



Liti Capital SA  
White Paper Version 1.0.0

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# 1. Abstract

Liti Capital SA is a Swiss investment company that conducts litigation finance by using investigative capabilities, blockchain-based solutions, and artificial intelligence (AI) to deliver unique values to its investors. Our company provides financial resources, strategic solutions, and worldwide renowned connections to the best law firms in order to help plaintiffs obtain an award to court for the damage or loss they have suffered. Litigation finance is particularly useful to access justice for claimants who may not have the financial resources available, are risk averse, or may not want to block the funds for costly yet meritorious claims. In exchange for this funding, Liti Capital acquires a part or full ownership in the financed cases, which integrate the company's assets portfolio. In case of a positive outcome, the plaintiff generally retains the largest portion of the granted award.

Through its technological innovations, Liti Capital enables investors from all social classes to have access to justice and to benefit from exposure to extremely appealing litigation or arbitration asset classes. To find and invest in valuable cases, Liti Capital fundraises by issuing its B-Type shares, or LITI tokens, to institutional, qualified, and retail investors. Apart from the asset classes and a highly successful team with a proven track record, the use of blockchain and tokenization presents the following unique benefits for our investors:

- automation through smart contracts leads to cost reduction and improves efficiency, enabling a better capital deployment;
- enhanced transparency through real-time visibility on the blockchain, which allows investors to make up-to-date and informed decisions;
- creating liquidity in a market that previously had none and unlock liquidity premiums;
- lowering financial entry barriers for lower-income investors of social classes;
- increased security from the hack-resistance of the blockchain and cryptographic algorithms.

## 2. Introduction

During the last couple of decades, the world has already faced two major recessions and the impact of the current pandemic appeared as one of the worst economic crises since the Great Depression. According to the Financial Times, this context may induce an unprecedented rise in the number of claims and distressed assets as a result of unfulfilled corporate contracts, fraudulent activities or business defaults, with ramifications that might extend well beyond 2021. Therefore, the prospects for the litigation finance industry have not been so promising since the 2008 economic crisis. An unstable economic situation may equally dry up legal firms' and plaintiffs' cash flows necessary to pursue their rights to the claims in courts or in arbitration. In recent history, litigation finance has emerged to fill this gap. By providing investment capital, the funders remove both the risks and the costs from legal firms and plaintiffs, enabling the delivery of justice even in difficult financial times.

### 2.1 Market Potential

This industry attracts large claims as well as debt recovery proceedings exceeding an average of \$10 million USD per case. According to the market aggregator [Absolute Market Insight](#), the multi-billion-dollar litigation funding market is expected to grow to double in size in less than a decade.

Such litigation or arbitration assets can generate private equity-like returns ranging between 3x and 10x the amount invested for each case under management. At the portfolio level, the average performance can range between 50% to 100% return on the original investment, taking into consideration winning and lost cases (see "The Law and Business of Litigation Finance," 2020). Interestingly, the performance of litigation assets is not linked to any economic cycle and to some extent could even be considered as countercyclical. In other words, litigation asset classes can perform extremely well even during bear markets or conjunctural crises.

The fund management costs and the traditional structure of incumbent firms in the litigation finance industry, together with the high entry barrier to participate, does not maximize profit for investors. Traditional fund management structures lock investors' money for several

years. This lack of liquidity prevents investors from exiting projects or funds when they desire and thus undermine the value of the underlying assets.

The impact of bad economic cycles also translates into market tensions that limit the access to financing or investment capabilities, not only for companies or institutions, but also for private individuals. During the same period, digital transformations have also disrupted all facets of our society and have contributed to redefining the boundaries of what is possible. In particular, the emergence of decentralized systems such as blockchain offers unprecedented opportunities to create, store and share values.

With this new transformation came new opportunities for fraud and theft as well. The blockchain has recently been the victim of a different kind of fraud known as “exit scams” and “rug pulls,” where cryptocurrency promoters or developers run away with investor’s funds. These bad actors damage the reputation of the entire crypto space; strongly hindering mass adoption for real-world blockchain-based solutions. At Liti Capital, we have developed a unique initiative to fight scam projects and bring justice to the crypto space for our community members.

## **2.2 About Liti Capital**

Liti Capital SA is a Swiss Fintech private equity company on the blockchain, providing a complete solution of strategy, case management, and litigation financing to qualified plaintiffs needing assistance anywhere in the world. Liti Capital issues shares of its company in digital format through asset-backed equity tokens. Therefore, LITI tokens represent a real value in share ownership in the company whose assets are built around legal cases that have been selected on their merits as being winnable, enforceable, and respectful of the environment and human rights.

During its private sales phase, Liti Capital was able to successfully raise more than USD \$12 million through the sale of stock to early investors. Liti Capital accomplished this in less than two months of existence. To date, the Company has used approximately \$10 million of these proceeds to purchase assets.

## **2.3 Our Mission**

Liti Capital aims to be a thought-leading firm that shapes the finance of tomorrow and brings it into today's practice. We strongly believe that the values of openness, inclusion, respect, equal access to opportunities, and fair profit distribution among community members will revolutionize the financial sector. To this end, Liti Capital not only provides ideas but real-world utility, unlocking unprecedented opportunities to its LITI and wLITI token holders ([see Tokenomics](#)).

### **Empowering People**

Liti Capital tokenizes equity or stock in its company to provide its community members a unique exposure to high-return (3X up to 10X ROI on winning cases) and bear market friendly litigation/arbitration asset classes, which are respectful of human rights and the environment. Therefore, our mission is to unlock new financial opportunities and to make them available to investors from all social classes and parts of the world. In addition, voting rights associated with LITI tokens give its holder the power to influence strategic orientation and decision-making processes in Liti Capital. Furthermore, LITI token holders benefit from the same level of protection as traditional shareholders under Swiss law and as such have access to legal mechanisms to conduct their claims. By running its operations on the blockchain, Liti Capital intends to operate in a fully transparent manner. The company has also received a non-action letter by the Swiss Financial Regulators (FINMA), which confirmed that its business plan complies with Swiss corporate law.

### **Earning Passive Income**

An asset-backed token also means that LITI token holders will be able to earn passive income through yearly dividend payments. As the Company grows, the frequency of dividend distribution may as well increase to several times per year depending on the number and amount of awards, and the timing of the Company's cash flow. The Company's goal is to provide both cash returns and price appreciation to our token holders. We plan to allocate 80% of the distributed dividends to our LITI token holders.

### **Commit to Fight Crypto Scams**

Liti Capital aims to leverage its unique expertise in litigation finance to help its community members recover the money they have lost by suffering damage from crypto scam projects. To our knowledge, this initiative is the first of its kind. Liti Capital plans to allocate between 5% to 10% of its yearly investment budget to lead investigations and legal proceedings against crypto scams. Liti Capital commits to heavily involve its community members in the selection of relevant cases. LITI and wLITI token holders can vote for the case(s) they would like to see the company pursue. Upon validation by its community, the case(s) integrates Liti Capital's portfolio and token holders will get the same world-class expertise and service that any other assets acquired by the Company would otherwise receive at absolutely no cost, without having to advance funds or take other risks. Upon an award being granted to plaintiffs, Liti Capital will be reimbursed all costs it has advanced and 10% of the total amount awarded to the plaintiffs to cover its overhead expenses. The remaining 90% of the award will be redistributed among the plaintiffs, pro-rata to their loss.

### **Reward Active Community Members**

Liti Capital plans to reward community members for their contributions to the project by paying bounties when LITI or wLITI token holders provide relevant information regarding a case under management or bring a new and interesting case to the company. This, however, is not the only way to get rewarded for having an active participation in the company's success. In fact, liquidity providers on the decentralized exchange will not simply collect fees from the pool, but will receive additional wLITI tokens as reward.

We hope that this introduction gives you a better understanding of the uniqueness and strong value proposition that Liti Capital delivers to its investors and community members. We are delighted to present the details of our project in the following sections of this document and excited about your joining Liti Capital.



## 3. Core Business Activity

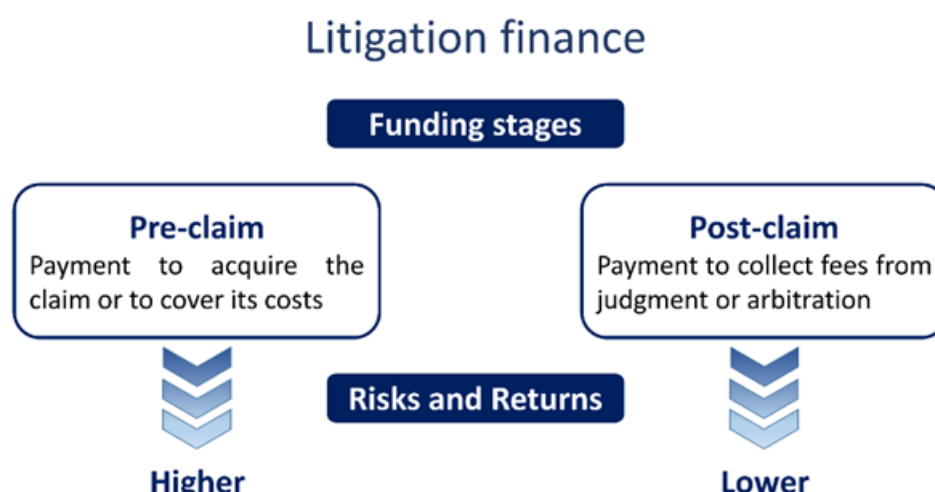
### 3.1 Litigation Funding

Litigation funding is one of the most efficient ways to resolve disputes and/or to obtain legal remedies in case of wrongdoing. Its scope includes, but is not limited, to litigation funding for matters concerning bankruptcy, commercial business, international arbitration, class/group actions, appeals, whistleblowers and intellectual property.

Litigation funding is the act of providing all or part of the financial resources required to conduct litigation, arbitration or judgment execution. It provides a valuable means for litigants to access justice who may not have the financial resources available to do so, are risk averse, or who may not want to block the funds for costly yet meritorious claims. The funders are investors who have undergone a thorough due diligence process and accept financial risks for potentially high rates of return. Upon a successful case outcome, the funder receives a share of the proceeds of the claim negotiated with the litigant at the outset. However, if the case is unsuccessful, the funder will not recover the initial investment. Because the funder's initial investment and returns are tied to the outcome of the case, Liti Capital SA only selects cases with a high prospect of success, which are compiled in a diversified portfolio. Liti Capital will also deploy extensive investigative and analytic resources in order to increase the success rate on the cases it decides to finance.

Several asset classes have become appealing to litigation funding mainly because they combine high proceeding costs and substantial available damage, creating an optimal framework for financial success. This finance can be structured in many ways, and it can be applied at any stage of a judicial claim, from pre-action to, appeal, post-judgement and enforcement. At a pre-claim stage, the funders either pay for the costs related to the legal proceedings in whole or in part or acquire the entire claim itself. Alternatively, the funding can be conducted post-claim, where the funders purchase or otherwise recover the judgement or arbitral award and seek enforcement of the claim. The risk-to-recovery ratio is higher in pre-claim proceedings and as such may have potentially higher rewards for the investors (Figure 1).





**Figure 1: Funding stages, risks and potential returns in litigation finance**

### 3.2 Case Selection Strategy

To enhance the likelihood of success, the cases we integrate into our litigation asset portfolio must pass a thorough and multi-step evaluation process (Figure 2). To this end, we conduct a complete due diligence that translates into the following elements. First, we acquire key document evidence on the case and request an objective opinion on the prospects of success from senior counsel and experts. Second, we assess the value of the claim, the ability of the opponents to pay upon an adverse judgement or arbitral award and the enforcement strategy. To set an optimal risk management policy, we further diversify the selected cases based upon the geographic presence, the industry at stake and the jurisdiction of the claim. Furthermore, we base our selection on a well-balanced proportion of higher and lower risk cases to limit any potential damage to investors should a claim fail. We present our strategy in more detail in the following sections.

### **3.3 Due Diligence**

Liti Capital conducts a thorough in-house due diligence process before taking any decision to fund or acquire a claim. The due diligence process is twofold:

1. A legal due diligence aims to determine which jurisdiction will be most favorable to the claim and whether a case can be built and ultimately won in a cost-effective manner. To this end, Liti Capital uses valuable inputs from third-party law firms with the required expertise. We then couple this with our own in-house team of lawyers to form a formal opinion.
2. A financial due diligence focuses on determining whether the opposing parties have the means and assets to pay upon an adverse outcome and how their asset structure will affect our recovery prospects.

Our legal and due diligence team may request occasional input from industry experts to inform the decision-making process.

#### **Geographic Presence**

The geographic reach of our company will be determined by the various claims that Liti Capital will acquire. As such, we will focus on jurisdictions where enforcement of claims are straightforward and where the justice system is independent from external influence, such as political interference and bribery.

#### **Risk Management Policy**

In order to reduce the various risks associated with the claims in question, a balance will be established between high-risk and low-risk claims. This distributes the risks across various proceedings and reduces the potential damage to investors should a claim fail. Additionally, by pursuing multiple claims at once across various jurisdictions, the risk of non-return to investors will be greatly diminished.

In order to increase the likelihood of success in the various claims, we will partner with aggressive attorneys in the jurisdiction of the claims. They will be selected based upon their

previous experience in the type of litigation as well as on their percentage of success. Careful attention will be paid to their strategy, which will be reviewed and monitored by our in-house legal team.





**Figure 2. Three facets of the case selection strategy**

## 4. Tokenomics

### 4.1 Overview

To support its fundraising efforts, Liti Capital uses two different but symbiotic types of tokens, the LITI and wLITI tokens. This section describes the class, functions and purpose of each token category. Figure 1 below summarizes the key metrics for both the LITI and wLITI tokens.

To date, no LITI tokens have been issued to the founders or team members. The Company will use up to two million tokens (16%) to pay for salaries, early expenses in the business as well as to provide an incentive plan for its team and community members. Any tokens issued through this mechanism will be locked up, not available for sale, for a period of six months upon delivery.

Tokenomics		
	 LITI Token	 wLITI Token (wrapped LITI Token)
Description	1 LITI = 1 share in Liti Capital Equity Token	1 LITI = 5000 wLITI no KYC, freely exchangeable
Category	ETO	IDO
Purchase Venue	LitiCapital.com	DEX Platform: Uniswap
KYC/AML Compliant	Required	Not Required
Circulating Supply	601'944	3'009'720'000 <sup>1</sup>
Listing Price	CHF 50 (~\$55 USD)	CHF 1 cent (~\$0.011 USD)
Market Cap <sup>2</sup>	CHF 30'097'200	CHF 30'097'200

<sup>1</sup> Fully diluted as of June 9, 2021. Only 1'114'050'000 are currently outstanding

<sup>2</sup> Current Value as of June 9, 2021

**Figure 1. Key Metrics for LITI and wLITI Tokens**

## 4.2 LITI Tokens

Liti Capital offers access to one of the first equity tokens (ETO) to date by issuing its shares in a digital format (i.e., LITI tokens) on the Ethereum blockchain. In other words, LITI tokens represent shares of stock in Liti Capital SA, a Swiss incorporated Company. Under Swiss law, LITI token holders benefit from the same rights and protection as traditional shareholders. Since Liti Capital has the legal obligation to maintain an up-to-date register of its shareholders, LITI token holders are required to identify themselves and to pass the “Know Your Customer” or KYC process. Note that restrictions may apply to some countries as stated in our terms and conditions.

### **LITI token utilities are as follows:**

- Voting rights on both the governance and strategic orientation of the Company
- Receipt of dividends from the distributed profits made by Liti Capital
- Access to Liti Capital's bounty system
- Ability to participate in the class actions against crypto scams
- Wrap to receive 5000 wLITI

As an asset-backed token, the performance, appeal, and valuation of LITI tokens depend on the attractiveness and the return on investment (ROI) made by the Company on its portfolio of assets. In Liti Capital's case, those assets are litigation and/or arbitration assets that we believe will generate private equity-like returns (i.e., each asset will generate between 3x and 10x the amount of the investment). The LITI token listing price for public launch at CHF 50, roughly equivalent to USD \$55 at the time of writing.

### 4.3 wLITI Tokens

The wrapped version of the LITI tokens or wLITI represents a right to claim a share in Liti Capital under certain conditions and, importantly, is the instrument that will be actively traded on various exchanges. There are several important reasons explaining why Liti Capital has chosen to support the co-existence of both the wLITI and LITI tokens. First, LITI tokens are KYC-compliant, while there are no limitations on who may acquire a wLITI. As such, LITI tokens are not ideal candidates for exchanges, simply because they strongly limit the access of the token to a wide community of traders.

**wLITI token utilities are as follows:**

- Freely tradable on DEXs without KYC requirements
- Swappable (5000 for 1 LITI with KYC requirements) with user-friendly web app
- Provisions of liquidity to DEXs and receipt of staking rewards
- Access to the bounty system
- Participation in class actions against crypto scams

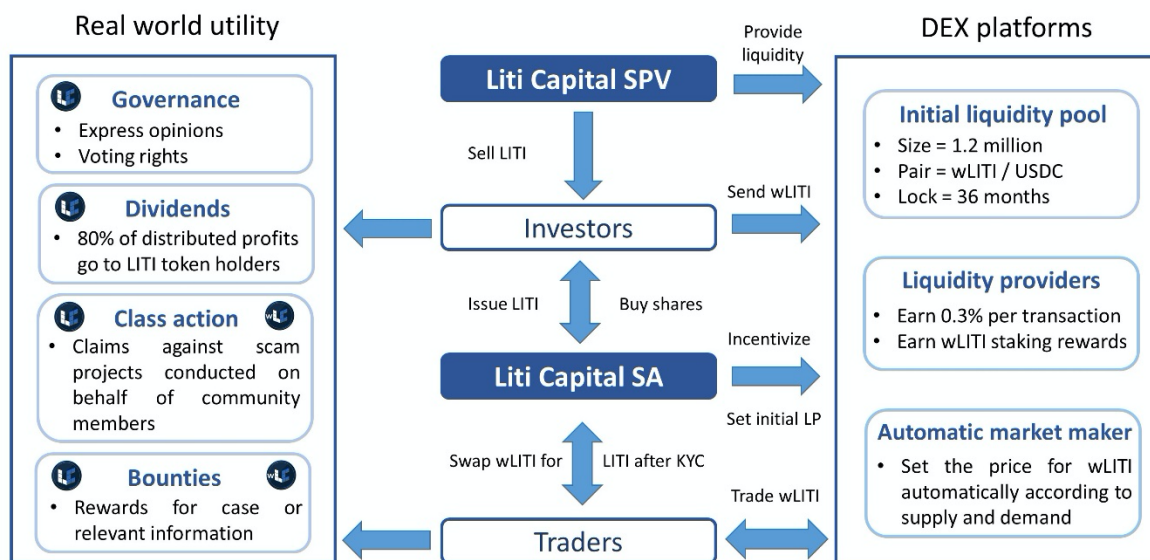
Liti Capital's stated goal is to bring asset-backed private equity to the entire community, and the Company is dedicated to doing everything in its power to make the token accessible to everyone. KYC-compliant users can also wrap and unwrap LITI tokens by using our dedicated and user-friendly web application.

### 4.4 Token Flow and Distribution

To date, Liti Capital has only issued 601'944 tokens and therefore has a market capitalization of 30'097'200. Liti Capital has included a limitation of 12 million LITI tokens (i.e., Max Supply) for its B-type shares in its smart contract. The economic rationale is (i) to provide enough tokens to generate the capital required to purchase assets for the business and invest in a diversified portfolio of cases as well as (ii) to ensure that our token holders will never face dilution of the interests after the Company meets its goal. The Company believes that this balance is met with 12 million Liti Tokens.

In principle, Swiss law imposes that Liti Capital SA convenes a General Assembly each time it increases its capital by onboarding new investors as shareholders. This process remains financially costly and time consuming. To avoid such constraints for smaller investments, Liti Capital has continued to innovate on behalf of the community by creating another entity, namely a special purpose vehicle (i.e., the Liti Capital SPV), fully owned by its founders to distribute LITI tokens to new shareholders. This will enable Liti Capital to send LITI tokens from an existing token holder, the Liti Capital SPV, to a new shareholder or token holder, without having to call for a General Assembly each time.

It is also important to note that the vast majority (i.e., 65%) of LITI tokens purchased by the Liti Capital SPV are locked in a smart contract wallet, ensuring that they can only be sent to supply new investors as they buy shares in the Company and not to be sold on the secondary market. This distribution provides both strong safeguards to the investors and gives all the flexibility the Company needs to adjust and optimize its operations in the best interest of its investors. Liti Capital plans to use the SPV instrument for exactly that purpose, and we believe it will be a powerful tool to further democratize private equity returns.



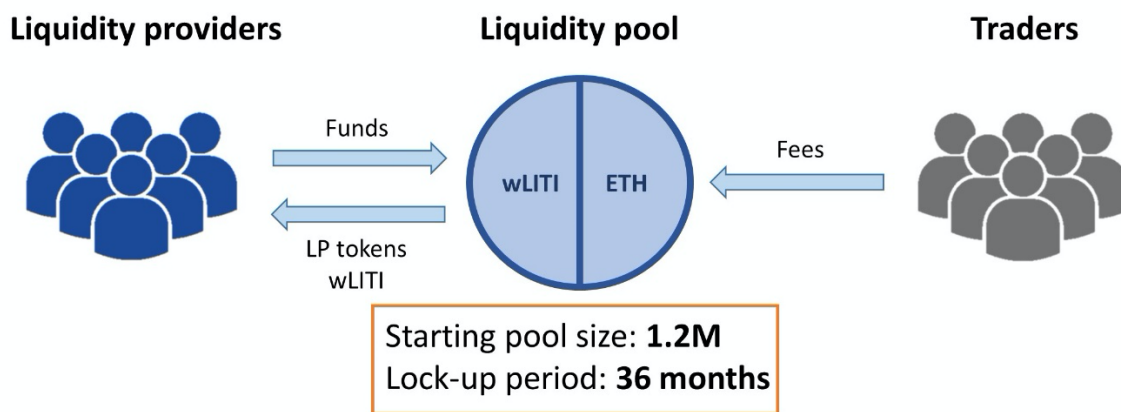
**Figure 2. Overview of the Liti Capital Ecosystem**

Dark blue represents entities owned by Liti Capital. DEX: Decentralized exchange platform, SPV: Special purpose vehicle.



## 4.5 Secondary Market – DEX Liquidity Pool

Liti Capital and its lead investors are both committed to this project over the long-term. As such, Liti Capital has created together with its SPV and lead investors a unique liquidity pool with a minimal value of 1.2 million divided equally among the ETH and wLITI pair (i.e., USD 600'000 per token type) on the Uniswap V2 DEX platform. Since the Liti Capital SPV along with early investors co-create and therefore are the owners of the liquidity pool at the time of the IDO, Liti Capital is also guaranteeing that the funds contributed to the pool will be locked-up for a period of at least 36 months after launch (Figure 3).



**Figure 3. The wLITI / ETH liquidity pool on Uniswap V2**

During this period, the liquidity stored can only leave the smart contract wallet address for an update of the pool on Uniswap V3. Liti Capital commits to communicate to community members about its plan to move to V3 at least three months in advance. We chose the ETH as pair for the wLITI because it is the most widely used and popular currency on Uniswap V2, as reflected both by the number of liquidity pools and the daily trading volume. We decided to launch our IDO by listing wLITI tokens on Uniswap V2, because it has become one of, if not, the largest DEX platform to date, driving more than \$278 billion of all-time volume. As such, the platform uses a proven technology and benefits from a high long-standing reputation among the crypto community. In addition, Uniswap V2 enables the integration of different trading tools, which should in turn favor traffic on the wLITI / ETH liquidity pool.

While Liti Capital will setup the wLITI / ETH pool, the Company intends to incentivize community members to join as liquidity providers in order to increase the size, performance and stability of the pool. On Uniswap V2, liquidity providers must supply an equal value of tokens for the wLITI / ETH pair. The funds are used by an automatic market maker (i.e., AMM) algorithm to facilitate trades, without using traditional order books and market makers. Liti Capital plans to incentivize liquidity providers on DEX platforms such as Uniswap, with two types of financial rewards (see Figure 2 and Figure 3 above). First, the liquidity providers collect the transaction fees set at 0.3% by receiving LP tokens. The reward is divided in proportion between the different contributors of the pool. When liquidity providers want to get the underlying liquidity back, along with any accrued fees, they must burn their LP tokens. In addition, Liti Capital plans to reward liquidity providers with wLITI tokens based on how long and in what quantum they contribute to the pool. Note that the latter will not be implemented for the launch on Uniswap V2, but is featured as part of the Company's near-term technological development rollout as described in our roadmap.

## **5. Real-World Utility**

### **5.1 Governance**

Since LITI tokens are equity-backed, they grant access to voting rights. This means that each LITI token holder has a say on the Company's governance and strategic orientation. While the shareholder agreement and the status of the Company enable the board of directors to have a veto right on some matters, LITI token holders will be able to exercise their rights to express opinions and to influence the decision-making process within Liti Capital. Furthermore, LITI token holders benefit from the same level of protection as traditional shareholders under Swiss law and as such have access to legal mechanisms to conduct their claims. Liti Capital has also received a non-action letter by the Swiss Financial Regulators (FINMA), which confirmed that its business plan complies with the Swiss corporate law.

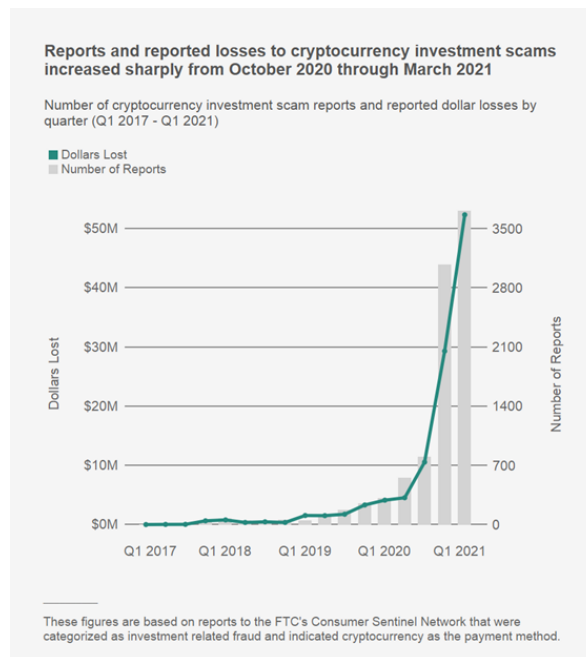
### **5.2 Dividend Payment**

An asset-backed token also means that LITI token holders will be able to earn passive income through yearly dividend payments. As the Company grows, the frequency of dividend distribution may as well increase to several times per year depending on the number and amount of awards, and the timing of the Company's cash flow. The Company's goal is to provide both cash returns and price appreciation to its token holders. The team is focused on using the capital it raises to purchase attractive assets that will support that mandate. However, we are also committed to using the cash that our assets generate to return value to our LITI token holders and, as such, our intention today is to dividend out 80% of the distributed profits to shareholders.

### **5.3 Commitment to Fight Crypto Fraud Through Class Action**

Liti Capital also aims to leverage its unique expertise in litigation finance and asset recovery to preserve and defend the interests of its own community members that have suffered damage or loss from fraudulent projects in the crypto sphere. A recent report from FTC reveals a sharp increase in cryptocurrency investment scams from October 2020 through

March 2021 (Figure 4). The idea that scammers can freely operate in the crypto sphere without facing the consequences of their actions must end in order to bring trust and change the perception blockchain and crypto projects have in our society. To this end, Liti Capital commits to allocating between 5% and 10% of its yearly investment budget to finance cases that have affected its community members.



**Figure 4: Reported losses to cryptocurrencies investment scams (Original FTC Report)**

To the Company's knowledge, this program is the first of its kind. We are committed to working with our community, and to support our token holders (out of the Company's funds) in ensuring that the skill set and asset base that we are creating is used for the benefit of everyone. The exact percentage allocated will notably depend on the number of fraudulent projects reported to Liti Capital as well as on the amount of money fundraised by the Company. The case selection process involves the following steps and criteria.

## Case Selection Process

- A community member (i.e., LITI or wLITI token holder) reports a case about a scam crypto project to Liti Capital, by using the [scambusters@liticapital.com](mailto:scambusters@liticapital.com) email address.
- Liti Capital then spreads the word among its community members to determine whether other people have been affected by the potential fraud. At this stage, community members may be asked to provide justifications regarding the nature of the fraud.
- If the fraud affects a material portion of its community, Liti Capital will initiate a preliminary investigation to assess the potential outcome of the case, which ultimately determines whether the case is selected for further proceedings.
- Any case that meets the Company's underwriting requirements will result in Liti Capital inviting the members of its community that have been harmed by the fraud to validate the selection procedure by locking at least 1 LITI token or 5000 wLITI tokens in a dedicated pool implemented in a smart contract wallet. Note that LITI token holders will still be able to use their voting rights and to access dividend payments with the locked tokens. Furthermore, the company will determine the duration of the lock-up period for both LITI and wLITI and will announce it directly to its community members.
- If more than one case is brought by the community, Liti Capital plans to organize different pools in which community members can either lock LITI or wLITI tokens as explained above.
- At the end of that process, Liti Capital commits to pursue the case or cases that received the largest number of LITI and wLITI. The exact number of selected cases Liti Capital can pursue at any given time will depend on each case's estimated costs.

## Case Management

Once a case is selected, token holders will get the same world-class expertise and service that any other assets acquired by the Company would otherwise receive at absolutely no costs, which in short includes the following components:

- Liti Capital conducts in-depth investigations into the fraudulent crypto project by identifying perpetrators and co-conspirators and by determining the assets that can be recovered as well as their location.
- Liti Capital selects and works with the best legal counsel to build a civil and / or criminal case according to its jurisdiction.

- Liti Capital provides litigation support throughout the various applications as well as strategic advice to the legal team.
- Finally, Liti Capital closely works with its internal and external teams post-judgement to ensure a fast recovery process, which includes returning as much money to the people harmed as possible.

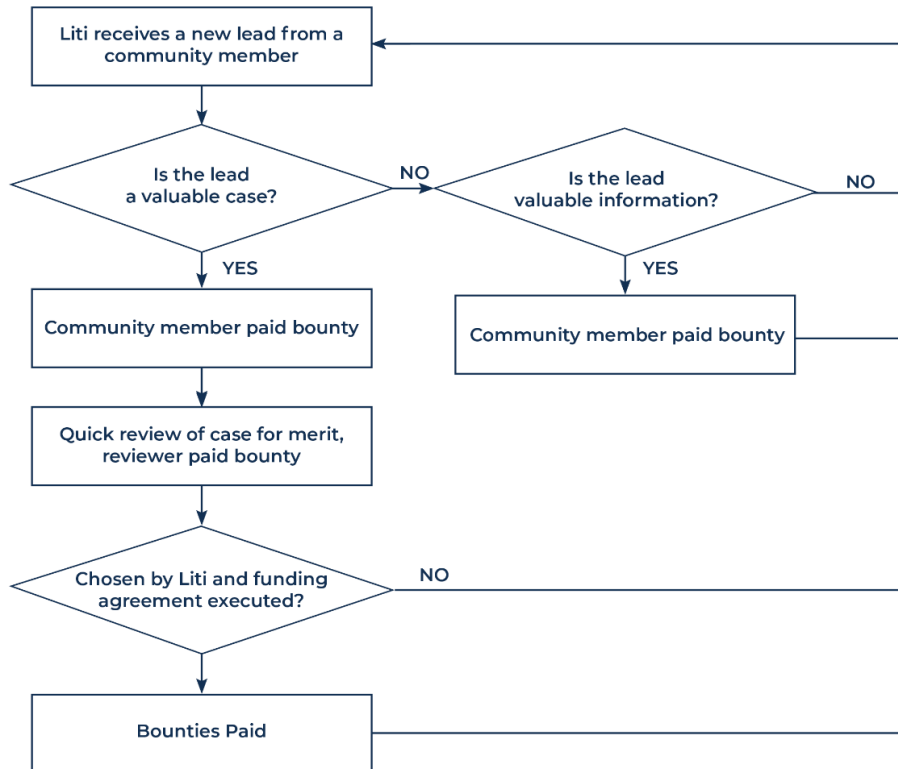
### **Financial Component**

- Liti Capital will provide financing for all costs related to the case.
- Upon an award being granted to plaintiffs, Liti Capital will be reimbursed all costs it has advanced and 10% of the total amount awarded to the plaintiffs to cover its overhead expenses. The remaining 90% of the award will be redistributed among the plaintiffs, pro-rata to their loss.
- Critically, the risk of a potential loss will be on Liti Capital. The LITI Capital token holders will not be required to advance any funds or take any risk with respect to this action. LITI Capital will complete all actions, as well as take on the risk required to prosecute the claim on behalf of its community.

### **Case Bounties**

Liti Capital has up to two million LITI tokens at its disposal to engage with and reward community members for their contributions to the project. With this aim in mind, Liti Capital will use a bounty system to incentivize individuals that provide leads throughout the case life cycle (Figure 5). To benefit from the bounty, community members should hold at least 1 LITI or 5000 wLITI tokens during the duration of the case assessment.

Due to the subjectivity inherent in some of the bounty determinations, Liti Capital will be the only decision-making entity that determines whether an action is eligible for a bounty. Having said that, it is the Company's intention to err on the side of awarding bounties to members of the community that work to add value to our Company.



**Figure 5: Bounties payment decision tree.**

### Phase 1: Identify Valuable Cases

- Liti Capital pays a bounty if a community member identifies and presents a potentially interesting case that is later validated by the Company for preliminary investigations.

### Phase 2: Case Founded

- Liti Capital pays another bounty to the community member that initially introduced the case if the latter is integrated to the Company's asset portfolio.

### Phase 3: Providing Case-Related Information

- Liti Capital rewards community members that provide relevant information regarding a case under management.
- Those leads include but are not limited to the discovery of assets, their location, any information regarding the parties involved as well as other relevant data that could help advance the case.



## 6. Key Milestones and Roadmap

### Milestones

#### 2020 | Q2 – Q4

- Founded Liti Capital, a Swiss Limited Liability Co
- Developed Liti Business Plan and Smart-Contract
- Built Liti Capital Blockchain Platform
- Developed Alpha AI tool for case selection
- Secured Seed Capital

#### 2021 | Q1 - Q2

- Brought on David Kay as Chief Investment Officer
- Non-action letter from the Swiss Financial Market Regulator (FINMA)
- Audit of the Smart Contract by CertiK completed
- More than USD \$12 million raised in cash and litigation assets from 15+ private investors
- Ownership participation in 3 cases valued at \$200mm>
- Further intellectual property created on blockchain and AI algorithms

# Roadmap

## Launch Phase (3-6 months)

- Further development of Liti activities in the DeFi space
- Application to list the wLITI on centralized exchanges
- Complete alpha testing for AI tool for case selection process
- Add at least 3,000 unique LITI token holders
- Add at least 10,000 unique wLITI token holders
- Reach 1mm+ people with Liti message of “private equity for all”
- Add 1 more case to the portfolio

## Growth Phase (3-6 months)

- Add 1 more case to the portfolio
- Secure an additional USD \$10 million in funding
- Add at least 5,000 unique LITI token holders
- Add at least 20,000 unique wLITI token holders
- Build a case pipeline of 10 to 15 cases
- Grow the team to 10 employees

## Expansion Phase (6-12 months)

- Secure an additional USD \$15 million in funding
- Add 3 more cases to the portfolio
- Ensure a daily volume of at least USD 150'000 on Uniswap
- Decide whether an extraordinary dividend will be distributed to LITI token holders.
- Conduct first general assembly where LITI token holders will be asked to exercise their right to vote.

## 7. Team

### **Jonas Rey**

#### **Co-Founder, Managing Director, Head of Strategy**

Jonas is the head director of Athena Intelligence, a private intelligence firm based in Geneva and Shanghai, with a proven track of expertise in tracing and assisting in the recovery of hidden assets. Jonas has a Master of Arts in world governance with a focus on Internet Governance of the University of Lucerne in Switzerland. Prior to founding Athena Intelligence, he worked in the Geneva office of a multinational intelligence firm. Given his thorough knowledge of the industry, he leads the investigation, due-diligence and case selection process at Liti Capital.

### **Andy Christen**

#### **Co-Founder, Managing Director, Head of Vision & Operations**

Andy is an expert data scientist, project manager and innovation entrepreneur, who co-founded several startup ventures in the Fintech and blockchain industry. He holds a M.Sc and a PhD in Psychology from the University of Geneva, a certificate in business administration from the Harvard Business School as well as a post-graduate diploma in digital business from the Emeritus Business School. Andy is heavily involved in shaping the long-term strategic vision of Liti Capital and coordinates the execution of the technical, business and marketing facets of the project.

### **Jaime Delgado**

#### **Co-Founder, Managing Director, Head of Technical Development**

Jaime is a PhD in electronics engineering with more than 15 years of experience in programming, machine learning, data analysis, as well as in Blockchain technologies and smart contracts design. His experience includes academia as postdoctoral researcher at the University of Geneva and in industry, most recently as CTO of Cerealia SA. Jaime is responsible for conducting all technical developments related to the Liti Capital platform.

## **David Kay**

### **Executive Director, Chief Investment Officer & Chairman of the Advisory Board**

NYC-based David Kay, one of the most successful and in-demand litigation finance strategists in the history of the 15-year-old litigation finance industry, recently joined the team as Chief Investment Officer. When David was Funding Partner and Portfolio Manager of a billion US dollar private equity fund working in the litigation finance space, he was routinely tasked with monetizing awards valued in the hundreds of millions of US dollars. This included successfully enforcing what was at the time the largest international arbitration award in history — bringing in more than US \$1 billion of cash and securities.

## **Amanda Grudinskas**

### **Managing Director, Head of Legal**

Amanda is a partner at Athena Intelligence, a licensed attorney and a UN Consultant for Investigations. She is adept at navigating high-stakes environments and multi-jurisdictional investigations and litigation. Prior to Athena Intelligence, Amanda worked in a multinational intelligence firm and a diplomatic mission to the UN. Amanda holds a Master of Laws in International Humanitarian Law (LL.M), a Juris Doctor (JD) and a Bachelor of Science in Business Administration (BSBA). Amanda is the Head of Legal at Liti Capital SA.

## **8. Legal framework**

### **8.1 Compliance and legal binding**

Offering equity ownership (i.e., Type B shares in a digital format) requires the platform to comply with regulatory bodies to avoid any fraudulent activities. The process of verifying a customer's identity refers to KYC. Liti Capital is partnering with AUT10TIX online identification system to offer a fast and user-friendly experience while conducting its customers onboarding.

Issuance of equity tokens via smart contracts enables flexible and programmable compliance solutions at the asset level. Once investors onboard the platform, they will be asked to sign a user agreement that legally binds ownership rights with the underlying asset token. This means that Type B shareholders agree to transfer ownership rights implicitly to the buyer along with the trading of digital shares or equity tokens.

### **8.2 Prohibited countries**

The digital shares of Liti Capital SA can be transferred without restrictions to anyone, except to citizens and residents from countries under international sanctions.

### **8.3 Data protection**

Following the guidelines regarding data protection in Switzerland, Liti Capital does not put any personal or sensitive information such as the identity of its users in the blockchain. Information related to the user's credentials, email and bank account will be stored safely on our servers in Europe and are GDPR compliant. All information collected during the KYC procedure will be stored in an encrypted format on the AUT10TIX servers.

### **8.4 Disclaimer**

Investing in digital shares or tokenized equities involve certain risks, including that you may lose some or all of your investment in certain circumstances. You should ensure that you understand the nature of the digital shares and the extent of your exposure to risks and

consider carefully, in the light of your own financial circumstances, financial condition and investment objectives, all information set forth in this base White Paper and any documents incorporated by reference herein.

## 9. Security

Smart contracts for LITI and wLITI were formally audited by an independent firm CERTIK. The detailed technical report of the Audit is available in the [GitHub](#) repository of Liti Capital. The audit reports only informational issues that were addressed by the company. In addition, Liti token smart contract uses upgradeable contracts separating data storage from the logic. The admin keys, used for functions like issuing LITI tokens and burning of LITI tokens are managed by a multi-signature wallet that requires two out of three signers. These keys are owned independently by the founders of Liti Capital and copies of the keys are stored independently in the safest environments.

## 10. Conclusion

In the current financial system, the level of profits remains highly dependent on the risk assumed by investors. Through its unique firm structure and strategy, Liti Capital SA breaks this paradigm and revolutionizes investing by combining the best of the two worlds. Through blockchain, tokenization and smart contracts, we provide liquidity, flexibility and security together with a high return on investment perspective due to the nature of litigation asset classes. We also aim to enhance the ethical standards in the industry by applying a fully transparent policy regarding our activity and by selecting cases that are respectful of the environment and human rights.

Liti Capital SA is registered in Switzerland, a country at the forefront of the blockchain revolution. In particular, Switzerland offers all guarantees to protect investors through legal instruments that fully anchor the decentralized ledger technology of tomorrow in today's practices.

We offer you a rare opportunity to become part of a fast-growing industry that has yet remained inaccessible to the public as well as expensive for qualified and institutional investors. Join us in this journey today!

### External links

**Website:** [www.liticapital.com](http://www.liticapital.com)

**Twitter:** <https://twitter.com/LitiCapital>

**LinkedIn:** <https://www.linkedin.com/company/liti-capital>

### Contact us

**Email:** [contact@liticapital.com](mailto:contact@liticapital.com)

### Report a scam

**Email:** [scambusters@liticapital.com](mailto:scambusters@liticapital.com)