



BitPlus

Whitepaper

Introduction

Businesses use outdated technology when it comes to maintaining customer interaction and managing those customer relationships at the point of sale. Furthermore, older and more established names in POS and customer interaction management are out of reach to small and mid-size businesses, either due to the high cost of entry and/or the need for ongoing support after the initial equipment and service purchase.

At the same time, cryptocurrency struggles to achieve mainstream adoption because most businesses don't have any compelling reason to migrate from their current platforms. Adding cryptocurrency support adds extra layers of complexity, either because current POS systems don't natively support it, or there currently is no compelling advantage to do so.

Retail businesses large and small benefit from a platform that both simplifies and integrates customer interaction management with point of sale. Adding cryptocurrency support to not only accept as a valid form of payment, but as a central element of the loyalty programs of these businesses is also compelling.

BitPlus intends to provide universally useful business solutions that make promotion and acceptance of cryptocurrency a secondary priority to solving real business problems worldwide, and this white paper details both the company's platform and Token Sale strategy.

BitPlus Utility Token Sale

To support BitPlus' services, the company is launching an Token Sale of a Ethereum ERC 20-based utility token that is exclusively used on the BitPlus Network to support the platform. This token is **not** equity in the BitPlus Corporation nor a security. but rather used as a form of payment for services and products at BitPlus partner retailers, as a method for consumer retention, and as an option to pay BitPlus Corporation for hardware purchased and services rendered.

Customer Interaction and Point of Sale Software

Successful modern retailers invest in two software platforms to maintain their business: customer interaction software to maintain customer relations, and point of sale software to turn those customer relationships into revenue.

Retailers thrive when the customer relationship is strong. Depending solely on customer traffic to generate revenue is not enough: potential customers have many options and loyalty is rare. Businesses must put in work not only while the customer is present, but also attempt to maintain some type of continual relationship to encourage repeat business.

The value of repeat customers is well documented. A joint study by BIA/Kelsey and Mantra found that three out of five small and medium businesses reported that more than half of their revenue comes from repeat business. More important? A repeat customer spends 67% more on average than a new customer.¹

¹ Williams, J. (2014-04-03). "BIA/Kelsey and Manta Joint Report: SMBs Shift Priority to Customer Retention." BIA/Kelsey. Retrieved 2017-11-17.

This is where *customer interaction software* is useful. A database of customers is maintained, and business owners can use the data contained within to maintain contact information, and analyze customer behavior. The value of that analysis is particularly beneficial in marketing. Marketing research firm Ascend2 found that half of respondents reported that personalized messaging was one of the most effective email marketing techniques in their business.²

With data on behavior, marketing can be targeted to the specific customer based on past purchase history. In practice, that has shown to increase the likelihood of conversion. But where does this purchase data come from?

This data is obtained from *point of sale* software. A POS system is the modern version of the traditional cash register, but it does more than just serve as a method to collect payment for goods and services. Each transaction is linked to a customer, which creates a database of sales and activity.

When combined with customer interaction software, retailers are armed with valuable data to serve customers faster and better. Food service is an especially good example: a customer calling into a pizza shop no longer needs to order their customized pizza every time they call – the employee would see that it's frequently ordered and can ask the customer if they'd like to place their 'regular' order.

While a business could invest in one platform or the other, it wouldn't make much sense. Customer interaction and point of sale are complimentary, and both are essential to maintain and grow a modern business. But are the current players in this space aren't set up to harness the future of retail and commerce? Retailers should be ready for the next big thing in commerce: cryptocurrency.

The State of Cryptocurrency

The last major paradigm shift in commerce was the introduction of the credit card, which to move us from a paper currency-based society to a credit-based about a half century ago. 'Paying with plastic' is now the norm rather than the exception: a TSys study found that three-quarters of consumers now prefer to pay for transactions with either a credit or debit card instead of cash.³

However, another major paradigm shift is upon us. Cryptocurrency, led by platforms like Bitcoin and Ethereum, are spearheading the transition to fully digital currency. Its decentralized nature shakes up the financial industry: instead of a centralized banking system, the concept of value is determined by the end user. When cryptocurrency goes mainstream, it could upend the world economy.

² Ascend2 (2017). "2017 State of Email Marketing: Survey Summary Report." (PDF).

³ TSys (2016-10). "2016 Consumer Payment Study" (PDF).

But currency is only valuable if it is useable, and this is one of cryptocurrency's most immediate challenges. While crypto-investing has produced some \$200 billion in value for investors,⁴ its use as a form of payment is lagging, and by some measures is already beginning to wane.

The issue here is that there is no compelling reason for retailers to modify existing POS systems to accept it, and there currently is no easy-to-implement method to accept cryptocurrencies. With intense retail competition in many sectors, outlaying money for what is still a niche idea doesn't make much sense.

There's also other factors at play. Many POS solution providers are either owned by, or have close affiliations to payment processing providers. Cryptocurrency is disruptive to their core business thanks to its decentralized nature. There is little if any desire to change the current structure.

BitPlus understands that retailers need to still process credit and debit card transactions, and it is the reason why cryptocurrency plays a secondary (although important role) in our offering. Through our competitive offerings in not only price but functionality, we will build loyalty. Serving their important business needs first will make them more receptive to our cryptocurrency offerings. That in turn drives adoptions.

Cryptocurrency needs players in the customer interaction and POS software industry like BitPlus to not only embrace it, but to use cryptocurrency in ways that provide immediate benefits to the business itself as the platform matures. Without these changes, at some point cryptocurrency valuations will stagnate and lose value, which is a real concern to everyone.

Introducing BitPlus

The core mission of BitPlus is to answer all of the above challenges, both to retailers and cryptocurrency at large.

The BitPlus platform by nature encourages cryptocurrency adoption across all sectors through a rewards system distributing network-specific tokens to BitPlus Network service users, and making tokens a valid form of payment at any retailer in the BitPlus Network. The number of tokens that a user is able to redeem at a time on any given service and the value assigned to the tokens for the purchases of such services will be based on a mixture of market price and operable sustainability.

BitPlus is developing solutions or has intentions to develop, or will invest in solutions relating to the following facets of retail business management:

- ❖ Customer interaction software, including voice, chat, SMS, email, and social media management;
- ❖ Point of Sale software, including eCommerce, cryptocurrency exchange and transmission, and food service industry-specific solutions; and
- ❖ Merchant financial services, including payment processing and B2B financial services.

⁴ Value obtained from <https://coinmarketcap.com/charts/> as of 2017-11-17.

BitPlus' goal is a system which either can quickly bring new businesses online with the tools necessary to succeed from the start, and makes it simple and cost effective for established businesses to migrate to BitPlus or use portions of the platform that seamlessly integrates into their preexisting deployments.

The next several sections describe our work in greater detail.

Interactify – BitPlus' Customer Interaction Software

Traditional solutions limit the way merchants can manage and organize customer interactions. BitPlus' customer interaction solution Interactify enables management of all forms of communication with customers, including voice, email, chat, and social media. It is designed to help businesses improve the way they manage and organize customer interactions, without unnecessary upfront cost or hardware to buy. Interactify is made for the web and requires only an internet connection, web browser and a headset.

Since Interactify is web-based, business owners manage interactions and monitor the activities of their customers and agents from anywhere. Interactify helps businesses improve the customer interaction experience by allowing voice calls to be recorded on a project level, agent level, or on a per-call basis. Supervisors can communicate with agents via Whisper, which is a dedicated channel that the customer cannot hear. Advanced features like screen pops, CRM integration, agent status, automated call distribution and the ability to do warm and supervised transfers are standard with the Interactify platform.

Instead of a monthly service contract, BitPlus customers are charged based on the number of phone numbers they maintain and interaction credits used. Interaction credits are only used when agents engage in inbound and outbound communications originating outside of the Interactify platform, as communications within the Interactify platform are free. Our customers earn token rewards for making and receiving calls and other paid interactions on the platform, which reduces overall overhead cost after redemption for BitPlus services.

Feature Summary

Multi Channel	Supports voice, email, chat, social, and more.
Inbound Services	Take and distribute inbound interaction from all channels.
Outbound Services	Engage in and distribute outbound interactions.
Remote Supervision	Enable agent supervision without physical presence.
Agent Productivity	Keeps track of essential metrics of agent performance.
VOIP	Fully supportive of VOIP features.
Customer Support	Dedicated Interactify agents are available to help customers.

BitPlus is Scalable

While BitPlus' flexibility and low startup cost makes it an attractive solution for small and medium size businesses, it is not our sole focus. Large, established businesses are just as important.

Our platform is inherently scalable, and built upon tenets of customer interaction management and POS technology refined by industry veterans. These companies have years of experience in their respective industries, and know what works and what doesn't. Our customer's experiences improve our product for our smaller customers. At the same time, our SMB partners are perfect testing grounds for innovative solutions.

A larger business partnering with BitPlus gains an R&D department for its customer interaction and POS strategy. Our smaller partners have greater flexibility, and often much more specialized needs. As a result of our partnerships, we've created modules that larger solutions just aren't interested in pursuing, and made our solutions more modular, giving flexibility that larger businesses don't often have with most competitors.

Cost is not as big of a factor for larger businesses, but functionality is. We think BitPlus offers all the essentials businesses of all sizes can benefit from, plus much more.

Acadia POS – BitPlus' Point of Sale Solution

Retail commerce, while reaping the benefits of using point of sale software, is hampered by monolithic and inflexible solutions. Despite significant innovations in point of sale technology, merchants – especially in the SMB sector – find themselves trapped by high-cost and long-term agreements and expensive proprietary hardware.

A good POS platform allows businesses to effectively track sales, manage staff, process transactions and track inventory, while reporting functionality helps them understand their business and plan effectively. Since can significantly improve their overall business, the platform selection process can be an intimidating and stressful experience.

BitPlus' **Acadia POS** is a modular system that allows merchants to create exactly the interfaces they need for their business. It combines the best of cloud and premise-based POS solutions, and this hybrid architecture minimizes the disadvantages of either option. Acadia POS doesn't need an Internet connection to work, and doesn't require third party providers to operate to its fullest potential. At the same time, Acadia POS borrows from the attractive features of cloud-based systems, including the capability to run on just about any hardware with a web browser and seamless updates.

Current BitPlus customers are running POS applications on devices as basic as a Chromebook. Merchants are not limited to a set number of POS stations like some POS solutions, and all that each physical POS location needs is a Raspberry Pi or similar microcomputer with the Acadia POS Core software installed. BitPlus provides configured devices if requested so that the customer is up and running quickly.

Feature Summary

Minimal Setup Times	Using any browser, merchants can set up their accounts and start engaging in transactions.
Multiple Payment Options	Merchants can accept a wide variety of payments including cash, cards and crypto within a single solution.
Customer Service	Active and dedicated support is available to customers.
Inventory Control	Manage inventory and ordering in one place.
Transaction Viewer	View details at the individual transaction level.
Accounting	Maintain near-instantaneous and accurate accounts of revenue activity.
Coupons/Discounts	Easily offer and accept coupons and discounts on products.
Telephony Integration	Integrated with Interactify to enhance POS experience.
Universal Rewards	Earn tokenized rewards for valid transaction events.

eCommerce

As an extension of Acadia POS, BitPlus offers an easy transition from brick-and-mortar sale to eCommerce and vice versa. Our solution builds upon our teams' previous experience with Magento and other popular platforms, which we have developed plugin and integration solutions for in the past. Merchant needs for eCommerce are simple: it should be easy, it should be cheap, and it should work well.

eCommerce solutions are traditionally difficult to implement, taking many hours of configuration and setup to cater to each retailer's individualized needs. Brick-and-mortar merchants often treat eCommerce as a secondary extension of their business rather than a primary revenue stream.

The way these businesses look at it, it's too difficult to compete with to compete with major online marketplaces, and the manpower and time cost is too great to spend the necessary time to develop a substantial eCommerce offering. Beyond this, cross integration of inventory, payment, accounting, and other vital eCommerce and retail business functions and data is rare, and an afterthought for most eCommerce solution providers.

But competing directly with the major online marketplaces isn't necessary. Retailers should focus on relevant niche eCommerce functions and features. Too many retailers incorrectly assume that an online presence is intended to replace, when they should rather just use the specific niche eCommerce solutions they need without being tied into a monolithic platform to use them.

Acadia POS Usage Case: Restaurant and Kitchen Deployment

In this white paper, we've repeatedly used the example of food service as an example of what retailers can do with the BitPlus platform. While it is by no means the only applicable industry, food service presents a unique set of circumstances that lends itself well to an end-to-end solution like BitPlus offers.

Restaurants need effective and efficient task management to ensure customers have the best experience. The fast-paced nature of the food service industry also necessitates the need for any solution to complement workflows rather than complicate them: a waiter doesn't have the time to struggle with a complex POS with multiple screens, they need to get the order in as quick as possible.

Any point in the workflow that is inefficient can quickly snowball into a bottleneck, which not only prevents the food from getting to the customer, but limits the capability of the restaurant to seat more customers, and in turn make more money. BitPlus is specifically engineering solutions that help restaurants and food businesses manage their operations and grow.

Restaurants will find industry-specific solutions tailored to them while maintaining integration with their existing networked devices within Acadia POS, including table management and ticket printing. Not only will Acadia make running in-house operations easier for restaurants, it will enable them to easily expand their offerings and break traditional sit-down limitations.

More specifically, Acadia will include eCommerce functionality that enables restaurants to easily offer takeout orders online. Acadia will also have front-of-house customer experience management features that will assist in the workflow from the dining room level all the way down to the individual seated customer. Front-of-house and back-of-house operations run smoother as kitchen staff receive submitted orders on screens and printers in real time.

We believe that Acadia POS offers a comprehensive next-generations solution that offers functionality that the food service industry needs to remain competitive and increase profitability in today's increasingly competitive market

Money Exchange and Transmission Services

Acadia POS doesn't stop at traditional point of sale functionality. For merchants with money transmitter licenses, BitPlus will offer a money exchange and transmission services engine and interface that will empower a wide variety of financial services including ATM/teller functionality and wire transfers. We believe that this drastically reduces startup costs for many entities to get into cryptocurrency in an underserved area, as consumers don't have many options for teller services. Money transmitters can more easily manage and diversify their portfolio of services in their business operations with BitPlus and Acadia POS.

We see this as especially beneficial in countries with lax money transmission laws but poor liquidity. Anyone with a tablet, an internet connection, and the legal ability to transmit money can join the global cryptocurrency ATM market and start earning commissions, or stock their own crypto coins and earn full sales margin.

We plan to develop an extensive series of modules for a variety of money transmission protocols, all within a unified ecosystem experience.

Merchant Financial Services

The merchant financial services sector is one area where retailers commonly depend on third-party providers, and these services can be difficult to set up, and costly to maintain. BitPlus maintains its own merchant financial services network, and we believe that retailers will find our offering much more attractive than traditional ones, and increase profit margins as a result.

Payment Processing

Already deployed on the BitPlus Network is a complete merchant processing solution built in to Acadia POS. Our fees are already the lowest in the industry, and our merchants can accept all major credit cards, debit cards as well as cryptocurrency right away. Acadia POS is the first Point of Sale platform that enables cryptocurrency support by default.

B2B Financial Services

BitPlus also plans to provide business growth capital to our merchants. The BitPlus team members have experience with conventional business lending as well as factoring and unsecured funding products in the SMB market, and we plan to offer our own set of funding options to our customers. With an understanding of traditional underwriting while utilizing advanced AI, BitPlus will offer innovative financial products that meet the needs of today's merchants.

Unlike other POS solutions which require costly support contracts, platform support is built in to Acadia POS, including traditional phone support that merchants have come to expect.

What is BitPlus Network Token?

We must stress that the BitPlus Network Token (BPNT) Token Sale differs from other Token Sale offerings in the fact that it is **not** a security, i.e. a stake in BitPlus itself. Instead, this utility token is for the *exclusive* use within the BitPlus Network itself. At present, we see the token as useful in three different areas of the BitPlus ecosystem:

- ❖ As a method of payment for our customers to pay for our services, which can be earned from using the service itself in day-to-day business;
- ❖ As a method of incentivizing customers to return to BitPlus businesses through loyalty programs that have true monetary value; and
- ❖ As a method for consumers to pay for products at services at BitPlus businesses.

Further uses of this token beyond these three use cases may be developed at a later date.

Consumers will benefit greatly from the BitPlus ecosystem. While the consumer may earn token credits at one BitPlus business, they are automatically eligible to redeem these tokens at any other BitPlus business that has enabled cryptocurrency support. There is evidence from pre-existing programs that such a loyalty program strategy works, and Plenti is one of them.

Plenti launched in May 2015, initially linking the rewards programs of AT&T, Exxon, Macy's, Mobil, Nationwide, Rite Aid, Direct Energy, Enterprise Rent-A-Car and Hulu. While each company determines the extent of the involvement in the program (i.e. earning or redemption only, or both earning and redemption of points), the program is a success. Approximately 40 million U.S. consumers participate in the program, earning a total of \$400 million in rewards, and have redeemed more than 90 million offers.⁵

Of course, the BitPlus Network is far smaller. Unlike Plenti where participation in businesses are limited to agreements which favor one particular company over another, any BitPlus Network customer is eligible to participate however. While some businesses owners might think such a loyalty program strategy hurts them in the long term, studies suggest otherwise.

Research firm Colloquy found that 57% of consumers will abandon a loyalty program if it takes too long to earn points or miles, while IRI found that nearly three quarters of consumers choose retailers based on strong loyalty programs.⁶ We believe that a multi-retailer loyalty program makes points both easier to earn and faster to redeem, and benefits all our partner retailers. The consumer also has *choice*, whereas Plenti limits consumer choice based on non-compete agreements with its partner retailers.

The BPNT Token Sale

Our Token Sale will run for a period of sixty (60) days. Presale tokens will be offered at 0.002 ETH. During the Token Sale, tokens will be offered at \$1.00 USD.

Timeline

BitPlus is not like many companies in the cryptocurrency market, as we are already an established company with a deployable product used by several retailers. The following is a timeline of our company history, and our future platform roadmap. Our roadmap represents the best available estimate of our future plans, however is subject to change based events including but not limited to regulatory changes, and technological and economic factors.

Past Milestones

2014 :	EBMerchant, the forerunner to BitPlus is formed.
2015 :	Interactify development begins.
November 2016 :	Interactify's first clients sign on.
February 2017 :	BitPlus acquires EBMerchant
March 2017 :	BitPlus acquires Interactify, and development begins on Acadia POS.
August 2017 :	First Acadia POS clients sign on.
September 2017 :	BitPlus launches new features, including BitPay module, enabling full
cryptocurrency support.	

⁵ Pymts.com. (2016-11-29). "Plenti Continues To Grow Loyalty Coalition." Retrieved 2017-11-18.

⁶ Autry, A. (2017-11-07). "Consumer Loyalty Statistics: 2017 Edition.". Access (web). Retrieved 2017-11-20.

Potential Risks

As with any token sale, the purchase of our tokens does carry a high degree of risk, including but not limited to the risks described below. Before participating, it is recommended that participants carefully weigh all information and risks, and specifically the following risk factors:

Technological Risks

BitPlus is technology driven and requires technologies, including portions from third parties, to operate. As a result, unforeseen technological errors may prevent the redemptions of these utility tokens. The cryptocurrency network is decentralized, so BitPlus cannot control any outside factors that may disrupt those cryptocurrency networks.

We can offer no assurances that issues with technology used may prevent token holders from using their tokens. While BitPlus has developed a secure and stable network, we cannot assure users that use of Token Sale tokens may not be adversely affected by a third-party attack, whether to BitPlus' servers or elsewhere.

Regulatory Risks

Blockchain and cryptocurrency is new, and largely unregulated. Several jurisdictions have already begun the process of regulating – and in some cases banning – the acquisition of Token Sale tokens. The purchaser him or herself is responsible for ensuring that their participation in the BitPlus Network Token Sale complies with applicable local laws. We also reserve the right to modify the sale and/or tokens to ensure compliance on our end with any new regulation.

At this time, BitPlus asserts that its Network Token is **not** a security as its use is exclusive to within the BitPlus ecosystem, as detailed in the Statement of Exception included at the end of this paper. It is also not intended for trade in the wider cryptocurrency market. This said, future regulatory action may force BitPlus to alter its token strategy to comply with future laws and best practices. If and when that occurs, BitPlus will do its due diligence to alert token holders to any necessary changes, but token holders hold sole responsibility for paying any taxes required by their local law and complying with such regulations, whether at the time of purchase or in the future.

Economic Risks

Success of our Network Token Sale and the company at large are subject to economic conditions. Participation in the Token Sale is seen as an acceptance of that risk.

In addition to these key risks, the BitPlus Network Token Sale may also be affected by other circumstances outside its control including but not limited to war, states of emergency, acts of nature, and other unforeseen events.

Leadership Team

- Benjamin Leviton, Co-Founder and CEO
- Evgeniy Kamyshev, Co-Founder and CTO
- Salman Khan, Front-end Developer
- Ayman Hassib, Customer Service Engineer
- Jessica Spates, Communications Officer

Conclusion

BitPlus intends to innovate in the customer interaction and point of sale industry, offering comprehensive solutions that are both easy to use and implement. Of interest to cryptocurrency proponents, BitPlus' services are built around promoting cryptocurrency adoption, increasing both value and perception among consumers that so far have been less receptive to digital currency.

While cryptocurrency is our focus, BitPlus will succeed in helping cryptocurrency adoption by putting the development of innovative business services first, and the promotion of cryptocurrencies secondary. We strongly believe that this is the best path forward, and retailers play an important role in both.

United States of America
Securities & Exchange Act of 1933 Statement of Exemption

The Securities & Exchange Act of 1933 defines a “security” as:

“The term “security” means any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.”

For purposes of legal disclaimer, and to demonstrate our position, the **BitPlus Corporation** argues that the BitPlus Network Token and sale offerings of such do not represent any of the aforementioned definitions as per The Securities & Exchange Act of 1933.

The BitPlus Network Token will be exclusively and continuously end-redeemable with the BitPlus Corporation for usage of BitPlus Network software and service. It is not representative of ownership in the BitPlus Corporation, the extended BitPlus Network, nor is it representative of ownership of BitPlus Network software and service. As the BitPlus Network will be live at the time of issuance, it is also not a pre-subscription. For consumer protection, and ease of cross platform usability, it is structurally necessary for the architecture of the BitPlus Network to issue the BitPlus Network Token as an unrestricted fungible cryptographic token for usage on all BitPlus Network platforms.

Though this issuance is not a security, in any instance that it would appear that this particular offering falls under the definition of a security, or any legally governable financial instrument in the future due to legislative change, the BitPlus Corporation will attempt to act in accordance to updated code, or cease to operate redemption operations in the jurisdiction of the United States at its sole discretion. BitPlus addresses the Howey Test below.

Waiving Token Sale:

1. *Is it an investment of money?*

No. Purchases of the BitPlus Network Token are an expenditure of money for access to specific services. Purchased tokens are not representative of ownership in the BitPlus corporation, nor is it representative of BitPlus software ownership.

Waiving Direct Profit Expectation:

2. *Is there an expectation of profits from the token sale?*

No. As BitPlus tokens are exclusively redeemable for access to BitPlus Network software services, and as rates for acceptance of BitPlus tokens for services on BitPlus Network software are at the sole and arbitrary discretion of the BitPlus Corporation, there can be no reasonable expectation of profit from the ownership of tokens.

Waiving Common Enterprise:

3. *Is this a purchase of tokens in a common enterprise?*

No. The success of individual BitPlus Network Software products is entirely on the merit of the individual software's merit. BitPlus tokens are a value added feature to the BitPlus Network that encourages broader adoption between services.

Waiving Indirect Profit Expectation:

4. *Does profit come from the efforts of a promoter or third party?*

No. Any profit from using BitPlus Network software is a result of the work of the end user. Only the end users purchasing and using BitPlus services are generating a real profit.