



M O B U

5-Page Whitepaper

# MOBU INTRODUCTION

**Similar to how the HTTP protocol defined the internet, MOBU developed the MOB20 standard protocol that defines a set of commands that a security token should implement.**

MOBU is an ERC20 security token and built on the Ethereum platform although remaining blockchain agnostic. The ERC20 protocol defines a set of commands that a token should implement. It is a technical specification with basic functions such as the transfer of tokens and enquiry of the balance and supply of tokens. In the past it was more complex to support trading for Token A to talk to Token B. ICO's raised over 30 Billion USD over the past 2 years but without regulations to protect investors it is a flawed model, this is why Security Token Offerings (STO's) are becoming the new trend.

MOBU is not only the issuance platform and standard protocol for security tokens but also will own an equity stake in an licensed operational stock exchange and be the sole broker for all security tokens, thereby creating a secondary market and participating in one of the most lucrative business models of our time.

The MOBU token will power both the issuance platform and the security exchange. STO issuers using the protocol will automatically receive discount when listing on the exchange. MOBU already have some of the most influential men from Africa as clients.

Security tokens are the most lucrative of all 3 types of tokens as they represent ownership of underlying assets, rights to assets in case of liquidation and the opportunity to receive dividends which represent real value. Security tokens have not even touched \$200 million USD while the \$80 Trillion USD securities market remains untouched in the blockchain space.

During the great gold rush, it was not the miners that made the most money but the person selling shovels. In the same way MOBU will provide the tools and infrastructure to the world to launch compliant security tokens in a cost-effective and user-friendly manner but also create the legal secondary market where they can trade on.

**Private placements raise roughly 3 Trillion USD per annum globally, just imagine if it can be done with less friction and less middlemen?**

# [ PROBLEM STATEMENT ]

- Launching a security token is a technical, legal and regulatory nightmare!
- Different jurisdictions have different rules and regulations
- The majority of ICO's are unable to pass the Howey test but claim to be utility tokens
- Cryptocurrency developers are hesitant and unsure about all the procedures required when offering security tokens to the crypto community (e.g. Reg 506b, Reg 506c, Reg A+, Reg D, Reg S, etc.)
- Legally the process of launching a security token is very expensive and slow
- There are SEC fines and even imprisonment if a security token is issued incorrectly
- There is no secondary trading market for security tokens (currently crypto exchanges are reluctant to list security tokens)
- There is no competitive pricing environment of vetted STO service providers – currently they charge anything they wish
- Current crypto exchanges do not have the required licenses to trade securities and by avoiding USA, Canada and Singapore is not a long-term solution

# [ THE MOBU SOLUTION ]

- The MOB20 protocol defines a set of commands that a compliant security token should implement
- MOBU will own an equity stake in a licensed stock exchange which allows for:
  - local and international listings
  - being the sole broker for all security tokens
  - applying for a bond exchange license
- MOBU will support Reg S, Reg D, and Reg A+ compliant STO's Security Token Offerings (STO's), and with the incorporated ability to select experienced legal counsel across multiple jurisdictions within the platform, STO issuers can be sure they create compliant tokens within their local jurisdictions
- The MOB20 protocol creates a set of rules that govern the issuance of security tokens, and program them into smart contracts on the Ethereum blockchain so they are transparent and immutable.
- MOBU is an ecosystem with a vetted tender process for:
  - legal providers
  - smart contract developers
  - escrow providers
  - KYC/AML providers
- MOBU will follow strict criteria for service providers in terms of track record, pricing, capital requirements, etc.
- MOBU will initiate a new standard – KNOW YOUR SUPPLIER (KYS) for complete due diligence (DD) compliance for all service providers using the platform
- There will be a rating system for service providers which will create a competitive pricing free marketplace for investors
- MOBU will own equity stake in operational licensed stock exchange

## ■ Dividends and voting rights

- Since MOBU is a security token, investors will have the right to dividends and the right to assets in case of liquidation.
- MOBU token holders can obtain voting rights by owning 5% of MOBU tokens in circulation
- MOBU will declare an annual dividend and buy-back MOBU tokens and burn them to additionally compensate investors. This will lower the supply and increase the value of MOBU tokens
- MOBU token holders will effectively own all MOBU initiatives and the actual stock exchange

## ■ Other key features of MOBU

- Network of authorization centres for KYC/AML compliance
- OWN ACTUAL OPERATIONAL STOCK EXCHANGE!!!
- Unique method of escrow services to STO's protecting investors by enabling them to exit the STO after the crowdsale on a pro-rata basis if the STO issuers do not adhere to their roadmaps or goals. Hereby STO issuers will not have immediate access to the full amount raised - the funds will be released to them on a pro-rata basis. The main benefits of this feature include the following:
  - protects the capital of the investor
  - offers the potential of STO refunds
- A "lockup" utility to MOBU tokens for STO service providers requires all the service providers on the MOBU platform to stake x amount of MOBU tokens to receive the right to operate in the ecosystem. These tokens will be locked up for as long as the service provider uses the MOBU platform. The main benefits of this feature include the following:
  - "Tokenomics"
  - Appreciates the value of the MOBU token
  - Deposits lower the supply of the MOBU token

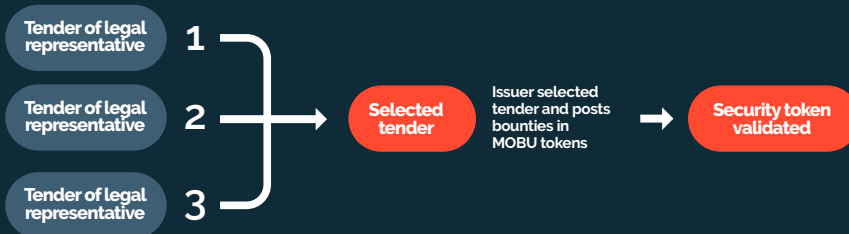
## ■ Why does MOBU need the blockchain?

MOBU needs the blockchain to create a set of rules that govern the issuance of compliant security tokens, and program them into smart contracts on the blockchain ensuring transparency and immutability. Its clear business model demonstrates the unique use of and demand for the MOBU token on the MOBU platform by tender users.

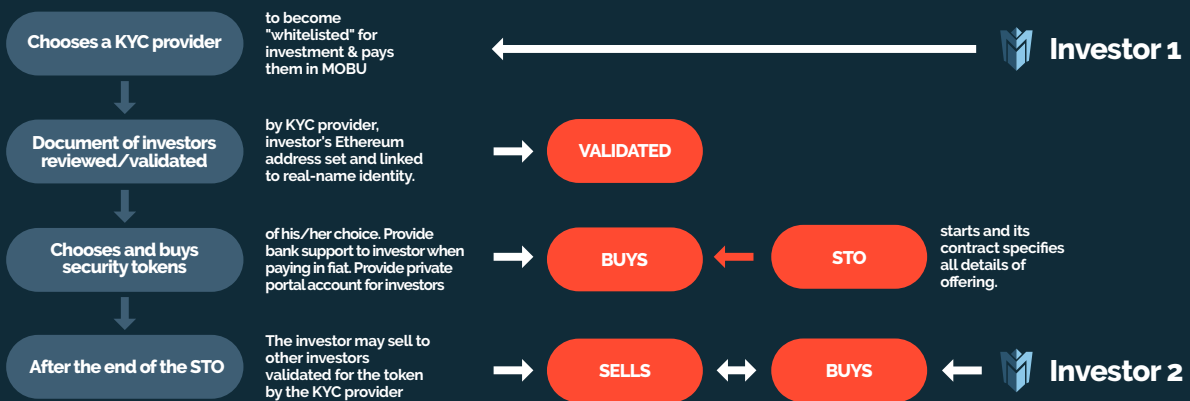
## ■ Why security tokens instead of conventional shares

- Fees are lower
- Deals are executed faster
- Exposure to free market
- Cross border funding
- More complex versions of dividend policies and voting rights
- Decreased manipulation by financial institutions

# Ecosystem explained



After successful compliance/validation of the security token, legal representative sets STO contract address and trading may start. Provide decentralized escrow account to issuer to safe-keep STO funds. Provide legal support to issuer



## Competitor Analysis

|  | MOBU | Ethereum | Polymath |
|--|------|----------|----------|
| Decentralised token                    | ✓    | ✓        | ✓        |
| Application layer                      | ✓    | ✓        | ✓        |
| Smart contract development             | ✓    | ✓        | ✗        |
| Organized platform for security tokens | ✓    | ✗        | ✓        |
| No technical expertise needed          | ✓    | ✗        | ✓        |
| KYC/AML guaranteed protocol            | ✓    | ✗        | ✓        |
| Investor account portals               | ✓    | ✗        | ✓        |
| Bank support fiat to crypto            | ✓    | ✗        | ✗        |
| Unique Escrow Services to STOs         | ✓    | ✗        | ✗        |
| Exchangeability support                | ✓    | ✗        | ✓        |
| Technical support                      | ✓    | ✗        | ✓        |
| Legal support                          | ✓    | ✗        | ✓        |
| "Lockup" Utility to Tokens             | ✓    | ✗        | ✗        |
| Stock Exchange License                 | ✓    | ✗        | ✗        |

# MOBU SUSTAINABILITY

MOBU will charge a 1% fee for all STO's listed on the MOBU platform to:

- provide resources and services
- offer support
- generate revenue to develop MOBU's resources to its full potential

MOBU will charge a small fee for all the transactions in the MOBU marketplace. MOBU will also charge a fee for security token listings as well as transaction fees on the stock exchange.

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## Confirmed Issuers on MOBU Platform:

- Mike Prinsloo was the former CEO of DRD Gold, Ashanti Gold and Goldfields and the individual who has moved the most gold in the world under his watch. He wishes to tokenize a mining operation on MOBU and is also the first investor of MOBU.
- Wayne van der Burgh, the founder of the van der Burgh group, with an asset value of over 1 Billion USD, wishes to tokenize at least 5 coal mining sites on MOBU.
- Ettiene Pretorius is the advisor and friend of Richard Branson and is regarded one of South Africa's most successful property developers. He received the Entrepreneur of the year award from Absa which is one of the largest banks in South Africa. <https://www.sa-cp.com/> <http://www.ettienepretorius.co.za/> Ettiene wishes to tokenize a property development on MOBU.
- Tumelo Ramaphosa, the son of a South African billionaire wishes to launch a Wildlife Security Token Offering (STO) on the MOBU platform.
- As part of its development plan, MOBU intends to launch a decentralised forex PAMM account STO, a crowdfarming STO and a regulatory friendly exchange on the MOBU platform as well – please refer to our roadmap for more details.

In conclusion, MOBU has an experienced team, addresses a real-world problem, demonstrates actual blockchain use, has a sustainable business model, strong partners and even stronger social following. It is also a well-known fact that the 80 Trillion USD securities market remains virtually untouched in the blockchain space. MOBU is not here to revolutionize an industry, this is mere progress of humanity!

<https://mobu.io>