



Fair Information Internal Determination Office, Inc. (“FIIDO”) is a non-profit SRO (Self-Regulatory Organization) with the charter to monitor and maintain fair information in the financial markets.

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## A better Wolf trap

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As a financial watch dog group it assures transparency in data provided to and used by anyone engaged in buying or selling securities. FIIDO is organized as a 501<sup>©</sup>3 (IRS approval pending) not-for-profit NGO (non-governmental organization) and subject to the laws of the United States.

In the United States, FIIDO is primarily concerned with securities bought/sold using Nasdaq<sup>®</sup>, NYSE<sup>®</sup> and Amex<sup>®</sup> but also all other publicly accessible marketplaces, commodity exchanges, portals, electronic bulletin boards, and digital trading locations around the world.

FIIDO also monitors all transactions on privately maintained marketplaces such as Crowdfunding Platforms, Private Securities Deal Rooms, Private Equity Exchanges, ATS (Alternative Trading Systems), and other places of business where transactions are conducted digitally or via complex cloud-hosted SaaS databases.

Founded in Kendall/MIT “tech square”, Cambridge Massachusetts in 2016, FIIDO is a voluntary membership based SRO with members consisting of financial professionals such as: Lawyers, CPAs, Securities Salespeople, Investment Advisors, Stock Brokerage Firms, Investment Banks, Private Equity Groups, Broker-Dealer Firms, Hedge Funds, Mutual Funds, Venture Capital Groups, Angel Investment Groups, Institutional Investor Groups, Investment Groups, and Banks.



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24/7/365  
cloud-hosted  
software tool:  
**Canary-  
Alert™**

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FIIDO functions via an anonymous tips based delivery platform. Via its 24/7/365 cloud-hosted software tool: CanaryAlert™ - related tips/alerts can be submitted for further research by FIIDO research analysts. Tips can be sent via text, phone, email, tweet or USPS, and are processed on a FIFO (First-In-First-Out) methodology without preference to dollar amounts in question, location, firm, the accusation made or the source of the alert.

Membership in FIIDO is paid via annual dues. New Members with an active complaint pending have a mandatory 90-day wait period before they may respond to complaints.

**FIIDO Membership Dues:**

|                     |                        |
|---------------------|------------------------|
| <b>\$500/year</b>   | Individuals            |
| <b>\$2000/year</b>  | Firms up to 10 persons |
| <b>\$5000/year</b>  | Firms up to 50 persons |
| <b>\$7000/year</b>  | Firms 50-100 persons   |
| <b>\$15000/year</b> | Firms 100-500 persons  |
| <b>\$25000/year</b> | Firms over 500 persons |



## CanaryAlert™

The CanaryAlert™ Seal is a web-enabled badge that publishes in \*real-time\* the current status of a FIIDO member. A seal may be used on a member website, social media, email, or other digital location to signify membership status. Members in good standing must display a seal prominently on their corporate website homepage.

The CanaryAlert™ Seal has 6 color coded status levels. These are updates in real-time from FIIDO servers to Member websites.

White - Pending Membership

Green - Never a Complaint

Amber - No Complaints 90 days

Orange - Active Complaint

Red - Warning

Black - Banned

As a SRO, FIIDO remains independent from any market maker or securities firm. In the United States, and United Kingdom it supports and adheres to all securities laws and refers cases to appropriate enforcement agencies as required by law.

### **Alert Processing:**

FIIDO wants to make it easy for the general public to send Tips, Alerts, and Complaints. Alerts can be sent in using:

- 1) **CanaryAlert.com Website**
- 2) **CanaryAlert Mobile App (iPhone & Android)**
- 3) **@CanaryAlert on Twitter**
- 4) **Facebook, LinkedIN, Social Media**
- 5) **Skype & Live Web Chat**
- 6) **Phone: 617-208-3005**
- 7) **Fax: 617-208-2481**
- 8) **Approved Affiliate Partners**
- 9) **Cross-Bred Canary-Pigeons**
- 10) **US Postal Mail**

Each Alert is automatically assigned a unique Case ID# and tracked via CanaryAlert's internal processing & determination database to be further researched by FIIDO Research Analysts.

## Compare FIIDO with other SROs & Agencies:

|                                       | FNRA | FIIDO | SIPC | SEC | NASAA | FDIC | SILA | CMA | NMLS |
|---------------------------------------|------|-------|------|-----|-------|------|------|-----|------|
| US Self-Regulatory Organization (SRO) | Yes  | Yes   | No   | No  | No    | No   | No   | No  | No   |
| Non-US Self-Regulatory Organization   | No   | Yes   | No   | No  | No    | No   | No   | No  | No   |
| US Government Agency                  | No   | No    | Yes  | Yes | Yes   | Yes  | No   | No  | No   |
| Non-US Government Agency              | No   | No    | No   | No  | No    | No   | No   | Yes | No   |
| Not-for-Profit Agency                 | Yes  | Yes   | Yes  | No  | No    | No   | No   | Yes | No   |
| Bank Deposit Insurance                | No   | No    | Yes  | Yes | Yes   | Yes  | Yes  | Yes | Yes  |
| Funding/Revenue from Member Firms     | Yes  | Yes   | Yes  | Yes | Yes   | Yes  | No   | No  | No   |
| Funding/Revenue from Tax Payers       | No   | No    | Yes  | Yes | Yes   | No   | No   | No  | No   |
| Funding/Revenue from Investing        | No   | No    | Yes  | Yes | Yes   | No   | No   | No  | No   |
| Funding/Revenue from Enforcement      | Yes  | Yes   | Yes  | Yes | Yes   | No   | No   | No  | No   |
| Overseen by SEC                       | Yes* | Yes*  | Yes  | n/a | Yes   | Yes  | No   | No  | No   |
| Can Borrow against U.S. Treasury      | No   | No    | Yes  | No  | No    | No   | No   | No  | No   |

## Pricing

|                                      |         |        |        |     |        |        |     |     |     |
|--------------------------------------|---------|--------|--------|-----|--------|--------|-----|-----|-----|
| Net Capital Requirements             | \$5000  | n/a    | \$5000 | n/a | \$5000 | \$5000 | n/a | n/a | n/a |
| Membership Costs - Small Firm (10)   | n/a     | n/a    | n/a    | n/a | n/a    | n/a    | n/a | n/a | n/a |
| Membership Costs - Medium Firm (100) | n/a     | n/a    | n/a    | n/a | n/a    | n/a    | n/a | n/a | n/a |
| Membership Costs - Large Firm (1000) | n/a     | n/a    | n/a    | n/a | n/a    | n/a    | n/a | n/a | n/a |
| Average Cost (total/year/person)     | \$10000 | \$2000 | n/a    | n/a | n/a    | n/a    | n/a | n/a | n/a |

## Definitions:

**FINRA – Financial Industry Regulatory Authority**

**FIIDO - Fair Information Internal Determination Office**

**SEC - Securities and Exchange Commission**

**SIPC – Securities Investor Protection Corporation**

**FDIC – Federal Deposit Insurance Corporation**

**SILA - Society of Insurance Licensing Administrators**

**CMA - The Competition and Markets Authority (UK)**

**NMLS - The Nationwide Mortgage Licensing System**

- **Financial Industry Regulatory Authority (“FINRA”)** is the leading non-governmental regulator for all securities firms doing business with the U.S. public - about 4,065 firms employing nearly 636,710 registered representatives.
- **Fair Information Internal Determination Office, Inc. (“FIIDO”)** is a non-profit SRO (Self Regulatory Organization) with the charter to monitor and maintain fair information in the financial markets. As a financial watch dog group it assures transparency in data provided to and used by anyone engaged in buying or selling securities with a particular focus on internet technologies and “Crowdfunding” portals.
- **The U.S. Securities and Exchange Commission (“SEC”)** is an agency of the United States federal government. It holds primary responsibility for enforcing the federal securities laws, proposing securities rules, and regulating the securities industry, the nation’s stock and options exchanges, and other activities and organizations, including the electronic securities markets in the United States.
- **The Securities Investor Protection Corporation (“SIPC”)** is a federally mandated, non-profit, member-funded, United States corporation created under the Securities Investor Protection Act of 1970 and mandates membership of most US-registered broker-dealers.
- **The Securities & Insurance Licensing Association (“SILA”)** is a 501(c)6 nonprofit member association established in October of 1990. The purpose of the organization is to bring together licensing experts whose occupations encompass all aspects of insurance licensing and securities registration, including, but not limited to, the licensing and registration of agents, agencies, adjusters, brokers, companies, producers, securities dealers, and third party administrators; and such auxiliary occupations as administration, regulation, testing, education, publishing and reporting as related to the financial services industry.
- **The Competition and Markets Authority (“CMA”)** is UK’s version of FINRA & SEC with specific “watchdog” agencies such as Ofgem, Ofcom and Ofwat that are charged with seeing how the operation of those specific markets work. The OFT and the Competition Commission’s work is generally confined to the rest.
- **Nationwide Mortgage Licensing System and Registry (“NMLSR”)** Owner: Board of Governors of the Federal Reserve System’s (“Board”) Division of Banking Supervision and Regulation, NMLSR is maintained by State Regulatory Registry LLC (SRR), a wholly owned subsidiary of the Conference of State Bank Supervisors (CSBS), and SRR’s subcontractor, the Financial Industry Regulatory Authority (FINRA).



# Executive Summary:

## **SUMMARY:**

FIIDO is a FinTech (financial technology) business which offers financial compliance services via its anonymous whistleblower/tips platform “CanaryAlert™” to keep access to financial market data fair and transparent.

## **MISSION:**

FIIDO is focused on becoming the leading SRO (Self-Regulatory Organization) in the United States, United Kingdom, Europe, LATAM, and the World.

## **MARKET OPPORTUNITY:**

In the US, Compliance & Regulation is big-business. Worldwide there are thousands of government sponsored, quasi-government, and public-private partnerships to attempting to keep financial markets safe and fair.

Hollywood has dramatized this in movies such as “The Wolf of Wall Street” however regulators and government agencies are widely portrayed as inept and unable to keep pace with the greed-powered Wall Street types. Politicians such as Bernie Sanders blame Wall Street for the degradation of society - yet few offer real solutions. Technologists from Silicon Valley have launched hundreds of firms and funds focused on quants, hedge fund strategies, and algorithmic trading yet always designed to maximize profit rather than to maximize fairness and transparency. We use the same internet technologies that have catapulted Google, UBER, AirBnB, Yelp and other “tech ventures” to global success.

## **OUR TEAM:**

FIIDO was started by a team of tech entrepreneurs and web software engineers with extensive experience building high growth, profitable ventures including VC-backed SaaS (software-as-a-service) businesses. Their passion for building great internet and “big data” businesses has created an energy and enthusiasm that is infused throughout a staff of compliance experts, web programmers, SEO gurus, big data experts, and cutting edge web engineers. FIIDO was formed and incubated at The Market Accelerator – a startup incubator and technology accelerator based on Market Street in downtown Portsmouth, NH and MIT/ Kendall Square, Cambridge, Mass.



## **COMPANY:**

Fair Internal Information Determination Office, Inc.

### **Corporate:**

501(c)3 Non-Profit Status Pending.

### **Industry:**

FinTech (Financial Technology)

### **Financing:**

Privately Held. Seed funding via Founder. No Debt.

### **Seeking:**

Interns & Remote/work at home opportunities

### **Ask:**

\$100K at \$1M FMV

### **Advisors:**

Equity compensation available

### **Investors:**

Future investment rounds may include outside investors

### **Venture Stage:**

Idea/Prototype.

## FOUNDER:

**Eric Melin:** FinTech Entrepreneur, Technologist, Digital Media Exec & SaaS Expert. [www.linkedin.com/in/ericmelin](http://www.linkedin.com/in/ericmelin) Eric was previously Consulted for Smith & Wesson where he helped develop Facial Recognition & Identity Software via its Public Safety & Technology Group – selling to Police Departments & Law Enforcement around the World. Eric was a Finalist at the MIT \$100K Business Plan Competition for a Search Engine Product and founded POPUTRUST ([www.popustrust.com](http://www.popustrust.com)) - a People Search Engine offering “Trusted People Search” due-diligence and compliance services to Financial Services firms.

## COMPETITORS:

There’s an old saying that “The Government Hates Competition” FIIDO competes directly with quasi-government bodies by offering a market-based solution to a complex problem at the law-making level - both in the United States and abroad. While dozens of Membership based Financial Groups already exist, our customer in the near-term is typically already a member of FINRA, SIPC and other more established SRO’s doing business in the United States. Financial regulators in all countries globally tend to have heavy government involvement which influences policy and procedure. The Better Business Bureau (BBB.org) and dozens of websites such as TheRipOffReport, Yelp, TrustPilot, and TRUSTe serve the needs of consumers and small businesses with ratings & reviews.

However, no direct competitor has a badge/seal product similar to “CanaryAlert(tm)” with a technical infrastructure to be deployed across millions of web portals in an increasingly “flat” and global economy. A sister company “PopuTrust(tm)” offers various for-profit software tools & services to Financial Services firms.

## CUSTOMERS:

In the US alone there are over 600,000 financial professionals and 4,000+ firms just within the current SRO systems. The USA represents about 30% of the Global Market. FIIDO expects a 5% market penetration by year 3 with approximately 10,000 paying customers.

## KEY SUCCESS FACTORS:

We now live in the information age and “information wants to be free” and while the debate over Keynesian Economics, and Efficient Market Theory is unlikely to be resolved anytime soon - what is clear by the JOBS Act and other legislation in the United States is that market forces are demanding that regulators adapt. Compliance systems dreamed up by statist central-planning minded government autocrats simply cannot adapt to today’s rapidly evolving web infrastructures. FIIDO will win because of its ability to stay ahead of technology changes. FIIDO is on the forefront of the “Big Data” movement as FinTech emerges as a market force. Besides the risks inherent in a small firm competing with well-established quasi-government supported agencies, the firm has practical success factors as well. First, our “CanaryAlert™” seal technology was designed for web based businesses using web 2.0 technologies - web tech evolves so quickly it’s difficult to predict next generations. Second, FIIDO Revenue is dependent on its ability to grow its memberships. Firms are rooted in the old ways to do business and may have trouble adopting FIIDO’s CanaryAlert(tm) technology product. While financial technologies (FinTech) are projected to only continue to grow in an increasingly complex environment - FIIDO recognizes that current solutions are important and it supports all laws, best practices, and methodologies established by existing financial authorities (FINRA, SIPC, SEC, etc) to assure its long-term success for our shareholders.

## SOCIAL IMPACT:

As a not-for-profit organization - all profits are used to further investor education and promote safe and efficient markets.

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# Good Business: Better.

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Data Protection



Business Security



Banking Security

## CONTACT INFO:

### Fair Information Internal Determination Office, Inc.

320 Nevada Street, Suite 310

Newton, MA 02460 USA

+1.617.208.3005 phone

+1.617.208.2481 fax

[info@fiido.org](mailto:info@fiido.org)

### FIIDO - “Good Business: Better.”

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(“FIIDO”) is a SRO (Self-Regulatory Organization) with the charter to monitor and maintain fair information in the financial markets.

[linkedin.com/in/ericmelin](http://linkedin.com/in/ericmelin)

