

Bloom (BLT)

Identity verification and credit scoring through a decentralized P2P network

Overview

Bloom is seeking to create an alternative to the current monopolized ecosystem of credit scoring that has engulfed the financial industry. USA-based FICO controls over 90% of the credit verification and scoring market on behalf of US lenders. Bloom also has a focus on identity verification and identity security, which is a significant pain point in the market and currently results in credit losses exceeding \$21b per year due to theft.

We break down the goals of Bloom as follows:

- 1) Empower the 'unbankable' and the 'credit invisible' through a decentralized and 'trustless' P2P network
- 2) Streamline the entire process on the blockchain through a method known as 'credit-staking'
- 3) Establish a protocol for identity verification and security to minimize the risk of fraud and identity theft

Token Sale

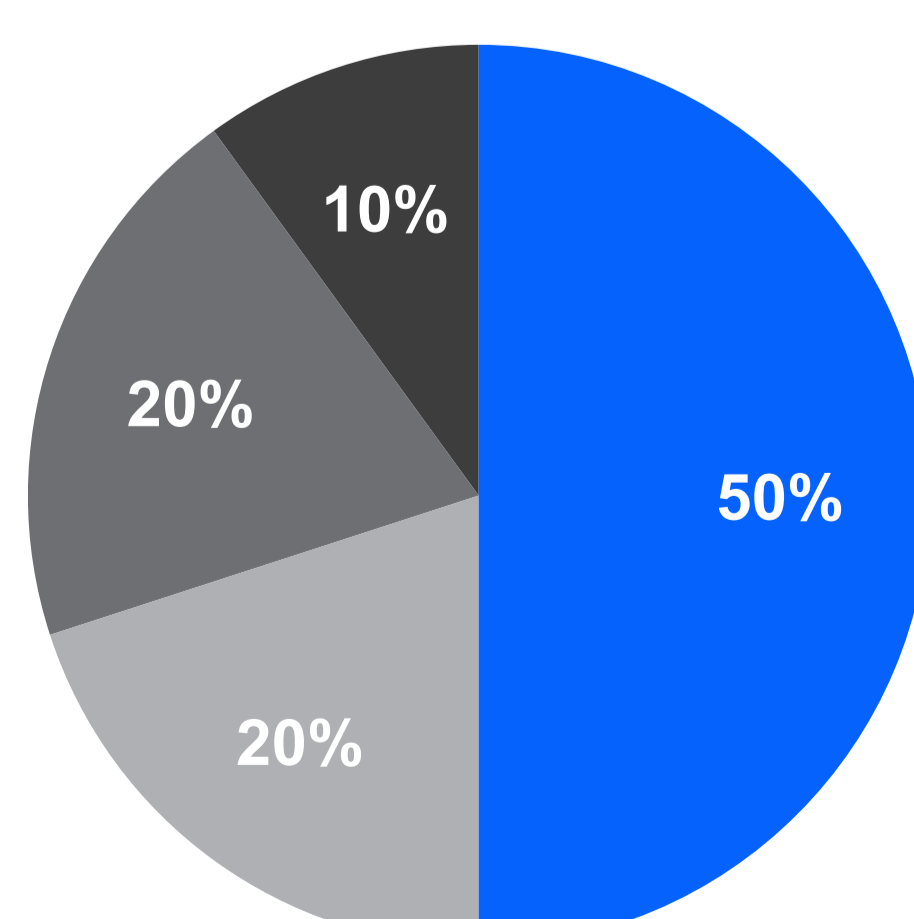
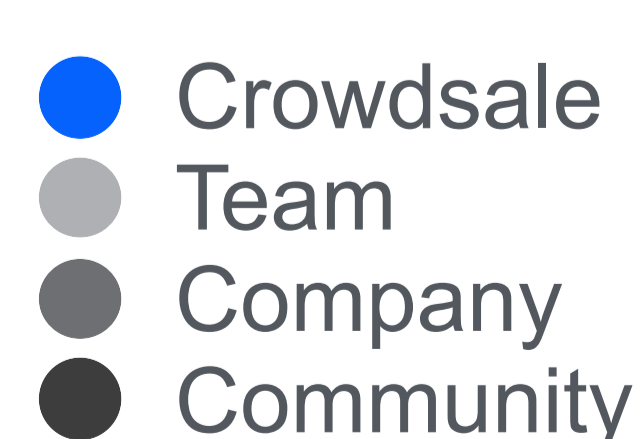
Bloom have launched a token under the ticker (BLT).

The token sale is being held in two phases; 1) a small presale segment for larger institutional/HNW investors and 2) a public sale starting ~30 November 2017.

The total amount of tokens on issue is 150m with approximately 50% of this being offered to the crowd. The remaining 50% is split between the Bloom team, held by the company, and used as community incentive.

Any unsold tokens from the crowdsale will be stored with the company for sale at a future date.

Token Sale Split



SPEC BUY



General

Country:	USA
Team:	Transparent
White Paper:	Available
Stage:	Concept
Sale Period:	30 November 2017
Website:	Click here

Sale Info

Pricing:	TBA
Accepted:	ETH
Min Goal:	TBA
Cap:	\$50m
Escrow:	Smart Contract
Bonus:	NA

Bonus structure

Private sale:	NA
Presale:	NA
Public sale:	TBA

Checklist

Management team:	✓
Product definition:	✓
Commercial viability:	✓
Volume/interest:	⚠
Fulfillment:	⚠

Tokens for Investors

BLT is utilized as a token for both the currency and scoring mechanism of Bloom.

The P2P marketplace is rewarded and sets prices using BLT tokens as payment. This token becomes the centrepiece of the ecosystem and is required for the majority of transactions.

There are also voting rights attached to BLT.

Commercial Strategy

Bloom has defined a technical implementation strategy. There are four specific components to the development which we outline below:

BloomID: A protocol that focuses on the establishment and verification of identity. This allows other 'peers' or organizations to vouch for a persons identity and credit worthiness.

BloomIQ: This is termed as a 'credit registry' which allows for the reporting and tracking of current and historical debt obligations.

BloomScore: A scoring system which claims to be an updated and superior model to that of FICO or VantageScore. BloomScore is a metric of a consumers credit worthiness.

BloomCard: In a bid to expedite adoption amongst the market, Bloom will be seeking to launch a blockchain credit card built on the Bloom protocol.

Management

The management team have an extensive track record amongst a diverse array of industry including blockchain, digital marketing and influencer intelligence/analytics.

Jesse Leimgruber: CEO of NeoReach, an enterprise analytics software company with a large list of Fortune 500 clients.

Ryan Faber: Founder of Flatiron, a digital marketing company which manages over \$100m.

Alan Meier: Previously a research scientist for the Stanford Bitcoin Group and the CEO of Cognito, a compliance and identity verification company.

Strengths

- Bloom are seeking to disrupt a significant market that spans multiple segments within the financial lending ecosystem including personal loans, payday loans, automotive, credit cards and more. US Household debt is set to increase substantially by 2020, indicating a large area of growth for credit scoring applications.
- There is currently a large degree of attention on personal identity security due to the Equifax hack which occurred in September 2017. An alternative and secure solution such as Bloom would be a welcomed initiative for those who are conscious of personal data leaks.
- The Bloom team have an impressive and extensive track record in the technology sector. Whilst none of this specifically relates to finance/lending, each have been able to grow and commercialize large businesses.
- The community support for the project is quite positive. The public channels including Slack are quite active with helpful and open support.
- The whitepaper and all material has been produced at a very high standard. The positioning of the branding has made the initiative organically marketable and saleable.

Weaknesses

- The target market for credit scoring is a heavily monopolized and cornered segment which is controlled by Government-related entities. Barrier to entry may be limited for business and peer acquisition should the standards fall short of current practice.
- The protocol seems to be in the very early stages (pre-MVP) with the first stage of the Voting mechanism being introduced in December.
- There are no specific dates for the completion of each phase of development.
- The company has omitted a 'Use of Proceeds' or budget to illustrate how/where the received capital will be allocated.
- The structure of the sale indicates that 20% of the tokens are held with Bloom for long term expenditures and network updates (this is in addition to management allocation). This being the case, clarity is needed once again as to where the collected capital will be spent.
- Remaining tokens will not be burned and instead all will be held by the company for sale at a later date.

Conclusion

Bloom presents a **speculative** and **long-term** buying opportunity for investors seeking exposure to an innovative and disruptive concept to tackle the global credit market.

The project satisfies most major requirements for the growth of a successful venture including:

- A team with an extensive track record in startups
- A clearly defined product roadmap
- Significant community support
- A real problem paired with a well-positioned and 'timely' solution

With exception to the points above, we do address several issues that highlight a considerable degree of risk both during and after the ICO period.

- Unsold tokens will not be burned
- Hard cap is high considering market volatility
- No clearly defined timeframes attached to the roadmap
- Little development and product completed to date
- No budget or 'use of proceeds'

While we believe that Bloom may potentially have a significant impact on the global credit assessment market going forward, Pico Research identifies the preceding points as 'deal risk' that may impact the success of the ICO and the market performance thereafter.

For investors that are comfortable with a longer-term holding, we recommend Bloom as a **speculative buy**, however, we highlight that shorter-term pricing and performance may be subject to considerable volatility due to the reasons listed above.

Ratings Overview



Either at concept stage, lack of commercialization/conviction or bordering a Scam.



The company/tokens have merit, however there are questionable attributes and involves significant risk.



An investment opportunity that can be considered under certain circumstances.



A good opportunity with no significant weaknesses and a clear path of commercialization.



A high conviction opportunity of investment with no visible weaknesses.

SCAM

A fraudulent initiative to be avoided at all costs.

RISKY

Due to a variety of factors, investment is associated with high risk of losing capital.

HOLD

Usually occurring in an updated release of coverage to advise maintaining current levels of position sizing.

NEUTRAL

The opportunity has merits and room for growth, however, there are several negative aspects to take into consideration which may influence the length of investment.

SPEC BUY

A speculative opportunity for investors with a higher risk tolerance.

BUY

A high conviction buying opportunity.

Disclaimer

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