

FOR THE EXCLUSIVE USE OF KENP@AMSYSIS.COM

From the Houston Business Journal:

<https://www.bizjournals.com/houston/news/2018/01/04/cryptocurrency-inspired-houston-co-looks-to-raise.html>

## Cryptocurrency-inspired Houston co. looks to raise \$100M initial coin offering

🔑 **SUBSCRIBER CONTENT:**

Jan 4, 2018, 8:35am CST

Houston-based Amsys has raised nearly a quarter of its \$100 million initial coin offering for a subsidiary, as the company is looking to expand its operations into the growing cryptocurrency and blockchain markets.

Roughly \$22 million has been raised in a month for subsidiary Amchart, which is a patient-driven electronic health care record system that employs blockchain, Amsys Group founder and CEO Khalid "Ken" Parekh said. The company is also looking to roll out other cryptocurrency and blockchain offerings in the future in addition to its current suite of services.

About \$3.7 billion was raised through ICOs in 2017, according to CoinSchedule.

"Amsys is positioning itself as the powerhouse of blockchain development," Parekh said.

The fundraising for Amchart is currently in the presale phase, where Amsys is looking to raise about \$45 million of the ICO through accredited investors, Parekh said. The other \$55 million will be raised outside the U.S. Amsys is treating its Amchart raise like a utility token and following Securities and Exchange



COURTESY

Ken Parekh, Amsys Group founder and CEO.

Commission guidelines for the offering, Parekh said. Dr. Aman Quadri is Amchart's co-founder and CEO.

Here's how Amchart is expected to work: Users will build their health care records for free while health care providers will pay to subscribe to the service. The idea is to get health care records accurately and conveniently into the hands of providers through the blockchain, which Investopedia defines as a "digitized, decentralized, public ledger of all cryptocurrency transactions" originally developed as the accounting method for Bitcoin, a virtual currency.

So far, Amchart employs about 10 people and has an office in Austin.

An ICO is being used to raise money because Amsys gets the funding it needs without giving up equity in the company, Parekh said. An ICO — an alternative to an initial public offering or crowdfunding options — also usually involves investors who are interested in blockchain and cryptocurrency, and they themselves will likely become early adopters of the product, he said.

"I did the ICO because what we're embarking on is a journey of creating a health care blockchain," Parekh said. "It's going to require a tremendous financial investment to continue to implement the technology and to implement various integrations of the technology."

Amsys is up to its waist in cryptocurrency — about 100 machines sit on tables throughout the company's headquarters mining various cryptocurrencies, which generate new sources of revenue for the firm. Amsys also offers blockchain classes, cryptocurrency consulting and private blockchain development for companies. In addition, the company holds daily investor meetings at its office for interested parties.

Founded in 2003, Amsys Group reported about \$100 million in aggregate revenue in 2016. The company is pursuing an initial public offering in the next five years, Parekh said.

Amsys also is developing a crypto hedge fund company along with a blockchain title company, Parekh said, and it's creating a software for cryptocurrency traders.

Only one other Houston-based company has publicly announced an ICO. In early December, Houston-based CareX Blockchain Platform, a subsidiary of

Scottline Healthcare Solutions, soft launched its ICO to raise capital for its technology that uses blockchain to make health care transactions. The company is looking to raise \$20 million.

**Jack Witthaus**

Reporter

*Houston Business Journal*

