



## **White Paper – Island Coin Gold for the Future of Hawaii**

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official English language White Paper, the provisions of this English language original document shall prevail.

### **Introduction – Island Coin Gold is not Island Coin**

**In November 2017, an Altcoin called Island Coin was launched, and 13 million of them sold. Then Island Coin ran into difficulties for reasons that were beyond the control of this company. Island Coin Gold, replacing the original Island Coin, revives the initial concept to be fulfilled by Island Coin, but with careful management and total integrity. An exchange is possible if you bought Island Coin, for Island Coin Gold at the rate of 10 percent of what you currently have in Island Coin.**

**Or you can buy Island Coin Gold in the ICO to be launched on January 19, 2018, with each coin worth \$0.14. As the Altcoin becomes a useful tool for retailers, hotelkeepers, restaurants and other businesses, it will gain in value and build liquidity that we can all reinvest in our communities.**

**Try the new coin, and invest in the future of Hawaii.**

**Signed**

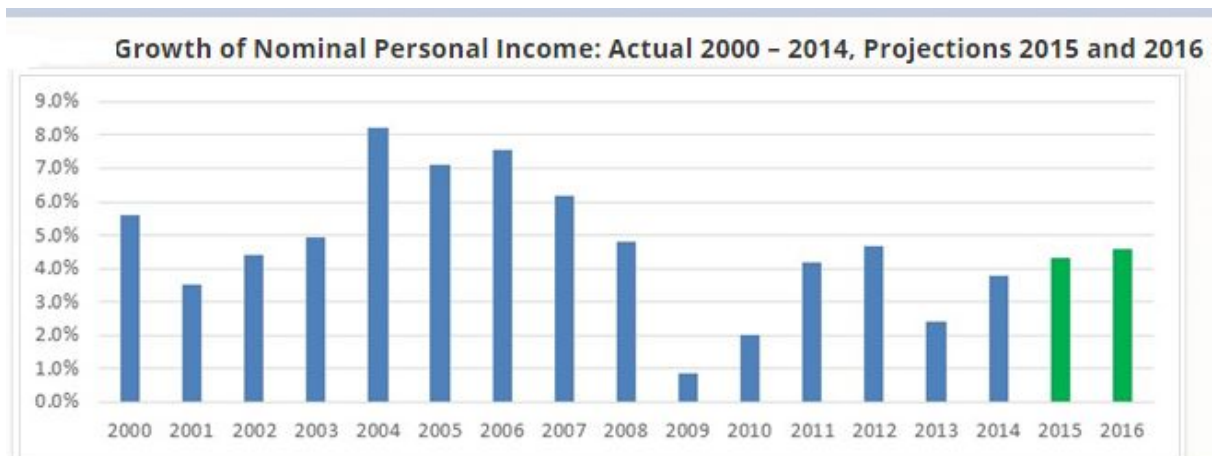
**Byron McCorrison, CEO, Island Coin Gold**



## 1. The challenge – People are leaving Hawaii

Some 13,537 people migrated from Hawaii from July 2016 to July 2017. About 37,000 have left in the past five years.

Why? It costs too much to live in the state, and, even though unemployment was only 2.6 percent in 2017, jobs are concentrated in a small number of sectors because the areas of the economy that drive job creation aren't growing. As the Washington Post puts it, heavy reliance on tourism had foreclosed other options. If you're looking in manufacturing or you're looking in certain areas of the sciences, Hawaii simply doesn't have them.<sup>1</sup>



Source: UHERO

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[https://www.washingtonpost.com/news/wonk/wp/2018/01/05/hawaii-has-record-low-unemployment-and-its-not-a-frozen-hellscape-why-are-people-leaving/?utm\\_term=.427f44884d20](https://www.washingtonpost.com/news/wonk/wp/2018/01/05/hawaii-has-record-low-unemployment-and-its-not-a-frozen-hellscape-why-are-people-leaving/?utm_term=.427f44884d20)



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Then there is the prohibitive cost of housing, added to the high cost of living. The Honolulu Consumer Price Index (CPI) is expected to increase 2.5 percent in 2017, the same as the previous forecast. In 2018, the CPI is projected to increase 2.3 percent. US CPI is at 1.7 percent at this writing, but most of that is food and energy. In Hawaii, it runs right across the board, according to the Bureau of Labor Statistics:

- **Housing:** This was the largest expenditure category for Honolulu-area households and averaged \$24,241. Housing accounted for 36.3 percent of the area's household budget, significantly higher than the 32.9-percent U.S. average. Housing expenditures shares among the published 22 areas nationwide for which data were available ranged from 40.3 percent in San Francisco to 30.3 percent in Detroit.
- **Food:** The portion of a Honolulu household's budget spent on food, 15.4 percent, was significantly higher than the 12.6-percent U.S. average. Honolulu-area households spent \$5,419, or 52.6 percent, of their food dollars on food at home and \$4,885 (47.4 percent) on food away from home. In comparison, the average U.S. household spent 56.7 percent of its food budget on food at home and 43.3 percent on food away from home.

So it is not hard to understand why 51 out every 10,000 people are homeless in Hawaii – the highest rate in the nation.<sup>2</sup>

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<sup>2</sup> <https://www.pbs.org/newshour/show/8-years-hawaii-sees-decline-homelessness-rate>



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Can jobs with decent pay possibly be created in Hawaii? Most of the state's GDP depends on tourism, but tourists are spending less and less each year, according to the tourist board.

## **2. Island Coin Gold offers a solution**



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Created right in Honolulu, launched on January 19, 2018, Island Coin Gold will provide a powerful economic boost for the state.

Island Coin Gold will be a well-managed cryptocurrency that is integrated into the retail and tourism sectors.

Island Coin Gold will create a much-needed injection of liquidity to stimulate growth as well as an effective promotional tool to help increase consumer and tourist spending. It will also help to provide working capital for cash-starved small businesses, helping them to survive. Investors will seek out Island Coin Gold,



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because it will become part of the economic fabric of the state, helping businesses to grow.

### **3. How will Island Coin Gold function?**

Island Coin Gold will be issued as an (Ethereum) ERC20 token, according to the standard that has become accepted in the industry. It will be a proof of stake token, with the SCRYPT algorithm ?? used for verification.

Island Coin Gold will be issued in segments, starting with the ICO of 4.5 million coins. The coins will be generated by the blockchain which will also guarantee trustless transactions. Several segments will be issued after the ICO at dates to be determined depending on growth of usage, until the total of \$10 million is reached.

Island Coin Gold will initially be distributed via [www.islandcoin.info](http://www.islandcoin.info) website and via several exchanges.

A powerful network has been developed to ensure that transaction times will be short and that there is sufficient capacity as the number of transactions grow.

Island Coin Gold will, of course, offer the well-known advantages of cryptocurrencies:





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- Transparency – In cryptocurrencies, the public ledger verifies all transactions. Because the ledger is distributed over a network of computers, it is only possible to register a transaction with verification by each node.
- Decentralization – Actions regarding the system can only be taken with a consensus of all participating nodes.
- Security -- Nothing on the blockchain can be changed save with the consensus of the network. No confirmed transactions on the blockchain can be changed.
- Permanence -- What happens on the blockchain stays on the blockchain. A public blockchain will act as a public ledger meaning that as long as the blockchain remains operative, the data on it will be accessible
- Automation -- With the removal of intermediaries and the distributed ledger being updated in real-time by nodes, all data input to the blockchain is transmitted and stored automatically.
- Disintermediation -- The core value of a blockchain is that it enables a database to be directly shared without a central administrator. There is no need for a centralized and controlling application. The blockchain transactions have their own proof of validity and authorization to enforce the constraints. With the blockchain



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acting as a consensus mechanism to ensure the nodes stay in sync, transactions can be verified and processed independently.

- Low cost – It will be possible to move from Island Coin Gold into another major cryptocurrency like Litecoin, Bitcoin or Ethereum rapidly and at a low cost. We are working to make it possible to exchange Island Coin Gold directly. for fiat currencies on the website as well – this will come after the ICO in the next iteration. As we are working on the Ethereum blockchain In Ethereum, the time between blocks is around 14 seconds, compared with Bitcoin’s 10 minutes or even longer. Ethereum block size is based on the complexity of contracts being run – it’s known as a Gas limit per block, and the maximum can vary slightly from block to block.

#### 4. Plan for the ICO

**Note the launch date: January 19, 2018! The Island Coin Gold ICO commemorates the Annexation of Hawaii on January 17, 1893.**

**Go to [www.islandcoin.info](http://www.islandcoin.info) to make the purchases.**



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Island Coin Gold will be offered internationally to all who wish to buy it.

The total number of coins to be issued is 10 million. There is no minimum buy-in, and, indeed, small investors are encouraged to take part and take advantage of the low starting price.

The ICO will be broken down into three phases:

- Phase 1 – January 19, 2018

Number of Coins - 1.5 million

Price - \$0.14

- Phase 2 – February 2

Number of Coins – 1.5 million

Price -- \$0.25

- Phase 3 – February 16

Number of Coins -- 1.5 million

Price -- \$1.00

The ICO will end on March 9, 2018

More coins will be offered for sale as Island Coin Gold begins to integrate into the Hawaiian economy. We will not fix a date for the next sale at this time.

**MAHALO!**



Island Coin Gold will seek a listing on cryptocurrency exchanges once the first phase of the ICO is complete.

## 5. Island Coin Gold in Retail

### DIRECT IMPACT OF THE RETAIL INDUSTRY BY SUBSECTOR IN HAWAII

NAICS	Subsector	Employment (Jobs)	Labor Income (\$Million)	GDP (\$Million)	Retail Establishments
441	Motor vehicle and parts dealers	6,585	\$379	\$557	644
442	Furniture and home furnishings stores	1,596	\$64	\$108	283
443	Electronics and appliances stores	1,568	\$65	\$115	209
444	Building material and garden equipment and supplies dealers	4,421	\$180	\$323	359
445	Food and beverage stores	14,864	\$468	\$765	1,240
446	Health and personal care stores	5,959	\$217	\$328	1,059
447	Gasoline stations	2,367	\$88	\$168	239
448	Clothing and clothing accessories stores	12,998	\$363	\$837	2,140
451	Sporting goods, hobby, book and music stores	3,799	\$92	\$178	757
452	General merchandise stores	14,319	\$463	\$904	278
453	Miscellaneous store retailers	9,920	\$241	\$509	2,133
454	Nonstore retailers	7,904	\$65	\$207	4,608
722	Food services and drinking places	62,402	\$1,596	\$1,988	4,490

Source: NRF

Apart from the ICO, Island Coin Gold will be distributed by Hawaiian retailers, in a series of promotions that should help increase sales.

Retailing is one of the largest sectors in Hawaii, accounting for the most employment after the tourism industry. It accounts for 205,207 Jobs, 18,439 retail establishments and \$12.2 billion in total GDP impact, according to the National Retailers Federation (NRF).



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Retail sales volume was up 5.5 percent in 2017, but a large part of that was in online sales, meaning that large online e-commerce shops took business away from bricks-and-mortar retailers on Hawaii main streets, according to NRF analysis.<sup>3</sup>

Even though the December holiday season was strong, the year did see nearly 7,000 store closings, a record level that more than tripled the number of closings the year before. The sector shed 66,500 jobs during the year, far more jobs than any other industry. Bankruptcies were up 30 percent from 2016, according to the NRF.

Island Coin Gold can give bricks-and-mortar stores a boost. A large number of retail stores have already agreed to display placards with the Island Coin Gold image.

The promotion involves shoppers who are invited to take their picture in front of the coin image.

Those who do will receive some Island Coin Gold as a rebate for their purchases.

They can then return to spend the Island Coin Gold at the store, or simply keep it as savings which will increase in value.

As the powerful promotion becomes widespread across the state, retailers will use Island Coin Gold as part of their pricing, offering consumers the chance to pay for part or all of merchandise with the Altcoin. That opportunity will attract larger numbers of consumers to local retailers, as the big national online merchants won't

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<sup>3</sup> <http://www.kitv.com/story/37254830/retailers-best-holiday-shopping-season-since-10>



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be able to compete with it. We think this will lead to a renaissance of bricks-and-mortar retail in Hawaii, keeping stores open and creating jobs. Consumers who spend more in local stores also help build communities.

## **6. Island Coin Gold in Hoteling**

Island Coin Gold will also provide hoteling on the island with support and promotions.

Traditional hoteling is seeing a net decrease on the islands, rather like that which retail is suffering. Online competitors like Airbnb are taking an increasing share of the market, according to the Hawaii Tourism Authority.



Figure 2: Visitor Unit Counts by Type of Accommodations, 2007-2017



\*Other includes Apartment Hotels, B&Bs, Hostels, and Other units

Source: Hawaii Tourism Authority

The alarming trend is, however, that the continuing increase in the number of tourists who come to Hawaii isn't leading to a rise in the number of hotel rooms being taken.

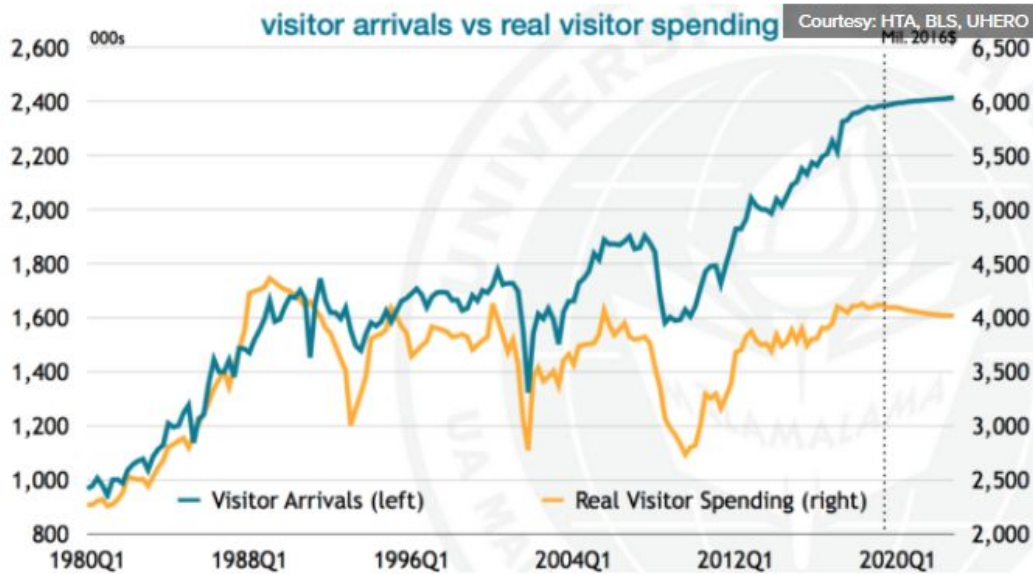
Tourists are being more "frugal," as an article in the Civil Beat noted recently, opting to spend less on accommodation and thus dining out less as well.<sup>4</sup>

Restaurant and foodservice jobs in Hawaii in 2017 equal 14 percent of employment in the state. Yet the sector lost 1,000 jobs last year as tourists tightened their belts and locals had less to spend. Tourists who are lodging in greater numbers at apartments and homes take advantage of kitchen facilities to make their own food.

<sup>4</sup> <http://www.civilbeat.org/2018/01/economists-financial-challenges-are-looming-for-hawaii/>



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**Source: Civil Beat**

Island Coin Gold will help to improve business for local hotels and restaurants, much in the same way that it will do so for retailers, but with a greater variety of promotions.

Hotel clients will have the opportunity to have their picture taken in front of the Island Coin Gold sign. Those who do will also receive a rebate in the cryptocurrency. That rebate could then be spend in activities at the hotel, perhaps in taking a tour or perhaps using the hotel spa.

Restaurants will also provide coins in exchange for a picture with the Island Coin Gold image. That rebate could be used to pay for an extra drink or dessert.

Both hotels and restaurants will promote themselves on the basis that clients can use Island Coin Gold for payment of various products or services.





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And, to attract more tourists to hotels in Hawaii, ads will carry the message that using Island Coin Gold offers a number of discounts and promotions.

Gradually, Island Coin Gold will become an integral part of promotions for the Hawaiian hoteling and restaurant industry.

As, for example, Hawaiian restaurants on the mainland have become especially popular, these venues will also be able to offer promotions with Island Coin Gold, adding an additional level of authenticity to their offer.

## **7. Island Coin Gold in the Hawaiian Economy**

Island Coin Gold, as we've seen, will become a critical part of Hawaiian business. As its place in the local economy becomes increasingly important, the value of the coin will rise.

We've seen this scenario take place many times as Ethereum-based tokens, integrated into a viable business, rise in value based on confidence in that business. The example of Ripple's XRP is well-known, but there are many others.



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With the rise in value, businesses will begin to accept Island Coin Gold not just as part of a promotion, but also as a basic means of exchange for goods and services.

We are planning the launch of Android and IOS apps which will make it simple and economical for consumers to use Island Coin Gold and for businesses to accept them.

As a means of exchange, Island Coin Gold will be part of the ‘hard money’ tradition.

Economist Jeffrey A. Tucker, of the Foundation for Economic Education, defines the ‘hard money tradition.’<sup>5</sup>

Tucker points to the pioneering work of economist Ludwig Mises, which is often cited wrongly in discussion of new currency concepts. Mises defines the relationship of money and value as based on utility – “If we look back into the past, we must eventually arrive at a point where where the value of money is nothing other than the value of an object that is useful in some other way than as money....”

In other words, the initial value of money, before it becomes widely traded as money, originates in its direct utility. Crypto-currencies are useful, Tucker explains, because they combine money with a payment system.

Island Coin Gold fulfills that paradigm as much as any other crypto-currency, because of its usefulness to the Hawaiian economy, and because of the intensive and accurate way it is managed.

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<sup>5</sup> <https://fee.org/articles/what-gave-bitcoin-its-value/>



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As a result, Island Coin Gold provides an exceptionally effective platform for investment in cryptocurrencies. Island Coin Gold's network functions faster and better than those of Litecoin and Bitcoin, and this goes far into making it an effective medium of exchange. In this respect, much credit is due to the top-notch

development team, and the careful business management of CEO Byron McCorrison.

CNBC analyst Brian Kelly recently noted that one of the factors that drove the bitcoin price to its new heights has been the significant rise in demand for Bitcoin from institutional investors. Litecoin is now taking off for the same reasons, and Ethereum and XRP have both benefited as well from this recent inflow of capital to cryptocurrencies.

Institutional investors continue to look for a more stable instrument in the same market. They will seek something more secure and with a clear value proposition, like Island Coin Gold.

Island Coin Gold will offer a series of advantages to investors:

- **Longevity** – In its current form, Island Coin Gold will grow and prosper. There is no pressure for it to prove its value; that value will be demonstrated by the businesses that find it useful. Its price will improve gradually and steadily from its



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launch at \$0.14. as its capitalization also grows steadily. Island Coin Gold is going to be here for the long haul.

- **Use case** – Island Coin Gold also fulfills a need, as the crypto-currency which is specifically designed to bring value to the state of Hawaii, and one that functions in a clear and simple fashion, creating and storing value for use in the way that crypto was intended to. Fees are low: The average Bitcoin fee is \$10, while on Island Coin Gold, they are a fraction of that. The Altcoin will soon be traded on the major crypto-currency markets. An IOS wallet is already available, and an Android one will come soon.

- **Solid Platform** – Following the path of Ethereum-based coins, Island Coin Gold is established on a well-designed and robust platform, one which will enable it to handle the growing number of transactions and levels of demand.

Island Coin Gold is modeled after Litecoin, which is a peer-to-peer Internet currency that enables instant, near-zero cost payments to anyone in the world. Litecoin is an open source, global payment network that is fully decentralized without any central authorities. Mathematics secures the network and empowers individuals to control their own finances. Litecoin features faster transaction confirmation times and improved storage efficiency than the leading math-based currency.

## 8. The Team



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### **Byron McCorrison, CEO**

**Byron McCorrison has been a business man in Hawaii for about 10 years and involved in cryptocurrency since the bitcoins introduction 9 years ago. Seeing its rising popularity and staggering rate of adoption, the decision was made to create a coin that the world would love and that would benefit his home state.**

### **Developer Hassan Meerza**

**Hassan Meerza has 5 years of experience in cryptocurrency and its development. He currently owns Reactive Space which is a Blockchain technology company.**

### **PR Manager Andrew Rosenbaum**

**Andrew Rosenbaum has been a financial journalist and consultant for more than 15 years. He's worked for KPMG, and has managed his own company Content Solutions. As a financial writer, he began working in cryptocurrencies at the request of a large banking client, and has since then authored about 10 ICO white papers as well as an extensive number of articles and reports on the subject.**

