

HOWEYCOINS



white paper

Abstract

The Internet is a global network connecting individuals and entities around the world. In the 30 years since widespread use, the Internet has broken down barriers and distances in terms of information and commerce.

In terms of information, where you were once confined to your local newspaper, your local broadcast news and your local library, you can now find information from every corner of the world.

In terms of commerce, transaction costs have come down where, for example, once all your shopping was done locally, you can now buy from a number of online websites advertising products from all over the world at incredible discounts to physical stores.

However, one area that has not reaped all the efficiency gains and reduced costs from the Internet is the travel industry. Yes, you can find hotel rooms and airfares more easily than before with the proliferation of comparison travel websites but the travel industry is still underpinned by a legacy cost structure that supports itself at your expense. From currency translation fees, credit card fees, service surcharges to the inherent costs of *fiat money*, the travel industry is rife with transaction inefficiencies that end up costing you money.

Travel is expensive, but we are at the cusp of a revolution that will democratize travel and leisure for everyone. The Internet was the first part of the revolution. The other part is blockchain technology and cryptocurrencies.

This white paper will detail how the introduction and adoption of HoweyCoins as a universal medium of exchange for travel will drive down costs in travel by:

- Capturing the value and the inherent efficiencies of cryptocurrencies compared to the current fiat money structure that was created more in service of central governments and the banks that control the international financial system;
- Eliminating the extra fees and expenses that underpin the current legacy cost structure in travel; and
- Creating *synergies* between travel services providers—the airlines, hotels and restaurants—and forecasted returns on HoweyCoins valuations to drive initial discounts in the 30%-40% range (and the discounts will exponentially increase as the adoption and usage rate of HoweyCoins increase over time).

Getting in on the initial coin offering (ICO) for HoweyCoins is the only way to guarantee these massive cost savings. If you buy HoweyCoins later, the discounts will get smaller as:

- More travel service providers and travelers adopt HoweyCoins as a medium of exchange; while
- The finite amount of HoweyCoins limits supply in the face of ever increasing demand by travel service providers and travelers; and
- The travel industry experiences exponential growth in the number of, and spending by, tourists because of a growing worldwide middle class, including in China and India.

Cryptocurrencies changing the monetary world

The world is in the midst of a digital payments revolution that will cause greater disruption than that caused by the Internet over the last 30 years. Cryptocurrencies and other blockchain-driven digital tokens like HoweyCoins will piggyback on the ubiquitous communications of the Internet to transform how we pay for goods and services.

Instead of currencies controlled by national governments, different types of cryptocurrencies and digital tokens associated with the types of services or goods you are looking to purchase will bridge the efficiency of the digital world with the traditional friction of a physical economy. ***HoweyCoins will be the cryptocurrency standard for the travel industry.***

By undercutting the monopoly role of the national governments in creating currency, savings that you may not realize are being kept by the elite and the government will flow to you—the consumer. Cryptocurrencies will democratize money.

The current system is underpinned by a national government and a central bank legally requiring your use of *legal tender* to pay for goods and services. However, with the advent of Bitcoin and other cryptocurrencies over the last few years, fiat money is no longer the only universal medium of exchange for services and goods.

Fiat money is the U.S. dollar, the British pound and any other currency created and declared by a central government as legal tender. Fiat money is highly controlled by the state and between how much is printed to the various fees and interest rates charged by the banks that control each step of the dissemination process, the government and the banks capture the vast majority of the value with the creation of fiat money.

You are left with a small piece of the money pie. Take the financial system in the United States as an example. When the U.S. Treasury prints a dollar bill, it only costs the government fractions of a penny to actually make a dollar bill or even a US\$20 bill. But when the U.S. Treasury then transfers that US\$1 bill to the Federal Reserve, who statutorily controls the money supply, it books it at US\$1. This is known as *seigniorage* and the U.S. government gets almost a whole US\$1 profit for a piece of paper—the US\$1 bill.

Now that the US\$1 is at the Federal Reserve, it charges a *discount rate* to banks who want to borrow that US\$1 to get it out into the greater economy. The banks will then use that US\$1 and loan it out to private individuals and companies charging interest at the *prime rate* or higher depending on the credit worthiness of the borrower. This can range from the current prime rate of 4.5% to the 20%+ charged if you are using a credit card.

At every step, the U.S. government, the central banks and the private banks all get a profit off of just getting a US\$1 bill into the private economy. When that US\$1 bill gets to us, the private individuals and companies, we end up bearing all the cost for the dissemination of that US\$1. All other fiat currencies in other countries get disseminated similarly to this example for the U.S. dollar.

These costs continually increase as national governments continue printing money leading to *inflation*. Inflation is a defect of this system and is solely borne by us.

Cryptocurrencies and initial coin offerings are upending this monetary system and democratizing money for you and me. All the costs of fiat money and the associated inflation of prices will no longer underscore the price of everything we pay for. Instead, cryptocurrencies will stop inflation by being based only on a finite supply. There will be no costs to you and hidden profits to banks and governments.

Blockchain is the key driver of cryptocurrencies. This technology leverages the Internet as a registry for all cryptocurrencies thereby undermining the central control that governments and banks have over the monetary system.

HoweyCoins will spearhead this digital revolution into the travel industry by passing along the savings of cryptocurrencies to you. Because of its finite supply and dedicated use in the travel industry it will be the *coin of the realm* for travel. These savings will be passed on to you and the earlier you get in on the HoweyCoins ICO the greater the discounts are going to be.

HoweyCoins to deliver unsurpassed travel savings

We have entered into a number of, and close to finalizing negotiations on just a few remaining, exclusive **HoweyCoins partner agreements** with a number of large, well-known travel service providers—international hotel and resort brands, airlines, travel industry-related comparison websites, car rental companies and on-demand online car services, large chain restaurants located in travel hotspots, and travel activity providers such as tour companies and equipment rentals (e.g., diving, bicycles, kayaks, etc.), among others. These negotiations and agreements are all currently subject to *nondisclosure agreements* in order for us to maintain our bargaining position with our negotiating partners and to prime a large media campaign upon a successful ICO.

However, to provide some level of information, our hotel and resort partners encompass thousands of properties in every continent save Antarctica. At launch, we will have two of the world's largest *airline alliances* and a possible third signed on as HoweyCoins partners. The top three airline alliances accounted for over 60% revenue passenger miles in 2015. In addition to the airline alliances, we have a top discount airline in each major travel market as a travel partner. Discount airlines do not typically participate in airline alliances.

Upon a successful ICO, the nondisclosure agreements terminate and we will be able to disclose the largest network of travel partners assembled where you can use your HoweyCoins. We are planning to publicize HoweyCoins and our large network of travel partners with a worldwide media campaign in broadcast, print and physical display ads in airports and other travel hotspots.

Buyers in our ICO will possess the first batch of HoweyCoins and a successful ICO along with the publicity of HoweyCoins and the travel network we have built will provide immediate returns in the valuation of HoweyCoins as more and more people learn of its great value. A large part of the proceeds from the ICO will fund this advertising and publicity campaign.

Our travel partners are eager and excited at the tremendous opportunity being presented by HoweyCoin. ***Our HoweyCoins partner agreements lock in an average initial discount of 30% for airfare and 42% for hotel room rates for all HoweyCoin-denominated transactions.*** These discounts are available because of:

- the savings being unleashed from bypassing the traditional fiat money system;
- the savings generated from moving to a transaction-cost-free payment system in a high-transaction-volume business;
- the guaranteed and dedicated customer base represented by HoweyCoins users;
- the projected explosion in worldwide travelers coinciding with the introduction, adoption and usage of a finite supply of HoweyCoins; and
- the guaranteed valuation increases for HoweyCoins that are being forecasted by the sophisticated finance teams of our various partners.

Not only will our travel partners realize savings by bypassing the current fiat money system, they will save all the fees and charges typically incurred when having to deal with banks in all their transactions with customers. Compared to some other businesses, the travel industry sees a very large number of credit card transactions on a daily basis with its customers—from the millions that fly daily and pay for WiFi, meals, or drinks on the flight to the millions that daily rent rooms for travel and order room service. Each of these transactions entails credit card surcharges, foreign exchange fees and regular bank transfer charges, among others.

This adds up and can represent up to 10% of the value of each transaction. HoweyCoins free the travel partner from having to constantly incur all these fees and charges. Customers that use HoweyCoins mean additional savings to our travel partners making HoweyCoins very attractive to them. We have negotiated for the bulk of these discounts to be passed on to HoweyCoins users.

In addition, as with other cryptocurrencies, the increasing adoption and usage of HoweyCoins is guaranteed to lead to higher valuations. This means it will become more valuable for participants in our ICO and our travel partners.

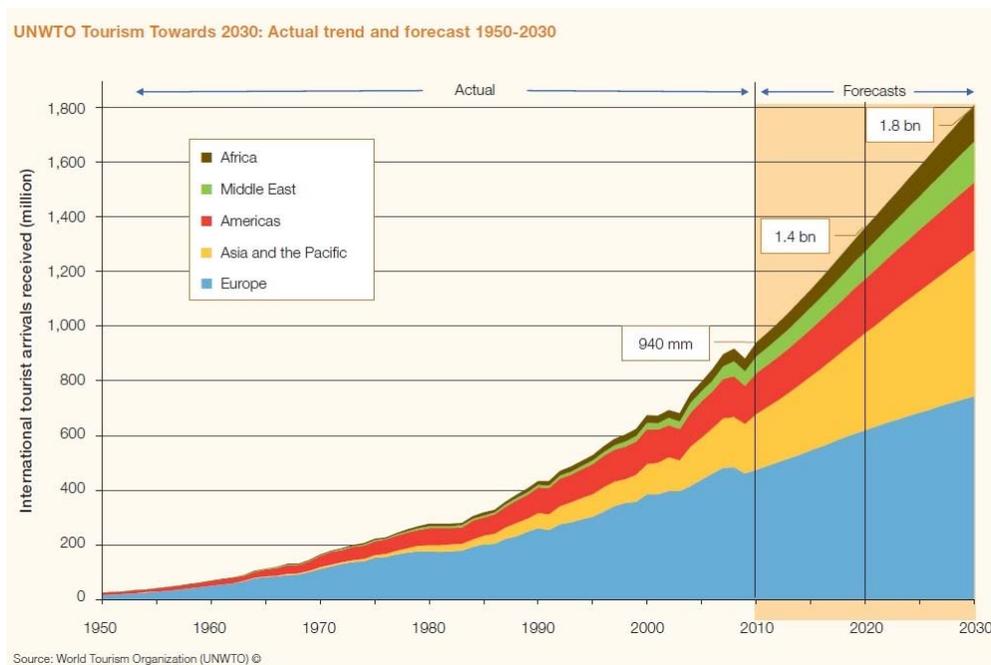
A part of the generous discounts negotiated with our travel partners in the HoweyCoins partner agreements takes into account the guaranteed increase in valuation of the HoweyCoins that they will receive as payment for services and products. The sophisticated finance teams of our partners—including those at world leading airlines and hotel brands who have enormous experience negotiating multimillion dollar arrangements—have forecasted these increasing valuations when determining the exact discounts to HoweyCoins users for their products and services. ***The guaranteed increasing valuation in HoweyCoins is designed to incentivize our travel partners to offer generous discounts in order to attract HoweyCoins for payment and investment for themselves.***

In order to generate greater value in HoweyCoins over time, we have also built into each HoweyCoins partner agreement a contractual mechanism that increases the discount on services and products for users of HoweyCoins as the valuation of HoweyCoins increase. This incentivizes the travel partner to further seek HoweyCoins as payment in order to increase their holdings of HoweyCoins as its value increase. In exchange, some of this value to the travel partner gets translated to you as higher discounts.

Increasingly global world of travelers

We are introducing HoweyCoins at a time of rapid growth in the global middle class who have more disposable income for travel. In addition, a global cultural change away from material goods to seeking out novel experiences is shifting money being spent on luxury goods to the travel industry. The introduction of HoweyCoins and the ICO is perfectly positioned to capture this explosive growth in travel.

According to the United Nations World Tourism Organization, the current volume of international trips has grown exponentially since 1950. The organization estimates international tourist arrivals were 25 million in 1950. In 2016 this number was up to 1.24 billion and is expected to grow to 1.8 billion by 2030. International tourism receipts in 1950 were US\$2.1 billion, had increased to US\$919 billion by 2010 and reached US\$1,260 billion in 2015.



China has far surpassed others in the number of tourists it sends, and the amount of money its tourists spend, in other countries. Spending by Chinese travelers increased by 26% in 2015 over just the prior year to reach US\$292 billion, as the total number of outbound travelers rose by 10% to 128 million. China has registered double digit growth in tourism expenditure every year since 2004.

Rank		International tourism expenditure ¹ (US\$ billion)		International departures	
		2014	2015*	2014	2015
1	China	234.7	292.2	116.6	127.9
2	United States	105.5	112.9	68.2	73.5
3	Germany	93.3	77.5	83.0	..
4	United Kingdom	62.6	63.3	58.4	64.2
5	France	48.7	38.4	28.2	..
6	Russian Federation	50.4	34.9	45.9	36.8
7	Canada	33.8	29.4	33.5	32.3
8	Korea (ROK)	23.2	25.0	16.1	19.3
9	Italy	28.8	24.4	27.2	27.5
10	Australia	26.4	23.5	9.1	9.5

Source: World Tourism Organization (UNWTO) ©.

Little noticed is that India with a population soon to exceed that of China is not currently in the top 10 of countries sending tourists internationally. Over the next decade, with rising living standards and a growing middle class, as with the growth of Chinese tourism over the last decade, we expect India to soon join China in the top 10 of countries in terms of its tourists traveling and spending internationally.

Coincidentally, cryptocurrencies have found a source of their greatest growth and adoption in China and India because of less entrenched traditional payment systems (other than cash). We expect tremendous opportunity and potential from travelers in China and India—the two fastest growing populations and economies in the world.

This phenomenal growth in travel over the next decade guarantees an increasing valuation in HoweyCoins.

HoweyCoins are of finite supply and getting in first on the ICO gets you a piece of this value that can only increase as demand increases for HoweyCoins. With more and more tourists from the growing middle classes in China and India, for example, and more Americans traveling globally each year using their disposable income to gain experiences rather than buying goods (hence the slowing growth in the retail sector), the discounts in travel afforded by HoweyCoins will only make it more attractive to more and more people.

The business traveler

Business travel is an ever growing expense for large global Fortune 500 corporations in an increasingly globally connected world. Executives and employees traveling globally to offices, manufacturing plants and client locations results in travel expenditures that can reach into the millions of U.S. dollars. Consider the example of a world-leading petroleum company with worldwide drilling and exploration sites, refineries and office locations, and executives and engineers traveling back and forth. HoweyCoins can represent savings of millions of U.S. dollars.

The HoweyCoins ICO will be limited to only individuals. However, following a six-month publicity and advertising campaign after the ICO letting the world know of the worldwide network of HoweyCoins travel partners we have created and the enormous discounts for using HoweyCoin, we plan on a second offering of HoweyCoins at an increased valuation to corporate travel departments as well as individuals.

Instead of the preferential terms offered in the ICO, however, we expect to conduct this second offering as an auction. Because of the inclusion of corporate travel departments, we expect a bidding war to increase HoweyCoins valuations by severalfold. We are planning on offering 10x the number of HoweyCoins at this second offering compared to the ICO, but this second offering will be at a much higher valuation.

The recent tax reforms in the United States have resulted in more investment capital available for U.S.-taxed corporations. Deployment of some of this additional capital to invest in guaranteed returns on HoweyCoins as well as to generate savings on the travel expenditures of its employees is a proposition no chief financial officer can pass up. Discussions with the finance teams of our travel partners analyzing HoweyCoins for partnering and discount arrangements have confirmed this.

Conclusion

HoweyCoins are the cryptocurrency for the travel industry at exactly the right time. Between the confluence of:

- technological advances in blockchain and cryptocurrencies that is revolutionizing the current legacy fiat money system;
- to being on the cusp of exponential growth in the travel industry;
- coupled with savings realized by our travel partners and passed along to HoweyCoins users; and
- forecasted returns by the finance teams of our travel partners and expected severalfold increase in valuation upon a second offering to corporations;

your HoweyCoin's ICO is a ***can't miss*** investment opportunity.