

ICO Review: PayPie (PPP)

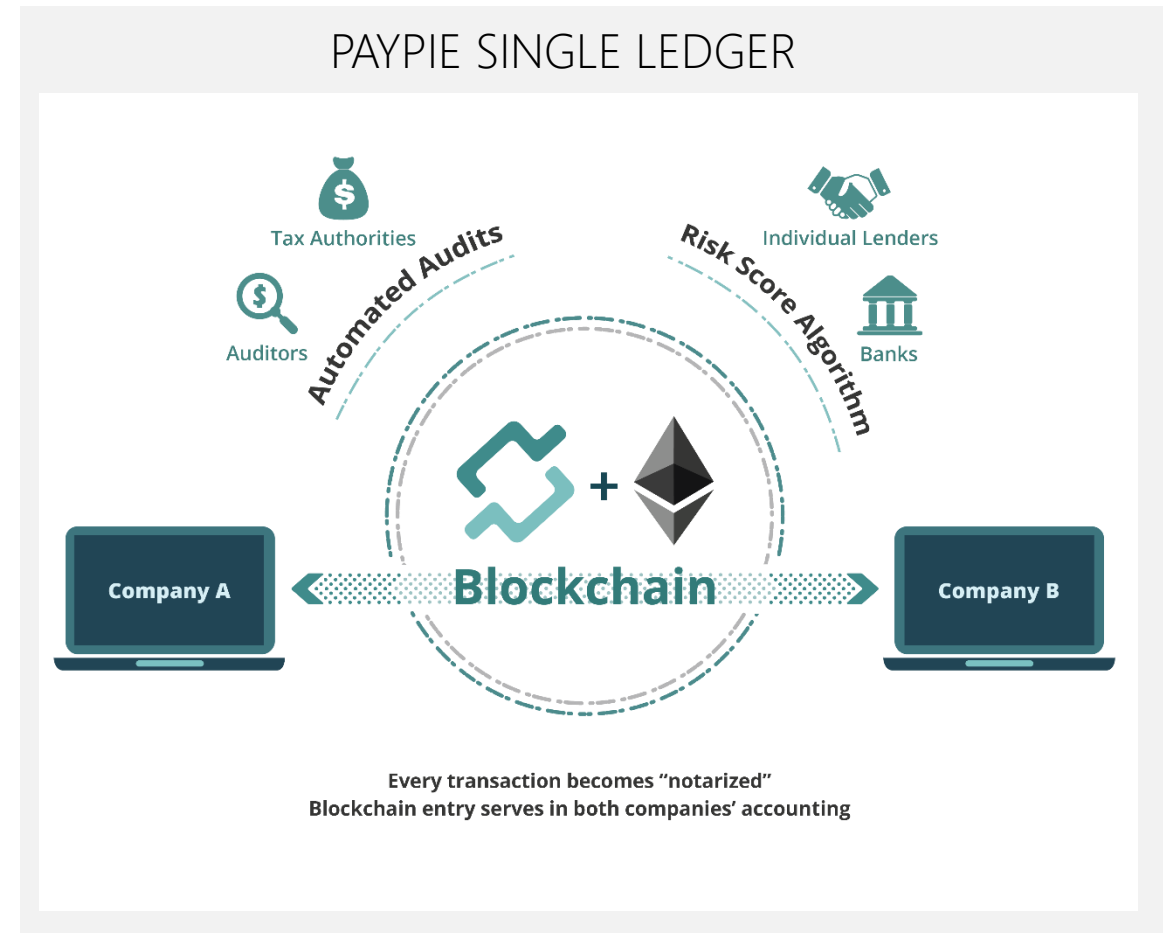
Credit Assessment on Blockchain Accounting

October 2, 2017



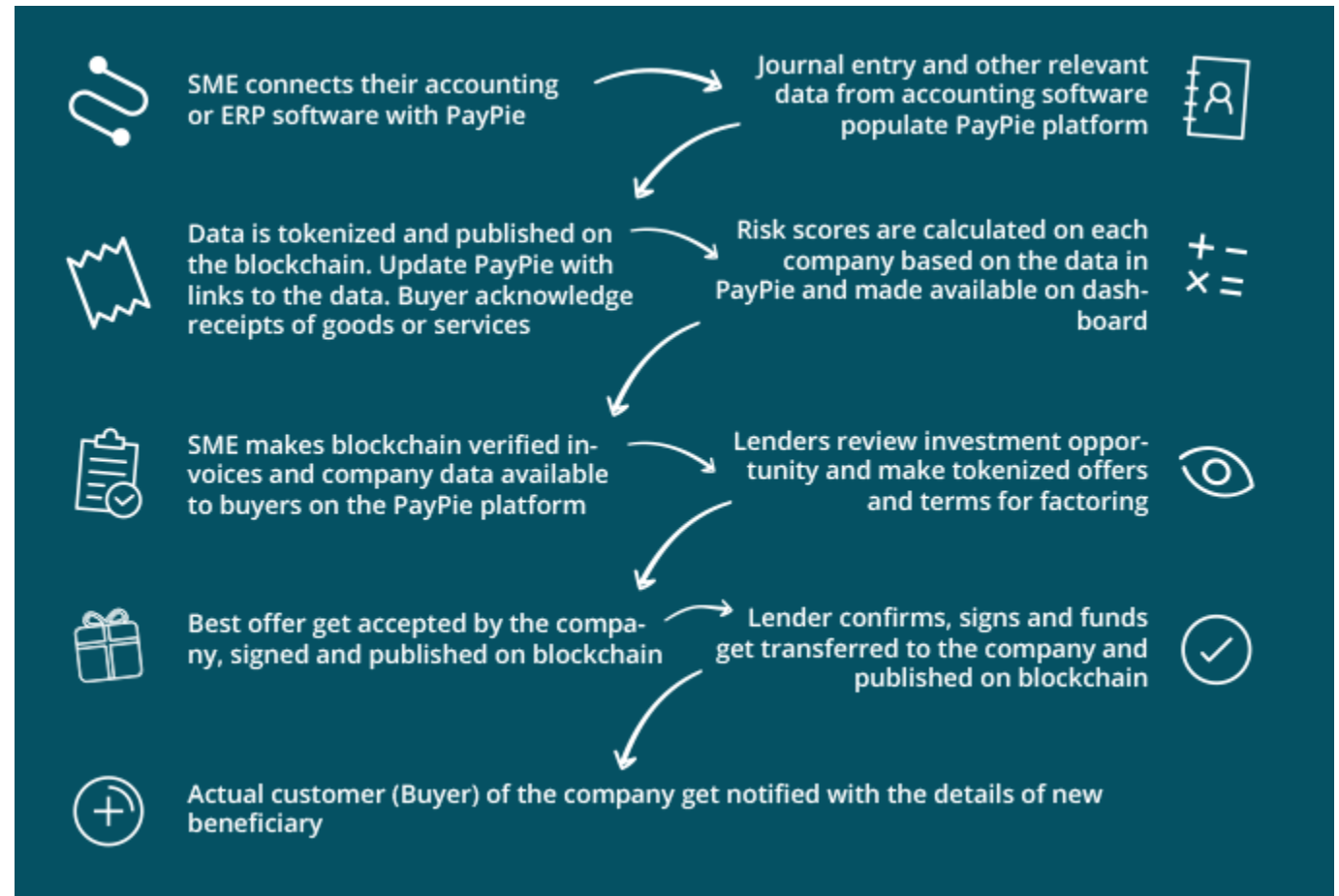
What is PayPie?

- PayPie aims to bring trust and transparency to the financial markets by introducing credit risk assessment based on blockchain accounting catering to SMEs.
- All journal entries entered on the PayPie platform will be time-stamped on the blockchain, providing immutability of data.
- All internal payments will be managed using ERC20 compatible stable "Pie Coins".

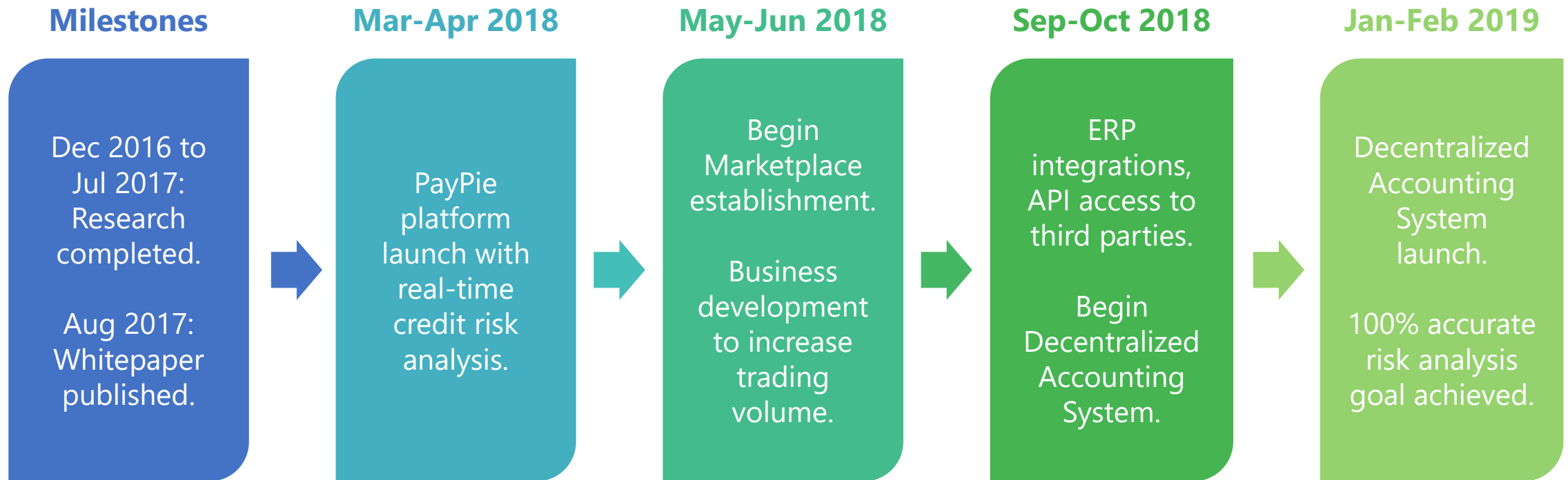


The PayPie Platform Marketplace

- PayPie is also going to create an invoice financing marketplace where lenders can provide liquidity to SMEs based on their credit score as assessed by PayPie.
- The goal is to facilitate fraud-proof opportunities in a marketplace for SMEs, buyers, lenders and investors.



Development roadmap

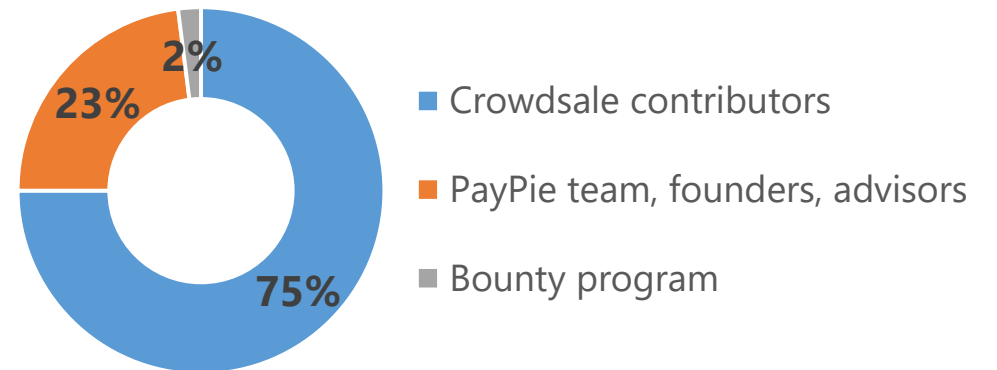


PPP token sale summary

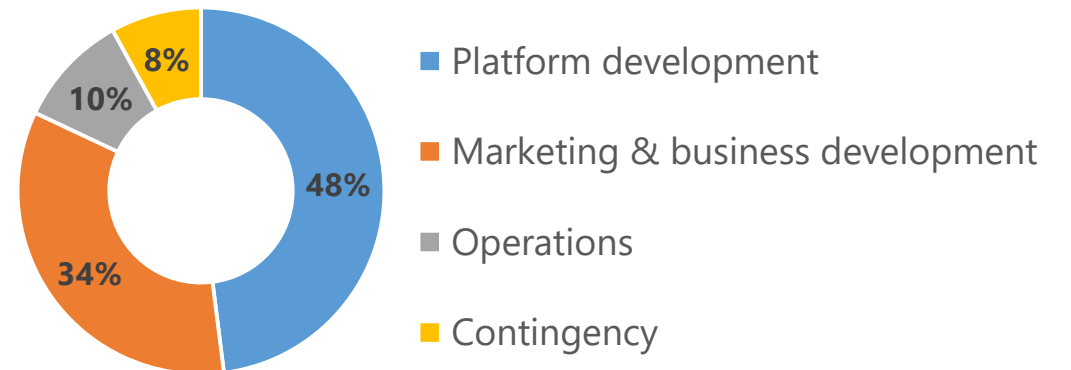
ICO SUMMARY

- **Project name:** PayPie
- **Token symbol:** PPP
- **Website:** <https://www.paypie.com/>
- **Hard cap:** 90,759 ETH (ICO contributors own 75% of total token supply if hard cap is reached)
- **Total supply:** 110,000,000 PPP tokens
- **Conversion rate:** 1 ETH = 909 PPP
- **Max market cap at ICO (fully diluted):** US\$36M assuming current ETH price of \$300
- **Bonus structure:** To be announced
- **Timeline:** October 15 to November 15, 2017
- **Token distribution:** Within 2 weeks after the end of ICO

TOKEN ALLOCATION



USE OF PROCEEDS



Use of PPP tokens

- Provides access to the PayPie platform for certain transactions and services such as purchase of invoices and access to credit histories of businesses.
- Lenders can use PPP tokens to buy discounted invoices, credit scoring data and real-time financial data of a business.
- As PPP tokens are used to perform different actions on the PayPie platform, the more usage PayPie platform has, the more valuable PPP tokens should be.

Who are the people behind PayPie?



Nick Chandi

Co-Founder and CEO

Serial entrepreneur and a member of the Forbes Technology Council. Before co-founding PayPie, Nick co-founded SlickPie, a startup that provides online accounting software for SMEs, and Welcome Networks, a company specialized in providing IT solutions for accounting firms.



Jag Barpagga

Co-Founder and CIO

Over 17 years of experience working with technology giants such as Microsoft, Citrix, and VMW, as well as designing, implementing, and maintaining virtual systems for SMEs.



Anthony Di Iorio

Strategy Head

Serial entrepreneur and CEO and Founder of Jaxx Blockchain Interface, Decentral, Decentral.tv. Co-founder of Ethereum. Founder and Organizer of DEC_TECH events. Former Chief Digital Officer of the Toronto Stock Exchange.

ADVISORY COUNCIL

Ranica Arrowsmith: Technology Editor of Accounting Today.

Jack Shaw: Co-Founder and Executive Director of the American Blockchain Council.

Steven Sprague: CEO of Rivetz Corp and a director at Wave Systems Corp.

Gary Cokins: Over 25 years working as a financial controller and management consultant.

The opportunities

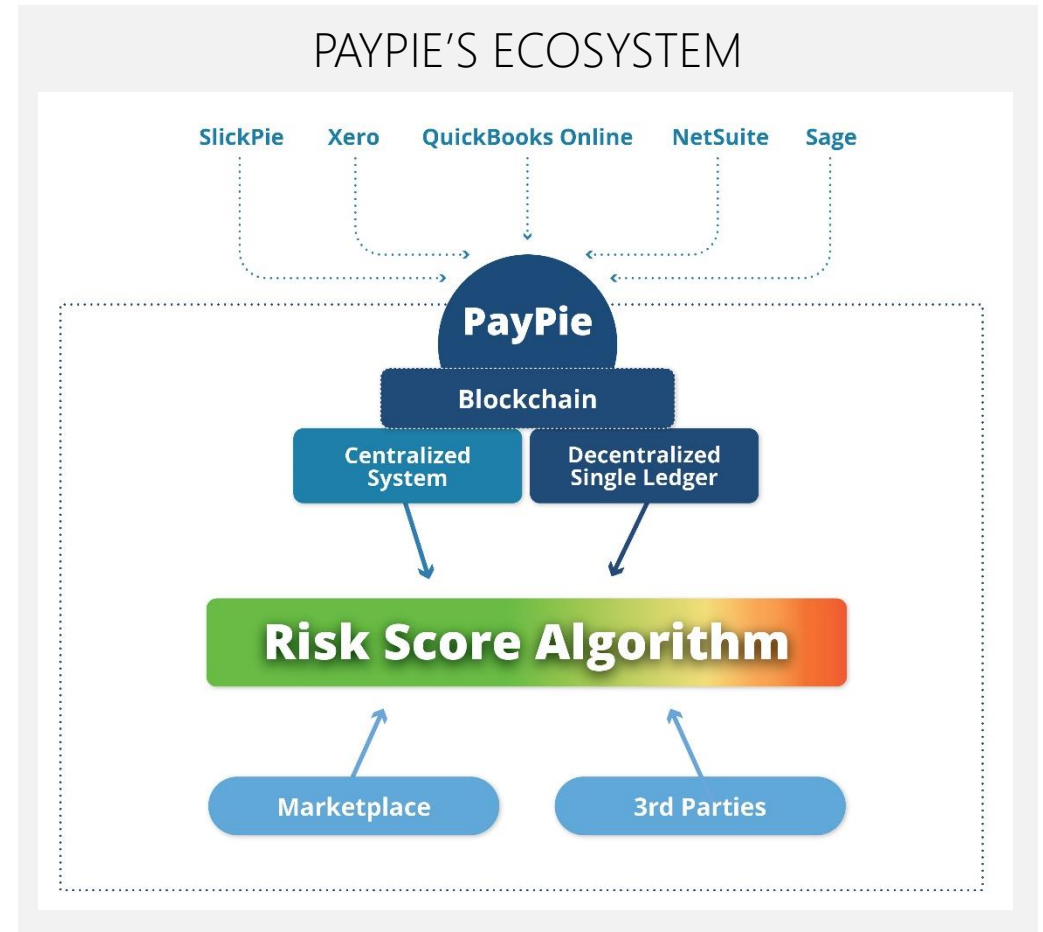
- The problem that PayPie is trying to tackle is quite large. Many SMEs struggle to obtain financing from banks and it would help SMEs if they could obtain easier financing because of technology advancement.
 - Invoice financing, audits, credit scoring market opportunity is US\$3 trillion with annual growth of 11-12%.
 - The US economy alone processes over 25 billion invoices each year.
 - Over 100 million businesses use accounting software.
- Network effect is present. The more companies use the PayPie platform, the more valuable the platform will become.

Our concerns

- PayPie is a white paper project with promises to deliver solutions in many different areas. They are tackling different industries including accounting, credit assessment, and invoice financing. They also plan to create a stable coin and a marketplace. Our concern is that they may be trying to do too many things at the same time.
 - Creating a stable coin is a very difficult blockchain project in itself and no one has been able to achieve this yet.
 - There are a lot of regulatory and compliance issues arising from operating in the accounting and banking industries.
 - The idea of connecting all the companies' books to a decentralized accounting platform is very difficult to succeed because it involves persuading many companies to change something as fundamental as accounting system.

Our concerns

- Automatic credit risk assessment is not easy, there are a lot of evolving and business-specific factors. Many of these factors are not reflected in journal entries. We believe that in many cases, judgement is required. Therefore, the “100% accurate risk analysis goal” is virtually impossible to reach.
- SlickPie, the team behind PayPie, competes with accounting software giants like Quickbooks and Xero, so PayPie may face difficulty collaborating with SlickPie’s competitors.



Our concerns

- PayPie's idea works better when everything is settled in cash. However, in accounting, there are a lot of instances where transactions amount and timing are not clear cut. Judgment may be required so the idea of trustless accounting may not work.
- The development roadmap is vague and the white paper lacks technical details, so we cannot properly assess if the team has a detailed plan behind the scenes and the technical knowledge to successfully work on this complex project.
- The core members of the team are working on SlickPie and PayPie at the same time. It is unclear how they will allocate their time between the two ventures.

What do we recommend?

For flipping: **Neutral.**

- The project has received above average market awareness, but the project is currently at the concept phase without any proof of concept or product, which may deter market demand.
- The first milestone after ICO is launch of the platform, which is scheduled to be in March to April 2018 (6 months after ICO), meaning that there won't be much news flow about the project shortly after the ICO.

What do we recommend?

For long-term holding: **Negative.**

- This project is highly ambitious and aims to disrupt a few large industries (accounting, credit assessment, and invoice financing).
- With little information in the white paper about (1) the technical details about how exactly the tech is going to work, and (2) the future roadmap and how the team will execute on its plans, we have reservations on the long-term viability of the project.

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