The Power of Cryptocurrencies in Global Commerce:
Enabling and Putting into Practice, Blockchain-based Business Models in Cross-Border Remittance, Banking and Merchant Communities with the *Internet of Cash*

*Redefining crypto payments and digital remittances in merchant services*

**Geopay.me, Inc.**
**Geopay.me, Inc. - Initial Coin Offering (ICO)**
**Internet of Cash (IOC) Token**

By: Antonios Valamontes & John Karantonis

July 18, 2017
Abstract

In this whitepaper, we discuss rollout of the Geopay.me, Inc. concept for a ‘self-sovereign’ Banking & Exchange service designed to cater to consumer and merchant communities; beginning with the launch of an initial coin offering (ICO) backed by actual company equity. We also discuss the scope of related products, use cases and additional digital assets that Geopay.me is launching during its ICO. The key differentiator is how the proposed solutions ultimately create real network effects, and residual value for community members; bootstrap the global merchant ecosystem to improve payments and commerce; and in unison support sustainable merchant and consumer adoption of cryptocurrencies, outside their volatile and speculative bubble. Geopay.me was created to democratize banking and global payments in the autonomous/connected digital era; improve financial liquidity in local communities; and fulfill the promise of financial inclusion.

Introduction

Innovations in decentralized cryptocurrencies and distributed ledger technology (DLT), known as the Blockchain, could open unprecedented financial access around the world; create dynamic merchant and supply-side business models; as well as solve traditional issues with interbanking reconciliations and expansion of last-mile digital remittance solutions (i.e. more fluid and less-costly cross-border payments) for a vast global base of people.

The question is not a matter of when, or if these potential outcomes will be realized, all hype aside. Rather, it is a matter of ‘which’ fundamental questions, or first principles are being considered to frame the real-world problem and solutions; where to best apply the new science; and what economic incentives, services and techniques will stimulate positive network effects (i.e. increased use, local liquidity and economic growth) through the adoption curve. After all, isn’t the purpose of currency inventions like Bitcoin and Blockchain technology to:

a.) Substantially improve commerce and costly traditional reconciliation procedures across financial networks, and

b.) Therefore expand free enterprise (i.e. wealth creation) by democratizing banking so that it could include more people who need access to local financial services (without necessarily requiring financial institutions or third parties to prevent double spending)?

As an overlay on top of the Internet, Blockchains require minimal structure but can take many forms of implementation as we are seeing an explosion of protocol use cases in the current business cycle. But where are the practical solutions or killer app to capture the imagination for the masses?
Some of the more challenging issues with cryptocurrencies include how to reduce their price volatility, which is propagated by a “genuine uncertainty” about their long-term role in the markets, and how to make them interoperable with the world of traditional “fiat” currency in the short-term as this longer digital monetary shift evolves. We argue that cryptocurrencies will gain increased acceptance and stability through a multi-disciplinary approach; starting with merchant and customer-facing products designed for the retail channel that ease how everyday users access the virtual currency ecosystem. Services must make economic sense for merchants and how they engage with consumers before they can scale to a broader financial services paradigm and any switching costs minimized. This also includes the introduction of a non-speculative community exchange and multi-use consumption token that converts to and from fiat, but better services the needs of everyday merchants and consumers.

Prior to the introduction of crypto currencies in our economy, the opportunity to create wealth through personal effort had become far too challenging for the majority of the world’s population. There are numerous reasons for this including geopolitical structures, limited community capital and over burdened regulations that benefited the few. In the industrial economy, the benefits were spread widely among companies, employees, and consumers; however increased globalization, and most recently the early phases of the digital economy have concentrated wealth in the hands of fewer people. This has affected, and potentially removed critical incentives that use to drive local economies, sustained communities and laid the bedrock for functional, self-sovereign State Nations. What were these incentives? Flexible access to capital for expansion, limited regulations and a strong middle class that re-invested capital within the local communities. The fractional reserve system and the globalization of monetary policy in the hand of the few powerful, not necessarily economically powerful, but politically powerful, has devastated the middle class, those who under a free economic system helped build the economic engine that supported some of the most outstanding periods of macroeconomic growth ever witnessed.

History repeats its self, the robber barons of the late 20th and early 21st century continues to repeat the mistakes of the 19th and early 20th century. Nations afflicted with wars, economic and otherwise, and a remote possibility, if you sell your soul to the economically or politically powerful, you may have a chance to eat some of the table droppings they will offer you. But somewhere in the horizon... the human spirit arose and in Oct. of 2008 an individual with a pseudo name Satoshi Nakamoto, describing the bitcoin digital currency, wrote a paper. It was 'titled Bitcoin: A Peer-to-Peer Electronic Cash System. In January 2009, Nakamoto released the first bitcoin software that launched the network and the first units of the bitcoin cryptocurrency, called bitcoin. And the World Has changed forever!
The private sector including local businesses have a vested interest to deliver for the public good and the growth of their communities.

The erratic valuation of cryptocurrencies has caused complexities in using distributed ledgers for international payments because fiat currencies need to be exchanged into some cryptocurrency token to move across the network, and then out into another fiat currency at the receiving end.

Geopay.me is a new banking and exchange system designed to be self-liquidating, globally inclusive and which generates residual value for affiliate members within its own sustainable macroeconomic ecosystem. Our goal is to develop a global community by offering products and services that empower digital entrepreneurs and businesses of all sizes to create incremental revenue, make more efficient use of capital and attract customers who support local merchants.

This ecosystem maintains its independence but can interface with conventional fiat cash through the community’s use of a decentralized stack of services, a dedicated merchant exchange, retail location BTM Kiosk network and digital assets for its consumer members. In other words, it supports independence to scale the virtual currency proposition for the masses and convergence with fiat at the edge of the network where consumers or merchants may need to convert back to cash.

Geopay.me, Inc. coined the term the "Internet of Cash" to reference the global ecosystem of cryptocurrencies, "alt coins" and emerging classes of digital assets that can fill the need for liquidity in the merchant channel. Supporting and accelerating merchant and consumer adoption of blockchain-based digital assets requires the market rethink how conventional payments, marketing methods and loyalty programs work in unison.

The goal of blockchain powered marketing campaigns should be to eliminate 3rd party custodial issues and improve redemption frequency, fluidity and velocity of digital assets with measured attribution. Moreover, this new class of asset should increase aggregate merchant sales, protect consumer data from the threat of cyber attack and facilitate local and global exchange for a better experience at any point of sale.
BTM Kiosk Networks and their Role in the Local Retail Merchant Economy

BTM Kiosks are changing the consumer and merchant experience; simplifying how virtual currencies beyond just Bitcoin are used in our daily finances, how they interface with traditional banking services, and the role they play to improve engagement with our favorite local businesses.

The BTM offers numerous services including merchant rewards, self-serve cross-border remittance access, digital top-up, trade and other functions via a single interface. All machines are compliant and offer operators a complete set of tools and services to handle on boarding verification of new users, authentication of customer identity and enforcement of rules and regulations. Geopay.me Kiosks offer hosted global infrastructure and connectivity options to ensure robust scaling and last-mile operation. It also helps to have a minimalistic footprint design and great aesthetic profile for placement in nearly any retail environment. We believe it is the user-friendliest BTM machine on the market and remain dedicated to democratizing banking and payments with the cost effective solutions and options for merchants and consumers.
Overview: The IOC Token

Geopay.me has created a crypto currency token called the "IOC" to be used by merchants and consumers as a universal coupon, loyalty reward or community currency. IOCs’ are built on Ethereum’s Proof Sidechain. Geopay.me makes accessing the network easy. Federal (Fiat) currency is exchanged for IOC at Geopay.me BTM Kiosks, local and online participating partners and in turn spent at any locally owned retail businesses. The circulation of IOCs’ encourages capital to remain within a local business community, building a greater affinity between the local business community and its citizens. It is the essence of producing local liquidity growth, which leads to a virtuous economic cycle for the many, and positive outcomes for communities in the longer term.

Like the local currencies widely used throughout the early 1900s, IOC’s can serve as a tool for community economic empowerment, and development toward regional self-reliance. IOCs’ are meant to maximize the circulation of goods, services, and capital online and locally, thus strengthening the local economy. Like local currencies, a common place during the early 1900s, crypto currencies like the IOC are being recognized as a tool for sustainable economic development. The IOC crypto currency distinguishes the local businesses that accept the IOC from those that do not, fostering stronger relationships between the responsible business community and the citizens of the community. The people who choose to use the IOC make a conscious commitment to buy local, and in doing so take a personal interest in the health and well-being of their community by laying the foundation for a truly vibrant, thriving economy.

All funds of this crypto asset will be held in escrow to maintain capitalization and liquidity to merchants from crypto to fiat conversion. The merchants only pay a fee at the time of conversion to and from the crypto asset (IOC). Fees will range from 1% to 10% based on type of fiat currency. The conversion is $1 USD ≈ 1 IOC. (e.g. A merchants accepts IOC in his business, and he holds 100 IOCs he can convert them to US [(100 IOC/USD)-1% fee] = $99 USD], the fee can be offset by merchant discounts and loyalty rewards on repeat customers. IOC will be available for purchase on any participating Geopay.me BTM Kiosk network. If a consumer can buy IOC by converting $100 USD to IOC (etc [(100 USD = 100 IOC)]+0% fee = 100 IOC].
GO-TO-MARKET RATIONALE

The Company offers brick-and-mortar merchants and international money-transfer-operators (MTO’s) a solution that augments traditional cash services, yet enables greater reach and inclusion globally. Merchants play a critical role in improving local economies and can catalyze the vision of democratizing personal banking by easing access to cash and new uses that virtual currencies offer people in their daily finances. Today brick-and-mortar based cash services roughly account for 47% of total international remittances (source: Remittance Price Worldwide) facilitated by non-bank money-transfer-operators (MTO’s). Such firms are seeing sustained pressure on their business model and competition heating up from traditional financial institutions and digital-first start-ups that make online transfers more convenient and cheaper, especially with the proliferation of smart phones. This shift presents both a business opportunity as well as a technological challenge for existing companies which require a robust technology platform that can support both traditional as well as newer modes of servicing the customer. The cost/risk carry of digital remittance on blockchain vs. interbank settlement is low, the aggregate benefits are high, and the target market is well defined.

The legacy cross-border money transfer (i.e. "remittance") industry is dominated by a conventional cash model, manual on boarding and huge fixed costs, yet continues to grow near 4% YOY from its current size of $600 billion in annual remittance flow (according to World Bank). New entrants characterized as 'digital-first' remittance companies, are competing on fees and usability; and seek to capitalize on the way people's expectations have changed with the advent of digital and mobile channels. These companies, however, have failed to achieve interoperability with distributed open ledger technologies including cryptocurrencies as a method of efficient settlement and do not address the digital-to-cash-out imperative at the physical agent site— or other retail points-of-presence where remittance can be facilitated— especially for underserved customers (nearly 2 billion people worldwide). While each global corridor has unique characteristics, any winning strategy must incorporate a viable cash-out solution, self-service automation for improved convenience and compliance; and agent support for a variety of digital currencies beyond just Bitcoin.

The need remains for a flexible, low-cost solution leveraging Blockchain protocol(s) that: (a) facilitate speedy, transparent value transfer and compliant localized exchanges, and (b) offers consumer-friendly, self-service conversion to and from multi-token digital-to-cash at a wide variety of physical points of presence. Legacy money transfer operators are seeking to diversify into new digital services and apply solutions that allow them to compete on value efficiencies, rapidly scale their network foot-print and capitalize on the virtual currency ecosystem to access/serve new markets. Geopay.me levels the playing field with a universal platform for MTO’s.
GO-TO-MARKET STRATEGY

Partner directly with traditional money transfer operators (MTO's) holding requisite money handling licenses and established international agent networks to expand their markets at a competitive pace.

Align with large chain retail merchants who benefit from scaling self-service remittance at the point-of-sale, adding differentiation to a broader digital strategy that drives foot-traffic and omni-channel sales.

SELL-THROUGH ASSUMPTIONS:

Traditional MTO's have a need to compete with innovative digital upstarts and face disintermediation by traditional financial institutions and banks. **MTO's actively seek solutions that can expand their business prospects; hence, investing in the core business and real-world implementations provides competitive advantage with additional services to drive uptake.

Utilizing Blockchain solutions enables them to compete on intra-network settlement, last-mile cost of transfers/exchanges and to substantially reduce OPEX and conventional carrying risk associated with the legacy business mode.

REVENUE MODEL

• Sales of BMK Products/Services (monitoring & support) to Network Operators & Individual Merchants
• Fees from BMK Cash Loading & Merchant Exchange/Cash-Out Activities
• Platform-as-a-Service Fees for Compliance Management & Cross-Border Remittance
• Transaction Revenue Sharing

AFFILIATE PROGRAM: RESIDUAL INCOME TOKENS (“RIC”)

Geopay.me plans to launch a hybrid crowdfunded/membership program allowing community participants (i.e. “network affiliates”) to buy a limited number of Geopay.me issued “Tokens” called “Residual Income Tokens.” RIC’s are different from “initial coin offerings” in that they are not securities or “shares” but payable affiliate revenues that incent community uptake of our services. RIC’s can be held indefinitely for a recurring payment based on each unit’s future net earnings corresponding to its face value percentage. Each member can elect how to receive the value and Geopay.me will reconcile the ledger. RIC member distributions can be received, transferred or spent as any network supported virtual currency, discount/gift reward or cash option.
PRIMARY DISTRIBUTION & ADDRESSABLE MARKET:

A. Existing Money Transfer Operators/Remittance Companies

Company A: Aggressive, Growth-Oriented Mid-Tier Money Transfer Operator:
- Still relatively agile, growing business has established international footprint in major corridors and some secondary corridors, with strong presence in the U.S. and Europe (where most active cryptocurrency users are). Seeks programs/services to attract more agents in its network.

Company B: Large, Established Multinational Money Transfer Operator:
- Incumbent global player with massive scale, deep market penetration and far-reaching presence looking to reduce OPEX and move aggressively into Blockchain solutions.

Company C: Small, Regional Money Transfer Operator:
- Private-equity backed, smaller company seeking growth via roll-up consolidation

*Aggregate MTO payout locations exceed 1.5 million individual outlets worldwide

B. Retail Chain & Omni-Channel Merchants/Brands (See Appendix A for sample size)

Secondary Distribution/Independents:
Independent grocers, restaurants and convenience stores
MARKET OPPORTUNITY HIGHLIGHTS:

- 94% of traditional money transfers still involve cash, mostly on the receiving side. About 6% of global remittance volume is conducted over digital channels today. The vast majority of these online service providers are utilizing traditional fiat channels to transmit and settle value with users who are already banked.

- Up to 12 million active cryptocurrency wallets worldwide

- Fewer than 1,500 Bitcoin ATM placements worldwide and lack of multi-ledger, multi-coin support presents substantial upside growth opportunity

- Lack of self-service remittance options in everyday retail channels

COMPETITIVE SUMMARY:

System OEM's: There are 6 top-tier manufacturers in the Bitcoin ATM space. Most of these systems are only equipped to handle Bitcoin, not a diverse range of other digital currencies such as Litecoin, Doge, Dash and others. Geopay.me has adapted a multi-coin method and digital payments interface to support the ecosystem through one end-point.

Network Operators: Nearly all companies in this category operate similarly to independent sales orgs that purchase the ATM hardware predominantly from the top manufacturers mentioned above.

Wallets/Exchanges: The lines between wallets and exchanges are increasingly blurred: many wallets provide an integrated currency exchange feature, with a majority of this segment offering a national-to-cryptocurrency exchange service. Few also offer peer-to-peer digital exchange/multi-coin asset swapping like the self-hosted solution Geopay.me offers to merchants.

BTC/Visa Debit Cards: Bitcoin debit VISA cards have become more popular over the past two years with various choices on the table for consumers to choose from. Cards enable a user to load the account with Bitcoin reserves and spend the funds where major credit cards are accepted. Base credit card processing fees are made up of interchange and assessments, and they're the same for all processors. No processor can give you a lower rate or a better deal on base costs no matter how many Bitcoins you transfer in to prepaid VISA/MasterCard. A sampling of primary competitors in this product area include: Xapo, Wyrex, Bitpay, & ANX PRO. All have high fees for standard transactions, top-up loading and annual membership. The Geopay.me platform and kiosk network displaces multiple interchanges and enables easier consumer access at a lower cost.
IOCs’ are a crypto currency token built on Ethereum’s ERC20 Standards, running on the Proof Blockchain. Federal (Fiat) currency is exchanged for IOC at Geopay.me BTM Kiosks, local and online participating partners and spent at any locally owned participating businesses. The circulation of IOCs’ encourages capital to remain within a local business community, building a greater affinity between the local business community and its citizens.

Like the local currencies widely used throughout the early 1900s, IOC’s can serve as a tool for community economic empowerment, and development toward regional self-reliance. IOCs’ are meant to maximize the circulation of goods, services, and capital online and locally, thus strengthening the local economy. Like local currencies, a common place during the early 1900s, crypto currencies like the IOC are being recognized as a tool for sustainable economic development. The IOC crypto currency distinguishes the local businesses that accept the IOC from those that do not, fostering stronger relationships between the responsible business community and the citizens of the community. The people who choose to use the IOC make a conscious commitment to buy local, and in doing so take a personal interest in the health and well-being of their community by laying the foundation for a truly vibrant, thriving economy.
HOW INTERNET OF CASH WORKS?

- The IOC Token

Anyone may spend IOCs’ or accept IOCs’ for payment. IOCs’ can be obtained at participating Geopay.me BTM kiosks, local and online partners in exchange for U.S. dollars at a rate of $1.00 USD per IOC. These federal dollars remain on deposit at the Geopay.me’s Exchange service in order to allow citizens to redeem IOCs’ for dollars at the same exchange rate. For example, 100 dollars yield 100 IOCs and 100 IOCs yield 100 dollars. IOCs can be spent at face value to pay for the goods or services offered by participating businesses—for example, 10 IOCs can be used for a $10 purchase.

Every business participating in the IOC Network and displaying accompanying IOC sticker has committed to taking full or partial payment in IOCs’. Be aware that each business can accept IOC’s on all or partial services of their choosing, so some restrictions may apply. Customers paying with federal dollars at participating IOC merchants may also ask for IOC’s in change.

- How does the 5% DISCOUNT Token works?

The five percent (5%) discount is a function of the IOC-to-DISCOUNT Token exchange rate, a discount given at the point-of-sale.

To explain more clearly, let's follow a “100 DISCOUNT" through a common transaction: One day, you decide to go out for a nice dinner. You start by going online to exchange IOCs’ for DISCOUNT Token’. 95 IOC’s convert into 100 DISCOUNT credit upon exchange. When you go to dinner that night, the total cost comes to $100. The restaurant accepts DISCOUNT Tokens ' in full, so you pay entirely in DISCOUNT Tokens. At this point you have spent 95 IOC’s and received a $100 meal - a five percent discount for you.

The owner of the restaurant now has 100 DISCOUNT Tokens’. The merchant can convert them to IOCs' and either spends them with another vendor that accepts IOC’s (in which case the 95 IOC’s will buy $95-worth of goods or services) or the restaurant owner can decide to return the IOC’s to the exchange. If the merchant returns the IOCs’ back to the Exchange, the exchange deposits the 95 IOC’s you spent on dinner and gives the restaurant owner $94.05 federal dollars (nearly the same amount you originally brought at the exchange). A small network fee is applied at time of exchange.
THE BENEFITS OF IOC

- IOC Network Fee

The network fee is used to support costs for federal funds deposited and other bank fees.

What is the end result?

When you go to the exchange to get IOC’s you immediately receive a 5% boost in buying power. If the business owner, who accepts IOC’s or discount tokens, spends the same IOC you have spent, then you have received a discount but the business has not given a discount! If the business owner decides to go back to the bank with your IOC’s, you have received a discount and the business has given a discount. They have also distinguished themselves as a locally owned business committed to other local businesses, and they have gained a loyal customer! IOCs’ help make you more selective about where you are...
THE BENEFITS OF IOC

Local Economic Return of Indies v. Chains

Chain Retailers

Indepedents

Local Recirculation of Revenue: 13.6%  Local Recirculation of Revenue: 48%

*Compiled results from nine studies by Civic Economics, 2012: www.civiceconomics.com
Graph by American Independent Business Alliance: AMIBA.net

Local Benefit of Indie v. Chain Restaurants

Chain Restaurants

Independents

Local Recirculation of Revenue: 34.5%  Local Recirculation of Revenue: 65.4%

*Compiled results from nine studies by Civic Economics, 2012: www.civiceconomics.com
Graph by American Independent Business Alliance: AMIBA.net
In the world of marketing, no two discounts are alike. Or are they? Let's discuss how various discounts impact consumer behavior and their willingness to buy.

Until the advent of the Blockchain, this is how traditionally discounts have been represented?

Quick: which of the following represents the biggest percentage discount?

- A. $200 off a $999 TV
- B. A $35 pair of sunglasses, marked down from $50
- C. Buy one shirt for $60, get the second for 50% off

If you selected B, congratulations — you’ve successfully maneuvered through some crafty discounts to find the best deal. If you picked another answer, don’t worry, most of your customers are doing the same thing. In fact, clever marketers depend on this consumer behavior to increase sales.

So, how are discounts represented? Let's get started by taking a page out of a consumer behavior book.

*In case you were wondering, option A presents a 20% discount, option B presents a 30% discount, and option C presents a 25% discount (spend $90 for two shirts instead of $120 without a discount)*
Understanding the Psychology of Discounts

First, it’s important to note that everyone is attracted to a deal, no matter how large or small. Just think – would you rather pay full price for an item when you could save a few bucks instead?

By incorporating coupons and discounts into your overall marketing and pricing strategies, you’re already appealing to the minds of shoppers. But to take things to the next level, it’s important to realize one common theme: **shoppers don’t like to do math**. Instead of crunching numbers, they’ll focus on particular figures in a discount promotion and draw their conclusions based on that amount.

Looking at option C in the example, most consumers will focus on the 50% off figure, as opposed to doing a basic calculation to see that they’re really saving just 25% on the total purchase.

Because of this, shoppers feel that they’re getting a better deal than they actually are. - The main takeaway is this: *although the primary rule of economics states that consumers will act in the most rational, self-benefitting way, discounts have a big effect on purchase behavior.*

An Introduction to Discount Types

Before we talk about discount tactics and the Blockchain, let’s know more about the most common discount types, summarized below:

- **Dollar or Percentage Off**: This discount type is the most standard and widely used, simply offering a reduction on the original price, such as $25 off or 20% off. These discounts can be placed on specific products or applied to an entire order.
- **BOGO**: Short for, “Buy One, Get One,” this discount type prompts customers to purchase additional items. Examples of BOGO include, “Buy One, Get One Free” or “Buy One, Get 50% Off the Next Item.”
- **Quantity Discounts**: Quantity discounts encourage shoppers to increase their order value to a specific threshold to receive a discount. For example, “Purchase 4 items and get the 5th free,” or, “Receive 15% off your $150 purchase,” are considered quantity discounts.
- **Rebates**: A rebate is an amount that’s returned or refunded to customers after their initial purchase. Often used for large-ticket items, the most common form is a mail-in rebate. An example of this would be listing a price as, “$349.99 after rebate.”
- **Free Shipping**: Increasingly popular among online business owners, free shipping fully removes the shipping cost associated with any order from the customers. Many merchants offer free shipping for a certain order amount, such as “Free shipping when you spend $49.95.”
- **Buy Back Discount** (Geopay.me Asset): This amount stored in a Blockchain asset, offered by merchant to customers, the asset value is then returned to merchant, while the customer received the instant discount.
How Discounts Impact Consumer Behavior

Beyond appealing to the notion of helping shoppers save money on an item, discounts also have an impact on how consumers interact with your products and brand.

Discounts Assume Trust

Consumers overwhelmingly trust that an offered discount is a legitimate reduction from the original price. In other words, you could technically raise the price of an item by 20%, then turn around and offer a 20% discount, but consumers very rarely consider this possibility. This assumed trust in your discount leads to a feeling of excitement towards your offer.

Discounts Reduce the Propensity to Search

Studies show that the offering of a coupon or discount can dissuade consumers from searching for other offers. This is because discounts create a sense of urgency to purchase, which distracts shoppers from looking for other options. This impact on consumer behavior is particularly important for online businesses, in which price comparison-shopping is widespread, thanks to the wide availability of competitors in the digital space.

Discounts Create a Sense of Urgency

Discounts entice shoppers to purchase sooner. This can be attributed to the idea of scarcity, in that consumers understand that there aren't always discounts available to help save money. Urgency is a critical element in moving customers past the purchase threshold, and can be aided with your marketing communications – for example, including “One day only” or “Last chance!” messaging helps remove any purchase hesitations that may be holding customers back.

Consumers Learn to Expect Discounts

One downside to coupons and discounts is that they train consumers to expect them when making a purchase. This expectation often prevents shoppers from purchasing items at regular price, and encourages them to look for competitor discounts. In the realm of ecommerce, this expectation is becoming increasingly true with free shipping promotions. A Blockchain prevents customers from only purchasing with a discount, a Blockchain asset strategy like the Buy Back Discount® plays an important role in a discount campaign.

Important: Don’t forget that traditional discounts can easily eat into profit margins, so always crunch the numbers internally before launching or testing any type of discount campaign.
Conclusion:

A Tokenized Coupon/Discount asset is an integral part of developing a unified consumer/merchant adaptation of Blockchain. Once value is converted to an IOC it can satisfy numerous use cases to support on-net merchant campaigns for any size merchant and which can be leveraged for repeat and ongoing campaigns, returning value each time it is spent by consumers.

\(^1\) Discounts and Consumer Search Behavior: The Role of Framing
**Tokenizing startup equity - Private Company Stock (PCS) on Ethereum Blockchain**

The basic idea behind GEOS is to represent certified securities in an entity (e.g. shares in a startup) with immutable tokens on the Bitcoin/Ethereum network. Today there is no active traditional secondary market for venture capital / startup equity. Such secondary market exists, however, for Blockchain projects, and offers great potential to create positive impact on the innovation-financing ecosystem, both for founders and for the investors. It is, however, limited to Blockchain-based startups, and to investors who already own significant amount of cryptocurrencies.

Geopay.me aims to extend this to crypto and non-crypto investors, through representing equity/shares as Blockchain tokens. To make this work practical, we have established a legal-technical structure that attaches self-enforcing smart contract using the Proof Sidechain to such tokens, and also provides for a legal position that is enforceable off-chain, in regular legal proceedings.

**Advantages of tokenized Private Company Stock (PCS)**

Current PCSs give everyone an illiquid asset. Currently, private company stock can only be sold upon exit or other liquidity event, for investors to earn monetary gains. In particular, for early stage investors this is a long ride—it takes about 5–10 years to build and sell a startup, provided the owners decide at some point to sell. Considering the regular size of equity represented by PCS, combined with the waiting time until materialization, the intended incentive becomes quite weak. Making PCS liquid substantially changes this! Tokenized PCS allows for a liquid asset position, to which early stage investors can make money before the exit, simply through trading of ICO on exchanges.

**Geopay.me’s tokenized PCS**

Smart contracts that are used to issue tokens are self-enforcing contracts—they enforce the performance of the PCS agreement between the company and investor, and make contractual clause unnecessary. It means that they not only set the PCS terms but also execute them.

Geopay.me’s tokenized PCS runs on Ethereum Blockchain technology.
Beneficiaries get tokens representing common shares in the company based on a transparent algorithm that rewards risk-takers as early stage investors, and additionally the loyalty. A self-enforcing smart contract grants full transparency over the status of the actual ownership scheme of the individual right-holder. Once Geopay.me has ICOed, beneficiaries hold ICO tokens, and immediately benefit from Geopay.me’s going to market. Based on the beneficiary’s own risk profile she/he can enjoy immediate liquidity events or wait if higher token price is expected.

FORCABILITY OF PCS ON BLOCKCHAIN

TRADE SYMBOL: GEO

Full legal enforceability of Geopay.Me’s PCS on Blockchain

Geopay.me’s PCS is not only enforceable through smart contract on chain. The smart contract refers to printed PCS Terms & Conditions Document, which itself refers back to smart contract. Signing up for shares via a smart contract is then equal to signing a paper agreement. Hence, beneficiaries can be assured that any rights held under the program are legally binding also off chain. This is combined with smart contracts assigning shares to new investors, which does all calculations and bookkeeping of ICOed tokens, and distributes any determined proceeds. All of this will happen in an automated, decentralized way, without requiring company’s direct involvement. It also is fully transparent and fair.
Crowdfunding Capital

Even thought Initial coin offers (ICO) are often compared to Initial Public Offerings and crowdfunding by the investors. Initial public offering is a type of crowdfunding in which entrepreneurs ask people for participate or donate. Geopay.me’s crowdfunding relates to donation and they are not selling a stake or expect an ROI, instead they are asking for funds to kickstart their project.

Geopay.me’s initial coin offer is unique method of donation fundraising in blockchain technology based projects where entrepreneurs choose to support by donating funds in the form of digital currency or fiat currency. The value of each coin or asset is decided automatically after its launch in exchange, depending upon the success – demand and supply.

This Initial coin offer is included in an exchange for holders to exchange freely, without and anticipation for ROI or stake for Geopay.me. The exchange provides a set value of the contribution to acquire the token and this is the only value directly related to the asset or token, the value may change due to market forces and trade activity.

How it Works

Once the ICO crowdfunding is over, the token/asset gets listed in one or multiple exchanges, which makes it available for trade against other crypto coins or assets.

After the launch of tokens/assets, normally the price gets a huge swing. The token, which you acquired in few dollars, turns into real time currency having significant price.
TRADING CARDS VS TRADING TOKENS

A trading card (or collectible card) is a small card, usually made out of paperboard or thick paper, which usually contains an image of a certain person, place or thing (fictional or real) and a short description of the picture, along with other text (attacks, statistics, or trivia). There is a wide variation of different types of cards. Modern cards even go as far as to include swatches of game worn memorabilia, autographs, and even DNA hair samples of their subjects.

Digital trading cards

In attempt to stay current with technology and digital trends, existing and new trading card companies started to create digital trading cards that lives exclusively online or as a digital counterpart of a physical card. In 2000, Topps established themselves in the digital space by launching a new brand of sports cards, called etopps. These cards are sold exclusively online through individual IPO's (initial player offering) in which the card is offered for usually a week at the IPO price. The quantity sold depends on how many people offer to buy, but is limited to a certain maximum. After a sale, the cards are held in a climate-controlled warehouse unless the buyer requests delivery, and the cards can be traded online without changing hands except in the virtual sense.

Today, the development of the Internet has given rise to various online communities, through which members can trade collectible cards with each other. Cards are often bought and sold via eBay and other online retail sources. Many websites solicit their own "sell to us" page in hopes to draw in more purchase opportunities.

The value of a trading card depends on a combination of the card's condition, the subject's popularity and the scarcity of the card. In some cases, especially with older cards that preceded the advent of card collecting as a widespread hobby, they have become collectors' items of considerable value. In recent years, many sports cards have not necessarily appreciated as much in value due to overproduction, although some manufacturers have used limited editions and smaller print runs to boost value. Trading cards, however, do not have an absolute monetary value. Cards are only worth as much as a collector is willing to pay.
Token coin

In the study of numismatics, token coins or trade tokens are coin-like objects used instead of coins. The field of tokens is part of exonumia and token coins are token money. Tokens either have a denomination shown or implied by size, color or shape. "Tokens" are often made of cheaper metals: copper, pewter, aluminium, brass and tin were commonly used, while Bakelite, leather, porcelain, and other less durable materials are also known.

The key point of difference between a token and a coin is that a coin is issued by a governmental local or national authority and is freely exchangeable for goods or other coins, whereas a token has a much more limited use and is often (but not always) issued by a private company, group, association or individual. In the case of "currency tokens" issued by a company but also recognized by the state there is a convergence between tokens and currency.

Currency tokens

In their purest form, currency tokens issued by a company crossed the boundary of merely being "trade" tokens when the local government authority sanctioned them. This was sometimes a measure resulting from a severe shortage of money or the government's inability to issue its own coinage. In effect, the organization behind the tokens became the regional bank.

A classic example of this is the Strachan and Co trade tokens of East Griqualand in South Africa, which were used as currency by the indigenous people in the region from 1907. Their initial success resulted from the scarcity of small change in this remote region from that time.

Similarly, in times of high inflation, tokens have sometimes taken on a currency role. An example of this is Italian or Israeli telephone tokens, which were always good for the same service (i.e., one phone call) even as prices increased. New York City Subway tokens were also accepted sometimes in trade, or even in parking meters, since they had a set value.

Trade tokens or Barter tokens

Coin-like objects from the Roman Empire called spintria have been interpreted as a form of early tokens. Their functions are not known from written history, but they appear to have been brothel tokens or possibly gaming tokens.

Medieval English monasteries issued tokens to pay for services from outsiders. These tokens circulated in nearby villages where they were called "Abbot's money." Also, counters called jetons were used as small change without official blessing.
From the 17th to the early 19th century in the British Isles and North America, merchants commonly issued tokens in times of acute shortage of coins of the state to enable trading activities to proceed. The token was in effect a pledge redeemable in goods but not necessarily for currency. These tokens never received official sanction from government but were accepted and circulated quite widely.

**Slot machine tokens**

Metal token coins are used in lieu of cash in some coin-operated arcade games and casino slot machines.

Money is exchanged for the token coins or chips in a casino at the casino cage, at the gaming tables, or at a slot machine and at a cashier station for slot token coins. The tokens are interchangeable with money at the casino. They generally have no value outside of the casino.

After the increase in the value of silver stopped the circulation of silver coins around 1964, casinos rushed to find a substitute, as most slot machines at that time used that particular coin. The Nevada State Gaming Control Board consulted with the U.S. Treasury, and casinos were soon allowed to start using their own tokens to operate their slot machines. The Franklin Mint was the main minter of casino tokens at that time.

**Other sources of tokens**

The Toronto Transit Commission single-ride token for use on bus, streetcar, and subway routes in Toronto, Canada. This design was introduced in 2006. The Philadelphia Transportation Company transit tokens (1940-68). Railways and public transport agencies used fare tokens for years, to sell rides in advance at a discount, or to allow patrons to use turnstiles geared only to take tokens (as opposed to coins, currency, or fare cards).

Many part of the economy use tokens, such as Car washes, Video arcades, and parking garages, pay toilets, Subways and Shopping cart rentals.

Public telephone booths in countries with unstable currency were usually configured to accept tokens sold by the telephone company for variable prices. This system was in effect in Brazil until 1997 when magnetic cards were introduced. The practice was also recently discontinued in Israel, leading to a trend of wearing the devalued tokens as necklaces.
Other sources of tokens

In North America merchants from the 18th century in regions where national or local colonial governments did not issue enough small denomination coins for circulation originally issued tokens. They were later used to create a monopoly; to pay labor; for discounts (pay in advance, get something free or discounted); or for a multitude of other reasons. In the United States, a well-known type is the wooden nickel, a five-cent piece distributed by cities to raise money for their anniversaries in the 1940s to 1960s.

Local stores, saloons and mercantile would issue their own tokens as well, usable only in their own shops. Railways and public transport agencies have used fare tokens for years to sell rides in advance at a discount. Many transport organizations still offer their own tokens for bus and subway services, toll bridges, tunnels, and highways, although the use of computer-readable tickets has replaced these in most areas.

Conclusion

Tokens have been around for many decades and periods throughout history. Virtual tokens represent a leap in utility, fungibility and prevalence.
The RIC is a Blockchain Token created by Geopay.me Inc on the Bitcoin - Ethereum Proof Sidechain.

Part crowd-funding mechanism and part network membership program; the RIC is a revolutionary concept of financial reward for Affiliates that help us grow our global business.

Here's how it works:

A single RIC starts with a minimum fixed value of $50, with additional higher value membership subscriptions depending on each individual's level of participation. It rewards the owner of the RIC with residual income from a program offered by Geopay.me Inc. Geopay.me shares an aggregate percentage of Net Revenues with all RIC members at the end of each operating year. Each RIC holder receives a pro-rata fraction (%) of the Residual payout. The RIC holds no Geopay.me equity value, but can be traded.

The RIC program has a limited lifetime supply of 167,110 RIC Tokens. Moreover, the Geopay RIC creates additional benefits for members, such as discounts from merchants and instant rewards. RIC's help foster the ecosystem with long-term loyalty and offers merchants more tools to expand sales.
# RIC SCHEDULE

**TRADE SYMBOL: RIC**

<table>
<thead>
<tr>
<th>Token Classification</th>
<th>RIC Token Value</th>
<th>Token Supply</th>
<th>Net Equity* Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIC Series A</td>
<td>$50</td>
<td>100,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series B</td>
<td>$100</td>
<td>50,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series C</td>
<td>$250</td>
<td>10,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series D</td>
<td>$1000</td>
<td>5,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series E</td>
<td>$2500</td>
<td>1,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series F</td>
<td>$5000</td>
<td>1,000</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series G</td>
<td>$10,000</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series H</td>
<td>$50,000</td>
<td>10</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Net Equity is the Annual Profit reported by Geopay.me Inc. (Net Gross – Annual Operating Expenses = Net Profits, does not include any tax liability)*

---

# RIC RELEASE SCHEDULE

**TRADE SYMBOL: RIC**

<table>
<thead>
<tr>
<th>Token Classification</th>
<th>Release Date</th>
<th>Total Token Supply</th>
<th>Net Equity* Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIC Series A</td>
<td>09/01/2017</td>
<td>167,110</td>
<td>10%</td>
</tr>
<tr>
<td>RIC Series BA</td>
<td>06/01/2018</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series CX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series DX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series EX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series FX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series GX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series HX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series AX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
<tr>
<td>RIC Series AX</td>
<td>TBA</td>
<td>167,110</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Net Equity is the Annual Profit reported by Geopay.me Inc. (Net Gross – Annual Operating Expenses = Net Profits, does not include any tax liability)*

1. Only Initial ICO offer has a higher ROI. Geopay.me’s Residual Income Coin (RIC) program commits up to 20% of Net Revenues to Affiliates, terms & conditions may apply.
2. X is a Token sequence designator for each series of tokens issued.
BLOCKCHAIN SOLUTIONS
FOR REAL COMMUNITY NEEDS