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MYCREDITCHAIN Rating Review

ICO dates (01.06.2018 - 30.07.2018)

I C O R A T I N G

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1. Rating

We have rated the MCC project as "Stable".

The MyCreditChain (MCC) solution is one of the many current blockchain-driven projects that aim to return content rights to their creators. The project under review is focused on borrowers' personal information in general, and credit information in particular.

MCC is not just developing a closed system with another scoring model; theirs will be based on external information sources. These sources provide data that is further processed and then sold. Theoretically, MCC could be integrated with existing services, to generate an ultimate big data set. As a result, the collected data will provide highly objective information. It will also be multifaceted, which means it will be suitable for various special-purpose scoring systems, etc.

The project is managed by fintech professionals from South Korea. They have first-hand experience and knowledge of the current financial world. The three founders have already put together a team of specialists; most team members have previously worked together at Finger Inc, a large fintech company based in Korea.

The MCC project is supported by a large number of advisors and partners. For example, right now there are 25 advisors. They appear to be high-quality professionals, which ought to work in the project's favor.

In addition to personal data storage, the MCC project offers an unusual technical solution for obtaining alternative data for scoring models through Airdrop. The solution is at the intersection of social interaction theory and the gift economy concept. It could prove to be a successful complement to the ecosystem.

Despite being developed quite highly and having a vibrant idea and a professional team, the project bears some risks and may be problematic. For <u>instance, we find the need for the token used as the MCC ecosystem's currency to be questionable</u>. If the token was replaced with other cryptocurrency or even fiat, this would affect neither the platform's functionality nor the interaction between ecosystem participants. Even Airdrop could successfully function with fiat rewards. It is possible that the token's usage will become more substantiated as the ecosystem continues to develop.
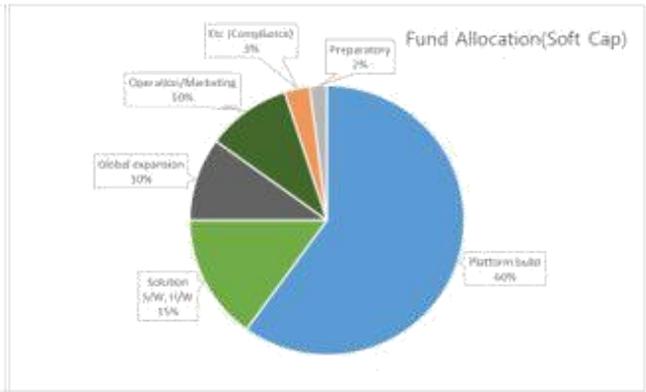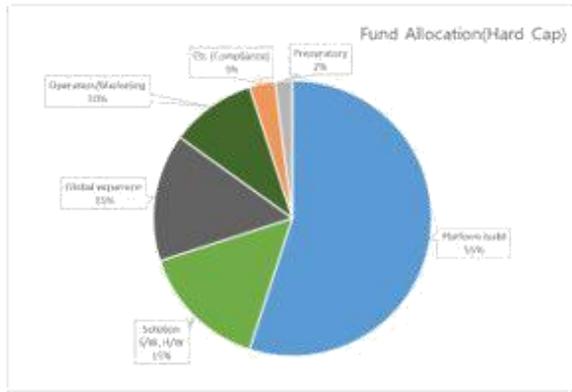
One of the project's risks is that it is localized, which is common for projects that come from Asia. It often happens that such projects and products do not get sufficient attention in western countries despite being extremely popular in their native regions.

This is usually connected with badly thought-out marketing campaigns. The MCC project, however, has a well-developed marketing strategy. The marketing team use all of the required product promotion channels and are working really hard. There is already some published information on partnerships; this is a positive marketing point. They include not just ICO consultants but representatives of potential service users as well.

Apart from that, the undertaking to eliminate intermediaries such as credit firms and data brokers who collect and process credit information, might attract strong opposition. Borrowers are highly unlikely to have any problems with such a solution, whereas banks might not be as optimistic as the team about the decentralized credit ecosystem. Financial institutions will always have the final say on this matter.

The MCC project has many other shortcomings peculiar to startups at an early development stage. The documentation does not provide much information on the project's budgeting or competitor analysis. The services are not always described in sufficient detail, and some performance and operational issues are omitted. The situation is somewhat clearer due to a recently published post on steemit, where the team talks in more detail about the FinCB platform, centralized by MVP MyCreditChain. However, the fact that an MVP is not available and most importantly not integrated into the architecture of the block system, is still important and confirms our view on the project's stage of development.

* ICO Fund Allocation					
Section	Description	Hard Cap		Soft Cap	
Platform build	Infrastructure Build	15%	55%	15%	60%
	Ecosystem operation Development	15%		20%	
	APP Development	10%		10%	
	API Development	10%		10%	
	Other Network Connection	5%		5%	
Solution S/W, H/W	Data Collecting Solution	5%	15%	5%	15%
	Credit Rating Solution	5%		5%	
	S/W, H/W	5%		5%	
Global expansion	Partnership with agencies by other countries	8%	15%	5%	10%
	Overseas marketing	7%		5%	
Operation/Marketing	Domestic Marketing	5%	10%	5%	10%
	MCC operation	5%		5%	
Etc (Compliance)		3%	3%	3%	3%
Preparatory		2%	2%	2%	2%
Total		100%	100%	100%	100%

Fund Allocation(Hard Cap)

Preparatory 2%
Etc. (Compliance) 3%
Operation/Marketing 10%
Global expansion 15%
Solution S/W, H/W 15%
Platform build 55%

Fund Allocation(Soft Cap)

Etc. (Compliance) 3%
Preparatory 2%
Operation/Marketing 10%
Global expansion 10%
Solution S/W, H/W 15%
Platform build 60%

2. General Information about the Project and ICO

MyCreditChain (MCC) is a project that deals with personal information issues. The team are designing a platform that will collect and process personal data. Owners of this data will then be able to monetize it. In a nutshell, the platform can be described as a P2P personal information ecosystem. This quotation from the white paper is probably the best description of MCC's objectives.

All parties to the monetization of information will benefit from it. For example banks, as information buyers, will be able to benefit from more precise credit scoring and mitigate portfolio risks when approving credit. Information owners (borrowers) will be able to use the platform to obtain loans. Third parties might also find the product beneficial.

MCC is developing not just a closed system with another scoring model; theirs will be based on external information sources. These sources provide data that is further processed and then sold. Theoretically, MCC could be integrated with existing services to generate an ultimate big data set. The data collected would then provide highly objective information. It will also be multifaceted, which means it will be suitable for various special purpose scoring systems, etc.

Despite being a universally applicable solution, MCC is focusing on the credit industry. It is envisaged that the scoring system will be based on financial information and alternative data sources. Key consumers will be banks and other lenders.

The project development team comes from South Korea. What stands out is that the project is focused on this region. As such, the majority of partners, consultants and additional materials are all connected to South Korea. The blockchain community activity in this region is also high. More often than not, such a focus on the regional market works to the English-language community's disadvantage.

The legal entity (MyCreditChain Inc.) is registered in Singapore. The crowdsale has several stages: a private sale, two pre-sale stages, and a main sale. The two pre-sale stages have already finished. Information on funds raised is not available.
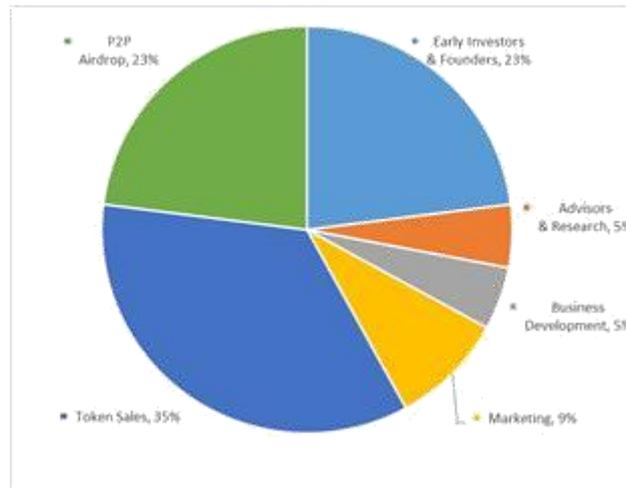
ICO
Start date: 1 Jun 2018
End date: 30 July 2018
Hard cap:25,000 ETH
Soft Cap: 5000 ETH
Price:1 MCC = 0.0001 ETH

Token:MCC, ERC-20
Accepted currencies: ETH
Total token supply: 1,000,000,000 MCC
Token distribution:
35% - Token sales (Platform building Operation/Marketing)
23% - Daily Airdrop
23% - Early investors/Founders
9% -Marketing
5% - Development
5%-Advisors & Research

Tokens to be sold:350,000,000 MCC

- Tokens not sold in the initial participant token sale will be incinerated.
- Tokens allocated to the project team will be unlocked every six months over three years.

3. Description of the Project Services

MCC is developing a P2P information marketplace of the same name. Its ecosystem includes individuals, banks, third parties, external information sources and exchanges as participants. <u>Individuals provide information by either granting the right to collect their personal data or submitting such data themselves.</u> In this case, data collected from original sources automatically has priority, thereby verifying information provided by the user. Banks and other institutions will consume this information. They will be paying for access to such information as they recognize its value for their business efficiency. Third parties and external information sources can perform various functions on the platform, from personal data and network nodes processing to reselling them (within IPFS).

Information owners initiate the data collection process. They provide access to information channels (for instance, wallet or transaction histories) for MCC. After that the system starts automated data collection. The information is then encrypted and sent to a distributed data store where it can be accessed only by the information owner through PKI.

In addition to the external data, the system also generates internal information on its users and adds this to the personal data sets. The internal information includes data on the interaction between users within the Airdrop system. This system is based on the gift economy; users reward each other voluntarily in order to create and foster social interactions. We will look at the Airdrop in more detail below.

The platform's technology will be a combination of decentralized architecture and more traditional centralized solutions. The MCC documentation includes an architecture diagram; however, the Ethereum blockchain's function in the core layer is limited by the MCC token. The business model foresees a centralized platform, which has its own advantages and flaws. The IPFS protocol will be used for data storage. The Service Layer consist of a smart contract (ICO), scoring system and data access system. In general, the logic behind the platform's process flow is quite simple. The only question is in the quality of the scoring system and <u>accessibility of the external data sources.</u>
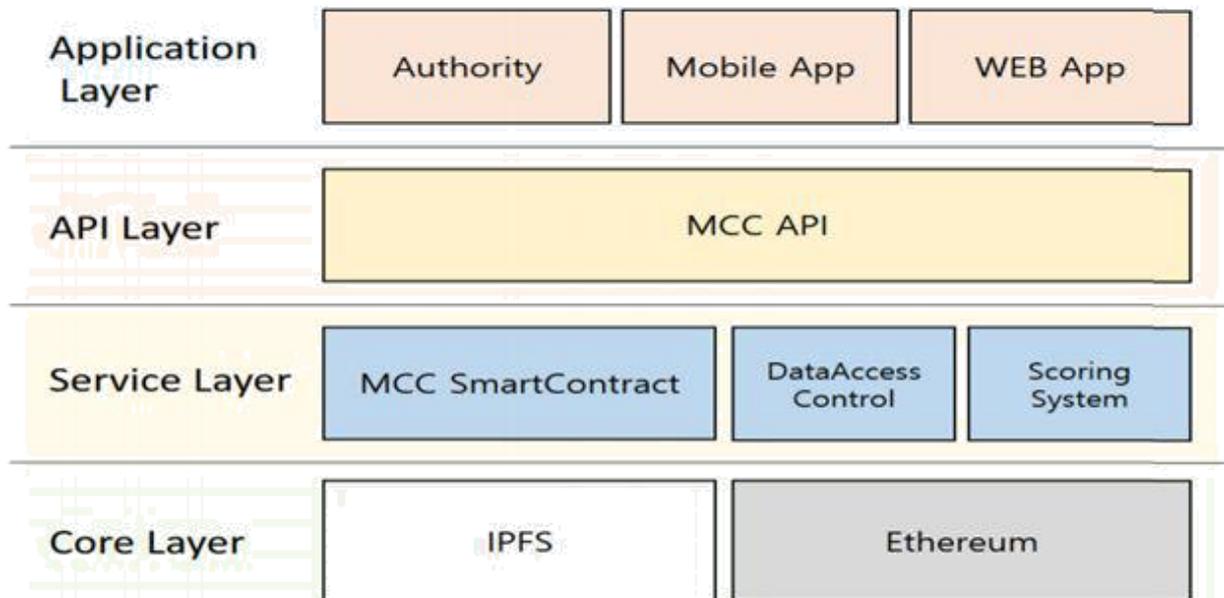
The project does not provide much information on the scoring tool. Only general parameters and functions have been described; no concrete algorithms are available. As for data collection and access, this process is based on the Scrapping and DRM Parsing solution, which also employs API. When information is purchased, the system automatically collects and transfers data to the buyer with the seller's consent.
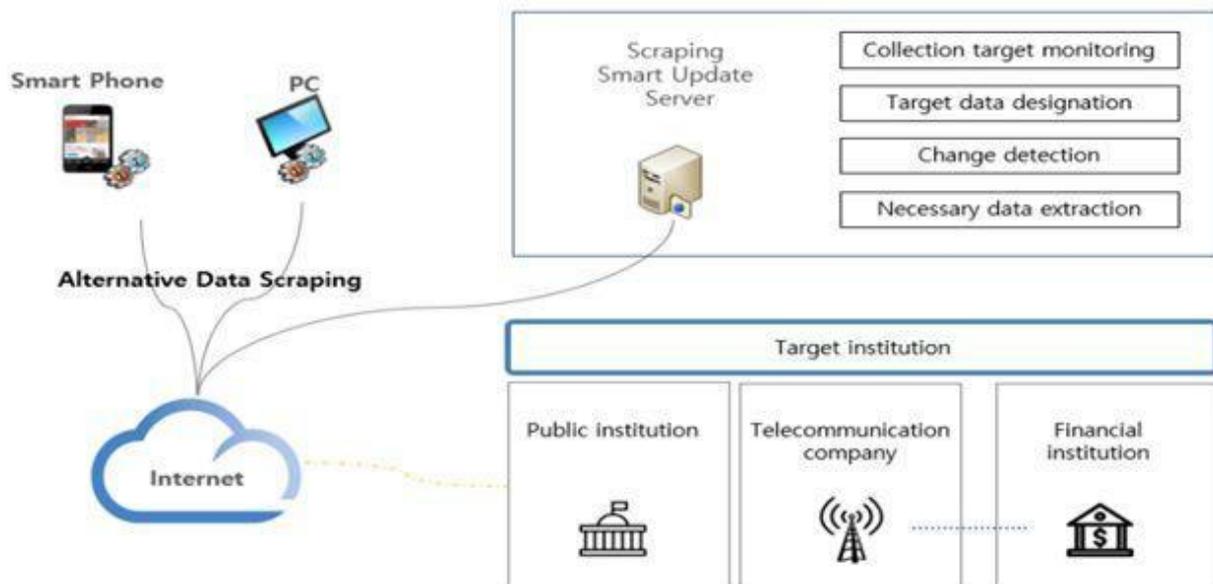

Along with a fairly simple platform, the MCC project envisages a rather intricate additional Airdrop mechanism. Despite the standard definition of this term, it is intended not only for marketing purposes.

10,000 tokens are allocated daily for Airdrop purposes. The distribution model is as follows: Each MCC participant (individual) gets three seeds a day; these are not tokens, so they can be handed over to other participants for free. As the day ends, 10,000 tokens are distributed among seed owners who have given them away. The seeds that have not been given to anybody and remained in the initial owner's account are burned. Tokens received via Airdrop are subject to confiscation; if a user has been inactive for a certain period of time, their tokens are confiscated by the platform. For example, if a user has not been active for a month, 10% of tokens will be confiscated. These tokens will be reserved for future Airdrops.

First and foremost, the MCC ecosystem can be put to good use in the credit industry, as the project's name suggests. The documentation provides use cases not only for private P2P loans but for marketing campaigns as well. Apart from that, personal data can be employed for multiple purposes. In this day and age, quality and verified information is something many companies would value trading.

The MCC project is focused on financial information and credit scoring. However, insufficiency of such information impedes such scoring (for example, deficient credit backgrounds). In such instances, the traditional credit rating agencies come up with scoring models that are based on non-financial (alternative) aspects. MCC envisages various alternative data methods to rate borrowers depending on their country of residence.
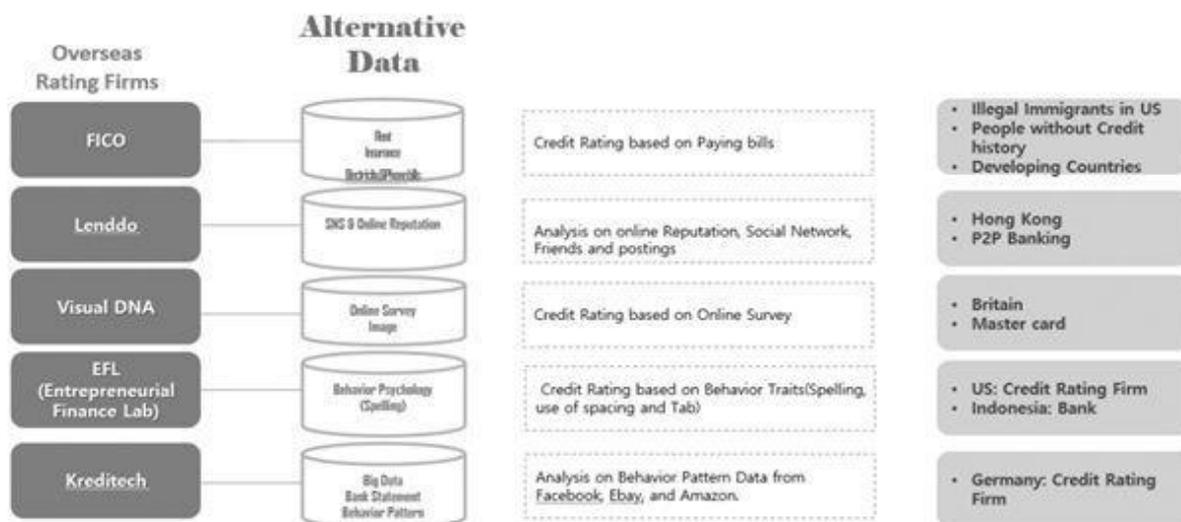
4. Market Analysis

One key financial theory term is the time value of money. The assumption that money is currently worth more than it will in the future gives meaning to money and credit operations in the current economic paradigm.

Now that households have access to credit, they can benefit from goods and services they couldn't before. "Life in debt" is especially common in developed economies with low interest rates, where the accessibility of loans is intended to improve standards of living.

Financial instruments such as credit and loans clearly do not have the same levels of availability worldwide. There are plenty of reasons for this; the most general one being overall level of economic development. Another important parameter is financial literacy. Below is a financial literacy map prepared by [S&P Global FinLit Survey](#). The map demonstrates that the majority of the world's population is far from being financially literate. On the one hand, this bears some risks; on the other, it gives ample opportunity for fighting poverty.

There are various ways to approach and tackle this problem. The MCC documentation shows that the team share [gift economy](#) ideas. Some of its propagators, for example anarcho-communist Peter Kropotkin, saw this concept as the key to ending poverty. To break the [cycle of poverty](#), societies should shift to a gift economy and completely abandon previous economic models, which is quite a utopian idea.

Clearly, such complex problems as poverty cannot be solved just by making loans more accessible. For instance, one of the first microfinance companies, FINCA International, had an idea to give small loans to the poor so that they could develop their businesses and, as a result, generate income. Thus, borrowed funds that generate new assets can improve the situation in the current economic system.

Loan accessibility and efficiency depend largely on data exchange between lenders and borrowers. Credit history is the main source of information on borrowers; loan conditions depend directly on the quality of this information. At the moment these services are fully centralized and provided by credit bureaus.

The MCC team think this situation is fundamentally wrong. On the one hand, personal information is generated by individuals and the ownership of this information should be returned to them. On the other hand, information consumers, i.e. banks, will find the

decentralized networks more effective. As a result, expenses will be reduced and borrowers will benefit from more favorable conditions.

MCC's prime competitors are agencies that currently own credit information. <u>These include some well-known companies such as Experian, Equifax and TransUnion, as well as data brokers like the Acxiom Corporation. These large companies will not want to share the market voluntarily.</u>

Blockchain-based projects have always been interested in the loan industry. The majority of them, however, are concentrated on P2P loans. For now, there are not many ecosystems that employ blockchain to store credit information.

The MCC project is not confined to a platform for storing credit/financial information. The solution can be used to store all types of personal data, which means the project has ample room for scalability in case the platform is successfully launched.

5. Team

A professional project team is essential for any startup. It often happens that the team is even more important than the project idea itself. Ideas need people to bring them to life, and investors need to be sure that any team they give their money to are trustworthy and have the skills to implement a project.

The rise of ICOs has called into existence a hybrid of crowdfunding and venture capital investment, where the issue of reliability and trust is barely regulated; this is why project teams are of utmost importance in this industry.

The MCC project team appears trustworthy and reliable. Following best practice, the team is broken down into founders, developers and marketing specialists. Such a division enables assessing the current resources of the project.

The team comes from South Korea, like the project itself; this shows that the founders chose specialists they were familiar with.

There are three founders who have extensive fintech experience. They and many other team members have previously worked together for Finger Inc, a large fintech company based in South Korea.

Founders

Jaebong Yang, Founder & CEO

- **SDirector of Exchain, Inc.**
- **CEO of MoneyTech**
- **Head of Strategy Department (Finger, Inc.)**
- **Advisor to the Korean Institute of Finance, Future Research Department**

More detail: LinkedIn

Woosik Kim, Founder & CEO

- CEO of Fintech, Inc.
- Social Credit Evaluation Expert
- New Industry Investment Committee
- Director of Convergence Department (Finger, Inc.)
- Hana Bank (Department of Computing and Information Systems)

More detail: **LinkedIn**

Jongyoung Moon, CTO

- Head of Blockchain Department (Finger, Inc.)
- Head of Service Department (Finger, Inc.)
- BigData Consultant (Saltlux Inc)
- BigData and CRM Expert

More detail: **LinkedIn**

The MCC team has quite a few members; there are seven developers and six marketing specialists. This review is not intended to provide detailed information on all team members; we have only listed them below.

Development

Dariusz Chrzastowski<u>LinkedIn</u>	Blockchain Developer
Donggun Lee<u>LinkedIn</u>	Blockchain Developer
Inkyu Jeong<u>LinkedIn</u>	Full Stack Developer
Kiseung Nam<u>LinkedIn</u>	Full Stack Developer
Hoshik Choi<u>LinkedIn</u>	Blockchain Developer

Chulwoo JungLinkedIn	Full Stack Developer
Namsuk ChoiLinkedIn	Graphic Designer

Marketing

Uno, Nam	Planning & Marketing Director
Sanggyun Park	Project Manager
Moohyun KimLinkedIn	Consultant
Hannie KimLinkedIn	Community Manager
Junehee YeoLinkedIn	Community Manager
Jaeseong Cho	Community Crew

An advisor team is an essential aspect of many mature ICO projects. Advisors help make the team appear more reputable, and their names are used to promote the project.

Usually there are fewer advisors than team members, but there are exceptions. The MCC project has twenty-five advisors, which is quite a lot. They are professionals in various industries, including Big Data, blockchain, ICO, finance, etc. We trust that these advisors and their skills will positively affect the project's quality. Advisors

Don ChanLinkedIn	Big Data Specialist
Gongpil Choi	Future Finance Specialist
Sally KimLinkedIn	Senior manager of Data biz unit, SK telecom
Yemi Adeyemo	ICO Advisor and International Partnerships
Changki ParkLinkedIn	Blockchain & Cryptocurrency Specialist
Justin Hur	HR & Consulting Specialist
Joon HongLinkedIn	Internet & Mobile Marketing Specialist
Seungbae LeeLinkedIn	Finance & CRM Specialist

Chulwoong Kim<u>LinkedIn</u>	Data Analyst & Marketing Specialist
Youngchun Kim<u>LinkedIn</u>	Media Specialist
Minsu Park<u>LinkedIn</u>	Finance Specialist
Wonjae Lee<u>LinkedIn</u>	Finance Specialist
Byunghee Son	Computer System Specialist
Jaehyung Kim	Patent Plan & Investment Specialist
Sung in Hong<u>LinkedIn</u>	Finance & CRM Specialist
Ram Shim	Strategy & Investment Specialist
Gab young Kim	Finance & Investment Specialist
Jhun Ha Jin	Economy & IT Specialist
Jason Lee	Digital & Global Finance Specialist
Hongsik Jo<u>LinkedIn</u>	Consulting Specialist
Jihwa Lee<u>LinkedIn</u>	Computer System Specialist
RYAN MOON	Online Asset Management Specialist
HOJOON MOON	Finance, Roboadivisor, Fintech Specialist
Jinho Lee	Finance & Management Analysis Specialist
Geunseob Song<u>LinkedIn</u>	Risk & Compliance Specialist

6. Project Tokens

The MCC project's ICO tokens have been issued based on the ERC20 standard. They constitute a medium of exchange in the MyCreditChain ecosystem. Since no other payment means have been announced, we assume this token to be the only possible one. Due to the early development stage, no pricing information is available. The documentation specifies that the MCC tokens can be used to pay for the following services: Personal information update, information purchase and operation of the node network (IPFS nodes). In addition to standard services, financial or other types of company will be able to use the tokens to pay for ads on the platform.

There are no features peculiar to the MCC token. Its utility functionality is in line with the standard practice of ICO utility token development. At the same time, we consider that the need for the token in the ecosystem is not substantiated. If the token was replaced with other cryptocurrency or even fiat, it would not affect the functionality or interaction between ecosystem participants. Even Airdrop could successfully function using fiat rewards. It is possible that the token's nature will become clearer when the team employ decentralized management mechanisms or apply the decentralized architecture with smart contract to the whole platform.

7. Token Price Factor Analysis

The intrinsic value of the MCC token will be based on MyCreditChain's business success; that is why it seems logical to look at its operation. Short-term speculative factors do not require any special attention. Since the community, mainly based in the project's native region, is showing moderate levels of interest, we cannot expect any international hype.

Along with standard utility functions, MCC tokens have a built-in daily Airdrop, a mechanism that affects the demand and supply balance in the market. To compensate for tokens distributed, MyCreditChain proposes a token confiscation policy that applies to inactive platform users. The team think that this combination of mechanisms will enable maintaining the token balance and minimize influence on future volatility. We see no risks in the incentive program, since the token distribution will initiate the marketing campaign. Moreover, Airdrop is important for the infrastructure as well. There will be no problem with reserving tokens for Airdrop purposes, as 29% of all issued MCC tokens will be allocated to the reserve, which should be enough for 79 years.

The major issue is with the scalability of MyCreditChain. MCC is one of those products that need a strong initial impetus to boost their development. The pace of scalability will be growing proportionally. Thus the team will have to work very hard to integrate the ecosystem into the loan market, marketing industry, etc. Another obstacle is the use of an ERC20 token for payments. Taking into account that the architecture is not fully decentralized, fiat could be employed in the platform just as successfully as the tokens; it would even reduce the legal risks.

On the upside, the team is active in the Korean market. The partners, advisors and founders' experience could help the platform attract new users fairly quickly. Moreover, when talking to the community, the team stated that they were negotiating the possibility of platform adoption with Korean banks.

The project roadmap is quite sensible in terms of product development; as expected, the services are to be launched in Q1 of 2019. At the moment the team does not have an MVP; the project is at an early development stage. The fact that the product will be launched relatively soon should not be a problem, as the architecture is not cumbersome. Moreover, the team is closely collaborating with a variety of Korean fintech companies who are sharing their experience and contributing to MCC. All in all,

the development timeframe seems reasonable. The early launch is a positive factor. If the platform is released on time, the token's price will receive additional support.
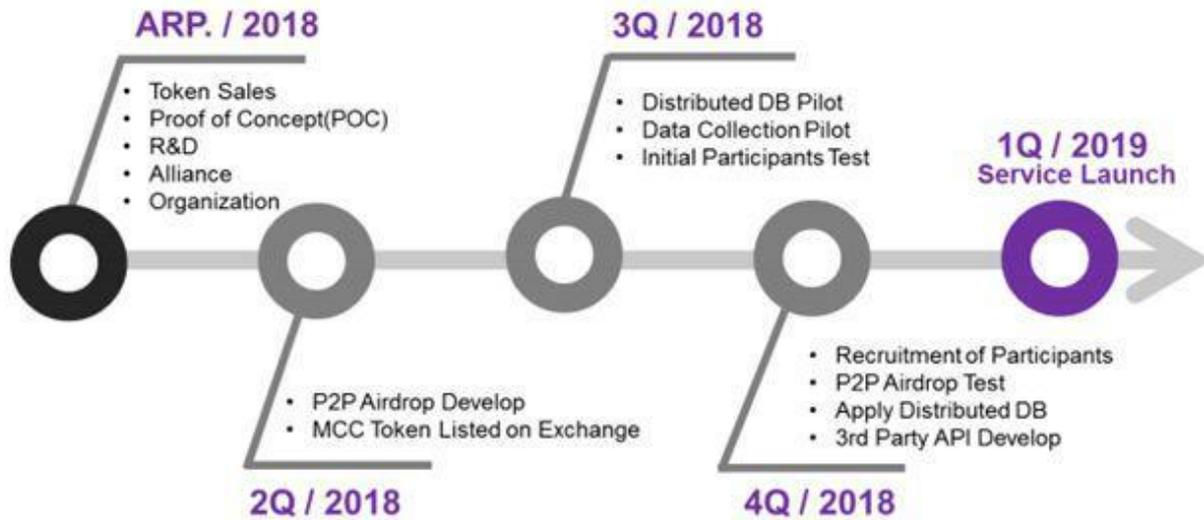
In summary, the project has scalability potential and it could be integrated into the Korean banking system and market research industry at an early stage. The project also has favorable development timeframe and ICO parameters. Negative factors include the questionable premises for token use and non-homogeneous factors for market expansion, i.e. it will be problematic to introduce the ecosystem to the loan market straightaway.

8. Investment Risk Analysis

The Multiversum project is at an early development stage; this becomes clear from the documentation's quality, which still has some issues and lacunae. It is most likely that the project has been recently revised. There is no other explanation for the fact the WP and the site have different team descriptions.

The project's risks are mainly associated with the large number of services envisaged. Such an ambitious project and its blockchain 4.0 status imply some pressure, requiring a sufficient amount of effort from the team. The project is under the spotlight, and the community will treat any negative news with great suspicion.

The competitive risks are also substantial. Such fundamental projects do not have a specific niche, unlike many utility tokens. Any such protocol adopted by the community as a standard could close the doors for its competitors.