



# TRUST

The first blockchain-powered marketplace  
for restaurant efficiency boost

TOKEN PAPER

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2019

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# 1. The restaurant industry in a digitalized world

In 1994, Nick Szabo, a legal scholar and cryptographer, found that the decentralized ledger could be used for smart contracts, also known as self-executing contracts, blockchain contracts, or digital contracts. In this format, it is possible to convert contracts to computer code, store and replicate them on the system to be supervised by the network of computers running the blockchain. This would also result in ledger feedback, such as transfer of money and reception of a given product or service.<sup>1</sup>

Technology is one of the last things that restaurateurs worry about and have time to think of. They just don't have time to figure out how exactly blockchain works - but many want to use it as they see huge potential for improvement of their business. But restaurants do not have and do not want to have IT departments. Even the companies in the restaurant industry that do have personnel specialized in IT will not sacrifice significant resources to build their own blockchain infrastructure, nor do they have time to look for the newest and best solutions that can be introduced to optimize their business.

Manual input of data, huge employee turnover and constant contact with cash is what makes the industry sick. It has been sick for ages, but with globalization and urbanization, when restaurants have become one of the last bastions of in-city manufacturing employing millions of people (10% of the US workforce is currently working in the restaurant industry), its problems have skyrocketed. Because there is such a need for restaurants, the entire staff rotates all the time. Because we are all human we don't want to learn new things, and it's easier to hop from one restaurant to another than to dig into the specific rules of a single premises. Despite the digitalization of our surrounding, we - the people of the XXI century - still forget, make mistakes, go where the money is and sometimes choose „the easy way“. But the biggest problem from the restaurateur's perspective is that the industry makes people dishonest.

And why is that? Employees become dishonest simply because they have access to cash; sometimes it's a case of oversight, for example they borrow a small amount of money that they forget to replace later. Sometimes there is so much traffic in the restaurant that they put cash in their pocket just to serve more clients and... they forget and go home with it. When they realize this after a few days while putting their jeans into the washing machine, they see that it has gone unnoticed. Sometimes it's not "stealing", it's being "nice" to a friend and giving him a few more stamps on his loyalty card. This opens up a path for much more serious incidents. These factors have a huge impact on running a successful business. Though it seems marginal at first glance, when aggregated and looked at from the perspective of final calculations, the issue becomes critical. Assuming 10 USD worth of stealing per employee per day, for a restaurant chain employing 2 000 people (big, but not huge for restaurant standards), it accounts to 20 000 USD of loss per day, or 600 000 USD per month and 7 200 000 USD per year...

## 2. TRUST. The world of smart contracts available for restaurant improvement

Restaurants are the last bastion of urban manufacturing and, as such, create an enormous number of jobs still dealing with manual input of data, staff turnover and dishonesty on a scale unheard of in any other industry.<sup>2</sup> TRUST is a marketplace that stands on two main pillars to boost restaurant efficiency (see more in TRUST White Paper):

Despite lacking XXI century infrastructure, the restaurant industry nowadays has thousands of systems aimed at its optimization to minimize cash settlements from the industry. Various coupons or vouchers, for instance Sodexo, employee discounts, loyalty systems and delivery applications such as Uber Eats - all are created to help restaurateurs to maximize their profit and would benefit from the implementation of blockchain, but don't have the ability to easily use the technology.

TRUST has become an Anchor in the Stellar ecosystem not only to maximize efficiency of the industry's two main pillars, but also to enable constant transformation of all systems that are built for the restaurant industry. When being an Anchor, TRUST has an issuing account from which it issues unique assets (see 4.2).

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<sup>1</sup> <https://blockgeeks.com/guides/smart-contracts/>

<sup>2</sup> <https://www.7shifts.com/blog/restaurant-scheduling-stats-of-2017>

The world is moving towards seamless, unforgeable solutions and TRUST acting as an Anchor brings the appropriate infrastructure to one of the key industries in the world. Entering the blockchain era with TRUST will change the restaurant industry forever, not only for restaurateurs, but also for all of its partners.

### 3. Choosing Stellar over Ethereum - blockchain tailored for restaurant industry needs

Founded in 2014 by Jed McCaleb, the man behind Ripple and Mt. Gox, Stellar<sup>3</sup> is an open source payment network for asset agnostic value exchange. Stellar utilizes its native asset, Lumens, to facilitate the exchange of value and can boast of handling over 1000 transactions per second. This makes it over 100 times faster than Bitcoin or Ethereum.

Practically, this means that Stellar focuses on one niche market, as opposed to Ethereum, which is attempting to be a general purpose Turing-complete computer. Growing at such a rapid rate results in the Ethereum network experiencing major congestion, and this is where Stellar has the edge over Ethereum. The maximum transactions per second that a network can handle is all that matters for distributing and transferring tokens.

An enormous advantage held by Stellar over Ethereum is that it has a built-in decentralized exchange, that can be used natively by any token issued on Stellar. No GAS is required by Stellar for program execution; only a small transaction fee of 0.00001 XLM (a fraction of a fraction of a penny) is charged and the whole thing takes roughly 5 seconds. Comparatively, Ethereum's fees are dependant on very many factors and can soar to considerable numbers in times of network congestion, when it costs over \$1 and takes several minutes for transactions to be processed<sup>4</sup>.

Taking all of the above into consideration, Stellar is suited to be the ideal ecosystem to build a real infrastructure for the multi-billion restaurant industry, where the speed of transactions is crucial in terms of efficient services that need to be provided to restaurant and hotel guests. Just imagine that people would have to wait up to 15 minutes to use their loyalty points to get a free coffee, and you would then ask them for an extra dollar for GAS! This is not the way we operate in a globalized and digitalized world, where it is the standard that services are almost instant and prices are fixed.

### 4. TNT, the TRUST NEW TOKEN

The TRUST NEW TOKEN is a Stellar-based token. It is used as a necessary tool to be exchanged for newly-generated smart contract-based digital tokens (Restaurant Utility Tokens) operating within the TRUST ecosystem and Stellar network.

TRUST Management System modules (more in TRUST White Paper) will be fueled by unique features powered by smart contracts. Only by using TNT and exchanging them into Restaurant Utility Tokens, restaurateurs will benefit from the full potential of TRUST.

In order to quicken TRUST adoption and to answer all the needs of restaurateurs, TRUST offers the possibility for external module creators to utilize smart contracts in their solutions by implementing Restaurant Utility Tokens emitted only by TRUST, acting as an Anchor.

TRUST leaves complete freedom as to the smart contract design and functionalities, and also full freedom of choice whether to emit their own in-app digital tokens or not. Hence, TRUST ensures that all legal responsibility related to such Restaurant Utility Token generation, ownership and usage lies with its creator – an external software developer or restaurateur.

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<sup>3</sup> <https://www.stellar.org>

<sup>4</sup> <https://www.blockchain-council.org/blockchain/why-are-ico-tokens-moving-to-stellar/>

## 4.1. TRUST as a Stellar Anchor

Technically, as a Stellar Anchor<sup>5</sup>, TRUST will act as a trust-needing source of value input into the Stellar blockchain. Stellar allows for easy exchange of value between different mediums and currencies in a decentralized manner, by means of Anchors. Anchors are the entities that issue assets on the Stellar network. Each Anchor has an issuing account, and designates an appropriate code to each asset. Anchors put value storage on the Stellar blockchain as issued credit.

The decentralized protocol can then allow users to exchange credit from different Anchors in a decentralized manner, to move value in their portfolio. The exchange itself is trustless, with users needing to verify and trust their Anchors to recognize the credit from the system. Anyone can accept an asset from an Anchor by creating a trustline: a persistent entry in the Stellar ledger. Trustlines track the limit for which your account trusts the issuing account, and the amount of credit from the issuing account that your account currently holds. Holding assets in Stellar means actually holding credit from a particular issuer. The issuer has agreed that it will trade you its credit on the Stellar network for the corresponding asset – for instance a cup of coffee, service, or other precious item - outside of Stellar.

*Let's say that Scott issues cupcakes as credit on the network. If you hold cupcake credits, you and Scott have an agreement based on trustline: you both agree that when you hand over a cupcake credit, Scott gives you a cupcake at his bar.*

When you hold an asset, you must trust the issuer to properly redeem its credit. Since users of Stellar will not want to trust just any issuer, accounts must explicitly trust an issuing account before they are able to hold the issuer's credit. In the example above, you must explicitly trust Scott before you can hold cupcake credits.

## 4.2. TNT functionality - Restaurant Utility Token generation

TNT enables exchange only for the newly generated Restaurant Utility Tokens. TNT will not be used as a currency in any transactions whatsoever - as opposed to Bitcoin or Dash etc., that may be used to purchase goods or services. TNT will be exchanged for new Restaurant Utility Tokens only by TRUST. A single new Restaurant Utility Token will equal 0.00001 TNT. Restaurant Utility Tokens will be bespoke assets generated to enable transactions based on smart contracts. They may be used in TRUST, on applications using the TRUST ecosystem and/or Stellar, according to the vision of the entrepreneur that wishes to generate them. TRUST will have no influence over the applications of Restaurant Utility Tokens.

## 4.3. TNT price and Restaurant Utility Token generation costs

No ecosystem can afford to run transactions completely free of charge; exchange of TNT for the bespoke Restaurant Utility Tokens will be charged with a commission. The price of TNT on the open market will be dependent only on the needs of the market, correlated with TRUST coverage. The greater the implementation of TRUST in the restaurant industry, the greater the need for TNT. A commission ensures that there will be no DDoS attack on the TRUST ecosystem. The TRUST NEW TOKENS (TNT) will be directly exchanged to Restaurant Utility Tokens, with GAS (~.00001 XLM) in Stellar's native Lumens and no additional medium.

## 4.4. Restaurant Utility Tokens - smart contracts for boosting efficiency in the restaurant industry

TRUST makes on-blockchain smart contract applications surprisingly easy to implement, blowing open the doors of restaurant world commerce. The business possibilities of utilizing tailored smart contract apps that are suddenly within our reach forecast the impending age of abundance in restaurants, resigning century-old managing problems to the pages of the history books. Here we list just a few out of many ways in which blockchain-utilizing apps will cure the industry:

1. Loyalty and incentive programs become uncheatable. With a smart contract, when every 10th coffee is to be free, it will be free, always. With every coffee purchase transaction, the smart contract records the loyalty tokens - there is no place for a friendly bartender giving out more stamps than they should..
2. Vouchers, coupons and any form of tickets gain unparalleled advantages of immutable use-by date, traceability, and links to particular individuals or companies - increasing traceability in the event they are shared with those who should not be able to access them.

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<sup>5</sup> <https://www.stellar.org/developers/guides/anchor/>

3. Group incentive systems become straightforward and cost-efficient: tokens distributed to app users are instantly available and usable at all participating partners or Stellar global network members. As opposed to manually distributed and collected paper booklets, filling dustbins in large numbers.
4. Employee discounts become theft-proof: a particular wallet may be linked to an employee discount at a nearby bistro, where they are entitled to enjoy their lunch at half price - there is no possibility to activate that promotion and give a discount to the waiter's friend. Festival and concert coupons become extremely easy to use: in-event app tokens save the event organizer excessive booth and personnel costs, and event-goers precious time so they don't have to queue to get a coupon at the counter while their show is already on.
5. Delivery applications using smart contracts allow their users to instantly pay upon delivery when signing the transaction - for example when food has arrived hot and within time limits. Contracts can be programmed to give instant discounts if set standards are not met. Blockchain allows decentralized apps to be built for food delivery, where each courier could take deliveries from all TRUST-using restaurants and always be sure of getting paid for their service.

#### 4.5. Secondary trading of Restaurant Utility Tokens

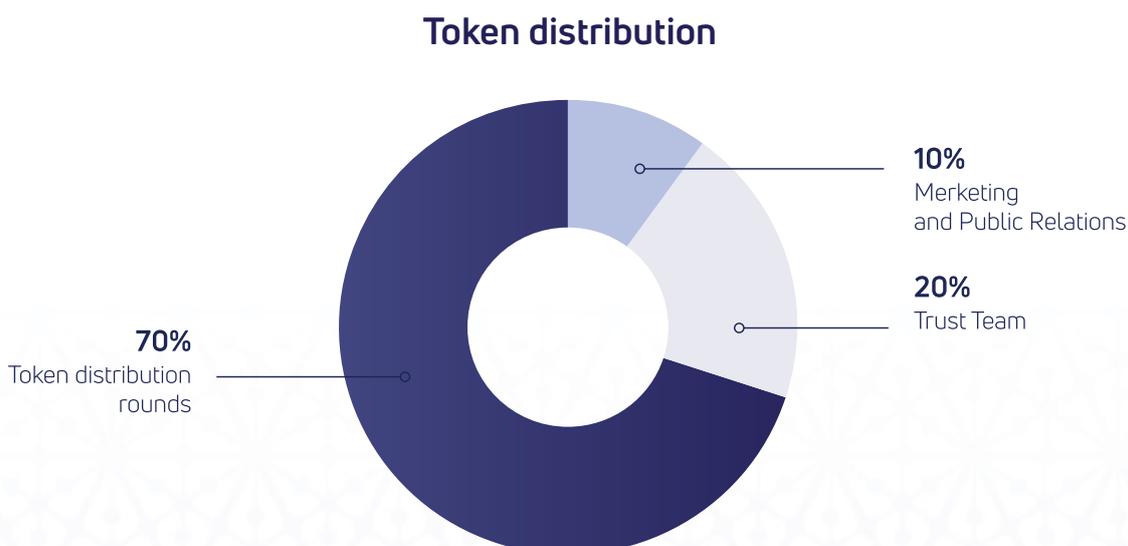
When a restaurateur generates a Restaurant Utility Token that is programmed to be open to use, their tokens become public and can be instantly and publicly traded on the Stellar Decentralized Exchange.<sup>6</sup>

So when you buy a Restaurant Utility Token on the exchange, you are not buying it from the company, you are buying it from some other existing end user. Likewise, when you sell your Restaurant Utility Tokens, you do not sell them back to the company – rather you sell them to some other user. This functionality enables a paradigm shift in incentivizing customer loyalty in the restaurant industry, with free exchange of tokens issued by restaurants resulting in secondary peer-to-peer trade.

### 5. Regulated Token Offering of TRUST NEW TOKENS (TNT)

All TNT emission = 1.000.000.000 TNT.

The token will be issued in rounds covering 70% of the emission, of which 25% will be available for purchase during a Regulated Token Offering (175.000.000 TNT), leaving 45% (525.000.000 TNT) for the planned Initial Exchange Offerings (IEO); 10% will be allocated to marketing and public relations activities, with the remaining 20% distributed among the TRUST Team members.



<sup>6</sup> <https://www.stellar.org/developers/guides/concepts/exchange.html>

### 5.1. Unsold TNT

After the Regulated Token Offering, the unsold TNT will remain frozen until the next token distribution round.

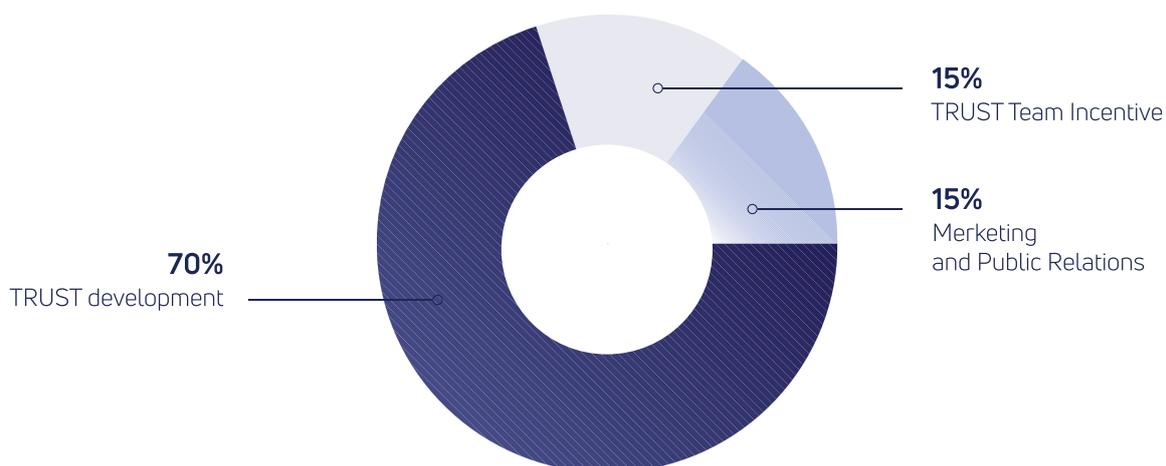
### 5.2. Further generation of TNT

There will be no more TNT generation in the future, no additional supply of tokens that might impact their value.

### 5.3. Allocation of collected funds

The token fund sale will be used for the development of the TRUST project and the growth of the whole ecosystem. Our main focus will be product R&D, business development and set up of strategic alliances. We foresee the following budget to be used for the various types of expenditures:

#### Token distribution





TRUST Management System modules will be fueled by smart contracts. Only by using TNT and exchanging them into Restaurant Utility Tokens, restaurateurs will benefit from the full potential of TRUST.



The Restaurant Utility Token enables easy implementation of smart contracts into bespoke applications to exploit the business-transforming potential of modern loyalty programs, special discounts, coupons, partnerships, in-app rewards and other visionary ideas.



TNT will be used to generate Restaurant Utility Tokens within the globally distributed TRUST-enabled entities and the entire Stellar ecosystem. Dedicated offers or services will take account of local circumstances and be complementary and compatible with TRUST, as well as any application built on Stellar.



**TRUST**



*The Swiss company TRUST Holding AG is building transaction infrastructure for the restaurant industry. Its unique usage of an Anchor in the Stellar ecosystem will not only maximize restaurant efficiency, but also enable the constant tokenization of each and every system built for the hospitality industry.*



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