

Hello,

I'm sending this information and response in reference to the "Initial Coins Offering" Whitepaper published by the Australian Government Treasury in January 2019.

My name is Bill Genovese, and I have over 25 years global experience working in the Financial Services, FinTech, and emerging technologies domains. I'm attaching my bio/profile and CV.

I've been working on an exciting and much needed solution for the financial services industry. My team was formed during the Oxford Fintech Program (<https://www.sbs.ox.ac.uk/programmes/execed/oxford-fintech-programme>) last year. Together we have been working on a solution that allows start-ups to safely navigate the ICO space by making use of artificial intelligence ('HÄVN'), and Blockchain Technology. HÄVN was evaluated and received highly in this program by industry, academic and peer leaders (Oxford University and MIT) and we are continuing the solution development to help solve important timely challenges for the Start-up, Investor, Exchanges, and Financial Services Industry. Attached is the solution whitepaper for your reference, as well as the final solution proposal as submitted in the MIT Sloan Platform Strategies Program, which was graded very highly.

I feel the solution addresses many of the points you are raising in your issues whitepaper, especially in the following areas:

1. Definitions and Token Categories
2. Opportunities and Risks
3. Regulatory Frameworks in Australia (with a proposed approach, framework, and solution to address market/counterparty risk on regional levels)

The solution leverages AI and Blockchain to assess and diagnose risk in a three pillar risk framework covering legal and regulatory, market and counterparty, and business model and valuation. I'd really like the opportunity to discuss further how this solution can further help you in this space to further develop a framework for ICOs with a tangible risk diagnostics platform. Please do let me know if you have any questions and would like to set up an exploratory call or meeting to discuss further.

Thank

you,

Bill Genovese

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+1 704 906 3558 US

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# WILLIAM M. GENOVESE

## C-SUITE TECHNOLOGY EXECUTIVE

86 132 4373 0940

bgenovese64@gmail.com

Shenzhen, China

www.linkedin.com/in/wgenovese



### PROFESSIONAL HISTORY

**VP, Corporate Strategy Planning & Research |**

**Huawei Technologies**

2016 - Present

**Chief Information Officer and Chief Technology**

**Officer | Encrypted Labs**

2016

**Principal Consultant / Chief Technology**

**Architect | WGroup**

2015 - 2016

**Executive Architect, Client Technical Leader**

**and Advisor | IBM**

2013 - 2015

**Certified Senior IT Architect, Client Technical**

**Architect and Advisor | IBM**

2013

**Senior Managing IT Architect and Engagement**

**Leader | IBM**

2012 - 2013

**Chief Enterprise Architect / Engineer | IBM**

2010 - 2012

**WILLIAM (BILL) M. GENOVESE** is a multi-certified, patent-holding executive offering 20+ years of C-suite technology and business leadership experience, with specialization in creating, deploying and managing high-end enterprise systems across Fortune 500 organizations. His dynamic professional history includes tenures with newly formed startups and high-profile financial services and technology corporations such as IBM and KPMG. Having lived and worked across Asia, Australia, Europe and the Americas, Bill has acquired considerable multicultural awareness and unmatched adaptability. Navigating communication and cultural obstacles to align resources toward common business objectives is one of his greatest assets.

Setting in motion the vision and plans to fuel growth and profitability is where Bill excels. He's known by colleagues as a turnaround specialist and laser-focused business strategist. Under his guidance, companies transform into peak-performing, revenue-generating machines. The business side of operations is only one area in which Bill thrives. He's equally skilled on the technology side. Drawing on a passion for innovation and technology development, he's been deeply involved in bringing novel solutions to fruition leveraging expertise in enterprise architecture, solution architecture and engineering as well as software development integration, cloud computing and AI / analytics.

Over the course of his career, Bill has amassed an impressive track record of growing revenues, delivering next-gen solutions and optimizing operations. Most recently he stepped into the role of VP, Corporate Strategy Planning & Research for Huawei Technologies' Banking & Financial Markets business segment, marrying his technology and business savvy. Within one year of hire, he yielded a 57% boost in revenue (to \$1.5B from 2016 to 2017) and 154% (1H YOY 2017 to 2018) across three divisions upon revamping the corporate strategy for the global financial services industry. He also earned an award for his contributions to a next-gen digital banking strategy and solution architecture blueprint.

Bill's prior roles are full with similar results, producing high-quality emerging technology solutions for notable customers including Huawei Technologies, Bank of China, IBM, KPMG, DBS, KBank, JPMorgan Chase, Regions Bank, Swiss Re, Prudential Financial, TIAA, Wells Fargo, Bank of America, Credit Suisse, ABN AMRO and BB&T. He even reversed a declining relationship with a key client, inking a 10-year, \$400M contract renewal for IBM.

Relentless in the pursuit of excellence yet empathetic to his team's needs, that's the kind of leadership you'll get from Bill. He's authoritative and holds high standards but understands the need to cultivate trusting relationships with his teams and clients. He sets aggressive goals and unifies all resources to make them a reality.

Bill's professional history is complemented by a bachelor's degree in communications and 13 certifications including IBM Executive Certified IT Architect, IBM Expert Certified IT Architect, Master IT Architect, Master IT Specialist, IBM Certified Technology Consultant and ITIL V3. He's also completed Harvard Business School's HBX - Disruptive Strategy course and the University of Oxford, Saïd Business School's Algorithmic Trading, Blockchain Strategy and FinTech Programme. Additionally, Bill has submitted multiple patent disclosures for inventions and is currently a patent holder.

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### PROFESSIONAL SUMMARY

Award-winning, patent-holding global technology thought leader offering 20+ years' experience in developing, deploying and managing high-end enterprise systems within Fortune 500 organizations; leverage multicultural awareness acquired during expatriate assignments in Asia, Australia, Europe and the Americas to navigate diverse markets. Proven track record of delivering multimillion-dollar revenue growth through shaping business-aligned technology strategies. Steer tactical direction of engineering organizations and cross-discipline operations spanning Corporate Strategy, R&D, Innovation, IT and Finance.

Develop industry benchmarking models and assessments and deliver enterprise-wide digital transformation programs. Draw on background as CTO and Executive Technology Architect while guiding teams in end-to-end creation of ground-breaking solutions, leveraging emerging technology. High-standards team builder who nurtures top-performing global talent dedicated to exceeding expectations. Nimble relationship cultivator and trusted advisor who forms robust alliances with client executives to help achieve their business goals with value-added products and solutions.

### PROFESSIONAL EXPERIENCE

**Huawei Technologies | 2016 - Present**

#### **VP, CORPORATE STRATEGY PLANNING & RESEARCH - BANKING & FINANCIAL MARKETS**

Recruited to further define, develop, fine-tune and mature global financial services industry strategy at corporate level aligned with networking, device and cloud services spanning Enterprise Business Group, Carrier Business Group, Consumer Business Group, R&D and Products & Solutions. Steer Blockchain Technology Working Group in driving strategy, positioning and initial execution. Shape strategy for adoption and convergence of emerging technologies for industry application. Deliver CxO executive briefings and workshops at global industry events. Serve as executive advisor on Huawei Financial Services and Mobile Money Product Advisory Global Customer Council.

- » Yielded 57% increase in revenue (to \$1.5B from 2016 to 2017) and 154% (1H YoY 2017 to 2018) across 3 divisions through defining and delivering global corporate strategy for financial services industry.
- » Fueled significant business development by championing Blockchain technology service market and solution strategy, positioning and initial execution delivered on public cloud for Chinese customers; led global Blockchain strategy for financial services, building key alliance partnership and execution strategy with Hyperledger Foundation and R3.
- » Orchestrated next-gen digital banking strategy and solution architecture blueprint based on distinct and converging digital accelerators, underpinned by AI, Open API platforms, Edge Computing, IoT platform, Blockchain and big data and enabled through Open Stack Software Defined Cloud Computing architecture and technology. Earned award for contributions.
- » Currently creating digital innovation readiness and maturity benchmark index for financial services industry to measure leading financial institutions based on core and industry-specific digital transformation services criteria.

**Encrypted Labs | 2016**

#### **CHIEF INFORMATION OFFICER AND CHIEF TECHNOLOGY OFFICER**

Mentor and guide development and technology team in creating Blockchain technology stack for market introduction based on BigchainDB and Ethereum Smart Contracts. Identified and engaged cloud hosting providers to implement the solution in their cloud environments. Interfaced with CMO to nurture client opportunities and business development.

- » Produced reference architecture and product roadmap to facilitate development of Blockchain solution.
- » Drove alliance partnership with and deployment to CenturyLink's public cloud environment, enabling customers to leverage Encrypted Labs' Blockchain solution and service.
- » Co-developed and delivered engagement model for customer consulting engagements in collaboration with CEO; designed program structure and timeline along with determining target customers and fee schedule.

**EXPERTISE**

- » IT & Business Strategies
- » Enterprise Architecture
- » Consulting
- » Digital Transformation
- » Emerging Technology Innovation
- » FinTech & TechFin
- » Artificial Intelligence
- » Blockchain / Distributed Ledger Tech
- » Research & Development
- » Relationship Management
- » IT Governance
- » Risk Management
- » Model & Benchmark Development
- » Big Data & Analytics
- » Cloud Computing
- » Information Management

**EARLIER CAREER**

**Advanced Consultant, Managing Consultant, Senior Managing Consultant, Senior Consulting Architect**

IBM Global Business Services, 2004 – 2008

**Senior Consultant – Financial Services**

KPMG Consulting, 1998 – 2004

**Manager, Senior Systems Analyst, Credit Operations Finance – Performance Engineering**

Wachovia Bank, 1996 – 1998

**Financial Analyst,**

Coldwell Banker, 1991 – 1995

**WGROUPE | 2015 – 2016****PRINCIPAL CONSULTANT / CHIEF TECHNOLOGY ARCHITECT**

Challenged to define and build enterprise architecture program for large healthcare provider in MA, focusing on network architecture optimization and vendor / solution selection. Maximized business value for customer by driving IT transformations.

- » Drove provider's transition to world-class infrastructure built on \$700M Epic EMR and enabled via private cloud computing by steering enterprise IT strategy and roadmaps for \$1B IT modernization, optimization and transformation program.
- » Enhanced healthcare provider's resiliency, performance and security through executing 29-point enterprise network assessment, vendor selection and initial design for \$34M Cisco solution.
- » Amplified architectural maturity via IT team coaching coupled with implementation of new governance Board design, new IT architecture organization and enterprise IT architecture best practices / methodologies.

**IBM Global Technology Services / IBM Systems & Technology Group – Lab Services Executive Consulting / IBM Technical Sales & Delivery | 2008 – 2015 EXECUTIVE ARCHITECT, CLIENT TECHNICAL LEADER AND ADVISOR – TIAA-CREF ACCOUNT (2013 – 2015)**

**CERTIFIED SENIOR IT ARCHITECT, CLIENT TECHNICAL ARCHITECT AND ADVISOR (2013)**

Guided senior executives on strategy definition, development, execution and direction as well as critical programs and projects; liaised with MD to expand \$150M opportunity pipeline. Drove solution design and architecture development for cloud, big data & analytics, mobile, social and security business. Coordinated technical account plans and strategies. Headed architecture blueprint workshops for account team to discover untapped opportunities. Oversaw enterprise portfolio (Services, Software and Hardware) roadmap and architecture development for account.

- » Piloted creation of strategy and architecture for cloud computing Open Stack-based Software Defined environment solution coupled with deployment of advanced analytics workload technology.
- » Maximized client's growth and improved cost objectives upon establishing multiyear technology strategy with plans for key acquisitions.
- » Minimized costs through analyzing and renegotiating software licensing and maintenance contracts.
- » Elevated quality of service 20% and raised awareness of critical situation, PMRs and resolutions via drawing on diverse client experience and predictive analytics solution to understand status and trends for specific products.
- » Bolstered account team performance following introduction of biweekly meetings with IT architects and specialists to share information concerning technical releases and trends.

**SENIOR MANAGING IT ARCHITECT AND ENGAGEMENT LEADER, LAB SERVICES EXECUTIVE CONSULTING / HIGH-AVAILABILITY CENTER OF COMPETENCY (HACOC) (2012 – 2013)**

Led team working with IBM Redbooks to produce guide for emerging HA technology solutions and implementation. Recognized as trusted advisor to high-profile global financial services clients. Assessed and counseled clients on industry trends and best practices to improve value of IBM systems and storage solutions in their businesses. Directed multimillion-dollar HACoC engagements across U.S., Canada, China and South Africa; outlined and executed strategic plans for solution implementation based on clients' needs.

- » Delivered \$2M in added infrastructure sales via engaging with customers in emerging markets across China and the Americas to provide recommendations for enhancing POWER system environments.
- » Instigated multimillion-dollar revenue increase through discovering and addressing single points of failure for key clients such as SunTrust Bank, Air Canada, Eskom, Bank of China and IBM Microelectronics.

**BOARD ROLES**

**Co-Chair – Greater China Bay Committee,**  
FinTech Association of China, 2018 – Present

**Advisory Board Member,**  
Lifeboat Foundation, 2016 – Present

**Executive Board Member / Chief Technology Officer,**  
Saving Promise, 2015 – Present

**Board Advisor – Technology Investments,**  
Prado Capital Group, 2016

**EDUCATION & SELECTED CERTIFICATIONS**

**BA in Communications**  
Western Connecticut State University

**Digital Transformation: Platform Strategies  
for Success**  
MIT Sloan – Emeritus Institute of Management

**Algorithmic Trading, Blockchain Strategy,  
FinTech Programme**  
University of Oxford, Said Business School

**HBX – Disruptive Strategy**  
Harvard Business School

**Certified Information Systems Security  
Professional (CISSP)**  
INFOSEC Institute

**ITIL V3**  
EXIN

**Distinguished IT Architect, Master IT Architect,  
Master IT Specialist**  
The Open Group

**IBM Executive Certified IT Architect, IBM Expert  
Certified IT Architect, IBM Certified Technology  
Consultant, IBM Expert Certified IT Specialist**  
IBM

List of patent details, publications, technical knowledge  
and other certifications / training available upon request.

- » Ensured IT services integrity, regulatory compliance (SOX, HIPPA) and availability upon assessing and advising CIOs / other technical leaders on technology and architecture redesign.
- » Generated repeat business in Saudi region by developing IBM Reference Architecture and best processes.
- » Played key role in creating initial IBM z Mainframe Parallel Sysplex architecture and deployment strategy to improve HACoC engagement team performance; recommended packages and phased roadmap for WebSphere Application Server, MQ, DB2, storage, service and systems management.
- » Obtained Senior- and Executive-Level Architect Certification by delivering substantial client and IBM contributions including patent creation, IBM Redbooks and cross-IBM client Advisory Board involvement.

**CHIEF ENTERPRISE ARCHITECT / ENGINEER – IBM GLOBAL TECHNOLOGY SERVICES, IBM GLOBAL BUSINESS SERVICES, DBS BANK (2010 – 2012)**

Hand-selected for top client-facing technical leadership role, directing 10-year, \$400M strategic outsourcing contract while engaging with client's CIO. Steered strategy, architecture and governance for all IT domains and services across emerging markets in Southeast Asia. Controlled \$4.5M budget.

- » Inked 10-year, \$400M contract renewal and \$10M in added investment from client for Watson Cognitive computing by revitalizing impaired client relationship and presenting world-class, added-value technology solutions.
- » Delivered \$200M in initial contract value upon guiding end-to-end creation of architectural solutions for DBS lines of business spanning Singapore, Hong Kong, China, Taiwan, Indonesia and India.
- » Reduced costs 60% for account and customer through implementing SAN tiering and end-to-end SAN management via Tivoli Product Center.
- » Strengthened resiliency, optimized middleware infrastructure and achieved 40% cost decrease upon leveraging MQ integration hub and WebSphere consolidation.
- » Slashed datacenter footprint 70% and enabled automation via directing rollout of enterprise-wide multiplatform virtualization program.
- » Optimized analytics, cognitive computing, data and metadata management through designing information management architecture roadmap and framework based on IBM Banking Reference Architecture.
- » Stabilized architecture and domain by leading technical team in crafting dual book, implementing z10 upgrades and contributing to deployment of EMC GDDR HA solution.
- » Played central role in developing strategic direction, IT governance and planning for Asia-Pacific Design Authority and ASEAN Design Authority along with chairing Account Design Authority.

**SENIOR MANAGING IT ARCHITECT, IBM GLOBAL TECHNOLOGY SERVICES, ABN AMRO INTERNATIONAL (2008 – 2010)**

Designated to pilot solutions development for 3 multimillion-dollar, enterprise-wide initiatives for retail bank based in the Netherlands and 27 solutions for its private bank along with driving multi-country datacenter modernization and optimization initiative. Coordinated platform design and development for major IT systems and software engineering. Supported acquisition, implementation and maintenance of IT systems through defining corporate plans, policies and standards.

- » Solidified \$1.3B contact renewal and minimized operating budget while sustaining revenue generation and profitability through optimizing and aligning cross-European private banking technology architecture with retail banking division.
- » Grew account revenue \$4M and produced \$1.5M in savings by influencing, coaching and inspiring top performance among innovation and new business development portfolio team.
- » Supported global bank divestiture and acquisition upon overhauling vendor management and IT onboarding for enterprise architecture, information architecture and operating processes for new / existing vendors.

# HĀVN

## New Token Risk Diagnostic Platform

Version 1.2 02272019, Subject to change.

William (Bill) Genovese

## **LEGAL NOTICES AND DISCLAIMER**

*This whitepaper describes our current vision for the HÄVN platform project (“HÄVN” or “HÄVN Project”). This whitepaper is delivered to you only for the informational purpose concerning HÄVN Project. Therefore, this whitepaper should not be construed as the solicitation of an offer to buy tokens described herein. With this whitepaper we are also not soliciting any security, financial instruments or other regulated instruments in any jurisdiction where such an offer or solicitation would be illegal.*

*Please note that any information of HÄVN project is confidential and our proprietary information. Therefore, please do not reproduce, disseminate, distribute or commercially exploit this whitepaper and any information hereof in any manner.*

*We appreciate your kind understanding.*

## Abstract

In 2017 Initial Coin Offerings ('**ICO(s)**') took the world by storm. For the first time in its short history more funds were raised for blockchain projects via ICOs than through traditional venture capital [1]. Lacking binding industry standards and awareness of existing regulations made it easy for scammers to enter and discredit the market. Only recently WIRED stated that the '*cryptocurrency investment landscape is littered with dozens of fraudulent ventures*' [2]. While this is an evident exaggeration, it clearly shows that the ICO industry has an image problem to say the least.

Regulators all around the globe have issued statements alerting investors that ICOs are highly speculative and vulnerable to the risk of fraud and money laundering. Other statements warn issuers of tokens ('**issuer(s)**') that ICOs might be subject to laws and regulations and that a breach thereof could lead to certain sanctions [3]. The U.S. Securities and Exchange Commission ('**SEC**') created a cyber unit and the retail strategy task force to combat cyber-based threats including violations involving ICOs and to protect retail investors [4]. What looks like crack down of the ICO industry at first glance will help the industry to mature and scale.

As stated by Jay Clayton, the Chairman of the SEC, in his testimony on 'Virtual Currencies', history has proven that opportunities provided by technological innovations flourish best when pursued in harmony with securities laws and other regulation aiming at the protection of investors and markets [5].

At HÄVN we believe in the ICO industry. We believe in technological advancements and innovative ways to raise funds. At the same time, we believe in regulatory compliance. We see regulatory compliance as the key to unlock the full potential of the market, to create trust and to attract new investors.

The internet does not stop at borders, neither should ICOs. They are supposed to be borderless. At HÄVN it is our mission to create a global ICO ecosystem where issuers can raise funds globally in a complaint manner. Where issuers – including start-ups without efficient access to traditional capital markets – get the funding, they deserve. And where investors can diversify their portfolio by investing in projects all over the world without losing their protection under their local laws.

We will launch an AI driven platform where issuers planning an ICO can easily run a risk analysis of the to-be-issued tokens. By doing so HÄVN will not only set new standards, but also fill a need that is missing in the market for investors and the ecosystem at large.



# 1. Background

The cryptocurrency and ICO markets have grown rapidly in the previous years, gained greater prominence in the public conscience and attracted significant capital. What started as a nice way to fund a project in 2013 has turned into a multibillion dollar business. In 2017 more than 525 ICOs raised USD 6.5 billion [6]. Compared with the data from 2016 [7], this means a rise of 6,210 percent within one year.

Another survey shows that 3.2 billion were raised by ICOs in Q4, 2017, with VC investment hitting USD 200 million. Hence, ICOs exceeded VC funding over 16 times in the last quarter of 2017, asserting a dominant position on the fundraising market. [8]

While 2018 has started with a market correction, a slowdown of the ICO market is not in sight. In fact, with more than USD 1.5 billion raised in the one month of January, the market looks healthier than ever [9].

For the second half of March more than 121 ICOs are to be launched with more to come in the following months [10]. One of the biggest ICOs this year has attracted more than USD 850 million in its presale [11] and is targeting to raise another USD 1.15 billion in its ICO in March [12]. If successful, this would be another milestone in the short history of ICOs.

Another trend that can be observed is that more and more well-established companies are making use of ICOs – either to collect additional funds and/or to introduce new products [13]. This clearly indicates that the limit for ICO activities has not been reached and that there is much more to come. After all, blockchain has only recently caught the attention of companies outside the crypto-economy.

## 2. Challenges

The meteoric rise of ICOs in 2017 has attracted the attention of scammers and regulators likewise. Both pose new challenges to an industry which is – despite the significant capital involved – still in its infant stage.

### 2.1. Quality Uncertainty and Market Mechanisms

The ICO market has become increasingly competitive. In November 2017 only 23 percent of the projects hit their fundraising goals – in June 2017 the success rate was still 93 percent [14]. The increasing competitive pressure, however, explains this development only to some extent.

Similar to the market described in ‘*The Market for "Lemons": Quality Uncertainty and the Market Mechanism*’ by George Akerlof in 1970 [15], the ICO market has two types of tokens – good tokens with valid projects and teams and scam tokens which cannot always be distinguished from the former. Whereas the number of scam tokens might be incredibly small, they discredit the whole crypto-economy and spoil the market for valid projects. Mainstreet investors who have not entered the crypto-space yet might refrain from doing so in the long run resulting in a lost opportunity for an industry which claims to democratize fundraising.

The long lasting negative effects are amplified by mainstream media. Rather than the success story written by the blockchain industry so far, it is negative reports about scam tokens dominating the news. Needless to say, that in times of high volatility investors are keenly sensitive about such news. As a corollary, investors might withdraw from the market, which could eventually lead to a market collapse.

The above-mentioned problems are not new and mainly caused by information asymmetry between issuers and investors. Providing the market with trust is required to solve them. Traditional capital market laws address these issues *inter alia* by imposing rigorous disclosure and other market regulations on the issuer of securities. The idea is to provide investors with sufficient information to make informed judgements about what they are investing in and the relevant risks involved. In addition, these laws also provide the market credibility to investors so that they can invest in securities under the rigorous regulations.

It was only recently that companies launching their ICO realized that they might fall within the ambit of securities laws and/or other regulations targeting investor protection. What was initially seen as a nuisance has more recently been used to stand out from the crowd, will soon become the new standard and give the ICO market the credibility it deserves.

## **2.2. Complying with Regulations Globally**

Since ICOs are global by nature, compliance with laws and regulations poses new challenges for the issuers of tokens.

Tokens are offered online. They can be sold easily across borders, making them virtually subject to each country’s regulation unless the issuer restricts the offer to specific jurisdictions. If it is troublesome to check what regulations apply even in a single jurisdiction, it is no longer practical – if not impossible – to do this on a global scale.

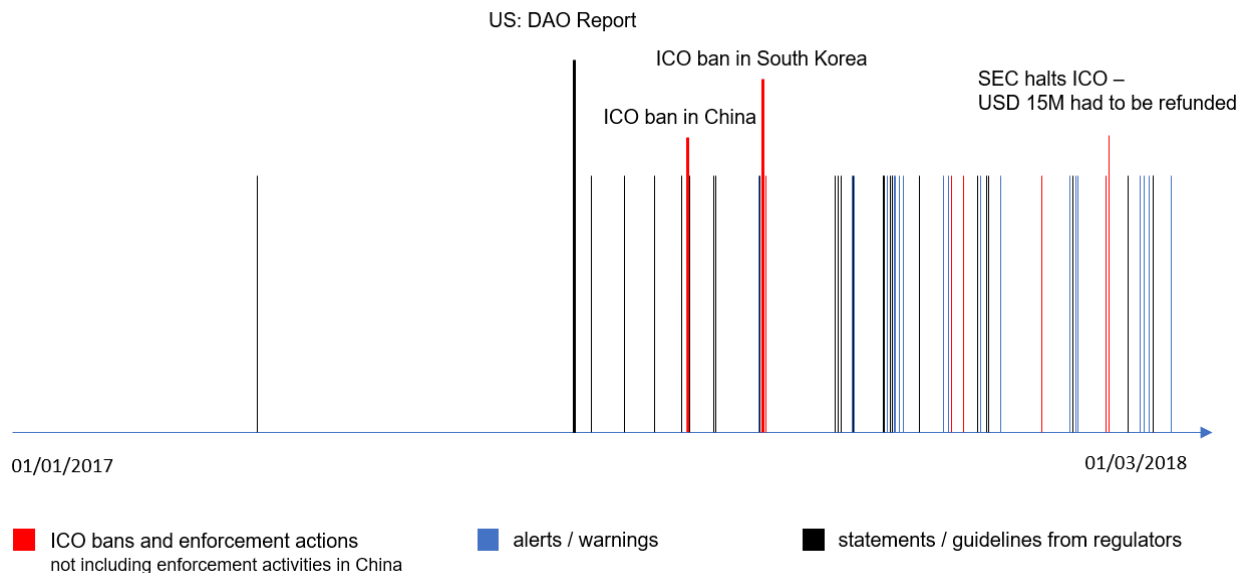
As a result, issuers of tokens can roughly be divided into three categories: (i) issuers that care about compliance and target several jurisdictions, (ii) issuers that care about compliance and limit themselves to only one or a few jurisdiction(s) and (iii) issuers that have insufficient budget for or do not care about compliance and figure out as they go.

For issuers that care about compliance and target several jurisdictions, the process of researching and analyzing the applicable regulations in each jurisdiction is lengthy and causing high expenses and delays in the launch of ICOs. Already the search for a specialized law firm in the target jurisdictions might present a non-expected challenge to issuers.

Issuers targeting only one or a few jurisdiction(s) for their ICO deprive themselves from the benefits of an ICO, namely, sourcing funds globally and to scale their project from the very beginning.

Issuers who lack sufficient funding or do not care about compliance may face difficulties as they go.

Regulators started playing the role of capital market gate-keepers. Since July 25, 2017 when the SEC published the report on the DAO [16], a gradual increase in actions taken by regulators worldwide has been observed. The message is clear ‘nobody, whether centralized or decentralized, is above the law.



**Figure 1:** Frequency of actions taken by regulators worldwide since 01/01/2017

Only recently France and Germany called for joint G20 action on tokens [17]. Until this becomes reality – and it is unlikely to happen any time soon – the regulatory landscape remains fragmented while regulators are expected to scrutinize ICOs in a more rigorous manner.

In addition, the following are some high-profile examples of ICO’s that have “gone wrong” resulting in substantial legal actions and monetary losses:

- ❑ The US Securities and Exchange Commission has charged both a diamond and a real estate initial coin offering scheme with defrauding investors [18].
- ❑ A company called PlexCorps raised up to \$15 million from thousands of investors since August by falsely promising a 13-fold profit in less than a month [19].
- ❑ Tezos raised 232 million USD in a matter of days. The ICO left investors wondering where they stood -- and is facing a class-action lawsuit [20].

The above-mentioned cases and increasing activities by the regulators show that, if the industry wants to thrive, compliance is no longer an option.

### 3. Why HÄVN? – The Solution

HÄVN helps issuers (referred to as ‘**user(s)**’ hereafter in the context of HÄVN platform) to safely navigate the ICO space in a compliant manner. By deploying the latest AI technology, HÄVN is able to provide instant results at a fraction of the current costs. Instead of lengthy legal memoranda prepared by lawyers in each jurisdiction, we provide our users with a global heatmap and risk matrices for selected jurisdictions (‘**HÄVN Solution Architecture**’). Since all data required for the legal risk analysis is retrieved automatically from the regulators and other relevant sources, the results produced by HÄVN are always up to date.

A user running the legal risk diagnosis will further be able to show the results (‘**HÄVN Accreditation**’) on his ICO launching page. Compliance will soon become standard. Non-compliant ICO projects will be wiped out of the market or at least become easier to identify for investors. This will attract new money, create a sustainable ecosystem and help the ICO industry to become what it is supposed to be – the future of fundraising.

#### 3.1. HÄVN Solution Architecture

There are various ways to design tokens and to structure ICOs. Yet, all tokens can be put into basically three categories: cryptocurrencies, utility tokens and security tokens.

For purposes of illustration, the following are examples of cryptocurrency and token taxonomies, with the differences being varying levels of detail and application.

<a href="http://www.icoyoucan.com/">http://www.icoyoucan.com/</a>	example of simple analysis that provides qualifying type questions and criteria for one country: Austria
<a href="https://medium.com/swlh/a-better-taxonomy-for-cryptocurrencies-cbffd2e1b58c">https://medium.com/swlh/a-better-taxonomy-for-cryptocurrencies-cbffd2e1b58c</a>	example of simple token classification table that comprises 5 categories—Mode of Payment, Store of Value, Protocol Improvement, Coin-as-a-Service, Utility Token— which are the functions they serve.

<https://www.coindesk.com/periodic-table-blockchain-classify-tokens/>

example of definitions, preconditions, principles of classification, types and quantification of digital assets, examples, and example process analysis

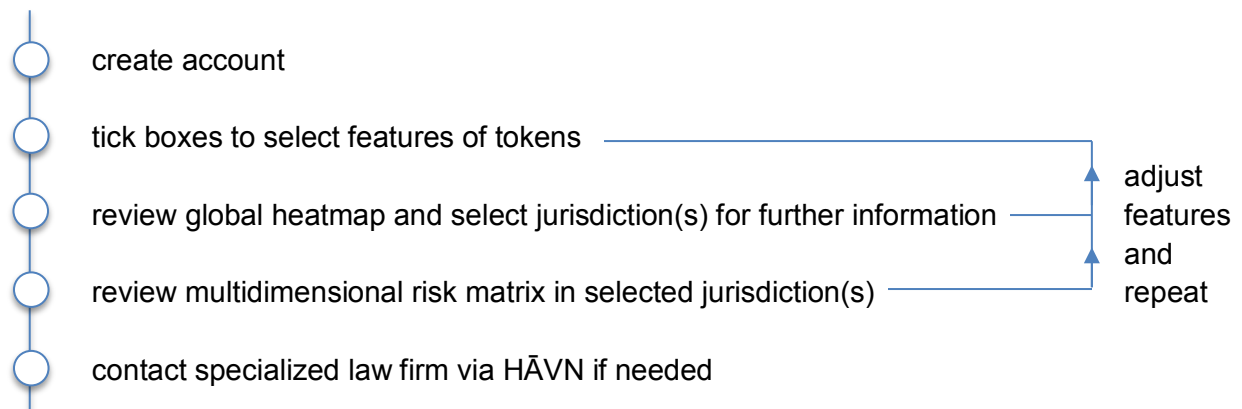
These taxonomies are useful to grasp the basic characteristics of tokens and to analyze them. Since the taxonomy correlates with the applicable laws in each jurisdiction, a token does not necessarily fall within the same category in each jurisdiction. While the features determining under which category a token falls are more or less universally applicable, the definitions of the legal terms regulating tokens vary from jurisdiction to jurisdiction. Needless to say, the contents of the regulations applicable to each type of tokens also vary.

HÄVN will expand its informational source to include references to formalized taxonomies, as well as build a fully legal and regulatory certified taxonomy schema and database, with reporting in the countries and legal jurisdictions in which HÄVN operates. The details are embodied by the global heatmap and the spider chart risk matrix explained below.

The HÄVN Solution Architecture will provide all of the above functionality, and more through a platform based solution.

We will deploy data from existing ICOs, regulatory guidelines and legal advice from partner law firms and others to build complex decision trees. Based on these decision trees, the HÄVN Solution Architecture will be able to build an exhaustive representation of all possible combinations and associated consequences for each jurisdiction. Natural language processing will support and advance these decision trees ensuring accurate and up-to-date results. Robotic Process Automation ('**RPA**') will be used to filter through structured and unstructured data to get to the result sets as quickly and as efficiently as possible.

None of these processes will be seen by the user. All the user has to do is to tick a few boxes to select the features of the token. The process for using the HÄVN Solution Architecture is as follows:

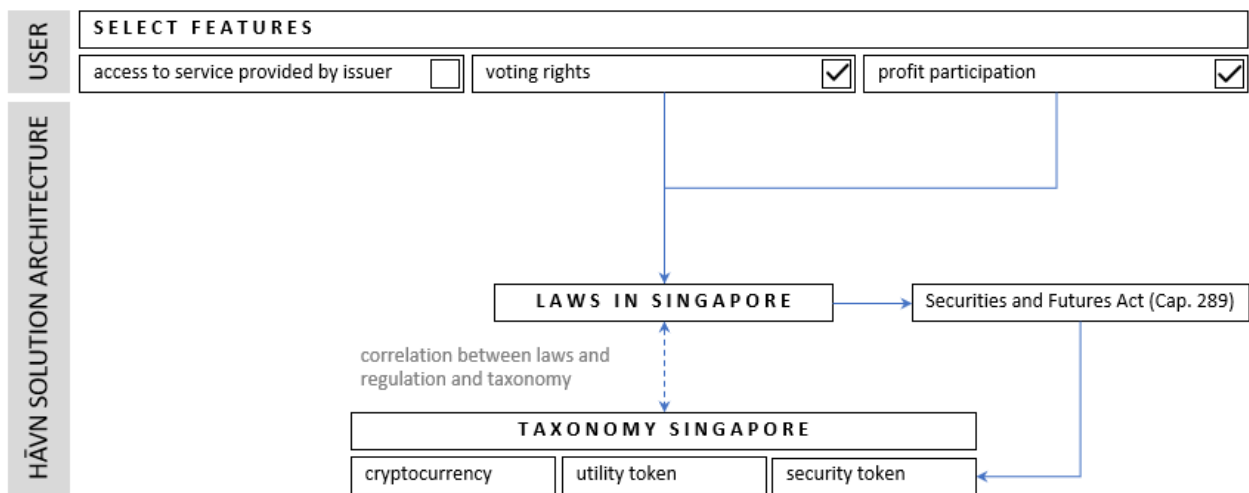


Each step will be described in further detail in the following sections.

**Create account:** At HÄVN we believe in the validity of projects caring about compliance. When creating an account with HÄVN, users can choose whether they want to pay a fixed fee in a fiat or cryptocurrency for the legal risk analysis OR whether they want to assign a certain number of to-be-issued tokens to HÄVN instead.

**Select features:** Users have to select the features of their tokens from a comprehensive list covering all jurisdictions. Based on the input the HÄVN Solution Architecture will diagnose the tokens in line with the applicable regulations and provide a comprehensive ‘global heatmap’ and ‘spider chart risk matrix’.

The following figure shows a simplified version of the process for only one jurisdiction – here Singapore. Once up and running this process will run in parallel for all jurisdictions. To keep up with developments and to provide best results to HÄVN users RPA will constantly update HÄVN’s database.



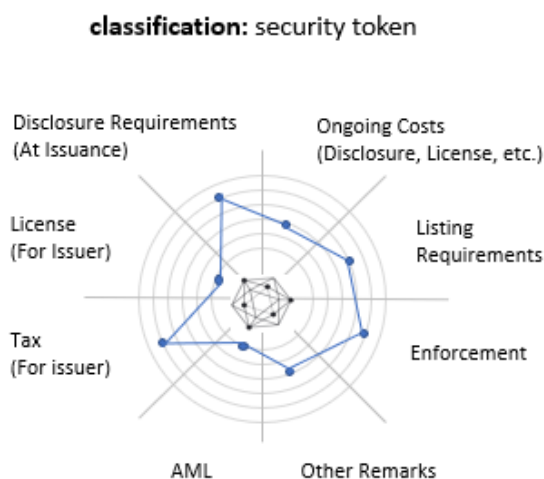
**Figure 2:** Simplified decision tree for one jurisdiction (here Singapore).

**Global heatmap:** Based on the selected features the HÄVN Solution Architecture will run an extensive legal risk analysis of the token-to-be-issued and produce results in form of a global heatmap. This allows our users to get a better understanding of the regulatory landscape for ICOs at one glance.



**Figure 3:** Image of global heatmap produced by HÄVN Solution Architecture.

**Spider chart risk matrix:** To obtain further information about certain jurisdictions the user can either zoom in or click on the country of choice. HÄVN will then show a multidimensional risk matrix covering amongst others the legal status of the token-to-be-issued, questions concerning the marketing of the token, restrictions to the use of the token, disclosure and license requirements, obligations under the existing AML regulations and tax implications for the ICO. For further information, the user can click on each parameter. With this multidimensional profile, the user can then determine whether the selected jurisdiction fits his needs or not. The process can be repeated as often as necessary without causing additional costs.



**Figure 4:** Illustrative example of spider chart risk matrix for a security token.

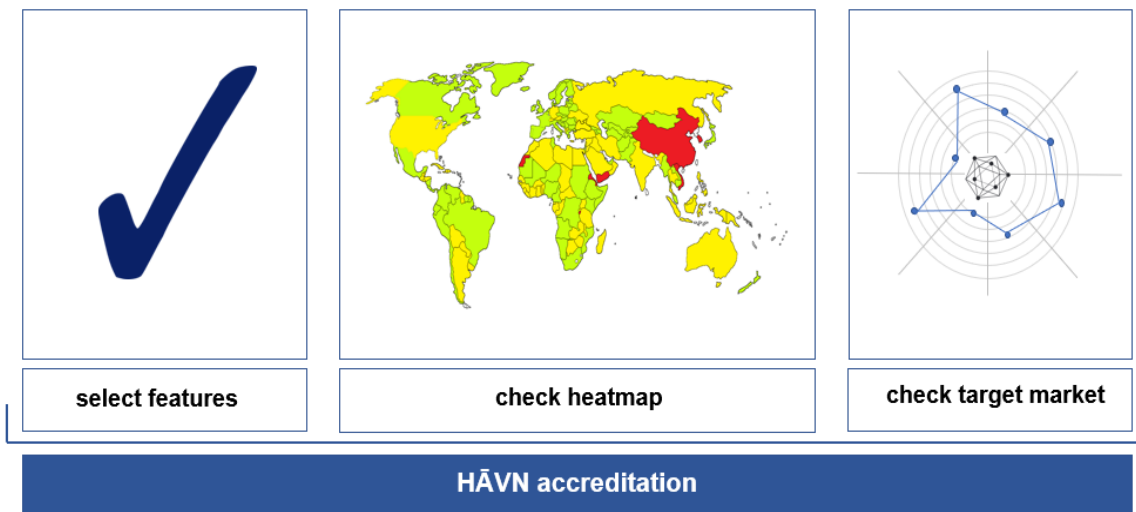
**Contact law firm:** HÄVN will cooperate with specialized law firms in each jurisdiction. If HÄVN users wish additional legal support such as drafting the sales prospectus or obtaining certain licenses, they can directly contact our partner law firms via the platform.

### 3.2. HÄVN Accreditation

A user running the legal risk diagnosis on the HÄVN Solution Architecture will be able to upload a HÄVN Accreditation certificate on his ICO launching website. This certificate will show the features which have been selected by the user for the legal risk analysis and the result provided by HÄVN. The HÄVN Accreditation certificate enables investors to understand easily whether the tokens they plan to invest in are compliant under their jurisdictions. Based on the certificate, investors can also easily compare the selected features with the ones mentioned in the whitepaper.

HÄVN will store both the HÄVN Accreditation certificates and the hash value of the certificates and publish them on its website like a public registry office. Investors can easily access to various certificates of the token issuers utilizing HÄVN Accreditation on HÄVN's website and compare them. The publication will also prevent users (*i.e.*, token issuers) from amending the certificate after the issuance by HÄVN.

Uploading the results of the legal risk analysis on the website will not only give credibility to the project, but also help HÄVN to become a well-known platform in the ICO industry in the mid-term. We believe that HÄVN will soon become an essential player in the ICO space contributing to a sustainable ecosystem.



**Figure 5:** The process from selecting the features of the token to issuing the certificate with hash for comparison.



# 4. Business and Financial Model

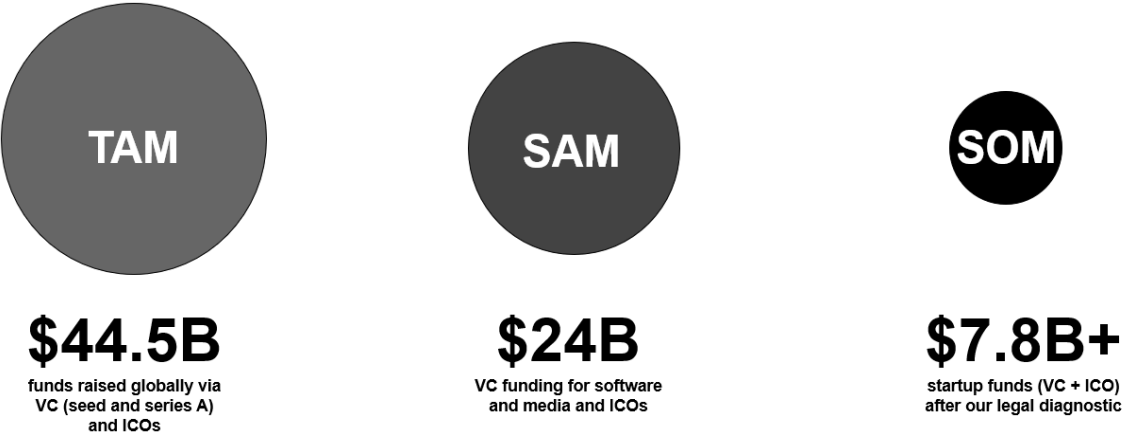
## 4.1. Market Evaluation

In addition to existing ICO markets, we predict a shift from VC funding to hybrid forms of VC and ICOs or pure forms of ICOs for early stage investments. Based on this prediction we have determined the total available market ('**TAM**'), the serviceable available market ('**SAM**') and the serviceable obtainable market ('**SOM**').

In 2017 VC-backed companies raised more than USD 155 billion in total [21], with seed and series A rounds contributing USD 38 billion [21]. Predicting a shift for early stage investments to hybrid forms of VC and ICOs or pure forms of ICOs, the total available market for HÄVN amounts to USD 44.5 billion. This figure includes the USD 6.5 billion raised in ICOs in 2017 [6].

From the USD 38 billion raised by VC, 46 percent went to projects related to software and media. To date, both industries make increasing use of ICOs [22] and a further shift can be expected in the near future. Together with the USD 6.5 billion raised in ICOs this makes a serviceable available market of USD 24 billion for HÄVN.

Since ICOs produce clear benefits for investors and start-ups likewise, we predict a shift of at least 15 percent of the projects covered by the serviceable available market from VC funding to hybrid forms of funding or pure forms of ICOs. Regarding the existing ICO market we estimate that at least 80 percent of the ICOs care about compliance, provided compliance is ensured in a cost-effective manner. This makes a serviceable obtainable market of USD 7.8 billion for HÄVN.



Given the fact that the market for automated legal risk analysis for ICOs is still untapped, we have the first mover advantage on our side, will be able to cover big market shares and dominate the market.

## 4.2. Business Model

ICOs are often compared with initial public offerings ('**IPOs**'). The costs for IPOs including the costs for regulatory compliance typically range from 5 percent to 10 percent of the total amount raised [23].

By automating the legal risk analysis, we are able to reduce the costs considerably. Users of HÄVN can choose between paying a fixed fee in a fiat/cryptocurrency or assigning a certain number of tokens to HÄVN ('**r-bounty token**'). The r-bounty token program is available to users who plan to list their tokens on a cryptocurrency exchange after launching their ICO. HÄVN accreditation will ensure that the token is traded at a premium and that transition from primary to secondary markets is smooth.

Based on the serviceable obtainable market and the r-bounty token program – assignment of 1 percent of the r-bounty tokens – we would annually generate a global revenue of USD 78 million for the legal risk analysis only in the future if HÄVN would succeed in its launches in major jurisdictions. This revenue does not consider any subsequent increase in the r-bounty token price and could therefore be much higher.

Further fees will be charged for marketing content on our platform. They include membership fees for law firms and the other service fees introduced during stage 2-4 (see Section 5 "**Roadmap**" below).

## 4.3. Fundraising and the HVN Token

As explained in the Roadmap below, HÄVN will launch its prototype in Singapore. We target to raise USD 1 million via seed financing for building this prototype. Another USD 15 million will be raised via series A funding once the prototype for Singapore is built and running. For global expansion we intend to raise USD 50 million via ICO.

While the token market is currently dominated by utility tokens which are, in most cases, means of payment on platforms, we believe that security tokens regulated as 'security' are more suitable for our business model. Issuing security tokens ('**HVN tokens**') makes our operations less exposed to volatility and allows us to generate a constant revenue without adjusting our prices on a frequent basis.

Rather than structuring our business model around a token model, we will use the HVN token for fundraising only, giving later investors a fair share in the company's equity and early investors a good exit opportunity.

We plan to issue the HVN token as a ST-20 token via Polymath and listed on tZERO or a similar platform for trading. The Polymath platform allows for legally compliant securities offerings and is currently under construction [24]. To date, tZERO has the only platform that has ever traded

a digital security and is currently working to build a token trading system to trade securities in compliance with the laws and regulations [25].

## 5. Roadmap

The following is the initial planned HÄVN release roadmap, which provides a view on country deployment from Stage 1, through regional and global expansion in Stages 2 through 4. Planned risk analysis “pillars” are identified, along with functional analysis output and technology introduced for each stage. Additional release notes for each stage are provided under the roadmap diagram below.

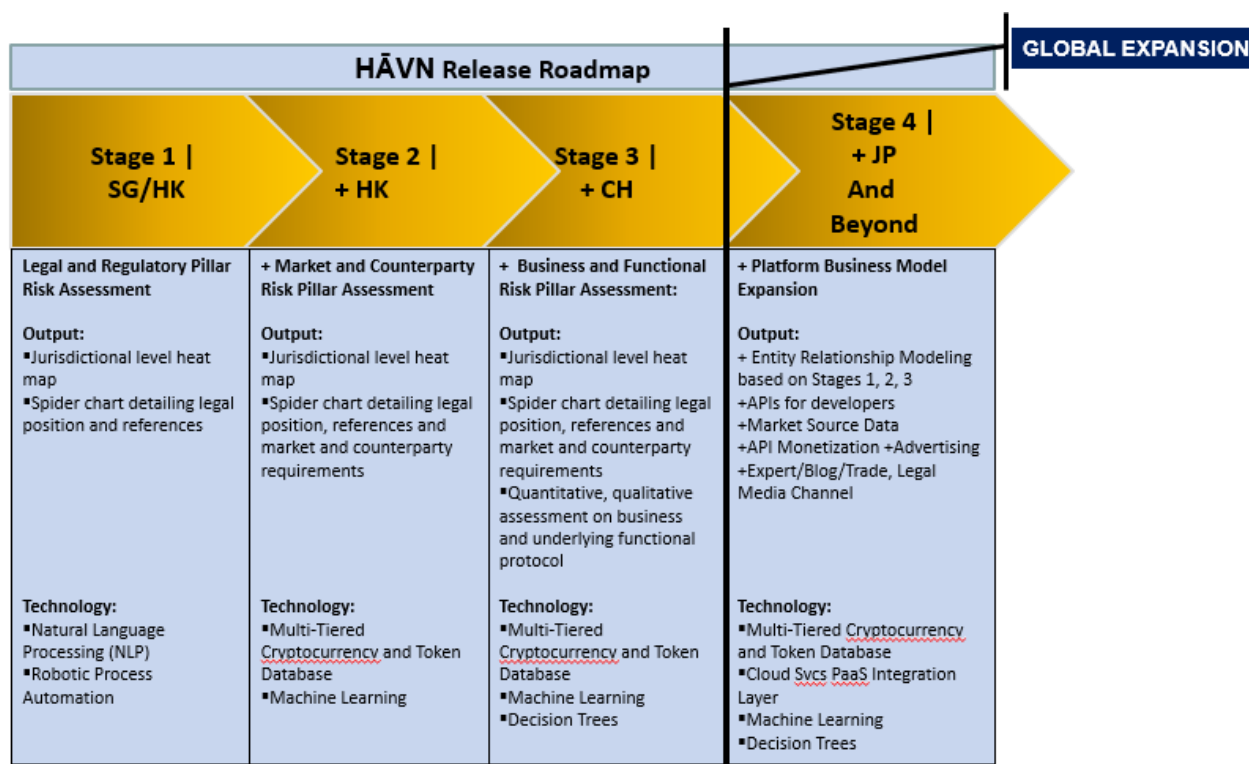


Figure 7: HÄVN Release Roadmap.

**Stage 1 – Singapore:** Singapore was the third largest jurisdiction where ICO projects originated in 2017 [14]. Combined with the business-friendly environment, forward thinking regulators and a thriving fintech community, this makes Singapore a top choice for building the prototype of HÄVN. This means that HÄVN will provide the diagnosis only under the Singaporean law and regulations, with which HÄVN users can offer their tokens in Singapore in a compliant manner. With regards to regulatory issues HÄVN will closely cooperate with the Monetary Authority Singapore and apply for the FinTech Regulatory Sandbox to test the product in a safe environment.

The prototype will be launched by Q4 2018.

**Stage 2 – Hong Kong and Japan:** HÄVN will expand to other strategically important markets for the ICO ecosystem, namely Hong Kong and Japan. We recognize the reciprocal and partnership arrangements among these governments, regulatory bodies, FinTech communities, and the financial services industry at large in collaborating in this region. With the insight gained when building the prototype for Singapore, we expect to complete HÄVN for Hong Kong and Japan within 9-12 months. Discussions with the local regulators and possible partner law firms will be started while building to prototype in Singapore.

**Stage 3 – Switzerland:** In Stage 3 HÄVN will expand further to cover Switzerland. Along with the expansion, HÄVN will launch additional functionality all of which are essential to the sustainable token ecosystem. This includes, amongst others, a streamlined KYC (know-your-customer) procedure required under the relevant anti-money laundering regulations, deploying blockchain technology. Some regulators in major jurisdictions have started imposing the KYC obligations for token transactions on cryptocurrency exchanges and/or token issuers, placing heavy burdens on them. We believe that the KYC obligations on, among others, tokens convertible to real currency will prevail globally according to the Guidance issued by the Financial Action Task Force (FATF), an inter-governmental policy-making body against money laundering and terrorist financing [26].

We initially plan HÄVN to be ready for Switzerland in Stage 3 by Q2/Q3 2020, with initial work starting from Stage 1 and Stage 2 prior to then in market beta and test cycles.

**Stage 4 – Major Jurisdictions and Beyond:** At Stage 4, HÄVN will broaden the target jurisdictions further to cover major jurisdictions for ICOs once ready.

Along with this global expansion, HÄVN will fully expand the platform and business model which will include all three risk analysis pillars (*i.e.*, (i) Legal and Regulatory Pillar, (ii) Market and Counterparty Risk Pillar and (ii) Business and Functional Risk Pillar outlined in Figure 6 above) one by one as an essential component of the token ecosystem, plus Blockchain enabled KYC for further protection for investors and exchanges. The platform and business model will also be extended to include APIs through which HÄVN will share token-related data including anonymized data of token issuers with developers, advertisers, subject matter experts, legal firms, media and market data enterprises (for example, Thomson Reuters and Bloomberg) to further attract consumption of the platform data. At this point, the platform will be extended for mobile and full digital device capabilities, with an initial rollout planned for late 2020/early 2021.

## 6. Team

Our Team was formed during the Oxford Fintech Program 2017  
<https://www.sbs.ox.ac.uk/programmes/execed/oxford-fintech-programme>.

HÄVN was born in this program, evaluated and received highly in this program by industry, academic and peer leaders and we are continuing the solution development to help solve important timely challenges for the Start-up, Investor, Exchanges, and Financial Services Industry.

## 6.1. Founders & Board of Directors

**William (Bill) Genovese** is Vice President of Corporate Strategy, Research and Planning – Banking, Financial Markets and IT Services at one of the world’s largest technology and telecommunications companies based in China. Bill is a Corporate Strategy Industry Leader in Research and Planning focused on Mobile and Digital Services, Open Banking and APIs, AI, Blockchain/Distributed Ledger Technology/Smart Contracts, and Software Defined Infrastructure across Banking and Financial Markets.

Prior to his current role Bill was a CIO and CTO for a Blockchain Strategy and Technology company in the US, and a Principal Advisor for a CIO Advisory Consulting firm. Bill has spent most of his career with IBM, KPMG, and Wells Fargo Bank, stationed in Europe, Americas, and Asia Pacific regions working holding various senior management roles such as CIO, CTO, Principal Advisor and Executive Architect. Bill can be contacted at [bgenovese64@gmail.com](mailto:bgenovese64@gmail.com).

LinkedIn: <https://www.linkedin.com/in/wgenovese>

## 6.2. External Advisory Board

HÄVN will be assembling an external advisory board of additional industry leaders. We plan on keeping this board in place throughout our solution and business development as we expand globally.

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# Digital Transformation: Platform Strategies for Success

## Capstone Assignment – Part 3

Conceptualize the Platform Idea





# Platform Objectives



# Business Description

Describe the business, business unit, or brand that you have chosen to develop a platform strategy for your business. What are the products or services that you are attempting to market for them?

- **Business, Industry and problem/"job-to-get-done" focus:** Financial Services Industry – ICO's and New Digital Currencies Risk Analysis, Assessment, Diagnostics and Evaluation

## **Background:**

- In 2017 Initial Coin Offerings ('**ICO(s)**') took the world by storm. For the first time in its short history more funds were raised for blockchain projects via ICOs than through traditional venture capital. Lacking binding industry standards and awareness of existing regulations made it easy for scammers to enter and discredit the market. Only recently WIRED stated that the '*cryptocurrency investment landscape is littered with dozens of fraudulent ventures*' While this is an evident exaggeration, it clearly shows that the ICO industry has an image problem to say the least.
- Regulators all around the globe have issued statements alerting investors that ICOs are highly speculative and vulnerable to the risk of fraud and money laundering. Other statements warn issuers of tokens ('**issuer(s)**') that ICOs might be subject to laws and regulations and that a breach thereof could lead to certain sanctions. The U.S. Securities and Exchange Commission ('**SEC**') created a cyber unit and the retail strategy task force to combat cyber-based threats including violations involving ICOs and to protect retail investors. What looks like crack down of the ICO industry at first glance will help the industry to mature and scale.
- As stated by Jay Clayton, the Chairman of the SEC, in his testimony on 'Virtual Currencies', history has proven that opportunities provided by technological innovations flourish best when pursued in harmony with securities laws and other regulation aiming at the protection of investors and markets.

## **Value Proposition:**

- At HÄVN we believe in the ICO industry. We believe in technological advancements and innovative ways to raise funds. At the same time, we believe in regulatory compliance. We see regulatory compliance as the key to unlock the full potential of the market, to create trust and to attract new investors.
- The internet does not stop at borders, neither should ICOs. They are supposed to be borderless. At HÄVN it is our mission to create a global ICO ecosystem where issuers can raise funds globally in a complaint manner. Where issuers – including start-ups without efficient access to traditional capital markets – get the funding, they deserve. And where investors can diversify their portfolio by investing in projects all over the world without losing their protection under their local laws.

## **Products and Services:**

- We will launch an AI driven platform where issuers planning an ICO can easily run a risk analysis of the to-be-issued tokens. By doing so HÄVN will not only set new standards, but also fill a need that is missing in the market for investors and the ecosystem at large. This platform solution protects: 1) The individual investor 2) The legal and regulatory community 3) The startups 4) Crypto exchanges and financial institutions moving into this space.

\*Please add slides as required.

# THE PRODUCT

AI DRIVEN GLOBAL  
LEGAL RISK  
ASSESSMENT



CONTACT VETTED  
SPECIALIZED ICO LAW  
FIRMS WITH ONE CLICK

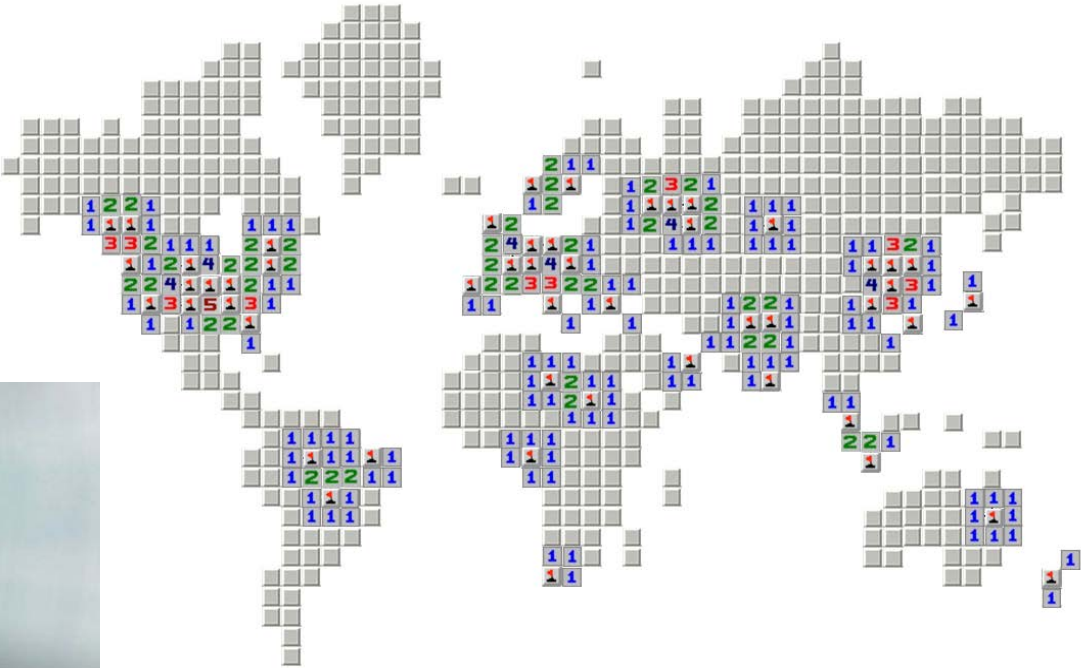
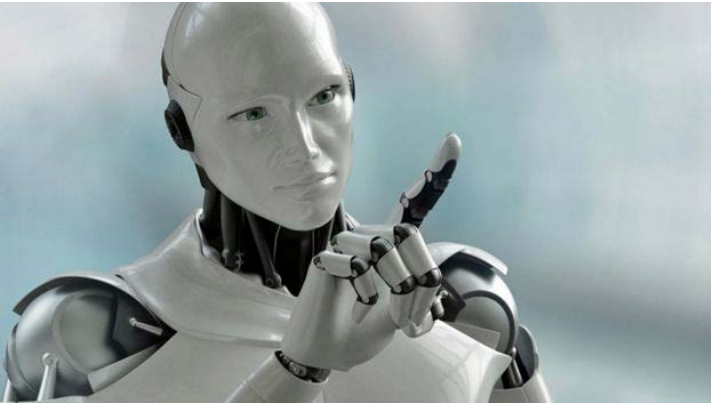


BLOCKCHAIN BASED  
KYC PROCEDURE

*for*  
START-UPS,  
INVESTORS AND  
EXCHANGES

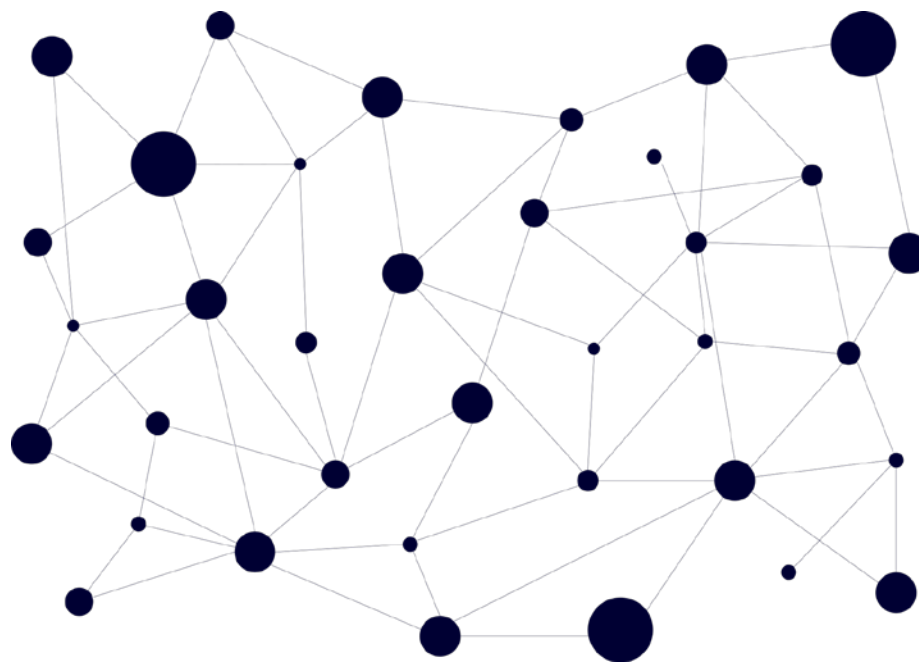
# PRODUCT | STEP 1: AI DRIVEN LEGAL RISK DIAGNOSTIC

- ✓ Analyze features of tokens
- ✓ Display heatmap of AI driven legal risk diagnostic instantly
- ✓ Contact specialized law firm in jurisdiction of choice



## PRODUCT | STEP 2: LAUNCH, DEPLOY AND COMPLY

- ✓ Complete ICO KYC via blockchain
- ✓ Share encrypted data with cryptocurrency exchanges to allow easy transition from primary (institutional) to secondary (consumer/individual investor) markets



# Products and Services (additional details)

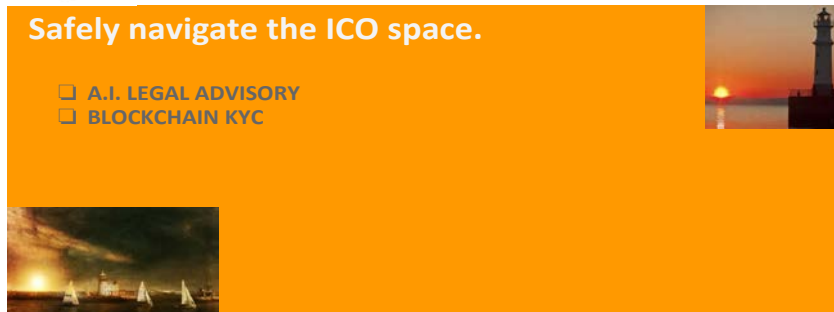
The HÄVN Solution Architecture will provide all of the below functionality, and more through a platform based solution.

- HÄVN helps issuers (referred to as ‘**user(s)**’ hereafter in the context of HÄVN platform) to safely navigate the ICO space in a compliant manner. By deploying the latest AI technology, HÄVN is able to provide instant results at a fraction of the current costs. Instead of lengthy legal memoranda prepared by lawyers in each jurisdiction, we provide our users with a global heatmap and risk matrices for selected jurisdictions. Since all data required for the legal risk analysis is retrieved automatically from the regulators and other relevant sources, the results produced by HÄVN are always up to date.
- A user running the legal risk diagnosis will further be able to show the results (‘**HÄVN Accreditation**’) on his ICO launching page. Compliance will soon become standard. Non-compliant ICO projects will be wiped out of the market or at least become easier to identify for investors. This will attract new money, create a sustainable ecosystem and help the ICO industry to become what it is supposed to be – the future of fundraising.
- There are various ways to design tokens and to structure ICOs. Yet, all tokens can be put into basically three categories: cryptocurrencies, utility tokens and security tokens.
- These taxonomy categories are useful to grasp the basic characteristics of tokens and to analyze them. Since the taxonomy correlates with the applicable laws in each jurisdiction, a token does not necessarily fall within the same category in each jurisdiction. While the features determining under which category a token falls are more or less universally applicable, the definitions of the legal terms regulating tokens vary from jurisdiction to jurisdiction. Needless to say, the contents of the regulations applicable to each type of tokens also vary.
- HÄVN will expand its informational source to include references to formalized taxonomies, as well as build a fully legal and regulatory certified taxonomy schema and database, with reporting in the countries and legal jurisdictions in which HÄVN operates. The details are embodied by the global heatmap and the spider chart risk matrix explained below.
- We will deploy data from existing ICOs, regulatory guidelines and legal advice from partner law firms and others to build complex decision trees. Based on these decision trees, the HÄVN Solution Architecture will be able to build an exhaustive representation of all possible combinations and associated consequences for each jurisdiction. Natural language processing will support and advance these decision trees ensuring accurate and up-to-date results on a jurisdiction by jurisdiction basis and supported by distributed ledger technology. Robotic Process Automation (‘RPA’) will be used to filter through structured and unstructured data to get to the result sets as quickly and as efficiently as possible, and add the “codified” and “standardized” metadata to the datastore and reinforced by smart contracts on the blockchain.

\*Please add slides as required.

# Branding

Our branding (we chose lighthouses and harbors to reinforce the emotional feelings of safe harbor in the storm)



We solve the following problems and challenges for our customers:

- **START-UPS** are figuring it out as they go.
- **INVESTORS** are exposed to high risks and uncertainty.
- **CRYPTOCURRENCY EXCHANGES** face high compliance costs for KYC procedures.
- **EXAMPLES**
  - The US Securities and Exchange Commission has charged both a diamond and a real estate initial coin offering scheme with defrauding investors.
  - A company called PlexCorps raised up to \$15 million from thousands of investors since August by falsely promising a 13-fold profit in less than a month.
  - A startup called Tezos raised 232 million USD in a matter of days. The initial coin offering, or “ICO”, left investors wondering where they stood -- and possibly facing a class-action lawsuit.

\*Please add slides as required.

# Branding (continued)

- **THE SOLUTION:**

An A.I. platform where start-ups planning ICOs run their initial legal risk diagnostic with instant results and KYC information is shared with Cryptocurrency Exchanges via blockchain.



**REDUCE RISK**  
when choosing the market



**INCREASE  
CONFIDENCE**  
in your token



**INCREASE EFFICIENCY**  
via blockchain





# Target Description

Describe in one line, the target industry, product/service, audience, and community engagement.

<b>Target Industry</b>	The overall target industry is the financial services industry, but this extends to multiple “user” sides. The users are the Startups from all industry sectors, Private/Individual Investors, Venture Capital, Institutional Banking, and Crypto/Digital Asset Exchanges and Banks.
<b>Target Product/Service</b>	Service: Risk Analysis, Assessment, Diagnostics and Evaluation for ICO’s and New Digital Currencies
<b>Target Audience</b>	This product and service is ultimately targeted for investors, however also positioned for startups, and exchanges.
<b>Target Community Engagement</b>	Community engagement is targeted for startups using the ICO funding model, individual and private (institutional) investors, legal/law firms, regulators and crypto/digital asset exchanges and banks.

\*Please add slides as required.

# Platform Strategy for Success



# Design Strategy – Metadata Taxonomy

Describe your platform design and optimization technique. How will you increase network effects?

## Solution Architecture

- There are various ways to design tokens and to structure ICOs. Yet, all tokens can be put into basically three categories: cryptocurrencies, utility tokens and security tokens. For purposes of illustration, the following are examples of cryptocurrency and token taxonomies, with the differences being varying levels of detail and application.

<a href="http://www.icoyoucan.com/">http://www.icoyoucan.com/</a>	Example of simple analysis that provides qualifying type questions and criteria for one country: Austria
<a href="https://medium.com/swlh/a-better-taxonomy-for-cryptocurrencies-cbffd2e1b58c">https://medium.com/swlh/a-better-taxonomy-for-cryptocurrencies-cbffd2e1b58c</a>	Example of simple token classification table that comprises 5 categories — Mode of Payment, Store of Value, Protocol Improvement, Coin-as-a-Service, Utility Token— which are the functions they serve.
<a href="https://www.coindesk.com/periodic-table-blockchain-classify-tokens/">https://www.coindesk.com/periodic-table-blockchain-classify-tokens/</a>	Example of definitions, preconditions, principles of classification, types and quantification of digital assets, examples, and example process analysis

- These taxonomies are useful to grasp the basic characteristics of tokens and to analyze them. Since the taxonomy correlates with the applicable laws in each jurisdiction, a token does not necessarily fall within the same category in each jurisdiction. While the features determining under which category a token falls are more or less universally applicable, the definitions of the legal terms regulating tokens vary from jurisdiction to jurisdiction. Needless to say, the contents of the regulations applicable to each type of tokens also vary.
- HÄVN will expand its informational source to include references to formalized taxonomies (such as listed in the table above) as well as build a fully legal and regulatory certified taxonomy schema and database, with reporting in the countries and legal jurisdictions in which HÄVN operates. By linking to and piggybacking off existing formalized taxonomies with definitions and classifications, we avoid re-inventing or re-interpreting the wheel. The details are embodied by the global heatmap and the spider chart risk matrix explained in the next slides.

\*Please add slides as required.

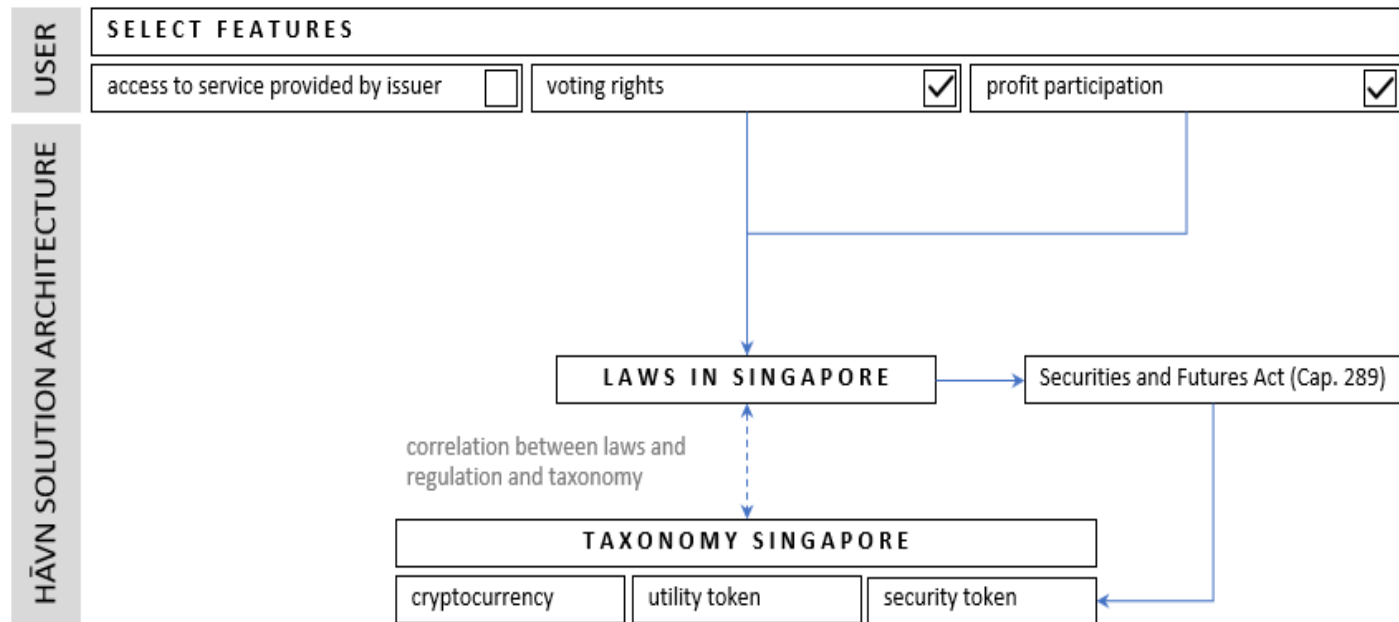
# Design Strategy (Solution Architecture)

- The HÄVN Solution Architecture will provide all of the above functionality, and more through a platform based solution. None of these processes will be seen by the user. All the user has to do is to tick a few boxes to select the features of the token. The process for using the HÄVN Solution is as follows:
  - **Create Account:** At HÄVN we believe in the validity of projects caring about compliance, therefore an account is created for transparency, auditability and integrity that will interface with licensing and registration with the local regulatory authority.
  - **Select Payment Method and Amount to Pay:** When creating an account with HÄVN, users can choose whether they want to pay a fixed fee in a fiat or cryptocurrency for the legal risk analysis OR whether they want to assign a certain number of to-be-issued tokens to HÄVN instead.
  - **Select features:** Users have to select the features of their tokens from a comprehensive list covering all jurisdictions. Based on the input the HÄVN Solution Architecture will diagnose the tokens in line with the applicable regulations and provide a comprehensive 'global heatmap' and 'spider chart risk matrix'.
- We will deploy data from existing ICOs, regulatory guidelines and legal advice from partner law firms and others to build complex decision trees. Based on these decision trees, the HÄVN Solution Architecture will be able to build an exhaustive representation of all possible combinations and associated consequences for each jurisdiction. Natural language processing will support and advance these decision trees ensuring accurate and up-to-date results. Robotic Process Automation ('RPA') will be used to filter through structured and unstructured data to get to the result sets as quickly and as efficiently as possible.

\*Please add slides as required.

# Design Strategy (Solution Architecture)

The following figure shows a simplified version of the process for only one jurisdiction – In this example: Singapore. Once up and running this process will run in parallel for all jurisdictions. To keep up with developments and to provide best results to HÄVN users RPA will constantly update HÄVN's database.



Simplified decision tree for one jurisdiction (Singapore).

\*Please add slides as required.

# Design Strategy (Solution Architecture)

**Global heatmap:** Based on the selected features the HÄVN Solution will run an extensive legal risk analysis of the token-to-be-issued and produce results in form of a global heatmap. This allows our users to get a better understanding of the regulatory landscape for ICOs at one glance.

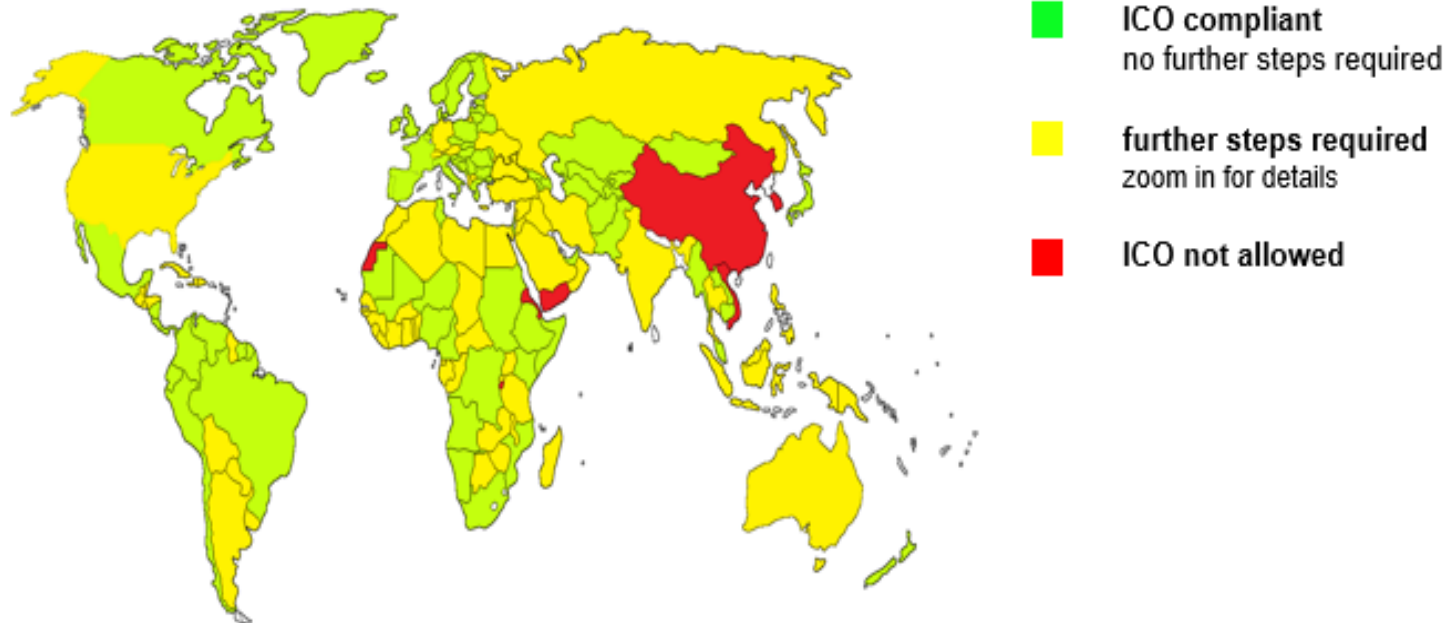


Image of global heatmap produced by HÄVN Solution.

\*Please add slides as required.

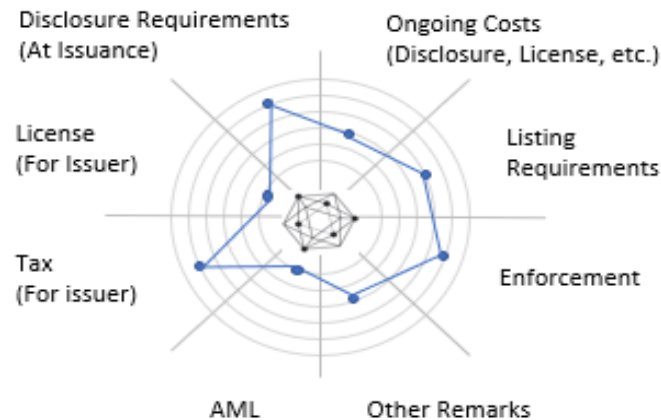


# Design Strategy (Solution Architecture)

**Spider chart risk drill-down:** To obtain further information about certain jurisdictions the user can either zoom in or click on the country of choice. HÄVN will then show a multidimensional risk view covering amongst others the legal status of the token-to-be-issued, questions concerning the marketing of the token, restrictions to the use of the token, disclosure and license requirements, obligations under the existing AML regulations and tax implications for the ICO. For further information, the user can click on each parameter. With this multidimensional profile, the user can then determine whether the selected jurisdiction fits his needs or not. The process can be repeated as often as necessary without causing additional costs.

**Contact law firm:** HÄVN will cooperate with specialized law firms in each jurisdiction. If HÄVN users wish additional legal support such as drafting the sales prospectus or obtaining certain licenses, they can directly contact our partner law firms via the platform.

**classification:** security token



Illustrative example of spider chart risk matrix for a security token.

\*Please add slides as required.



# Design Strategy (Solution Architecture)

**HÄVN Accreditation:** A user running the legal risk diagnosis on the HÄVN Solution Architecture will be able to upload a HÄVN Accreditation certificate on his ICO launching website. This certificate will show the features which have been selected by the user for the legal risk analysis and the result provided by HÄVN. The HÄVN Accreditation certificate enables investors to understand easily whether the tokens they plan to invest in are compliant under their jurisdictions. Based on the certificate, investors can also easily compare the selected features with the ones mentioned in the whitepaper.

HÄVN will store both the HÄVN Accreditation certificates and the hash value of the certificates and publish them on its website like a public registry office. Investors can easily access to various certificates of the token issuers utilizing HÄVN Accreditation on HÄVN's website and compare them. The publication will also prevent users (*i.e.*, token issuers) from amending the certificate after the issuance by HÄVN.

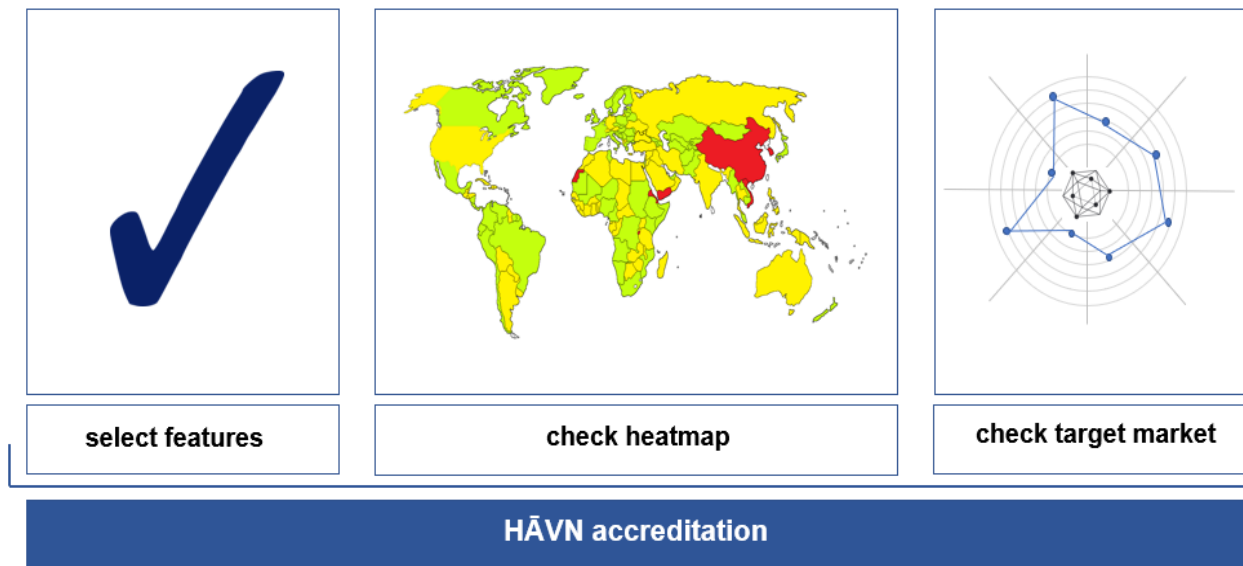
\*Please add slides as required.





# Design Strategy (Solution Architecture)

**HAVN Accreditation:** Uploading the results of the legal risk analysis on the website will not only give credibility to the project, but also help HÄVN to become a well-known platform in the ICO industry in the mid-term. We believe that HÄVN will soon become an essential player in the ICO space contributing to a sustainable ecosystem.

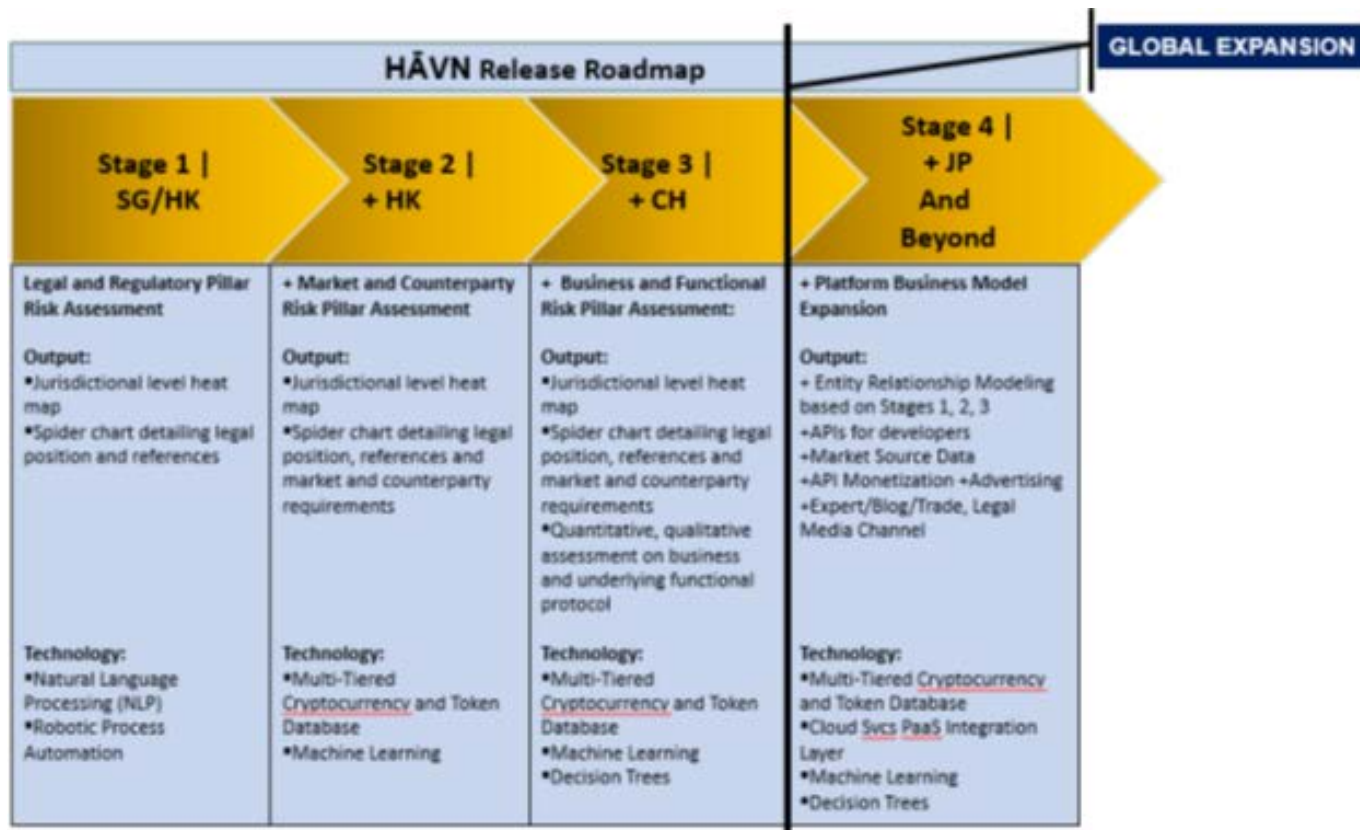


\*Please add slides as required.

# Design Strategy (Solution Design Roadmap)

## HAVN Solution Platform Roadmap – Milestones and Optimization

The following is the initial planned HAVN release roadmap, which provides a view on country deployment from Stage 1, through regional and global expansion in Stages 2 through 4. Planned risk analysis “pillars” are identified, along with functional analysis output and technology introduced for each stage. Additional release notes for each stage are provided under the roadmap diagram below.



\*Please add slides as required.

# Monetization Strategy

How will you monetize your platform? Why?

**Market Evaluation** In addition to existing ICO markets, we predict a shift from VC funding to hybrid forms of VC and ICOs or pure forms of ICOs for early stage investments. Based on this prediction we have determined the total available market ('**TAM**'), the serviceable available market ('**SAM**') and the serviceable obtainable market ('**SOM**').

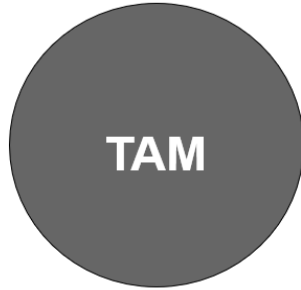
In 2017 VC-backed companies raised more than USD 155 billion in total with seed and series A rounds contributing USD 38 billion. Predicting a shift for early stage investments to hybrid forms of VC and ICOs or pure forms of ICOs, the total available market for HÄVN amounts to USD 44.5 billion. This figure includes the USD 6.5 billion raised in ICOs in 2017.

From the USD 38 billion raised by VC, 46 percent went to projects related to software and media. To date, both industries make increasing use of ICOs and a further shift can be expected in the near future. Together with the USD 6.5 billion raised in ICOs this makes a serviceable available market of USD 24 billion for HÄVN.

Since ICOs produce clear benefits for investors and start-ups likewise, we predict a shift of at least 15 percent of the projects covered by the serviceable available market from VC funding to hybrid forms of funding or pure forms of ICOs. Regarding the existing ICO market we estimate that at least 80 percent of the ICOs care about compliance, provided compliance is ensured in a cost-effective manner. This makes a serviceable obtainable market of USD 7.8 billion for HÄVN.

\*Please add slides as required.

# Monetization Strategy (continued)



**TAM**

**\$44.5B**

VC raised globally via  
VC (seed and series A)  
and ICOs



**SAM**

**\$24B**

VC funding for software  
and media and ICOs



**SOM**

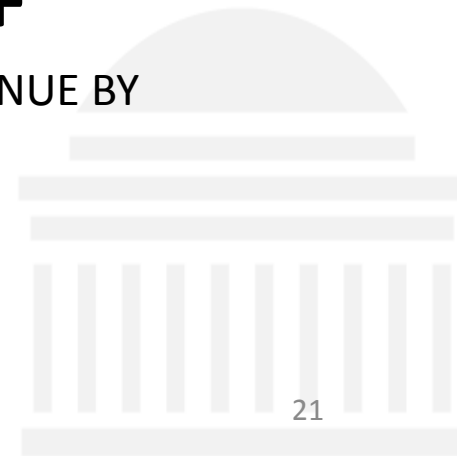
**\$7.8B+**

startup funds (VC + ICO)  
after our legal diagnostic

Given the fact that the market for automated legal risk analysis for ICOs is still untapped, we have the first mover advantage on our side, will be able to cover big market shares and dominate the market. We capture: (i) 1% of the amount of ICO issuance by use of AI diagnostic; and (ii) fee for each KYC report by use of blockchain

**\$3.5B × 1% =**  
Serviceable Obtainable Market  
(15% of Serviceable Available Market)

**\$35M+**  
ANNUAL REVENUE BY  
2020



\*Please add slides as required.

# Monetization Strategy (continued)

**Business Model:** ICOs are often compared with initial public offerings ('IPOs'). The costs for IPOs including the costs for regulatory compliance typically range from 5 percent to 10 percent of the total amount raised.

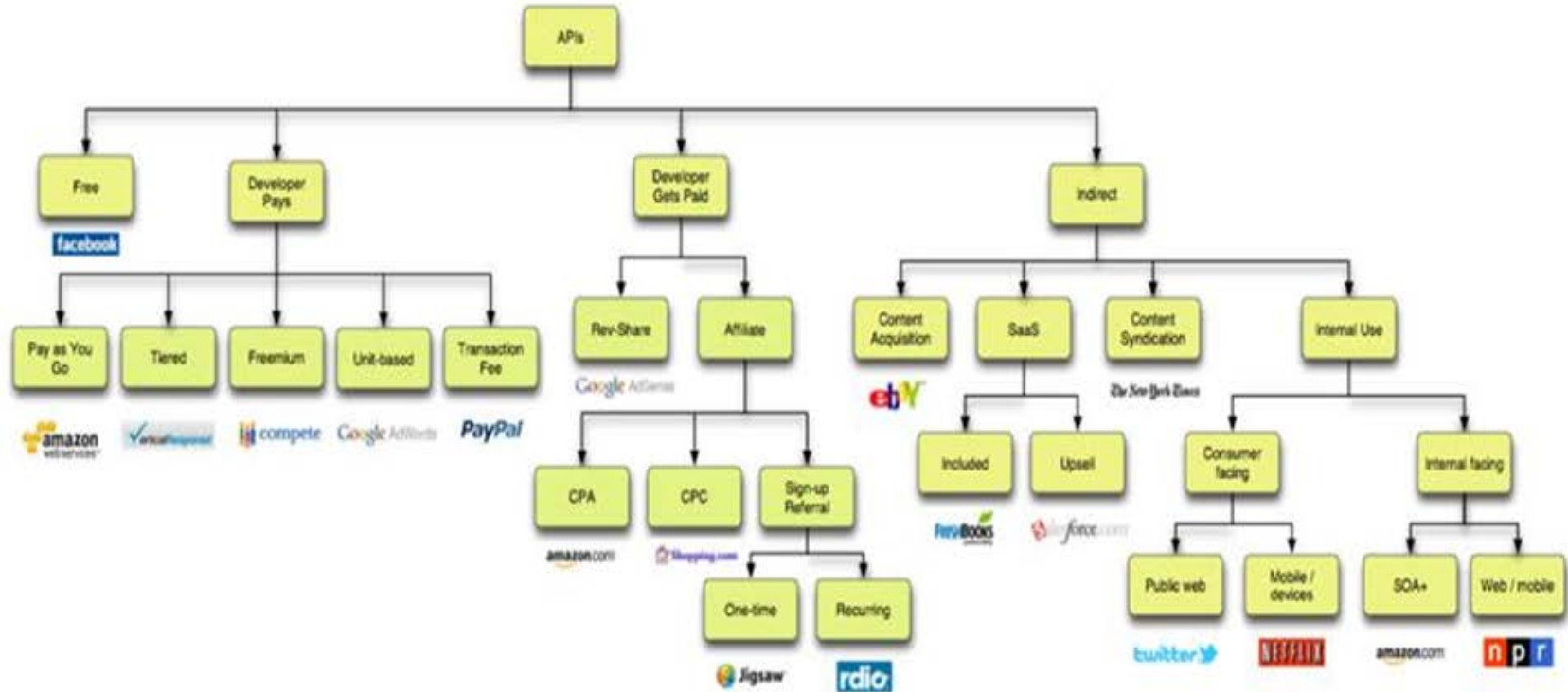
By automating the legal risk analysis, we are able to reduce the costs considerably. Users of HĀVN can choose between paying a fixed fee in a fiat/cryptocurrency or assigning a certain number of tokens to HĀVN ('r-bounty token'). The r-bounty token program is available to users who plan to list their tokens on a cryptocurrency exchange after launching their ICO. HĀVN accreditation will ensure that the token is traded at a premium and that transition from primary (institutional exchanges) to secondary markets (accessible via private/individual investors) is smooth.

Based on the serviceable obtainable market and the r-bounty token program – assignment of 1 percent of the r-bounty tokens – we would annually generate a global revenue of USD 78 million for the legal risk analysis only in the future if HĀVN would succeed in its launches in major jurisdictions. This revenue does not consider any subsequent increase in the r-bounty token price and could therefore be much higher.

Further fees will be charged for and/or advertising (legal firms, market data firms) on our platform, through an API mixed consumption based model. They include membership fees for law firms and the other service fees introduced during stage 2-4 (see Slide 19 “**HĀVN Solution Platform Roadmap – Milestones and Optimization**” and **Launch Strategy in next section**).

\*Please add slides as required.

# Monetization Strategy (continued)



We will deploy an open and flexible based model for monetizing APIs and to further scale our platform, as seen in the picture above, to get the highest return on investment for Open APIs, as we look to possibly piggy back and/or multi-home onto a cryptocurrency exchange, and augment and further enrich our platform with additional market data (i.e via LexisNexis, Thomson Reuters, Bloomberg, etc).

\*Please add slides as required.

# Launch Strategy

Which launch strategy will you use to launch your platform? Why?

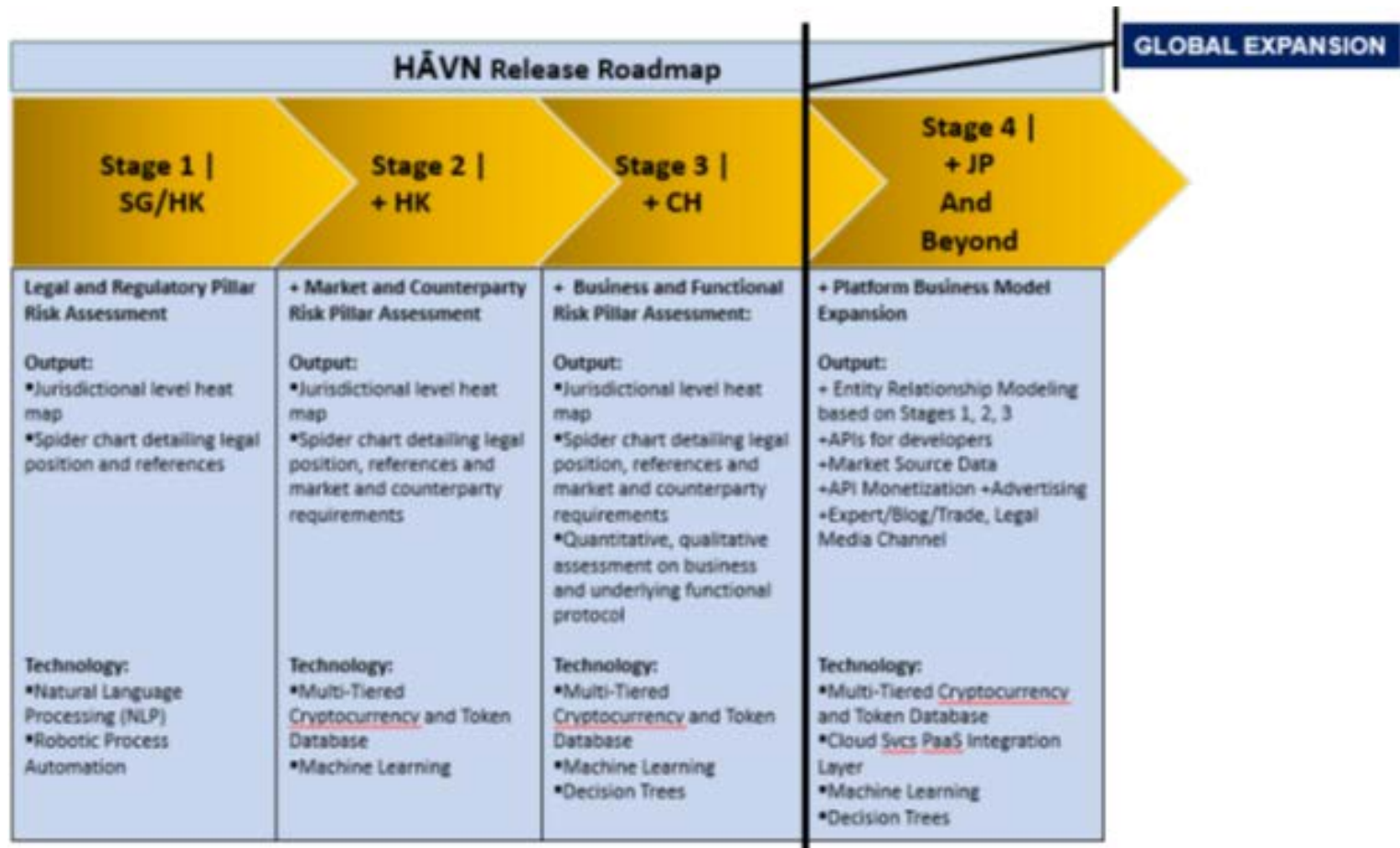
Our launch strategy will be a hybrid evolution comprised of Micromarket Strategy, Seeding Strategy, The Big Bang Strategy, and potentially culminating with and further being enhanced and scaling increased through a Piggybacking Strategy. The following table explains the Launch Strategy timing/alignment with our deployment, release roadmap and

Launch Strategy	Timing/alignment with Roadmap	“WHY”
Micromarket Strategy	Stage 1 – Legal and Regulatory Risk Pillar Assessment	Focus on legal and regulatory friendly and progressive small initial market to build prototype and get initial interest, investment and traction
Seeding Strategy	Stages 2 (Market and Counterparty Risk), 3 (Business Model Valuation), 4 (Platform Expansion – Advertising)	Gain further interest and scaling by seeding API and developer content throughout each stage to expand prototype into platform. For example, additional contract and counterparty risk engines and applications, business model valuation APIs from other sources, APIs to Market Data and Legal firm content. See slide 23 for API Monetization strategy examples.
The Big Bang	Stage 3 – Business and Functional Risk Pillar Assessment	A this point in our release execution, we are planning to be delivering strong mobilized benefits to both the supply and demand side (startups, investors, legal/regulatory, exchanges)
Piggybacking Strategy	Stage 4 – Platform Business Model Expansion	The platform will also be extended to include APIs through which HÄVN will share token-related data including anonymized data of token issuers with developers, advertisers, subject matter experts, legal firms, media and market data enterprises (for example, Thomson Reuters and Bloomberg) to further attract consumption of the platform data.

\*Please add slides as required.

# Launch Strategy (continued)

The following is the initial planned HÄVN release roadmap, which provides a view on country deployment from Stage 1, through regional and global expansion in Stages 2 through 4. Planned risk analysis “pillars” are identified, along with functional analysis output and technology introduced for each stage. Additional release notes for each stage are provided under the roadmap diagram below.



\*Please add slides as required.



# Launch Strategy (continued)

- **Stage 1 – Singapore:** Singapore was the third largest jurisdiction where ICO projects originated in 2017 [14]. Combined with the business-friendly environment, forward thinking regulators and a thriving fintech community, this makes Singapore a top choice for building the prototype of HÄVN. This means that HÄVN will provide the diagnosis only under the Singaporean law and regulations, with which HÄVN users can offer their tokens in Singapore in a compliant manner. With regards to regulatory issues HÄVN will closely cooperate with the Monetary Authority Singapore and apply for the FinTech Regulatory Sandbox to test the product in a safe environment
- **Stage 2 – Hong Kong and Japan:** HÄVN will expand to other strategically important markets for the ICO ecosystem, namely Hong Kong and Japan. We recognize the reciprocal and partnership arrangements among these governments, regulatory bodies, FinTech communities, and the financial services industry at large in collaborating in this region. With the insight gained when building the prototype for Singapore, we expect to complete HÄVN for Hong Kong and Japan within 9-12 months. Discussions with the local regulators and possible partner law firms will be started while building to prototype in Singapore.
- **Stage 3 – Switzerland:** In Stage 3 HÄVN will expand further to cover Switzerland. Along with the expansion, HÄVN will launch additional functionality all of which are essential to the sustainable token ecosystem. This includes, amongst others, a streamlined KYC (know-your-customer) procedure required under the relevant anti-money laundering regulations, deploying blockchain technology. Some regulators in major jurisdictions have started imposing the KYC obligations for token transactions on cryptocurrency exchanges and/or token issuers, placing heavy burdens on them. We believe that the KYC obligations on, among others, tokens convertible to real currency will prevail globally according to the Guidance issued by the Financial Action Task Force (FATF), an inter-governmental policy-making body against money laundering and terrorist financing.
- **Stage 4 – Major Jurisdictions and Beyond: At Stage 4, HÄVN will broaden the target jurisdictions further to cover major jurisdictions for ICOs once ready.** Along with this global expansion, HÄVN will fully expand the platform and business model which will include all three risk analysis pillars (*i.e.*, (i) Legal and Regulatory Pillar, (ii) Market and Counterparty Risk Pillar and (ii) Business and Functional Risk Pillar outlined in Figure 6 above) one by one as an essential component of the token ecosystem, plus Blockchain enabled KYC for further protection for investors and exchanges. The platform and business model will also be extended to include APIs through which HÄVN will share token-related data including anonymized data of token issuers with developers, advertisers, subject matter experts, legal firms, media and market data enterprises (for example, Thomson Reuters and Bloomberg) to further attract consumption of the platform data. At this point, the platform will be extended for mobile and full digital device capabilities, with an initial rollout planned for late 2020/early 2021.

\*Please add slides as required.

# Governance

Describe your platform governance rules and the regulatory tools you will employ. Provide reasons for your choices.

Governance Rules and Regulatory Tools	Reasoning
Platform as a Regulator	<ul style="list-style-type: none"><li>■ HAVN will reinforce safe listings and registration of ICOs to support licensing authorities (legal, regulators, exchanges) through NLP, Machine Learning, and Blockchain KYC</li><li>■ HAVN will act as an enforcer for the industry by providing AI and Blockchain risk assessment and guidance for startups, investors, and exchanges based on legal and regulator data (Machine Learning, Referential Token Taxonomy/Metadata)</li><li>■ HAVN will also function indirectly as a pricing “influencer” authority by assessing functional, business model, valuation, and underlying protocols and resiliency (Machine Learning, Market Reference Data)</li></ul>
Platform as a Policy Maker	<ul style="list-style-type: none"><li>■ HAVN will both directly and indirectly improve legal and regulatory data quality in the ICO and token space, and as such potentially be further used to support policy development and directly deliver new data for new policies (Token Taxonomy, Machine Learning, Metadata, Blockchain)</li><li>■ HAVN will become an “aggregator” or “consolidator” of policy information from the legal and regulatory communities on a worldwide basis, and as such act as a policy maker, especially when providing the correlated 3 pillar risk assessment through Stage 3.</li></ul>

Please add slides as required.

# Governance (continued)

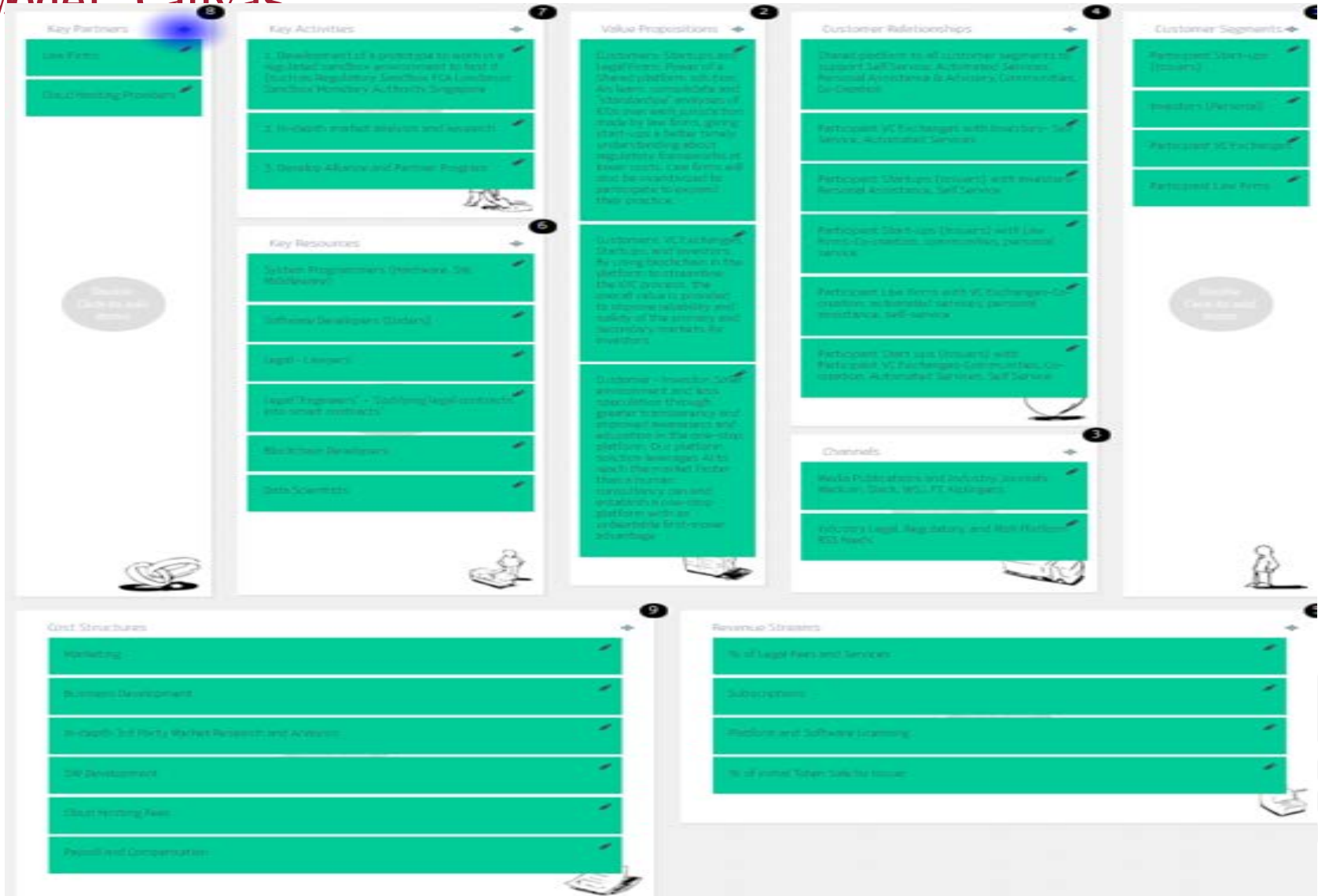
Describe your platform governance rules and the regulatory tools you will employ. Provide reasons for your choices.

Governance Rules and Regulatory Tools	Reasoning
Governance to correct market failures	<ul style="list-style-type: none"><li>■ Through its delivered assessments, HAVN will provide the following:<ul style="list-style-type: none"><li>■ Correcting information asymmetry: HAVN will help to standardize token definitions, policies and treatments. This is currently a problem area where large information asymmetry exists.</li><li>■ Excluding negative externalities: HAVN will help to remediate and ideally, eliminate the “bad actors” and fraudulent activities that occur in this ecosystem</li><li>■ Reducing risks that prevent transactions and reduce risks associated with investments: This is the core strategic value proposition that underpins HAVN. Making ICOs, and the tokens that enable them safe for investors, the start-ups, legal and regulatory community, exchanges, and the ecosystem at large</li><li>■ Mitigating high prices, and rampant unsubstantiated speculation and inflated pricing of digital currencies and tokens. This governance to aid in correcting market failures is a core part of our strategy –especially by leveraging a multi-pillar correlated risk approach and methodology across legal, regulatory, market, counterparty, business, functional and technical risk and tech stack.</li></ul></li></ul>

# Governance (continued)

Alignment/Adherence to Elinor Ostrom Governance Rules	Y/N	Notes
Definition of clear group boundaries	.Y	See business model canvas (next slide)
Governance Use of Common Goods Rules matches local needs and conditions	Y	Platform enriched with each jurisdiction + market and counterparty cooperation
Ensure that those affected by the rules have the ability to participate in modifying the rules.	Partial	Participants will indirectly participate in this by introducing and influencing classification of new tokens and funding models that may be introduced.
Ensure that the rule-making rights of community members are respected by outside authorities	Y	Inherent in the platform design and implementation
Develop a system carried out by members of the community for monitoring members' behavior	Y	HAVN Accreditation program
Use graduated sanctions for rule violators.	Partial/Indirect	Starts with HAVN Accreditation program, but it will not be up to HAVN to enforce these sanctions—regulator and legal responsibility
Develop and provide low-cost dispute resolution so that you avoid the situation where you need to have significant resources to engage in something like a legal dispute or legal actions	Y	Already inherent in the value proposition. Legal fee structures and remediation is ideally reduced by controls and governance.
Build responsibility for governing the common resource in nested tiers from the lowest level	Y	Starting with most progressive jurisdictions and best case for formalized metadata , HAVN will build the foundation and precedents for other jurisdictions, and strengthened further through market and counterparty risk assessment

# Governance (continued) - Business Model Canvas



\*Please add slides as required.

# Network Effects

How will you leverage network effects to ensure the success of your platforms? Describe your success strategy.

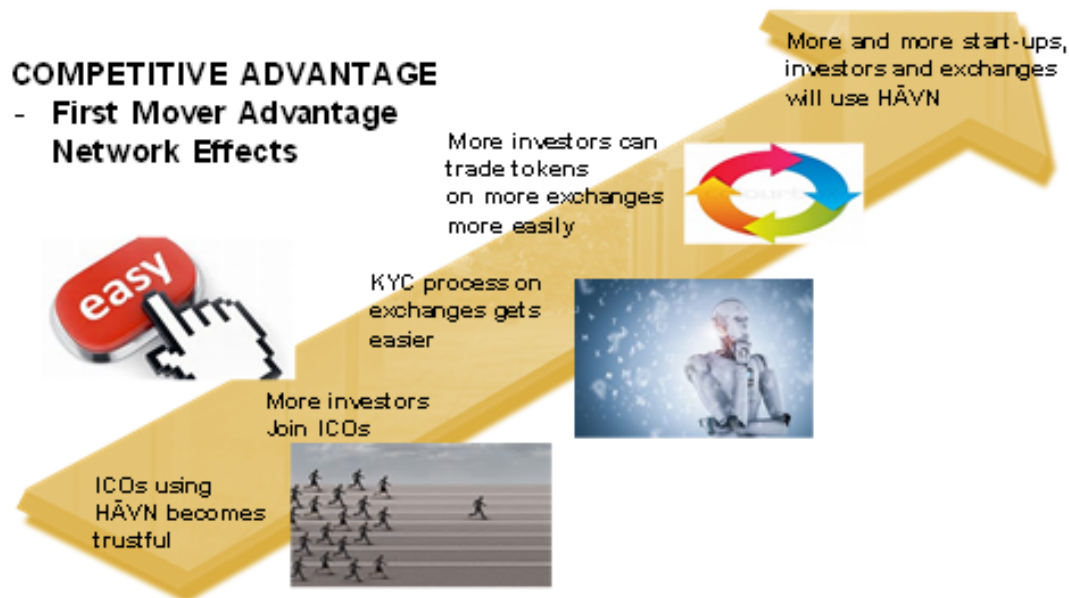
In terms of market validation, our research has shown the following potential market:

**14,775,066+** wallet users and potential investors

**USD 3,256,704,359+** total investment in ICOs

**203+** ICOs in 2017

Our competitive advantage is our first mover advantage in terms of this level of holistic comprehensive risk diagnostics in this space, and we plan on further scaling based on network effects, as seen below.



\*Please add slides as required.

# Network Effects (continued)

## COMPETITIVE ADVANTAGE

- First Mover Advantage Network Effects

More and more start-ups, investors and exchanges will use HÄVN



Investor Scaling

More investors can trade tokens on more exchanges more easily

KYC process on exchanges gets easier



Ecosystem Scaling



Startups /ICOs Scaling

More investors Join ICOs

ICOs using HÄVN becomes trustful



\*Please add slides as required.

# Network Effects (continued)

Targeted Customers	Network Effect
Startups/ICOs	Producers First: Startups and ICOs want to launch their business and get funding safely and securely, register for licensing and gain trust of investors
Investors	Consumers First: Investors (private and institutional) want to invest in alternative investments as well as companies that reflect their personal individual lifestyles. Looking for other options to invest in innovation, but without the inherent magnified risk.
Exchanges	Producers and Consumers First: Intersection of HAVN with the Exchange platforms and to further scale network effects. Grow HAVN by Piggy-backing and reducing risk for the ecosystem-closing the loop!



# Summary and Next Steps

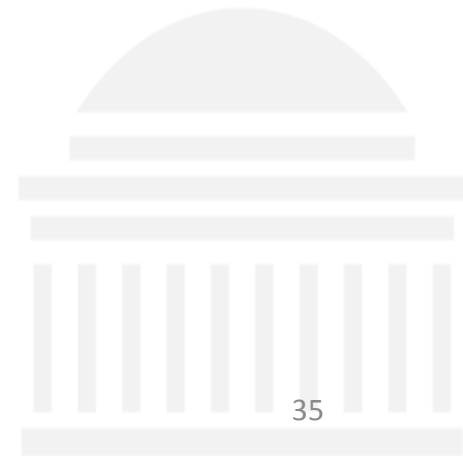


# Summary

Summarize your strategy in one paragraph (50 to 70 words).

The internet does not stop at borders, neither should ICOs. At HÄVN it is our mission to create a global ICO ecosystem where issuers can raise funds globally in a compliant manner. Where issuers – including start-ups without efficient access to traditional capital markets – get the funding, they deserve. And where investors can diversify their portfolio by investing in projects all over the world without losing their protection under their local laws. We will launch an AI driven platform where issuers planning an ICO can easily run a risk analysis of the to-be-issued tokens. By doing so HÄVN will not only set new standards, but also fill a need that is missing in the market for investors and the ecosystem at large.

\*Please add slides as required.



# Next Steps

How will you ensure that platform's success is sustained?

The success of HAVN and our platform will be based on the hybrid approach and evolution of our launch and deployment strategy, roadmap, and network effects for competitive advantage as explained in this presentation. In summary, we feel that we are putting a safe harbour anchor point in the ground in a progressive micromarket jurisdiction that is rapidly maturing, and has good solid base data to work with. By growing the platform through a seeding strategy, and moving more into a richer two sided/multi-sided marketplace through our evolving Big Bang Strategy in Stage 3, with the goal increase further success and scaling through a piggy-backing strategy in Stage 4 (exchange platforms and market data), the platform is maturing, becoming richer, and scaling globally through network effects. More private institutional investors will feel more confident in ICO investments, and the KYC process on exchanges will become easier, improved and less fragmented. More investors, start-ups and exchanges can trade tokens and currencies easier, and as supported by a legal and regularor backed accreditation framework and program, this will further install and grow further confidence in the ecosystem and community to use HAVN.

\*Please add slides as required.