



Ethic Hub

EXECUTIVE SUMMARY

WWW.ETHICHUB.COM

1. WHO AND WHERE WE ARE
2. BUSINESS DESCRIPTION
3. DISTINCTIVE FEATURES
4. COMPETITIVE ADVANTAGES
5. VISION AND MISSION
6. JUSTIFYING REASONS FOR BUSINESS PROPOSAL
7. BUSINESS OBJECTIVES
8. STRATEGIES
9. TEAM
10. REQUIRED INVESTMENT
11. SUMMARY

1. WHO AND WHERE WE ARE

We are a distributed team from several countries building Ethic Hub, a decentralized project (DAO) promoted by LendingDev: currently an LS in Spain but with the vocation of becoming a non-profit foundation in a long term crypto-friendly jurisdiction.

Our project is Ethic Hub, a transnational decentralized CrowdLending platform that directly connects investors from around the world with groups of small unbanked farmers which are selected by a Local Node (project collector) based on their trust circles, democratizing the access to financing and allowing money to have no borders.

We have been awarded Blockchain4Humanity Best Financial Inclusion Project.

2. BUSINESS DESCRIPTION

Detected business opportunity consists on contacting groups of small farmers from developing countries who currently offer to pay high interest for cash loans, with investors in markets with excess liquidity, allowing investors to obtain high returns for their money and at the same time, provide better interest rates for farmers. This is possible due to the difference in the cost of money in their respective economic zones.

These farmers do not have access to banking and due to lack of available private capital in their geographical area, they must bid to get it, because the lender has limited capital. This means they offer to pay interest even higher than 120% per year in order to obtain the required financing, because their crops generate enough benefits to cover it, even if their own profit gets reduced.

3. DISTINCTIVE FEATURES

-The use of Blockchain technology provides the necessary security and confidence to handle cryptocurrencies on international financing, allowing for a real p2p thanks to SmartContracts, thus reducing the cost of conventional money (FIAT) transferring.

-Only positive impact projects: Focused on unbanked farmers with profitable productive activities, which are part of a community with trust circles we want to convert into value. By participating in Ethic Hub, their digital identity will be generated, registering a credit history that may give them access to better credit conditions (even outside the platform).

-The Local Nodes (project recruiters) are able to make a correct identification and evaluation of the projects since they personally know the borrowers and their community, and they are trained to connect them with the platform's technology and through it, directly with the investors. They are also properly incentivized and aligned with the success of the projects they propose, since they only obtain benefits when the project's result is positive.

- Guarantee fund that purchases investors' credit rights, minimizing the risk of default for the lender and allowing for an ethical debt recovery.

4. COMPETITIVE ADVANTAGES

We have a know-how in projects' selection that allows us to build an especially competitive platform due to our low level of defaults (under 3% in our co-founder Pablo Chang Experience).

Investors with social responsibility can decide what their money is going to be used for and also choose who they wish to help and if they wish so, to link with them through the platform.

For risk dispersion, the platform will allow minimum investment amounts and it will present project options in different countries and activities.

We understand the problem of both investors and borrowers.

5. OUR VISION AND MISSION

Vision

We want to be the reference on international crowdlending for productive projects of positive impact with a truly global projection.

Mission

To democratize and humanize the international credit sector to make global equality of opportunities become true: Money without borders.

6. BUSINESS PROPOSAL JUSTIFICATIONS

Our target borrowers are engaged in agricultural productive activities and they make up the majority of the more than two billion people without access to banking, according to the World Bank; To integrate this collective of food producers into the financial world is to add value to the world economy. It is a sector with few competitors because until the arrival of blockchain and cryptocurrencies, the traditional models could not do business with this huge market. TAM is about one trillion dollars and today there are no projects to solve this sector's problems in a solvent way.

These farmers are engaged in highly productive activities: Without economic resources, their rate of return decreases by more than 50%, due mainly to the inability to maximize their harvest's value. For this reason, resolving their access to financing results in a high positive impact for them and their environment.

Investors in Europe, the US, Japan and other rich countries, have it difficult to find investment opportunities with attractive return/risk ratios, and in very few cases they have the ability to decide what their money will be used for.

According to Morgan Stanley, crowdlending platforms will reach a market of 290B \$ in 2020 with an annual growth rate of 51%. But this growth can be increased substantially by eliminating the barriers that limit transnational crowdlending.

Blockchain technology and cryptocurrencies make a real p2p possible by providing a competitive cost to the system, overcoming the barriers that until now have limited money's global free flow and allowing 2 billion unbanked people to be part of the global economy. It also provides security to the system: the information is not centralized in a few servers that could be compromised, but distributed in multiple nodes independent of each other. This generates the confidence that the information can not be modified or destroyed: it is available to everyone. Open source SmartContracts provide transparency to this platform and eliminate the need of financial intermediaries between investors and borrowers.

7. BUSINESS OBJECTIVES

To have a year round offer of positive impact projects for investors, with an exceptional risk / reward proposal and a risk dispersion regarding products, countries and currencies.

To record borrower's credit history and Local Node's success history and make it available to investors to help them in decision-making. These records will also generate a very valuable digital identity for the participants.

Allowing borrowers with a good track record to have access to financing at reasonable costs whenever they need it.

8. STRATEGIES

In the future, to achieve decentralized formation and validation of Local Nodes, those willing to get involved in this work will be trained through teaching institutions.

Decentralization to attract lenders to the platform will be achieved through incentives for the lender who promotes and recommends it, benefiting him with a share of the benefits generated by the new lenders he incorporated.

To minimize inherent risks on loan recovery, the agricultural products we will work with, are not directly processed by the producer (i.e. sugarcane, coffee, cocoa) so their trade is concentrated on an established marketing network with fixed operators which have agreed with both borrowers and Local Nodes, to retain the debit amount against product reception and payment, in order to return said amount directly to the investor.

Platform lenders will have tools and tutorials to help them achieving high returns and reduced risk, showing strategies and experiences of successful users.

9. OUR TEAM

Founding Partners

- **Jori Armbruster** / *Leadership Node*. University Degree in Marketing. Master Degree in Innovation and Entrepreneurship. CEO Experience in Thisa, B2B distribution company in Spain with over 100 salespoints. [email](#) / [linkedin](#)
- **Pablo Chang** / *Projects Node*. Industrial Mechanical Engineer. Founder and CEO of Satori Koan, financial entity in Mexico specialized in intermediating credit to agricultural sector with a volume of over 10 million euro and more than 8,000 borrowers. [email](#) / [linkedin](#)

- **Raúl Martínez** / *Technological Node*. Electronics Industrial Engineer, software developer, entrepreneur. U-tad Associate Professor on Mobile Platforms. CTO, Lead developer and Co-Founder of BarSpace, an app to discover all events at bars and pubs in London. R&D Software engineer at Samsung Electronics. Mobile platforms developer. [email](#) / [linkedin](#) / [github](#)

Advisors and Collaborators

- **Marcos Gutiérrez** / *Business Development*. University Degree in Advertising and International Business. Head of Marketing in Megadon AG, Switzerland based, cross-sectorial global investor & accelerator company and business builder. Managing Director for Europe in 99designs, world's largest online graphic design marketplace. Sales and Marketing Manager for Europe, Middle East and Africa at Datacolor, a global leader in color management solutions and color communication technology. [email](#) / [linkedin](#)
- **DiegoPardilla** / *Ethereum Developer*. Programmer at Deevop, a professional web development platform. Leader at Shoali, web platform for P2P lending. Collaborador at Apertus - Open Source Cinema. Partner at ConectaLAB. [email](#) / [linkedin](#)
- **QijiongJiang** / *Ethereum Developer*. Computer engineer. Master in Machine Learning. Software development. Mobile applications, video crawl. Software Developer at Douban, Beijing, China. Software Developer at Paradigma Digital, Pozuelo de Alarcón. [email](#) / [linkedin](#)
- **Luis Espiga** / *Social Economics*. Industrial engineer. Master in Marketing and Sales. 28 years of experience in the IT and telecommunications sector with multinational companies. During half this time as General Manager and CEO. Founder of The TRIFORM INSTITUTE active for 17 years now in organizational development, corporate identity, strategy and leadership. 6 years as a member of the Board of Trustees of Triodos Bank Foundation in the Netherlands. Lecturer and researcher on Social Threefolding. Experience in multicultural and multilingual environments in Europe and the USA. [email](#) / [linkedin](#)
- **Guillermo Escudero** / *Social Media Manager*. Mondragon Unibertsitatea Degree in Leadership, Entrepreneurship and Innovation. Director of commercial development and marketing for Artenexo, a project to integrate urban art to commercial and cultural spaces. Co-founder of Cradel, a project launcher focused in arts and creativity, education, and services for companies. [email](#) / [linkedin](#)
- **Gabriela Chang** / *Design and copy editing*. University Degree on Industrial Design and Product Development. Partner and cofounder in Lab in Action. Founder in DayDreaming, Madrid. Senior designer in Secretaría de Desarrollo Económico, Chiapas, México. [email](#) / [linkedin](#)
- **Aurelio Benítez** / *Legal Advisor for Mexico*. Legal Counsel for BBVA. Specialized in Commercial and Financial Law. [email](#) / [linkedin](#)
- **Iñigo Molero** / *Blockchain and Communication*. University Degree in Law, Master in Journalism. Co-author of the book "Blockchain: La Revolución Industrial de Internet" Editorial Gestión 2000. Analyst in Oro y Finanzas, digital newspaper about money: Compilation and analysis of information on the financial system and BRICS. Specialized in topics related to Blockchain technology and BITCOIN. [email](#) / [linkedin](#)
- **Fernando Ramos Suárez** / *Legal Advisor*. Managing Partner DPO & ITlaw. Counseling in Digital Law, Privacy, Compliance (PBC / FT AML / KYC), Corporate Criminal Liability, IT Consulting Online Business (Protocol, Bitcoin, BYOD, Electronic Signature, IoT, Cloud Computing).

Formerly National Director of the Department of Intellectual Property and ICT of LENER Legal and Economic Advisors. Expert Europrise ([European Seal in Privacy](#)). External Expert SEPBLAC (2011) PBC / FT or AML / KYC. Auditor AENOR legal issues ISO 27001. Collaborator of the Spanish Science and Technology Foundation (FECYT) 2007/2008. Legal expert in the study "PKITS" of the Currency and Stamp National Factory. Year 1999. Member of the Commercenet Expert Circle, legal issues. 1998/2008. Professor: Instituto de Empresa (IE), Master Telecommunications Carlos III, Master Transmedia Carlos III-RTVE. Specialties: Privacy and Data Protection, Computer Contracting, Electronic Commerce (Electronic Signature, Electronic Evidence), Intellectual and Industrial Property, Compliance in Prevention, Money Laundering and Corporate Criminal Liability. [email](#) / [linkedin](#)

- **Javier Catalá** / *Front-End Developer*. User Experience Designer and Scrum master. Bachelor in Business Management with studies in Mathematical thinking, Marketing and Advertising. Self-taught developer. He has developed his career in equal parts between positions as developer in large companies and as serial-entrepreneur. [email](#) / [linkedin](#)

10. REQUIRED INVESTMENT

We have invested almost a year of intensive research, team integration of founders, advisors and collaborators, interviews with technology referents, economists, law firms and investors, drafting of project's whitepaper, landing page, the company's constitution and name and logo registration. And above all we have built a community around the project which has helped us to improve it in many aspects and eager for the project to be started.

We believe compiled work offers sufficient information to assess the impact and profitability of the project. So far, thanks to it we have been able to pay collaborations and consultancies with tokens or with subject-to-success euros on periods prior to token sale.

Resources obtained at Pre-Sale (between 800Eth and 2.000Eth) are previously budgeted for technological development, marketing, salaries, expenses, and with treasury peaks, the first projects will be funded and/or guaranteed in order to provide a rating to the platform.

We propose a new funding scheme in the ICO ecosystem; the Ethic Token Generation Event Paper, which promotes a catalog of good practices and seeks to protect future project users instead of speculators.

11. SUMMARY

There are many benefits generated by the platform: From the borrower's economic and social point of view, it creates wealth and associative ability among its members, brings them closer to technology and to perceive good reputation as an asset. Collective work opens opportunities for better prices negotiation, quality improvement and high production techniques. By sharing our values and those of lenders, good practices are promoted, as well as environmental care.

Ethic Hub links socially conscious investors to food producers, generating community and benefits between the parties, sharing values, improving living standards for both and making the world more equitable. It is based on technological advances that will modify the way we relate and do things, safely and reliably, allowing real P2P relationships, without intermediaries.



Ethic Hub

WWW.ETHICHUB.COM