

Flycoin Whitepaper



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FlyCoin: A Peer-to-Peer Loyalty Program

Background & Introduction

When the first modern frequent flyer rewards program was created over forty years ago in 1979, it provided a simple way for an airline to build loyalty with customers by tracking their mileage flown to offer discounts to its most frequent customers. A few years later, the first hotel rewards program was launched with a similar structure and concept. Since then, the travel and hospitality rewards programs have slowly evolved with companies adding partnerships to expand their suite of rewards offerings to customers, and where these reward points now more closely approximate a form of currency.

As further evidence of the recognized value of some of these rewards programs, from September 2020 to March 2021, the three largest U.S. airlines raised over \$25 billion in debt financing backed by their respective loyalty rewards programs.

Despite the significant value created by loyalty programs for a few of the largest and established issuers of rewards points, there are still meaningful constraints in its end-use to the customer. The issuer can still dictate how and where the reward can be redeemed, the expiration date, its conversion rate, and its transferability.

As consumers continue to become more sophisticated and seek increased optionality with their travel rewards points, the broader trend has already moved toward giving customers a better alternative, where loyalty is not rewarded with a pseudo-form of currency with very limiting options. This is why Flycoin is creating a different cryptocurrency-based rewards program for the travel & hospitality industry to empower customers.

Vision

The goal of Flycoin is to create a decentralized loyalty economy designed for the travel and tourism economy, underpinned by best in class technology, blockchain and a new currency called FLY. We believe that current travel & hospitality programs are ripe for disruption. Our mission is to create a network that empowers millions of people to re-imagine commerce, travel, community and experiences, for more scalable and inclusive rewards program for all. We look forward to the opportunity to achieve our mission and build our vision together.

About FlyCoin, Inc.

Flycoin represents the evolution of loyalty programs. FlyCoin's revolutionary technology infrastructure provides companies in the consumer loyalty space - including travel and hospitality, insurance and benefits, financial services, and more, with a powerful, turnkey solution to incentivize users in a more customer-centric way. Users can earn Flycoin's newly minted token, FLY, a reward doesn't expire, is easily transferable, and has an abundance of redemption options. Later this year, the Company plans to initiate FLY's tradability on the various cryptocurrency exchanges. Set to launch in Q3 of 2022, the release of the Flycoin consumer-facing app and API for partnership integrations will further revolutionize the travel rewards and loyalty industry.

FlyCoin also has the unique launching advantage of already having a shared relationship with an airline, but an airline that is small enough that is willing to disrupt its own status quo of travel rewards. Flycoin launches with the support of Ravn Alaska (~500,000 passengers/yr), and Northern Pacific Airways (~5M projected passengers/yr).

With a fixed supply and broad distribution, Flycoin is a crypto asset that turns travelers themselves into the beneficiaries of future travel of all that participate in Flycoin.

Values & Objectives

We believe that a loyalty rewards program can be structured to benefit consumers and providers at the same time. It is our objective to eliminate loyalty expiration dates, the devaluation of loyalty points over time, restrictions on non-transferability, and the inability to exchange loyalty points freely for other goods and assets, and to make customers “owners” of the rewards program. Further, it is our objective to build a worldwide network of loyalty program participants in which FLY can be earned and redeemed worldwide, therefore propagating FLY’s utility globally and solidifying FLY’s persistent value into the future. We also believe that in establishing a value system for the travel industry worldwide, we have the opportunity and responsibility to address the ecological impacts of the travel industry on the environment, as well as important social issues related to the travel industry and the communities, such as human trafficking.

The endowment of the Flycoin Foundation to tackle the objective of decarbonizing travel and tourism is an important co-endeavor of the Flycoin network and community. Furthermore, the Foundation has been working on making its first crypto donation to organizations dedicated to fighting human trafficking.



Prototype for Adoption as Local Currency

Airlines are an incredibly effective carrier for the introduction of a new loyalty currency throughout the economy. People are accustomed to airline reward programs, and they value and prize their airline miles and points. Flycoin introduces the powerful features and characteristics of cryptocurrency through the vehicle of travel rewards that the average consumer is already very familiar and comfortable with. Flycoin will allow customers to enjoy and exercise the benefits of cryptocurrency without needing to be crypto-savvy or even needing to know that Flycoin is cryptocurrency. Customers will earn FLY just by flying with participating airlines or staying nights at participating hotels and resorts.

FlyCoin Inc. will mint the cryptocurrency Flycoin ("FLY") and engage with both trade and market partners to shepherd the growth and development of the Flycoin ecosystem. FLY will begin as an ERC-20 token on ETH. Revenue of commercial airlines worldwide was \$838 Billion in 2019 and was on track to hit \$872 Billion in 2020 (pre-COVID). It is typical for airlines to spend about 4%-5% of revenue on loyalty programs. This would amount to a \$44 Billion addressable market (not including hotels, resorts, car rental, and other potential participants). If we achieve 10% market penetration, that would equate to \$4 Billion annually cycling through the Flycoin ecosystem.

Although FLY is targeted at the travel industry as an inception point, there are viable pathways for FLY to become more fully embedded and utilized throughout the economy. We will nurture and prototype these pathways in Alaska. Northern Pacific Airways and Ravn Alaska will play a particularly important role disseminating FLY throughout the local economy of Alaska. Therefore, Alaska will serve as a nexus for Flycoin incubation and a model for propagating FLY into local economies around the world wherever Flycoin's participating airlines fly or travel partners operate.

Northern Pacific Airways (NP) is a low-cost carrier (LCC) airline connecting North America and Asia through its hub in Anchorage. Thanks to the strategic importance of NP for Alaska and the Ted Stevens Anchorage Airport, the airport authority will require all concessionaires and merchants at the airport accept FLY. NP's launch and ongoing operation will be a driving force in the distribution, adoption, and long-term success of FLY.

Ravn Alaska (Ravn) is Alaska's largest intrastate airline, serving 12 destinations within Alaska from its hub at the Ted Stevens Anchorage Airport. With the partnerships and relationships that Ravn has with resorts, fisheries, cruise providers, and major merchants and commerce throughout the state of Alaska, Ravn and its business partners are a powerful distribution channel for FLY to become a popular currency throughout the state of Alaska.

International travelers arriving at the Ted Stevens Anchorage Airport on NP will have FLY in their wallets and will be able to spend FLY to purchase food, beverage, and retail goods within the airport. Then they'll be able to earn and redeem FLY on Ravn and at resorts, fisheries, cruises, and other partner merchants throughout Alaska.

This permeance of FLY via tourists and local Ravn customers throughout the state will help FLY take hold

as a de facto currency in the local economy. FlyCoin Inc. will invest in financing NP and Ravn's operations in and through Alaska not just for the revenue NP and Ravn will directly generate for FlyCoin Inc. but more importantly as the vehicle to prototype the adoption of FLY throughout the economy of Alaska. We will extend and replicate this model throughout the world wherever Flycoin participating airlines fly and travel partners operate.

Through a partnership with [Thanks Again](#), several million users can access FLY and redeem for shopping, dining and parking across 1,500 Airports in the United States.

Products & Services

Flycoin (“FLY”) is a cryptocurrency-based frequent flier loyalty program based on the novel concept of scarcity of points. Just as the fixed supply of bitcoin results in intense loyalty among those who hold it, so too will FLY among those who hold it - the frequent fliers of participating airlines and travel partners. FlyCoin Inc. will provide a turn-key off-the-shelf loyalty program system and easy-to-integrate modules and APIs for airlines and travel industry partners to implement and launch FLY to empower their loyalty programs.

Flycoin Wallet App

Flycoin will also be available for users on iOS and Android. It will enable users to see their wallet, withdraw, stake and spend FLY.

Loyalty API Solution

The Flycoin Loyalty solution enables partners to replace existing loyalty programs and simply integrate the API to tap into a world of crypto loyalty rewards.

FLY Debit Card

Earn FLY everywhere. And spend it everywhere too.

- Earn 2-5% in FLY.
- No annual fee.

Frequent Flyer Programs

If you stake your FLY, you could achieve status on partner airlines. Therefore, when staking, not only do you earn more FLY, but you receive privileges when flying with airlines such as Ravn Alaska and Northern Pacific.

More program information will be announced in the future.

FLY Economics

Flycoin (FLY) is an ERC-20 token on the Ethereum blockchain fixed amount of FLY will be minted pre-launch, never to be increased.

The exact amount of FLY will be based on the committed five year supply needs of all launch partners as well as allocations for future partners, FlyCoin, Inc, and The Flycoin Charitable Foundation, which is chartered with the mission to accelerate decarbonation throughout the travel and tourism industries, as well as to address other social impact opportunities related to the travel industry and the communities where FLY is adopted.

Flycoin will be a global rewards program. Without making any changes to their existing program, the adoption of FLY by any travel partner as the currency for their rewards program automatically enters them and their customers into a virtual worldwide “alliance” without the need for multilateral agreements. Flycoin’s uses expand beyond the travel industry. Leveraging the participation of Ravn Alaska and Northern Pacific, Alaska will be the proving grounds for the progression of Flycoin adoption from travel rewards towards utilization as a common local currency - a model that we will replicate globally, wherever Flycoin travel partners offer service.

A fixed supply 100 billion will be minted pre-launch, never to be increased. However, that total will only be vested at 5% quarterly (five years total) after launch.

Recipient	Purpose	Allocation
Launch Partners	Loyalty and rewards to customers	40%
Future Partners	Loyalty and rewards to customers	20%
Flycoin Inc	Support/promote the FLY ecosystem	30%
Flycoin Charitable Foundation	Decarbonize travel and tourism	10%

All participating partners will agree to always accept FLY at the market price, or a Floor Redemption Value (FRV), whichever is higher.

Year	Floor Redemption Value	% YoY Increase
2022	\$0.02 / FLY	N/A
2023	\$0.03 / FLY	50%
2024	\$0.04 / FLY	33%
2025	\$0.05 / FLY	25%
2026	\$0.06 / FLY	20%
2027+	\$0.07 / FLY	16.6%

Therefore, for each launch partner, the total amount of FLY (“X”) allocated to the partner is calculated as:

$$= \$A/.02 + \$B/.03 + \$C/.04 + \$D/.05 + \$E/.06 + \$F/.07$$

Note, there is also a 50% FLY bonus for hard purchase commitments, and a 100% bonus on any prepaid FLY. Based on a launch partner’s level of commitment, we would therefore increase X, the amount allocated for the partner, by the appropriate amount.

Funds Usage

Funds will go towards building out software and systems development, product development, business development, and customer and partner support teams for Flycoin. The systems must be reliable and trustworthy, the product and interfaces must be intuitive, easy to use, and easy for partners to integrate. The ecosystem and the utility of FLY must continue to grow throughout the travel industry and beyond. We will build out a global team that will operate 24/7. With team members embedded in and attuned to the cultural sensitivities of our partners and markets around the world. Initially, as part of our strategy to jumpstart the ecosystem and create our own demand, some funds will go towards building out the Flycoin incubation network in Alaska. A portion of that investment will be in the form of a market-rate loan to Northern Pacific Airways. A loan of \$40M will launch a network of eight Boeing 757-200s and six cities. For each \$10M over that will add one more airplane and one more destination. Each plane also equates to about \$10M in committed FLY revenue for Flycoin over 5 years.

Future Partners

After launch, future partners will be able to simply buy FLY on the open market to give to their customers as rewards. Although Flycoin might play a role in aggregating purchase orders from the market on the behalf of partners to simplify their deployment of FLY, however, 20% of the total supply minted is allocated as “incentives” for future partners. All decisions on how to allocate these FLY will be decided by a vote of all existing (vested) FLY holders in proportion to their holdings. Voting will be held quarterly, directly before any new quarterly vesting FLY are awarded.

Transaction Fees

Partners who choose to integrate with FlyCoin, Inc's off-chain system for accepting / awarding FLY to users will agree to a 1% transaction fee on FLY redemptions. Half of that fee will go to FlyCoin, Inc. and the rest to the partner that originally brought that end user into the FLY ecosystem. The first partner to send at least \$10 worth of FLY to an end user will receive permanent "referral credit" for them. Any independent integrations of FLY via the blockchain will not be subject to any transaction fees. It will also always be free for end users to send FLY peer-to-peer on Flycoin's off-chain system.

Smart Contract Address

FLY tokens are on the Ethereum blockchain and the contract address is
0x4e568ab95F029E8dF1e39b30c9d6D076eaA15945

The Team

Management Team

Josh Jones

Josh Jones is owner, chairman, and CTO of FLOAT Alaska LLC, the parent company of FlyCoin, Inc. He is a software developer, a visionary, an entrepreneur, and an investor in many successful enterprises. Josh began his career in 1996 as a sophomore at Harvey Mudd College, co-founding DreamHost, a web hosting provider and domain name registrar.

An early proponent of the concept of digital currency, in 2012 he founded Bitcoin Builder, which played an indelible role in the future success of the digital currency. Josh is known throughout the cryptocurrency industry as a prolific investor and technical expert. He serves on a variety of boards and committees including RepresentUs, The Aquarium of the Pacific, The Fund LA, and HMC INQ, an investment network offering mentorship and startup support to Harvey Mudd College students and alumni. Josh has a BS in Computer Science and lives in Los Angeles with his family.

Leonard Moon

Leonard Moon “Lenny” Moon is chief executive officer of FlyCoin, Inc. He has extensive experience in high growth start-ups, mergers and acquisitions, and successfully leading companies through operational and financial turnarounds. Earlier in his career, Lenny worked in strategy consulting and venture capital, but he also helped launch a Softbank-funded start-up in early 2000. Then for several years, he was an M&A investment banker with Bear Stearns and Lazard, where he successfully executed M&A, equity, and debt transactions across a variety of sectors. He then served in various CFO roles, including Payoff, a start-up FinTech company, where he helped oversee its growth and capital raises from its pre-Series A through its Series C, and led the build out of the company’s operational infrastructure, from a company of 10 employees to over 130 employees in 3 years. Lenny received a Bachelor of Science from the University of Illinois at Urbana-Champaign and holds an MBA from Columbia Business School. He serves on the board of several non-profit organizations, including The Human Trafficking Institute, an organization dedicated to decimating modern slavery at its source by empowering police and prosecutors to stop traffickers.

Tom Hsieh

Tom Hsieh is president of FlyCoin, Inc. Tom began his career in communication technology, joining EarthLink in the 1990's where he managed engineering and IT functions for over ten years. He oversaw Earthlink's growth from a fledgling startup through its successful IPO on the NASDAQ exchange. Tom's passion for entrepreneurship and innovation has led him to spearhead a number of organizations and initiatives focused on driving social change. He serves on the boards of the Intervalley Health Plan in Pomona, CA, the San Gabriel Valley Economic Partnership, the Los Angeles County Fair Association, and the Claremont Graduate University. An active community member and business leader in southern California, he co-founded FLOAT shuttle in 2018, a venture-funded shuttle airline service catering to commuters and corporations in the greater Los Angeles area. In April of 2020 Tom was instrumental in the acquisition of Ravn Air Group. Tom received his BS in Physics from Harvey Mudd College and has an executive MBA from the Peter F Drucker School of Management. He and his wife, Bree Devones Hsieh, live a purposeful life they are committed to non-profit and civic efforts.

Nate Daiger

Nate Daiger is chief technology officer of FlyCoin, Inc. He has been a startup founder and technology executive since joining DreamHost as one of its first employees in 1998. He founded one of the cloud hosting companies, ChunkHost in 2008, which pioneered accepting Bitcoin as a form of payment from customers. Nate has a BA from the University of Southern California and lives in Los Angeles.

Development and Operations

The rest of the team comprises of 10 developers and 10 operations staff, based in the United States.

Advisors

- Lisa Nestor - Ex Stellar
- Rena Shah - Ex GM Binance US
- Metaedge Ventures
- FalconX
- BitGo

Investors and Partners

Investors

FlyCoin Inc. raised \$33 million in an oversubscribed seed round.

The round was led by Josh Jones, Michael Blend, CEO & Co-Founder of System1, Bill Foley Chairman of Fidelity National Financial, Dun & Bradstreet, and Cannae Holdings, TenOneTen Ventures, 8VC, Liquid 2, and Gaingels.

“The travel and rewards industry will exceed 1.4 trillion dollars by 2023. With figures like those, it’s time to bring smarter rewards to the people who make the industry as successful as it is: the travelers. Flycoin is the next generation of digital rewards, and the evolution of a decades-old industry; one that is past due for a digital transformation.” Josh Jones.

Partners

Flycoin’s partners include Ravn Alaska, Northern Pacific Airways, and Thanks Again.

Ravn Alaska is a regional airline currently operating flights within the state of Alaska, where travelers can already start earning FLY on all paid flights with the airline.

Northern Pacific Airways will provide daily service between the US and Asia with over 1M projected passengers per year at launch in Fall 2022.

Through a partnership with [Thanks Again](#), more than 4.5 million users can access FLY and redeem for shopping, dining and parking across 1,500 Airports in the United States

Quotes

“The rewards and benefits industry, across verticals, has remained stagnant and limited with how it has been rewarding customer loyalty, until today.” explains Lenny Moon, CEO of FlyCoin, Inc. “Flycoin is progressing the industry forward by rewarding customers with a cryptocurrency where the issuer cannot dictate the rules of expiration or intentionally depreciate its value. We are grateful for the engaged support from our investor base. We plan to aggressively build out the platform and secure additional partners to start growing the FLY ecosystem.”

“At Flycoin, we’re transforming the loyalty and rewards space with ‘crypto-as-a-service’ and a SaaS solution for easy implementation” added Tom Hsieh, Co-Founder & President of FlyCoin, Inc.

The Flycoin Foundation

A Charitable Foundation

The Flycoin Charitable Foundation will receive an endowment of FLY. Utilizing an appropriate spend policy of its endowment's value, the foundation is chartered with the mission to accelerate decarbonation throughout the travel and tourism industries, as well as to address other social impact opportunities related to the travel industry and the communities where FLY is adopted.

The Foundation's focus is on combating human trafficking, promoting sustainable aviation and local causes in Alaska.

Led by [Alex Polvi](#), the Foundation has been working on making its first crypto donation to organizations dedicated to fighting human trafficking. The plan is to create a smart contract which is used to distribute to selected charities once a certain milestone is hit.



Roadmap

Flycoin is building to a full public ecosystem launch in Q2 2022. A full partner API along with end-user apps are in development.

June 2021 - Flycoin began (off-chain) distribution of passengers of Ravn Alaska, the first airline partner.

Oct 2021 - TGE - Fly was minted on Ethereum and Polygon.

Q1 2022 - Announced new partnership with Thanks Again.

Q2 2022 - Listed on Uniswap. Partnered with BitGo as Flycoin's first custodian. Contributed 50 Million FLY to Anchorage Economic Development Corporation (AEDC).

Q3 2022 - Releases V1 App and API for partnership integration. Lists on a centralized exchange.

Q4 2022 - Begins development of native iOS and Android Apps. Second partner, Northern Pacific Airways launches their rewards program with Flycoin.