

Mainstreet ITO report

The idea

- Mainstreet is a **limited partnership fund** that intends to **buy SMEs** in the USA in order to optimize their operations and make profit for fund investors.
- The first step is buying a bunch of **sanitary waste businesses**, merging them into a bigger company, cut lost and raise profitability.

How will they make money?

Grade: 7/10

- It will make money out of **profits from the subsidiary companies**. Profits will be quarterly paid out to the MIT (Mainstreet Investment Token) holders as **dividends**.
- Investors are entitled to a **10% annual cash-on-cash return** prior to any distributions made to the fund manager.
- Pros: **straightforward** and clear way of making money.
- Cons: **ROI** might be **lower** than with some other companies doing ICOs (but it also seems less risky).

Team & Advisors

Grade: 8/10

- **Jason Granger** (CEO): solid experience in business development, did a joint venture with **AIG** in the senior care industry.
- **Charlie Shrem** (CTO): well-known Bitcoin entrepreneur who owned a popular Bitcoin exchange **BitInstant**. Served prison time because Silk Road sellers used the exchange to launder money. Normally this would be a huge red flag, but considering the context, this was just mismanagement that Mr. Shrem must have learned a lot from.
- Advisor: **Jeremy Lehman**, former CTO for equities at **Citi**, former CTO for investment management at **Thomson Reuters**, former Chief Technologist at **Microsoft**.
- Advisor: Jared Kenna, founded the first US Bitcoin exchange, Tradehill.

Timeline

Grade: 8/10

- The company already has a plan on what companies to purchase or what investments to make. It will do all the purchases **within 6-12 months** after the ITO.
- Smart Contract on Ethereum (as of the time writing) **hasn't been created yet**, but there is the contract code on their [GitHub account](#).

Competition

Grade: 4/10

- As they acknowledge themselves, the field they operate in is **very competitive**.

Funding

Grade: 7/10

- They intend to raise **25 million USD** in a single ITO (initial token offering).
- The ITO will start on February 27 and finish on April 27, 2017.
- They will accept funding in **BTC** and **ETH**.
- Total token supply: **50 million MIT**.
- Tokens to be sold in ITO: **25-28 million MIT** (pretty low number).
- Residents of the **USA** and **Hong Kong** **cannot participate** in the funding.

Tokens

Grade: 6/10

- Token name: **MIT** (Mainstreet Investment Token).
- Token type: **Equity token** (with **dividends**, but without voting rights).
- Tokens will be issued on the **Ethereum** platform (smart contract was not published yet).
- Any unsold tokens will be **burned**.
- No exact date on when the tokens will be sent to investors.
- No data on which exchange(s) the MIT tokens will be traded.

Legal

Grade: 9/10

- The project seems **very strong** in the legal aspect, considering how well their Memorandum (white paper) is written.
- The advisory board does not seem to include any law specialist, so they must have outsourced this.

Escrow & Security

Grade: 7/10

- Investments in Ether will be held in a **multisig** (3-of-4) account. Investments in Bitcoin will be held at the **partner bitcoin exchange** (not clear yet which one).
- ETH multisig key holders (besides Mainstreet) are companies Cooley and The Vanbex Group.

- It seems investors will be able to hold the MIT tokens (once issued to them) at the Mainstreet's platform via which they will also be able to monitor their investment.

How much will we invest

- We have an internal CoinTLDR Fund and we **allocated a budget for 2017** to invest in various cryptocurrencies and ICOs.
- We are **interested** in investing in Mainstreet, but we have a **concern** that they will not raise enough to start a fund. Their minimum is 1 million USD, which is not enough for a serious private fund.
- Our approach in this ITO will be to **wait and see** if their funding is showing a strong trend towards reaching their investment goal (25 million USD).
- If this happens, we'll **invest 3.10% of our 2017 budget** into the Mainstreet ITO.
- Our **exit strategy** is selling the token at no less than 1.50 USD/token.

TLDR

Final grade: 7.1/10

- They are raising money for a private fund, that will buy SMEs, merge them and make them profitable.
- Seems like an **OK investment**: the team is experienced and they have a clear working plan. **Charlie Shrem** is one of the founders.
- The downside is the **ROI** that can be made here - which is **not as high** as with some other projects that already did (or plan to do) an ICO.
- If you'd like to balance your portfolio with a more **conservative asset** (compared to other ICOs), this might be the right investment for you.