

Qupon

Whitepaper
v1.0

OUR MISSION

Build a Decentralized Autonomous Organization, committed to providing cost savings, privacy, security, and equity to all participants of Qupon.

ABSTRACT

Qupon is an e-commerce Web 3.0, Decentralized Autonomous Organization (DAO) providing a global platform for merchants to promote their goods & services through coupon advertising as digital assets on the Ethereum blockchain. Merchants can advertise their business by offering discounts on goods and services to entice new and existing customers. Customers can enjoy savings offered by merchants to try goods and services they may not normally purchase or reward longtime customers with discounts for products and services they are familiar with. Qupon will be implemented as a Web3.0 Distributed Application(Dapp) interfacing with the Ethereum blockchain through Smart Contracts. The platform seeks to provide substantial savings to merchants as a decentralized and distributed model and revolutionize the way web content is both provided and utilized by its customers.

PROBLEM

Public corporations such as Groupon charge merchants as much as 50% for their services. Think about that for a moment. On their platform, a hotel room valued at \$200/night, being offered for 50% off at \$100, Groupon would take \$50 and the merchant would end up with \$50. In the example above it is prohibitive to the merchant under that model to offer steep discounts because they are being charged so much by the service provider. This has a negative impact on customers as well. If merchants offer lower discounts, customers end up paying more.

There is no doubt companies like Groupon offer a valuable service bringing sellers and buyers together. But at what price to the merchant? What privacy do they guarantee to the participants that their personal data will not be sold? What value do they return to participants be it merchant, customer or equity partner?

SOLUTION

Modeling Qupon as a DAO is going to revolutionize the coupon space by utilizing decentralized technologies to limit the costs associated with supporting and maintaining platform

infrastructure. Through the use of smart contracts, distributed ledger and cryptocurrencies, costs associated with running the code and storing transactions is shared by all participants of the Ethereum network, reducing costs and allowing us to put more money back in the hands of merchants to offer more and steeper discounts to attract new business. Under the Qupon business model Merchants keep 90% of their revenue and Qupon receives a 10% fee for each Qupon sold. This translates into more revenue being retained by merchants so they can offer more and steeper discounts to grow their business.

Privacy is an increasing concern amongst customers utilizing internet applications. In the search for profits, companies have abused their customers by using their information in ways they did not intend, or outright selling their information. In the case of Facebook, they used their social media platform as a political tool. The Qupon platform will build trust and privacy into the heart of the application by implementing the code as open source smart contracts. When a smart contract is compiled and submitted to the Ethereum blockchain, the code is now immutable, that is, it cannot be modified. The code can be viewed by anyone so they understand what the contracts are doing. This is the transformative technology that legacy websites cannot offer and most would not want to because they profit from the the lack of transparency and owning your data. Smart contracts and the Blockchain will provide Qupon customers with the security they expect and the privacy they deserve.

Increasingly, the users of websites are looked at as the product from which the company and private equity investors such as Wall Street, exploit and profit from. Qupon has a drastically different approach from the way legacy internet business models operate. Later in this document we will describe how Qupon plans to use token technology and smart contracts to transform and redefine the relationship that application users and passive equity partners have with the platform. Merchants, customers and equity partners can all be rewarded for their participation in the Qupon business model!

HOW IT WORKS

QUPONS

Technically a Qupon is an ERC721 token. ERC721 tokens are non-fungible tokens that cannot be divided into smaller increments. They are unique and the qualities assigned to them cannot be changed or altered. Qupons are represented as digital assets. When you purchase a Qupon, the ownership of of that Qupon is assigned to the QPN wallet address of the customer that purchased it. The blockchain ensures that this ownership is permanent, it cannot be stolen, duplicated or spent by someone else. When a Qupon is redeemed for goods or services the token is destroyed and cannot be reused.

HOW THE QPN TOKEN WORKS

QPN are ERC21 tokens. Unlike their ERC721 counterparts, ERC21 tokens are fungible which means fractions of a token can exist. QPN is the currency that allows you to make purchases on the Qupon platform. Initially, QPN will be distributed in a Token Generation Event (TGE) for a discount to early adopters. The proceeds from the TGE will be used to build the platform. Once the platform is released, the QPN token can be used to make purchases on the platform. The QPN token will be made available on exchange platforms to enable users to exchange QPN to and from other cryptocurrencies.

A future feature of the QPN token, subject to securities laws, is to allow the platform smart contracts to issue dividends in the form of rewards to participants. The escrow and rewards features discussed in this whitepaper are for future planning to show the innovative qualities and roadmap of the Qupon platform as a leader in distributed ledger and smart contract technologies. Qupon is a global platform where regulatory compliance will have to be worked through in order to offer this as a part of the core platform.

ACCOUNT CREATION

In order to use the Qupon application both merchants and customers will have to have an ETH wallet address and a QPN wallet address. In addition to this you will need to run a Web3.0 enabled browser. You can install the add-on extension Metamask for Chrome and Firefox or use a fully integrated Web3.0 browser like Mist. What this allows is for the application to interact with your ETH/QPN wallets and the smart contract code on the Ethereum blockchain. Tutorials will be provided that walk you through the process to set this up. That is it, once you have some ETH and purchase some QPN tokens from an exchange together with your web3.0 enabled browser you are ready to use Qupon.

QUPON CAMPAIGN

In order for a Qupon to come into existence a merchant must first initiate a Qupon campaign. A Qupon campaign is where a merchant generates the qualities that describe a Qupon. To keep the example easy we will limit the qualities of the Qupon to creator/owner, offer description, quantity available, offer expiration, Qupon expiration, sale price. When the campaign is submitted to the smart contract it is now available for purchase by prospective customers. When a customer makes a purchase it is at this time when a unique Qupon(ERC721 token) is created and the information that the merchant defined for the campaign is attached as qualities that define the Qupon.

A merchant can have many campaigns going at one time. One campaign could define 100 Qupons available for 50% off of a meal available for one day only. Another campaign could describe 500 Qupons available for 10% off a meal good through December 31st while supplies

last. When a merchant submits a Qupon campaign they will have to pay a fee in the form of ETH gas in order to submit and activate the campaign to the Qupon smart contract. Gas is how you pay to transact on the Ethereum blockchain.

Both merchants and customers will want to see the offer price in their local currency. Merchants can set the purchase display price in USD, JPY, EUR etc. in addition to the QPN price. In this way it is easy for customers to see what the local currency value is for the Qupon they want to buy. When they buy the Qupon it will display the QPN value of \$10 that will be deducted from their wallet. Displaying the price in local currency makes it easier for customers to quickly see the value of the Qupon they are trying to purchase in a currency they are familiar with. Special entities that exist outside the blockchain maintain the conversion rate between USD/QPN. This allows us to display the price in USD and at the point of purchase convert that to QPN to make the purchase.

A Qupon campaign ends when all Qupons have been purchased or the campaign expiration time has been met. After the campaign expiry time occurs, the smart contract will no longer display the Qupons in the application and no additional Qupons can be purchased.

When a merchant is setting up a Qupon campaign they will be able to select how the Qupon will be redeemed; either in person or over the internet. This will add additional information to the Qupon token so the appropriate information is available when being redeemed by a customer.

QUPON PURCHASE

In order to purchase Qupons a customer must have ETH and QPN available in their web3 enabled browser. The Metamask plugin for firefox and Chrome or the Mist browser are two examples. A small amount of ETH is needed in order to transact on the Ethereum blockchain. QPN is the currency used to purchase your crypto Qupons.

When a merchant successfully completes a campaign, the Qupons are immediately available in the marketplace application for purchase. Smart Contract logic is responsible for generating the Qupon token, assigning the ownership to the purchaser, and deducting from the available balance for the campaign. A Qupon can only be spent by the person that holds the private key to the QPN wallet address used to purchase the Qupon.

In the event a Qupon is not used by the expiration date set in the terms of the merchants campaign, the coupon discount terms are invalidated and the Qupon can be redeemed for the face value of the purchase price.

When a Qupon is created, the merchants wallet address and Qupon LLC wallet address are saved into the contract and only those wallet addresses can be used to redeem a Qupon

obtained from the contract. Qupon LLC has access to each Qupon purchase for dispute resolution purposes only. Refer to the dispute resolution section below for more details.

QUPON OWNERSHIP TRANSFER

In order to transfer ownership of a Qupon to someone else all you need to know is the QPN wallet address of that person and the smart contract will do the rest.

A future enhancement to transferring ownership is to provide a market place smart contract that will allow for the sale and trade of your Qupons to others. Post your Qupon for sale or trade in the marketplace and if someone buys it you'll get a message and receive the funds in your QPN wallet. All of this is made possible through smart contract technology.

PURCHASE ESCROW

Purchase escrow is designed to protect customers from fraud. If the proceeds of a purchase went immediately to the merchant, there would be no recourse to refund the customers money if the terms of the Qupon were not met. This necessitates the need to escrow funds and transfer proceeds to merchants upon successful redemption by customers. For normal transactions the application smart contracts are designed to operate without the need for intermediaries.

QUPON REDEMPTION

In order to redeem a Qupon a customer can either print out the Qupon and present it to the merchant or use their mobile device to display a QR code for the Qupon. The merchant will then use their mobile device app to take a picture of the QR code. The QR code will contain the necessary information to identify the unique token that represents the Qupon. The smart contract will then release the QPN that was tied to the Qupon from the escrow account. Having the transaction recorded and stored on the blockchain will guarantee that the Qupon can never be used again, protecting the merchant from a double spend. When the Qupon is successfully redeemed its value will be set to zero, which in terms of the smart contract, will destroy the token so that it cannot be used again. If the Qupon is redeemed after Qupon expiration, then the face value of the purchase price can be redeemed for goods or services.

FRAUD & DISPUTE RESOLUTION

In cases where there is a dispute over the terms of service, either the merchant does not perform or the customer refuses to redeem the Qupon because they believe the terms were not

met, customer service would be required to hear both sides of the dispute and make a judgement as to where the funds should be allocated.

In modern commerce Visa and PayPal work as an insurance mechanism to reimburse customers from fraudulent merchants and merchants from customers that don't pay. In a DAO there is no such middle entity. Therefore escrow is used to limit liability for all participants. In addition to escrow, Qupon LLC will provide customer service to facilitate dispute resolution for both merchants and customers.

REWARDS

A future plan of Qupon is to add functionality that will allow all participants of Qupon to be investors in the platform and to reward all participants who contribute to making the application a success. The coupon industry generates billions of dollars annually and we are proud to offer this unique model to you. Including this feature will require consultation with attorneys and regulators to ensure it is implemented in a way that gives the proper protections to participants and complies with applicable laws. Qupon is a global platform and ensuring each countries regulatory laws are adhered to will be a requirement prior to introducing this functionality.

Here is an example of how the revenue and rewards system could work. When a Qupon is redeemed or the terms of the Qupon expire the following occurs: Qupon LLC charges 6% ETH to sustain business operations, marketing and platform development. 1% will be credited to the merchant in the form of QPN reward, 1% will be credited to the customer in the form of QPN reward, and 2% will be credited to an escrow account to be distributed on a quarterly basis to existing QPN holders proportional to their ownership, and the remaining 90% paid to the merchant.

The following shows how funds would be distributed under the rewards program when a Qupon purchased for \$100 is redeemed or the terms of the Qupon expire.

Description	Balance	Debit	Credit
1% ETH gas fees for (buy and redeem) Qupon	\$100	1%=\$1	
10% QPN paid to Qupon LLC	\$99	10%=.1*99=\$9.90	
1% Rewards in QPN to customer	\$89.01	1%=.01*89.01=\$0.89	
1% Rewards in QPN to merchant	\$88.12		1%=.01*88.12=\$0.88

2% Rewards to quarterly dividend escrow	\$87.24	$2\% = .02 * 87.24 = \$1.75$	
Balance due to merchant	\$85.49		$\$85.49 / \$100 = .8549$ or 85.49%
			TOTAL: \$86.37

QPN is how we reward merchants, customers and passive equity investors. As the platform grows, so to will the dividends paid out.

DISTRIBUTION ESCROW

The distribution escrow is a smart contract that governs how distributions are awarded. When a Qupon is redeemed, 2% of the value is placed into escrow to be distributed to QPN holders. Distribution rewards will be paid out monthly proportional to the amount of QPN owned on the dividend date.

The amount in escrow divided by the market cap (total supply of QPN * price/share) will be used to calculate the dividend amount per QPN owned. On the dividend date the distribution dividend smart contract will interface with the QPN smart contract to determine for each account address the amount of qualified QPN owned and purchase at market rate the dividend amount and allocate to the address holder.

GROWTH & MARKETING STRATEGY

Including merchants and customers to the investor model is an innovative approach made possible through the integration of web applications with cryptocurrency and token technology. The rewards program is designed to encourage growth by returning value to those that use the platform. Combined with reduced overhead by running as a DAO, we can pass the savings on to the users of the platform. We will use aggressive PR and marketing campaigns in large cities globally to get the word out. We will produce material that compares costly traditional coupon business models to the new and innovative business model of Qupno that is designed to maximize merchants revenues while rewarding all participants of the platform.

For merchants we will provide 'How to' video and documentation to guide them through the process of creating Qupon campaigns and retrieving funds at the end of a campaign. For customers we will provide 'How to' video and documentation to guide them through the process to purchase and redeem Qupons. To enhance the growth model we will continue to integrate with additional cryptocurrencies, as well as work to integrate traditional payment systems such

as credit card and Paypal. We will produce surveys for participants to vote on new features in order to prioritize platform improvements that are most wanted by the community.

Investors are trusting Qupon LLC to build and maintain an application that is secure, fast, reliable and designed to serve participants. By continuing to provide a best in class platform and growing revenue streams, Qupon seeks to be an innovative force in the decentralized marketplace.

FRANCHISE SMART CONTRACT

As we continue to innovate smart contract technology to rapidly grow the use of Qupon in different countries, we will license the use of Qupon as a franchise through the use of smart contracts. Franchise license agreements will allow us to partner with the best marketing firms in other countries who want to support and use the Qupon platform to promote business enterprise. They know their markets and they are in the best position to ensure Qupon's success.

The franchise smart contract works in the following way. Using Canada as an example, it is divided into provinces. The city of Toronto resides within the province of Ontario. If a firm in Toronto were to become a franchise member of Qupon and the terms of the franchise agreement encompasses all merchants in the Ontario Canada region. A franchise contract will be created by Qupon that represents the legal agreements between Qupon and the franchise organization. The terms will include the percentage of revenue from the sale of Qupons by merchants in the province of Ontario Canada that will go to the franchise and the percentage as a fee under the license agreement that will go to Qupon.

The franchise smart contract is assigned when merchants create a qupon campaign. During the Qupon campaign process additional fields for country and province will be provided. When the merchant selects the country code of Canada and the province code of Ontario and since there is a franchise agreement and smart contract in place, all purchases will automatically go through the Ontario Canada franchise smart contract. The contract would have similar properties as described in the master Qupon smart contract for purchase escrow, redemption, dispute resolution and distribution escrow. The franchise contract may also provide a mechanism for assigning Country specific legal requirements or obligations to the franchise.

BOUNTY PROGRAM

A bounty program is designed to crowdsource efforts in marketing and getting the word out about Qupon. In addition to marketing efforts bounties for helping with language translation and bug reporting will also be included.

- Social Media Bounty (Twitter, YouTube, Reddit, Bitcointalk Forum, Cryptocointalk Forum)

- Translation Bounty
- Bug Report Bounty

ICO TOKEN SALE

The Pre Sale of tokens to accredited investors seeks to raise \$34M by selling at discount 77M tokens. Tokens will be distributed to investors within 90 days of the sale end date. The Public Sale will be divided into 4 events over a planned 4 year period. The first Public Sale will be held the same day the Qupon platform is launched and open to the public. Please see the table below for details.

Sale Type	Pre Sale	Public Sale
Overall Funding Goal	\$34,000,000	4 sale events for the public TBD
Hard Cap	\$34,000,000	
Tokens Generated	77,000,000	123,000,000
Start Date		
End Date		
Discount Rate	80% on first \$5M raised 50% on next \$20M raised 25% on last \$9M raised	10% on first 30% of tokens sold 5% on next 50% of tokens sold 3% on final 20% of tokens sold
Total QPN	400,000,000 QPN	
Exchange	ETH - BTC - U.S. Dollar - Credit Card or Bank Transfer	
Currency	1QPN=1USD	

- Accredited investors only for Pre Sale. Account verification fees will apply.
- Minimum purchase amount \$10,000USD.
- KYC & AML rules will apply to all token sales through whitelisting of participants.
- Pre Sale tokens are offered under the Simple Agreement for Future Tokens(SAFT). This is a separate document from the Whitepaper and will be available for review by investors.

TOKEN DISTRIBUTION

- Tokens will be distributed within 90 days of the successful close of the Pre Sale.
- Exchange registration process will begin prior to release of the Qupon platform to the general public.

Below is the vesting schedule for tokens retained by Qupon LLC. Vesting begins when QPN tokens have been listed on the first exchange. Vesting occurs on a monthly basis. A smart contract will unlock tokens based on vesting classification.

Classification	Vesting Schedule
Executive & Team	20% every 6 months, 100% vesting at 30 months
Advisory Board	50% at 6 months and 100% at 12 months
Consultants & Partners	50% at 6 months and 100% at 12 months
Non-Employee Early Supporters	100% at completion of token sale

USE OF FUNDS

25% Platform development
40% Marketing & sales
10% General & Administrative
10% Community Partnerships
10% Foundation
5% Legal & Compliance

TEAM MEMBERS

Joseph Oreste: Founder & CEO

18 years of experience in the technology space. Formal training in computer science and database administration. Business & systems analysis, designing applications from the ground up, managing enterprise software solutions for large institutions have been the building blocks for a well rounded solutions expert. We are decentralizing the global coupon industry. Be part of the future, support Qupon.

Carrie Bracy: COO, Head of Marketing & Communications

With a Masters in Business Administration, Carrie brings over 10 years of experience in the finance, marketing, retail and technology industries. Her understanding and ability to navigate the complexities within these sectors has been the key to her success. Her background includes experience in designing and implementing business strategies, policies, procedures; driving new sales through marketing initiatives; operations budgeting and planning for multiple technical projects.

Kade Collins: Head of Business Development

Over 9 years of sales experience building lasting relationships with clients. Focusing on business development and analytics to measure key performance metrics. Specializing in contract management and marketing strategies to optimize brand awareness while securing valuable partnerships.

Ernest Bonat: Java & Solidity Developer

22 years of experience as a data scientist designing, developing and deploying applications. Machine learning, Java, C#, JavaScript, PHP, Python, Solidity are core skillsets. Avid participation in developer communities; teaching, publishing articles, workshops, meetups and networking to share ideas and develop best practices.

Nicholas Bonat: Website Administration & Development

4 years experience designing and administering web applications.

ADVISORS

Alexander Panasko - Regional Head of International Business at Maybank Kim Eng Holdings Limited, Singapore

PRODUCT DEVELOPMENT ROADMAP

DATE	DEVELOPMENTS
Q4 2018	Launching the token pre-sale.
Q2 2019	Delivering the first beta of the Qupon platform
Q3 2019	Delivering first alpha release to select merchants for integration testing.
Q4 2019	Integrate additional functionality from alpha testing phase
Q4 2019	Analytics: trending/top selling, popular categories, likes and ratings feedback from users
Q1 2020	Implement rewards program
Q1 2020	Full product release
Q2 2020	Mobile app deployment with location services
Q2 2020	Select first franchise partnership
Q3 2020	Franchise smart contract deployment
Q2 2021	Implement governance program for future updates and product enhancements
Q3 2020 & Beyond	Integrate new functionality that improves user experience

SALE TERMS & CONDITIONS

Available upon start of token sale event.