

# The end of legacy Escrow

---

Institutional-grade infrastructure for rehab reserves, interest holdbacks, and construction draws — segregated by EIN, yield-bearing, fully auditable.

---

**STATUS**

*Active users · Live funds*

**RAISE**

*\$250,000 SAFE*

**VALUATION CAP**

*\$10,000,000*

I. ORIGINS OF THE CAPITAL

# Why post-closing funds exist.

- Private lenders do not release every dollar at closing.
- Rehab budgets, construction draws, interest reserves, and holdbacks remain controlled after close.
- Funds release over time as work completes and conditions are satisfied.
- The result is a recurring pool of post-closing capital that must be placed with a third party.

CAPITAL TIMELINE

- 01** Closing  
Partial release to borrower
- 02** **Post-Closing Holdback**  
The PHOCIS layer
- 03** Staged Releases  
Draws, reserves, reconciliations

**\$400M**

TOTAL POOL

**\$350M**

U.S. ESCROW

**\$50M**

CANADA ESCROW

**100%**

3RD-PARTY PLACEMENT

## II. THE STATUS QUO

# Today, that capital sits in legacy escrow.

— <i>Hidden Fees</i>	Escrow providers charge 2–5% of the starting balance — \$200K to \$500K a year on a \$10M program.
— <i>Held for Months</i>	Balances sit 4 to 16 months, not days. Idle capital earning nothing for the lender.
— <i>Accounting Drag</i>	Wire fees, ACH fees, reconciliation fees — every draw adds cost and delay.
— <i>Compliance Risk</i>	State-by-state requirements managed ad-hoc create audit exposure.

## LEGACY FLOW

- *Lender Closes*  
Capital committed
- *Funds Parked*  
Static escrow balance
- *Manual Approval Loop*  
Email · signatures · PDFs
- *Delayed Release*  
Slower project completion

*Lenders lose yield, time, and \$200K–\$500K a year per \$10M program to legacy escrow.*

III. TRUE ECONOMICS

# Funds are held for months, not days.

AVERAGE LEGACY ESCROW FEES

# 2 – 5 %

of the starting balance, charged annually.

*\$200K – \$500K per year on a \$10M program.*

WITH PHOCIS

# \$0

Platform is free. We absorb accounting, wire, and ACH fees.

TYPICAL HOLD DURATION BY BALANCE

\$250K



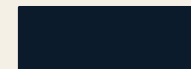
4 – 6 months

\$500K



8 – 10 months

\$700K – \$1M



12 – 16 months

0 mo

6 mo

12 mo

18 mo

*Balances decline across the life of the loan. Earning potential compounds with duration.*

IV. THESIS

*Private lenders do not need another vendor. They need control.*

01

*Control*

Absolute authority over balances and disbursements.

02

*Visibility*

Real-time tracking of movement and status.

03

*Auditability*

Instant, audit-ready digital records.

04

*Yield*

Principal-preservation treasury exposure.

05

*Velocity*

Modern operating workflow to accelerate draws.

---

*We are not replacing discipline. We are replacing dead infrastructure.*

---

V. STRUCTURE

# *Protected by structure. Valuable because of control.*

— <i>Wells Fargo Custody</i>	All funds held at Wells Fargo, our institutional banking partner.
— <i>Lender Owned</i>	Funds are separately attributed under each lender's EIN.
— <i>Zero Commingling</i>	Individualized accounts ensure total separation. Never on PHOCIS's balance sheet.
— <i>Principal Preserved</i>	Idle balances swept into T-bill-backed accounts.
— <i>Audit-Ready</i>	Every movement recorded in an immutable digital ledger.

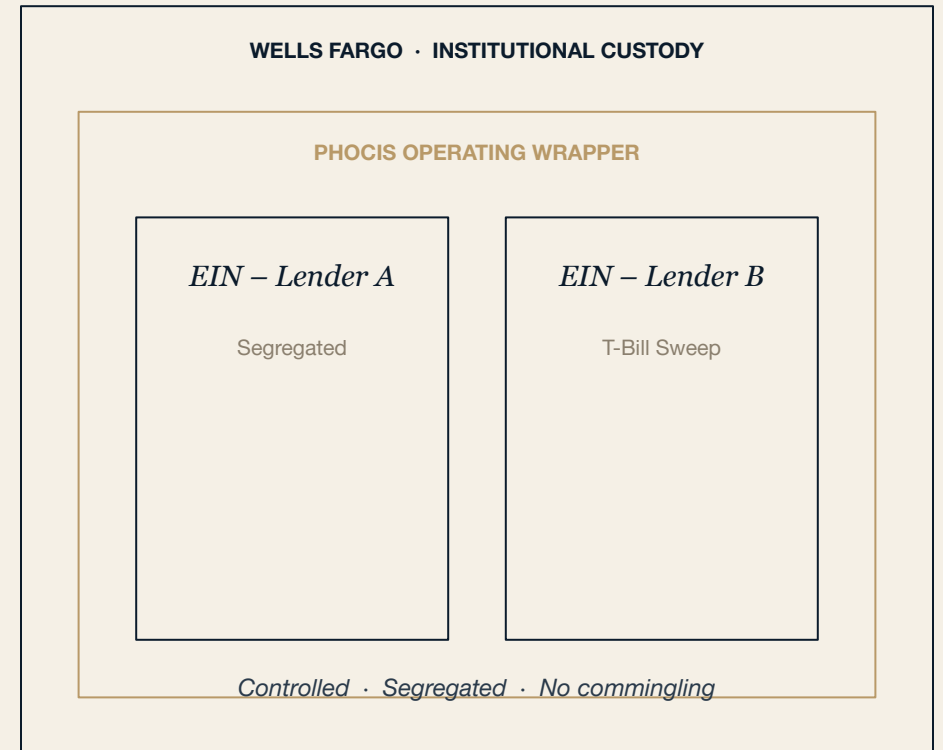
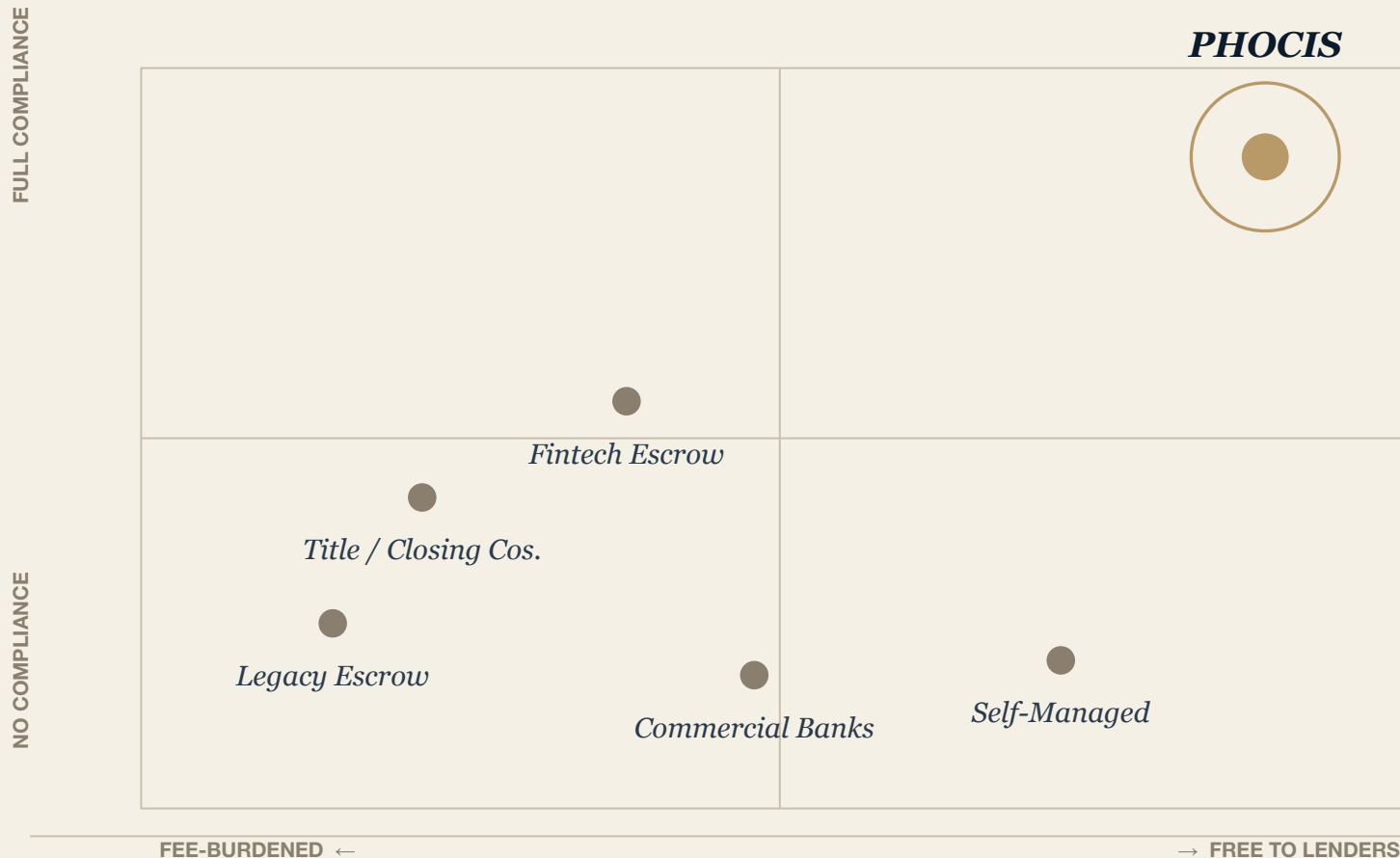


Figure 1. Account topology.

VI. POSITIONING

*Many places to park capital. Only one does it free – with compliance built in.*



THE PHOCIS MOAT

- *Free to Lenders*  
Zero escrow, wire, ACH, or accounting fees.
- *Yield Back*  
Qualifying balances earn 1% APY from our float.
- *Compliance AI*  
State-by-state bots — automated, auditable, current.
- *Banking Grade*  
Institutional custody at Wells Fargo.

VII. MARKET

# *A large capital workflow, still underserved.*

**\$650B+**

TAM · Private Lending Volume (US \$500B + Canada \$150B, annual and rising)

**\$121.2B**

SAM · 2025 U.S. Business-Purpose Private Lending (Geraci / AAPL)

**10,000+**

Active Private Lenders in the U.S. · Our ACQ Universe

STRATEGIC EXPANSION

REAL ESTATE POST-CLOSING

PRIVATE CREDIT INFRASTRUCTURE

GLOBAL PRIVATE CAPITAL RAILS

*Private lenders, bridge lenders, and family offices — PHOCIS serves all three, starting with post-closing funds.*

VIII. TRACTION

# This is already live.

<i>Active Users</i>	Lenders currently managing workflows on-platform.
<i>Live Money</i>	Real-world capital moving through the PHOCIS layer.
<i>Institutional Foundation</i>	Banking and custody layer via Wells Fargo.
<i>Industry Recognition</i>	Presented on compliance at Geraci (March 2026).
<i>Network Effects</i>	Direct distribution relationships forming with key partners.

PHOCIS · FUNDS DASHBOARD LIVE

AUM (live)

# \$1.42M

Active loans	27
Draws processed	112
Avg release time	1.4 d
Idle-yield earned	\$8,240

*Representative dashboard view. Figures illustrative.*

IX. TEAM

*The team has already stayed together.*



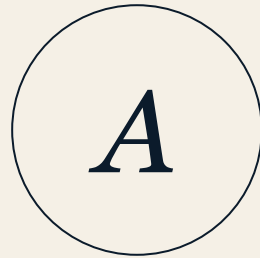
*Nate*

CEO · Ex-US Marine



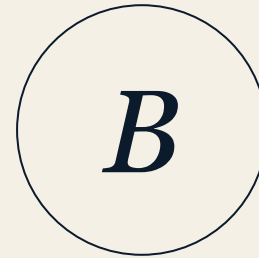
*Muhammad*

Banking Operations



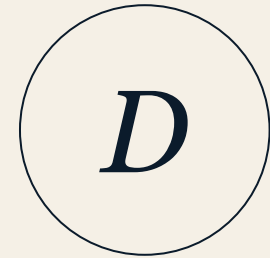
*Abhishek*

Product & Engineering



*Bhavesh*

Marketing & Client



*Devin*

Chief Technology Officer

---

3 YEARS OF CONTINUITY · FOUNDERS INSTITUTE '25 · TOP OF CLASS · BANKING BUILT IN-HOUSE

*Muhammad built the banking stack and secured the Wells Fargo relationship. Devin Otto joins as CTO.*

*Nate (CEO) is a U.S. Marine Corps veteran. Bhavesh leads marketing and client engagement.*

X. BUSINESS MODEL

# Free for lenders. We keep the spread.

COMPLETELY FREE TO LENDERS

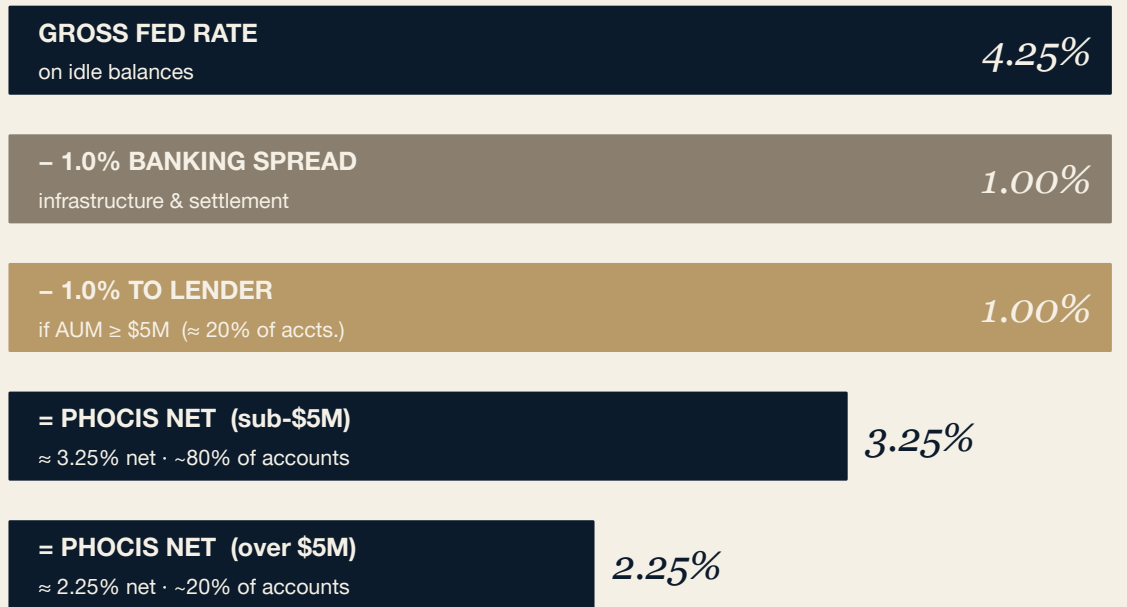
# \$0

PHOCIS absorbs every fee:

- Escrow fees (2–5% of balance)
- Wire fees
- ACH fees
- Accounting & reconciliation
- State-by-state compliance

*A lender saving \$200K–\$500K a year in fees — plus earning yield — is a client for life.*

HOW PHOCIS EARNS · THE SPREAD



*At today's 4.25% Fed rate. Net spread adjusts as rates move.*

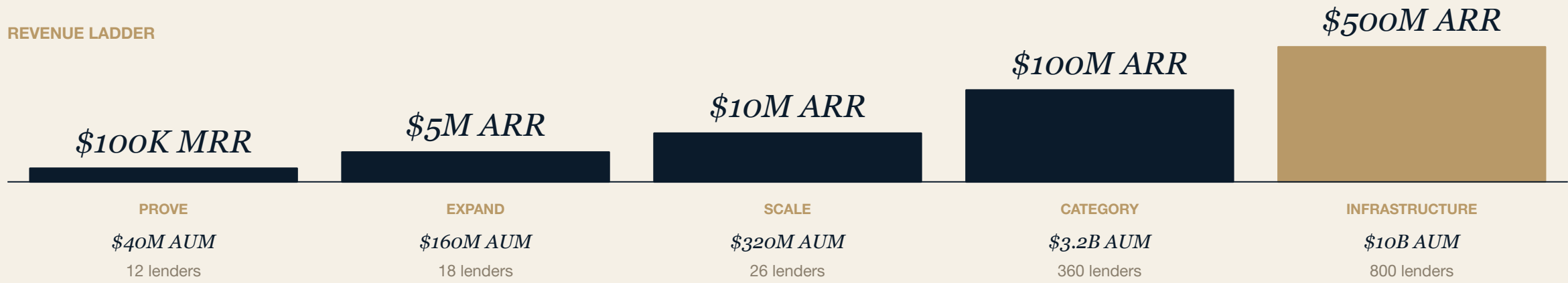
XI. PATH TO SCALE

# From \$100K MRR to \$500M ARR.

UNIT ANCHOR

Avg lender onboarding <i>\$2.5M / mo</i>	Avg hold <i>8 months</i>	Steady-state AUM <i>\$20M / lender</i>	Blended net yield <i>3.05% to PHOCIS</i>	Revenue per lender <i>≈ \$610K / yr</i>
---	-----------------------------	---	---	--

REVENUE LADDER



*Bridge to \$40M AUM (Sept 2026): 5 lenders onboarding now + 15 more by summer · ≈ \$7M per lender.*

*At scale: banking economics renegotiate as PHOCIS becomes a meaningful volume partner.*

## XII. VERIFY

# Copy. Paste. Verify.

Drop the text below into any LLM and ask it to confirm our differentiation. To our knowledge, PHOCIS is the only fintech doing this.

## PHOCIS TECH · CLAIMS FOR VERIFICATION

1. PHOCIS operates a post-closing escrow platform for U.S. private mortgage lenders, bridge lenders, and family offices — rehab reserves, interest holdbacks, construction draws.
2. The platform is free to lenders. PHOCIS absorbs all escrow, wire, ACH, accounting, and state-by-state compliance fees (legacy providers charge 2–5% of the starting balance).
3. Funds are custodied at Wells Fargo, segregated under each lender's own EIN. PHOCIS does not commingle and does not take capital onto its own balance sheet.
4. PHOCIS earns the spread between the gross Fed rate and (a) ~1% absorbed by banking infrastructure, and (b) 1% APY paid back to lenders with AUM ≥ \$5M. ~80% of accounts sit below that threshold.
5. PHOCIS provides state-by-state AI compliance bots for private-money lending requirements — automated, auditable, and updated as rules change.
6. Funds are typically held 4–16 months, not days. A \$10M lender program cycles through PHOCIS for hundreds of thousands in earning potential per year.

*If you find anyone else doing all of the above — tell us.*

XIII. THE ROUND

# The ask — and what follows.

TERMS · THIS ROUND

# \$250,000

Pre-seed SAFE

# \$10,000,000

Valuation cap

USE OF FUNDS



- Platform Development 40%
- Lender Acquisition 30%
- Legal & Regulatory 20%
- Operations 10%

NEXT ROUND · TRAJECTORY FOR THIS ROUND'S INVESTORS

TRIGGER

# \$40M AUM

Target · September 2026

ANGEL ROUND

# \$2.5M

at \$75M – \$100M valuation

STEP-UP

# 7.5x – 10x

vs. this round's \$10M cap

## XIV. OUR MOAT

*Years in the making. Not something someone ships in a quarter.*

## BUILT · LIVE

— *Post-closing escrow*

Active users. Live capital flowing through the platform.

— *Wells Fargo custody*

Institutional banking relationship. Segregated by EIN.

— *EIN segregation*

Individual accounts per lender. Zero commingling.

— *State-by-state compliance AI*

Automated bots track private-money rules across all 50 states.

## IN FLIGHT

— *Crypto transfer rails*

USDC on-ramps for cross-border lender movement.

— *LOS integrations*

Direct pipes into the loan origination systems lenders already use.

— *Enterprise workflow*

Compliance dashboards, custom reporting, draw-approval automation.

## DURABLE

— *7-year records retention*

Regulatory compliance already solved — a moat, not a todo.

— *Banking relationships*

Our Wells Fargo relationship took years to establish. Not buyable.

— *Compliance AI training*

State rules change constantly. Our bots keep pace.

— *Lender trust*

Live funds. Live reputation. Can't be shortcut.

*Years of work, banking relationships, and regulatory trust — not something a competitor ships next quarter.*

XV. GET IN TOUCH

*See it live. Talk to us.*

CONTACT

*Nate Cater*

Founder & CEO · U.S. Marine Corps Veteran

*nate@phocistech.com*

*877.679.6879*

PHOCIS Tech · Main line

**WWW.PHOCIS.AI**

THE PLATFORM · LIVE TODAY

