer in the development of blockchain for use in financial services. Prior to joining UBS Bussmann was Global Chief Information Officer at SAP, where he also spearheaded significant technological transformation, and before that CIO for North America & Mexico at Allianz. Previous roles have included executive positions at Deutsche Bank and IBM.

Bussmann's achievements have been widely recognized. He was named COO/CTO of the year by Financial News/The Wall Street Journal, European CIO of the Year by INSEAD/CIONET, received the Elite 8 Award, which is given to the most innovative leaders in technology working in capital markets by Wall Street & Technology Magazine, and has twice been included on the Financial News "FinTech 40" list of innovators shaping the future of finance.

**Barnaby Andersun - Blockchain Strategist:** Barnaby is a founder of several startups, branding consultancies and ecommerce projects. This includes BlockAlchemy (to create innovative ICOs for startups), as well as Brand Aloud (which offers startups a complete strategy for marketing themselves online. Both of these organizations focus entirely on blockchain projects. Barnaby has some 25 years experience in digital design and development. He is also a sought after international speaker, having trained over 2.000 people in the US, Asia and Australia on the strategies to build online audiences, social media and ecommerce.

### **3.2 Competitive Advantages Provided by LeadPoint, Inc.**

LeadPoint, Inc. (LPI) is the world's first and largest online lead exchange, founded in 2004 by the creators of PrimeChain. It's a smoothly operated and steadily growing private company that has been profitable for many years. LPI has over 150 employees, with offices in Los Angeles, Detroit and Cape Town, South Africa.

It is important to note that PrimeChain, unlike the vast majority of blockchain enterprises, is not an isolated startup. Rather, it's an *extension* of LPI — a discrete business unit that

will share the company's technology, talent, best practices and strategic relationships to help fasttrack PrimeChain's development and adoption.

LPI specializes in bringing together mortgage borrowers and lenders (some 7 million per year) through its *LeadPoint Marketplace* platform. Additionally, its *MoneyTips* personal finance destination makes LPI a seasoned facilitator of credit card, motor vehicle and personal loan transactions. Through this vertical integration, LPI has amassed substantial expertise in the consumer lending domain — creating advanced technology, while building strategic relationships with lenders and other institutional stakeholders.

For more information, visit [www.leadpoint.com](http://www.leadpoint.com) and [www.moneytips.com](http://www.moneytips.com).

By contributing to the development and adoption of PrimeChain's platform and ecosystem, LPI brings the following competitive advantages:

- **Common Team of Proven Leaders** - Several of PrimeChain's founders were also instrumental in creating and growing LeadPoint. This team has worked together in harmony and precision for more than a decade — and continues to do so — delivering advanced solutions to customers and growing profitability to investors.
- **Proven, Scalable Technology Team** - Just as LeadPoint and PrimeChain share common founders, they also share a world class technology team — right from the start. This will enable PrimeChain to scale its platform and business volume methodically, yet rapidly.
- **Huge Existing Borrower Database** - LeadPoint has an existing consumer borrower database of over 20 million Americans, which grows by some 500,000 new customers each month. This database is a prime source of prospects for PrimeChain's Universal Credit Profile, which will be made available to consumers for free. Major lenders — who prefer partnerships that can scale quickly — will be drawn to the sheer scope of PrimeChain's borrower database at launch and beyond.
- **Day-One Consumer Acquisition Capability** - Through its affiliation with LeadPoint, PrimeChain can hit the ground running with over 20,000 new loan inquiries daily. By seeding the top of its ULP distribution funnel with these currently interested borrowers, PrimeChain can start amassing a large population of ULP registrants on Day-One.
- **Syndication and Distribution Relationships with Top Publishers** - For several years, LeadPoint has distributed exclusive content from its Moneytips destination through Huffington Post, NBC, AOL, Fox Business, Reader's Digest, the Tribune Company (Now TRONC), Scripps, and other leading publishers. By having this Tier One distribution

capability already in place, PrimeChain can reach millions of consumers quickly and inexpensively to introduce the benefits of free ULP registration.

- **Seasoned Relationships with Major Lenders** - LeadPoint enjoys seasoned relationships with all major US lenders, to whom we currently provide millions of mortgage leads annually. They include: Wells Fargo, JP Morgan Chase, Bank of America, Capital One, Quicken Loans, and over 1,000 others. PrimeChain can leverage these relationships to build its own lender network — a core element of our business plan.
- **5th Generation Machine-Learning Algorithms** - Since LeadPoint opened in 2006, it has developed multiple generations of sophisticated lead-scoring software for its LeadClass platform. Our current (5th generation) algorithms will be integrated with the PrimeChain platform. This will allow PrimeChain to present loan applications on a risk-adjusted basis, enabling lenders to be more innovative in product development, while making better credit decisions.
- **Existing Partnerships with Credit Bureaus and Data Providers** - Data is power in any modern ecosystem, but especially in consumer credit. To support its best-of-breed lead scoring platform, LeadPoint maintains vital partnerships with all major consumer credit agencies (Transunion, Experian and Equifax) and housing data providers. LeadPoint is an authorized user of formal credit data from these agencies, and will license the ability to develop algorithms that further analyze this data — creating additional risk assessment components for PrimeChain. These vital relationships — and the data they provide — can be leveraged immediately by PrimeChain in the development and distribution of its ULP.
- **Beta Development of the ULP with MoneyTips** - As the Universal Lending Profile is central to the PrimeChain platform and business model, it's noteworthy that an operational version of the ULP has been deployed at LPI's consumer finance destination, — MoneyTips — for the past two years. This deployment of the ULP is called Debt Optimizer. It enables MoneyTips users to view and manage all their financial accounts — including their credit report — on a single, intuitive dashboard, empowering consumers to better understand and master their financial lives.
- **Captive Call Center** - LeadPoint owns and operates a 100 agent call center in Detroit, MI.



## 4.0 THE PRIMECHAIN PLATFORM

In Section 1, we exposed the cascading global crisis of PII vulnerability. In Sections 2 and 3, we outlined key elements and advantages of the PrimeChain solution. In this section, we'll shift our focus to a more granular understanding of PrimeChain's product roadmap and underlying platform technology.

Before we do, however, let's distill the very purpose of this platform into a single sentence: *To engender a Global Lending Platform where consumers and lenders connect easily — completing loan transactions more securely and efficiently than ever before.*

### 4.1 Product Roadmap

Here's our projected roadmap for developing the core PrimeChain platform:

1. **v1.0 PRIMECHAIN ULP:** The software at the core of our Universal Lending Profile already exists, and is smoothly functioning in a commercial environment. Every day, LeadPoint generates around 15,000 similar profiles on their 5th generation LeadClass platform. These profiles are successfully monetized by LeadPoint as risk-scored leads for mortgage and other lenders. PrimeChain will leverage this technology — expanding the dataset and further adapting the software to our platform requirements. This will ensure that our ULP can be shared anonymously on the PrimeChain platform.
2. **v1.0 PRIMECHAIN CORE PLATFORM:** This phase has the following major milestones:
  - a. **Develop the Secure Off-Chain Storage Capability** - This capability will enable the extraction, sharing, encryption and distribution of a consumer's personally identifiable information (PII) for storage and future re-assembly in an off-chain network. It will also include a real-time PII query and reassembly capability, enabling the consumer to share PII securely with a lender, on-demand.
  - b. **Develop the Blockchain Credit Transaction Tracking Ledger** - This vital Ledger will keep an accurate record of every credit request and lending transaction processed via PrimeChain — including its current status — using the Zero Knowledge Proof (or equivalent algorithm) protocol.

### **3. V1.5 PRIMECHAIN ANONYMOUS CREDIT OFFERS AND PII ESCROW -**

In this phase, PrimeChain's PII protective shield will be expanded to encompass PII verification for lenders. To do so, we'll employ zero knowledge protocols (or another appropriate algorithm) to ensure the highest level of consumer privacy. This will enable lenders to verify the PII of a loan applicant — without receipt of their actual PII — for the purpose of making an initial credit offer. Then, we'll extend anonymity through the lending and servicing of a loan by escrowing encrypted consumer information, unless they default on payments. Consumers will have the option of making anonymized payments on their loans through the PrimeChain platform, which will track payments against contracted loan terms.

- 4. V2.0 PRIMECHAIN API LAYER -** One of PrimeChain's commercial goals is to enable a large population of business stakeholders to join in the development of — and realize value from — our Global Lending Platform. So, in this phase we'll create, test and launch an API layer that enables approved 3rd parties to integrate with, use, and extend PrimeChain's core functionality. These prospective integrations will be carefully vetted to ensure they're beneficial to other users, and that they support PrimeChain's broader credit application and lending ecosystem.

## **4.2 Our Platform Management Software**

The PrimeChain platform will be a seamless mix of specialized software management engines designed and developed by a unified technology team. While each engine is individually described below, their separate functioning is invisible to the consumer. All they experience is the ease and security of utilizing the integrated PrimeChain platform via their Universal Lending Profile. Here's a closer look at these engines:

**The Universal Lending Profile Engine (ULPE):** The ULPE is a proprietary SW engine that enables consumers to create a Universal Lending Profile (ULP) that can be used to apply for credit (such as a mortgage, car loan or credit card) from multiple lenders. It is self-updating via data feeds from connected data sources (like credit bureaus, payroll companies, consumer bank and investment accounts, etc.), and also permits manual user input. The ULP solves the problem of creating a new credit application for every lender, every time the user applies for credit. Thus, the Universal Lending Profile becomes the simple and secure starting point for every borrowing experience.

**The Anonymous Lending Profile Generation Engine (ALP):** The ALP lets consumers share their credit profile in an anonymized form with prospective lenders. Put simply, it separates PII from their Universal Lending Profile. This allows them to seek credit offers from multiple lenders without sharing that PII. When a consumer applies for credit, the ALP takes a snapshot of their latest credit profile, and runs it through a series of transformations to remove, encrypt, and separately store the PII. The ALP then provides the anonymized credit profile to each lender so it can make a credit offer. The consumer is protected because their PII is only distributed to the winning lender — after the consumer makes his or her credit choice.

**The Credit Application Workflow Engine (CAW):** Our CAW enables consumers and lenders to collaborate online, augmented by automation. This engine lets a consumer:

- Complete an online credit application;
- Attach support documents to the application (like proof of income, bank and investment statements, summary of debts, etc.), which is anonymized by the ACP engine described above.
- Submit their application to multiple lenders in real-time;
- Receive credit offers from these lenders;
- Select the offer they prefer — all online.

The CAW also features a communications module that lets consumers and lenders connect and communicate during the credit application process. This keeps all communications related to a specific application in one secure location, while accelerating the lending process. Finally, the CAW provides a robust document management and electronic signature capability that enables both consumers and lenders to securely store, route, and sign all documents related to the loan transaction..

**The PII Sharing Engine (PSE):** The PSE is engaged only when a lender submits a credit offer to a consumer — and the consumer accepts it. The consumer uses the PSE (which operates invisibly, as do all these individual engines) to authorize release of their PII to the winning lender, who then begins the loan documentation process. The borrower benefits because her PII is exposed only to the winning lender. And the lender benefits because they only have to store and manage PII of consumers they actually lend to.

**The Blockchain Transaction Recording Engine (BTR):** PrimeChain owns and operates a private blockchain that keeps secure track of:

- All consumer credit applications;
- Corresponding lender decisions;
- Anonymized ULP-sharing;
- PII-sharing through a distributed, but encrypted ledger. A copy of this ledger is stored on every computer in the blockchain to support future audits and tracking.

It's important to note that consumer PII is never stored on our private blockchain, as blockchain ledgers are inherently public to ensure their accuracy and immutability. So, on the PrimeChain platform, PII resides instead on a sophisticated second-layer network that enables secure, decentralized data computation and exchange.

**The PII Protection Engine (PPE):** When a consumer joins PrimeChain and provides her PII, the PPE encrypts and distributes it across a sophisticated off-chain network of servers we control. Her encrypted PII is thus disassembled and distributed across a vast array of second layer servers. When she authorizes the release of this PII — such as sending it to a winning lender — the PPE gathers the distributed parts of her PII and reassembles them into a coherent package. This reassembled PII is transmitted to the lender, who can now create formal loan documents. All this occurs instantly and invisibly. Thus, transaction friction is non-existent, yet consumer PII has been secured throughout the borrowing process.

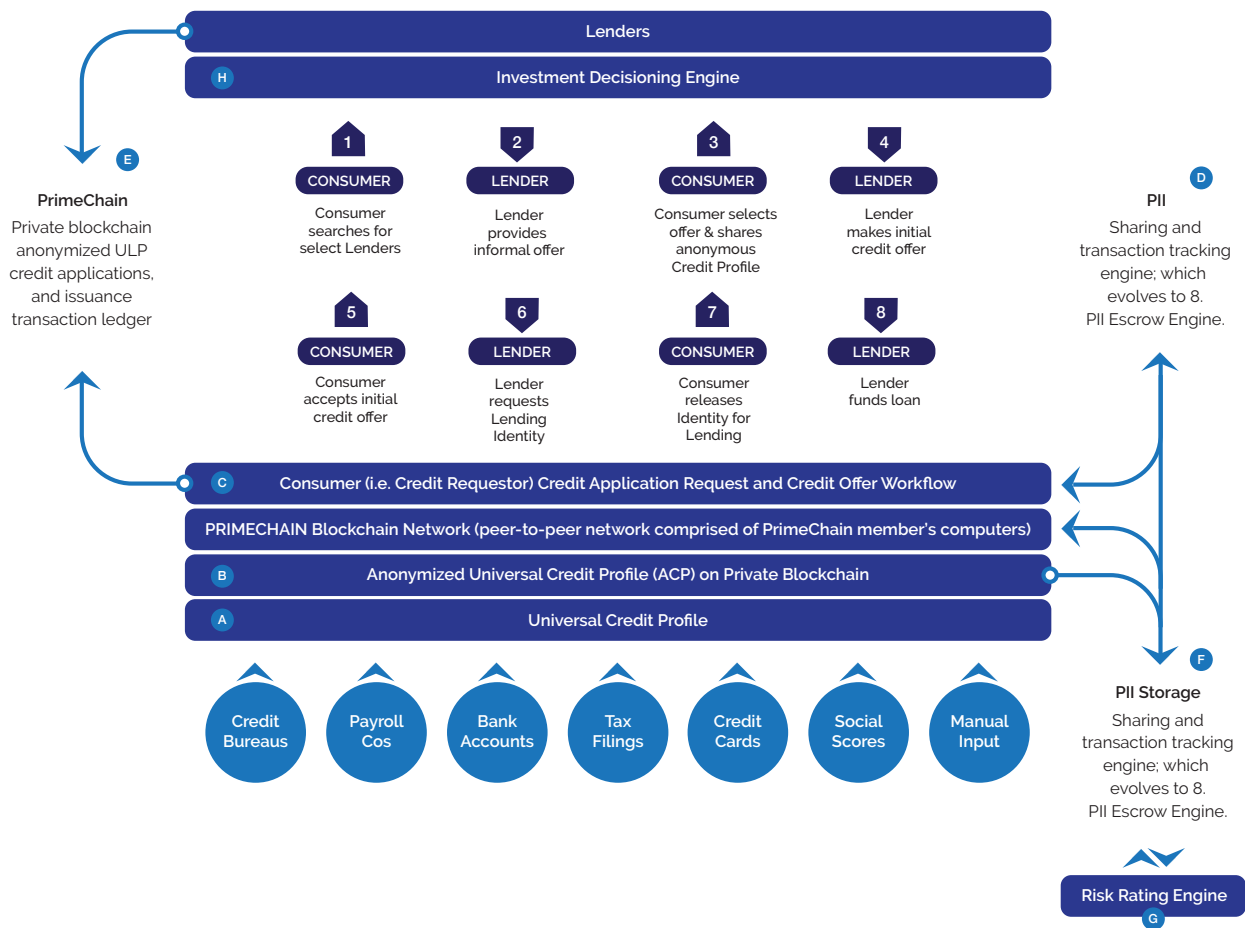
**The PRIME Security Token Management Engine (TME):** PrimeChain tokens (PRIMES) provide ICO participants and subsequent holders of PRIMES with an immutable, blockchain enabled record of their equity ownership in LPI-PrimeChain. Our Token Management Engine validates and tracks all usage of PRIME tokens, while updating token account balances of all platform users in real time. (See Section 6.)

**Credit Scoring Engine (CSE):** The CSE is based on LeadPoint's 5th generation LeadClass scoring engine. It's algorithms will be custom adapted — and integrated with the anonymized ULP — to allow PrimeChain to present loan applications on a risk-adjusted basis. This will enable lenders to be more innovative in product development, while making better credit decisions.

**Investment Decisioning Engine (IDE):** As transaction volume grows — and confidence builds in PrimeChain’s Credit Scoring Engine — investment capital can flow into the IDE, where PrimeChain automatically distributes funds across risk-scored consumer lending opportunities.

Working together invisibly, our software management engines will ensure a seamless execution of the PrimeChain platform. Moreover, they’ll keep a cryptographically secure and immutable record of every bit of data — including documents — utilized within all transactions. This will make it simple to verify, track and report on any event or decision that has ever occurred on the PrimeChain network.

The integrity of PrimeChain’s platform will, in-turn, prevent fraud while providing public accountability and scalability for all platform users. Further, we anticipate that our distributed private blockchain capability will incentivize a growing ecosystem of platform stakeholders.



The PrimeChain Platform

### 4.3 Smart Contracts

Distilled to its essence, PrimeChain is a distributed virtual machine that allows end users (borrowers and lenders) to construct “smart contracts” for loan transactions within a secure and supportive ecosystem. These “contracts” include the ULP itself, plus every loan application, offer, acceptance, and related interaction that occurs during the borrowing/lending cycle.

All platform interactions are executed and recorded on the PrimeChain blockchain via Smart Contracts) that are cryptographically secure. These Smart Contracts can validate — or enforce the performance of — any platform interaction, ranging from the initial loan application to binding credit offers, to final loan acceptance by the anonymized borrower, to incentivization of ecosystem stakeholders — through Marketplace Reward credits — who promote platform adoption.

Now that we’ve outlined the technology underlying the PrimeChain platform, let’s drill deeper into *how* this technology the PrimeChain business model work..

## 5.0 THE PRIMECHAIN BUSINESS MODEL

### 5.1 More than a Startup

Nearly all blockchain enterprises dedicate the majority of their proceeds to the creation of a pure startup enterprise — with the myriad risk factors that entails. New business model, new technology, sales and marketing demands, operational, staffing, legal and HR hurdles — the list of entrepreneurial challenges is almost endless for the fledgling business. Not surprisingly, Ethereum founder Vitalik Buterin projects that “90% of (these enterprises) are doomed to fail,”<sup>32</sup> while Bitcoin News reports that “46% of 2017 (blockchain offerings) have failed already.”<sup>33</sup>

By design, PrimeChain, is not a pure startup. Rather, it’s an extension of a mature, profitable, diversified, industry-leading company — LeadPoint, Inc. (LPI) — that will share existing technology, talent, best practices and strategic relationships to fasttrack PrimeChain’s development and adoption. Because PrimeChain is a new business unit of LPI — rather than an isolated startup — it’s success prospects should be greatly enhanced.

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32 Futurism article, October 26, 2017 - “Ethereum Founder Says 90% of Token Startups Will Fail”

33 Bitcoin.com, February 23, 2018

## 5.2 Monetization Model

PrimeChain is expected to generate both direct and indirect revenue streams for LPI:

### *Direct Revenue Streams are likely to include:*

- Sale to lenders of borrower leads (mortgage, vehicle loan, personal loan, credit card, etc);
- Sale to lenders of completed loan applications (within the borrower’s anonymized ULP);
- Sale to lenders of completed, risk-adjusted loan applications within the anonymized ULP;
- Sale to lenders of authentication keys that reunite the ULP of a borrower with his or her PII (only with the express authorization — through our blockchain— of the borrower);
- Fee income and/or revenue sharing from other commercial stakeholders in the PrimeChain ecosystem, such as: professional service providers (like escrow and real estate companies); merchants in the PrimeChain Marketplace; advertisers; etc.
- Connecting global investors to risk-adjusted lending opportunities;
- Administering lending transactions;
- Fee income for access to risk-adjusted scoring algorithms;
- Building technology solutions for lenders on borrower lead generation and/or PII security practices.

### *Indirect Revenue Streams are likely to include:*

- Driving free and paid Consumer Memberships to LPI’s personal finance destination, MoneyTips (PrimeChain consumer users will be a natural fit as MoneyTips members);
- Driving free Consumer Memberships and paid Pro Memberships (service providers like plumbers, painters and decorators) to LPI’s home services app, HomeKick (PrimeChain consumer users will also be a natural fit as HomeKick members)

## 5.3 Driving Platform Adoption & Use

The success of PrimeChain’s business model rests squarely on our ability to drive platform *adoption by lenders*, and *utilization by consumers*. Here’s a look at how we intend to do both:

### ***Driving Lender Adoption:***

Lender adoption will be driven by intensive outreach from LPI's proven institutional business development team. This team has already forged enduring relationships — on behalf of LeadPoint — with most of the nation's top lenders and credit card issuers, including: Wells Fargo, JP Morgan Chase, Bank of America, Capital One and Quicken Loans. Our seasoned B/D professionals will powerfully communicate the four pillars of PrimeChain's value proposition to these and other lenders:

- 1. Receive More Loan Applications** - Lenders require a constant pipeline of new credit applications to sustain and grow their loan portfolios. It's the fuel their business runs on. PrimeChain can deliver a high volume of completed credit applications by leveraging LPI's current flow of over 7 million borrower leads per year, along with its own organic and paid marketing initiatives.
- 2. Receive Better Loan Applications** - Lenders are acutely aware that application quality is even more important than *quantity*. That's because it is costly and burdensome to chase transactions with borrowers who are unqualified in terms of income, employment, credit score, debt-to-equity ratios, or other variables. As our ULP already contains an applicant's current credit report, employment & income verification, asset account statements, debt summary and support documents, it's a fast, frictionless and inexpensive way for Lenders to qualify — and then proceed with — new loan review.
- 3. Receive Risk-Adjusted Loan Applications** - By combining legacy credit metrics (such as FICO score and formal credit reports from Transunion, Experian and/or Equifax) with LeadPoint's 5th generation risk-scoring algorithms (that factor in borrower address, along with other demographic and financial elements), PrimeChain can offer lenders the ability to pre-filter loan applications by credit quality *before* they purchase them. By focusing loan underwriting resources and personnel on loan applications that are more likely to close — and that match borrowers with loan products that are well matched to their needs and credit profile — both lenders and borrowers win.
- 4. Receive Anonymized Loan Applications** - As documented in Section 1, borrowers and lenders are menaced today by the rising tide of identity theft. Lenders pay billions annually in a futile effort to stem this tide — using archaic legacy defenses — while borrowers live in perpetual fear that their personal data is vulnerable. By furnishing lenders with anonymized credit applications through the PrimeChain platform, they can reduce their direct cost of — and long term liability for— securing borrower PII.



### ***Driving Consumer Utilization:***

Consumer adoption and utilization of the ULP will be promoted in two ways:

1. By communicating to consumers the key advantages of PrimeChain's anonymous ULP (i.e., enhanced security of their PII, massive savings of time and stress, and the ability to easily find the best credit offering for their situation).
2. Through an attractive rewards program for conducting desired behaviors.

### **We'll drive the communication of ULP benefits through both internal and external channels:**

***Internally*** — and immediately — we'll leverage LPI's current inflow of some 15,000 new borrower leads per day. It will be simple to present these consumers with an email-drip introduction to the PrimeChain value proposition, along with easy links to create their own ULP. We'll also publicize PrimeChain liberally — through articles and videos — on our captive MoneyTips personal finance destination (moneytips.com), where over 1 million consumers visit each year to access exclusive financial content and tools. Finally, we'll build PrimeChain's ULP into the existing MoneyTips' "Mortgage Planner" tool, so all users of this tool can automatically transition onto the PrimeChain platform.

***Externally***, we'll employ organic message-drivers like public relations and influencer marketing, along with proven commercial means like social and affiliate marketing, direct response television and radio (both terrestrial and satellite).

To help drive consumer adoption and utilization of the ULP, PrimeChain will reward users (through our reward program) for such behaviors as:

- Creating a free ULP - which enrolls the consumer as a PrimeChain member;
- Connecting their current financial accounts to the ULP (bank, investments, etc.), which makes the ULP more robust and valuable;
- Submitting their credit application (embedded in the anonymized ULP) to prospective lenders;
- Referring other consumers to the PrimeChain platform

# 6.0 COMPETITIVE LANDSCAPE

## 6.1 Universal Lending Profile Competition

The path to creating a Universal Lending Profile, as described in this document, is complex. It demands expertise in: regulatory frameworks; currency flows; personal identity origination-confirmation sharing-protection; credit application and lending decision processes; and KYC/AML laws across many jurisdictions (states, provinces and nations).

As PrimeChain’s mission is to create — and successfully operate — a Global Lending Platform that makes borrowing more secure and efficient, we have created the following table to assist you in comparing our solution and capabilities with other players in this landscape, based on the key functional areas noted above and bucketed below. The X denotes a focus area of the company, but not the readiness of their solution:

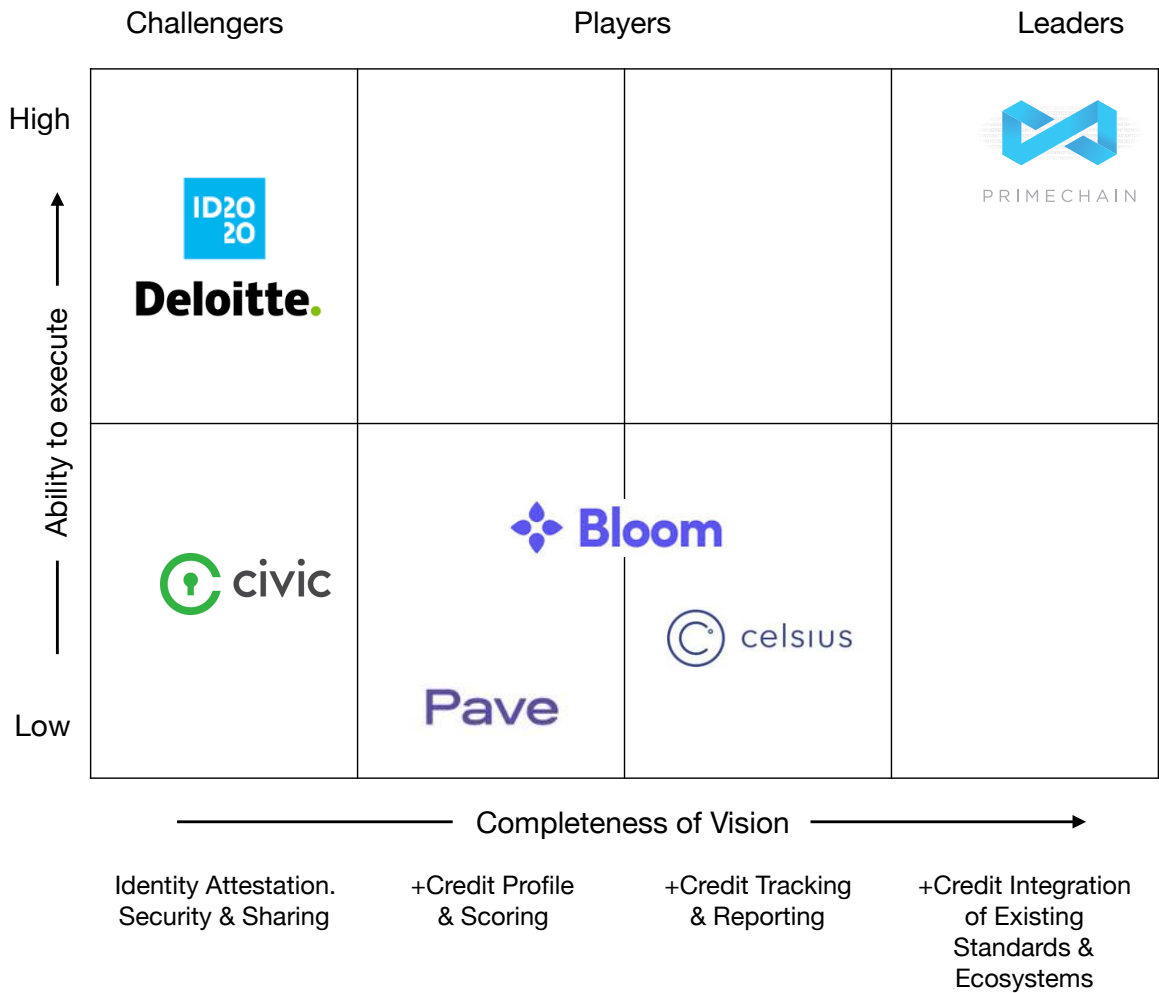
|   | <b>GLOBAL LENDING PLATFORM COMPONENTS</b>   | <b>Civic</b> | <b>Deloitte</b> | <b>Celsius</b> | <b>Bloom</b> | <b>PAVE</b> | <b>MicroMoney</b> | <b>PRIMECHAIN</b> |
|---|---|--------------|-----------------|----------------|--------------|-------------|-------------------|-------------------|
| 1 | Personal Identify attestation, verification, sharing and protection (Peers + Corporations + Govt) | X            | X               |                |              |             |                   | X                 |
| 2 | Universal, Live, Credit Profile (Peers + Corporations)  |              |                 |                | X            | X           | X                 | X                 |
| 3 | Credit Worthiness Scoring (from Peers +Peer Network + Lenders + Creditors)                        |              |                 |                | X            |             | X                 | X                 |
| 4 | Credit Tracking and Reporting (from Peers + Lenders + Creditors)                                  |              |                 |                | X            |             |                   | X                 |
| 5 | Credit Application Origination, Review and Lending Decisioning (from Peers + Lenders + Creditors) |              |                 |                |              |             | X                 | X                 |
| 6 | Credit Provisioning (from Peers or Lenders or Creditors)  |              |                 |                |              |             | X                 | X                 |
| 7 | Universal Lending Cryptocurrency to enable:   |              |                 |                |              |             |                   | X                 |
|   | • Peer to peer loans (including collateralized loans)   |              |                 | X              |              |             |                   | X                 |
|   | • Lending institution to consumer loans   |              |                 |                |              |             | X                 | X                 |
|   | • Other credit source to consumer loans   |              |                 |                |              |             |                   | X                 |

With the exception of Deloitte, the ID2020 project, PrimeChain and to some extent MicroMoney, every company identified in this competitive set are very early stage. A detailed review of their white papers reveals the majority of them expect to create a bottom up, revolutionary groundswell to grow their business. The challenges in doing so are monumental, requiring transformation of powerful legacy players (both governmental and corporate), while demanding massive behavioral changes from the consumers they wish to serve.

Moreover, the financial credit market is conservative, highly regulated, and slow to change. It requires enormous capital, knowledge and relationships to create global solutions at scale. All things considered, these startups face daunting challenges in realizing their visions and executing their business plans.

As a final note, Microsoft, Accenture, The Rockefeller Foundation, plus five major nations have created the [www.ID2020.ORG](http://www.ID2020.ORG) project, to create a universal global identity program to accelerate financial development in the impoverished parts of the planet. The ID2020 project's push to create a global identity will accelerate financial inclusion of the roughly 2 billion unbanked, middle class people worldwide. As many of these unbanked are also creditworthy — and can enter the PrimeChain ecosystem — this nominal competitor can end up providing a PrimeChain with a large opportunity for market expansion.

The chart below presents our perspective on the completeness of vision — versus ability to execute that vision — for each of the companies we know to be developing solutions in our target domain.



The Global Credit Platform Solution Provided Matrix

## 6.2 LeadPoint Core Business Competitors

The LeadPoint core business has solidified its position in the personal finance industry conducting business with providers of mortgages, credit cards, personal loans, student loans and auto loans. The core business began entering the home services category in 2017.

Competitors in personal finance who most directly compete for advertiser market share with LeadPoint are Lending Tree (TREE) and Quinstreet (QNST). Peripheral competitors who compete for advertiser market share in personal finance include Bankrate, Credit Karma and Nerd Wallet.