



This quarterly update is going to focus on one particular opportunity that has presented itself to Traipse in the last three months, but I'll also try to give you some quick updates on where other things stand.

As always, please don't hesitate to get in touch if you have any questions or ideas.

Traipse Enters the World of Downtown Currencies

Ever been in a city or town that has its own cleverly-named local form of payment meant to encourage shopping at downtown businesses? Or maybe you've purchased or used a Downtown Gift Card in Traipse's hometown of Staunton, through a program managed by the [Staunton Downtown Development Association \(SDDA\)](#). Many communities worldwide have implemented such systems as they seek ways to stimulate local economic activity. We here at Traipse believe in that mission, and from the beginning **the vision for Traipse has included the ultimate ability for app users to earn points for completing tours and stops, and to redeem those points for some form of credit that could be used at participating Traipse businesses.** This helps return some of the community's investment in implementing Traipse directly back to that community's locally owned businesses.

We were approached in late 2017 by the SDDA director about the possibility of replacing the [Staunton Downtown Gift Card system](#) with a hybrid voucher/electronic payment system that could be run through the Traipse app. While investigating how such a system might work, we stumbled upon another possibility: **minting and branding our own "virtual tokens" on a blockchain platform.** This wasn't possible until very recently, and with all of the activity in the cryptocurrency arena as companies like Bitcoin and Litecoin aim to be the speculative instrument of choice, only one company - [Simple Token](#), with its sister foundation [OpenST](#) - is "dedicated to supporting initiatives that further mainstream adoption of Blockchain technologies." ***I am pleased to share with you the news that Traipse has partnered with Simple Token and the SDDA to test the implementation of a closed-loop, tokenized local currency in Downtown Staunton.***

You may not know much, if anything, about cryptocurrency and blockchain technology. I certainly didn't until just a few months ago, and I'm still no Bitcoin enthusiast or anything. But there are aspects of the technology that lend themselves well to this application. In particular, **it presents the possibility of convenient, secure electronic**



transactions with no additional hardware for the user or merchant, and with minimal (read: much less than credit card) transaction fees.

I'll give a brief explainer, but I'll also post some links at the end of this if you want more information. "Blockchain" transactions have that name because **every transaction represents another "block" in a "chain"** of all the transactions that particular virtual coin (or fraction of a coin) has ever been a part of, encrypted so that the identities of the parties to those transactions are completely anonymous. This blockchain transaction log can be viewed by anyone at any time through online explorer tools, and thusly operates as **a kind of public ledger**. Unlike a public transaction ledger of the past, which might have been kept by a merchant, this ledger is **maintained by a system of distributed computing** that processes every transaction involving a particular virtual currency.

Simple Token in turn is [providing a service](#) that is equivalent to selling **blank coins** made of a certain material. The purchaser **can then mint and brand those coins, establish their value (which remains constant), and then circulate them within a closed-loop ecosystem**. If any holders of those coins, though, wanted to exchange them at any time for the market value of the coins' material – the material in this case being the publicly traded Simple Token coin, called OST – they may do so, as if they were melting down their pennies and selling them as copper. One OST token is currently valued at around \$0.20; its ultimate value will be determined by how Simple Token controls the supply, but more importantly by how "useful" the underlying service is to various aspects of the economy, just like copper and other metals are useful for things besides serving as coins. **Simple Token also provides its transaction tools as a stand-alone app or as open-source API "plug-ins"** to the purchaser's app. The transactions are still processed "in the cloud" but the currency can only be transacted within the purchaser's closed economy. This concept of a **"utility token"** has taken off in recent weeks, completely separate from the speculative cryptocurrency bubbles making headlines.

Our vision for this project is to **create a separate token economy for each downtown area in Traipse, partnering with our local clients to implement and manage that economy**. This will facilitate widespread adoption by merchants, and by both locals and tourists. Our hotel partners may even be interested in purchasing bulk amounts of tokens to include as part guest packages.

The name we propose for this new tool for local commerce: *Town Token by Traipse*.



We are a partner on an **SDDA \$25,000 grant application** for a Downtown Investment Grant from the [Virginia Main Street Program](#). We will find out about that by the end of June, and we have reason to believe it is likely to be funded.

We have joined 28 other companies that are partnering with Simple Token to develop use cases for the OST utility token. As part of that deal, we receive **250,000 free OST tokens** from the company, vesting over the next 24 months. Those have a current market value of around \$50,000, but more importantly they give us **more than enough “raw material”** to support Town Token economies in Staunton and plenty of other communities. We also will be able to work closely with Simple Token in shaping the transaction tools and other infrastructure to make sure it meets our needs in this unique use case. Assuming a successful trial in Staunton, we then intend to offer this **as an additional service to our existing clients, and as a stand-alone service or as part of an overall Traipse implementation package to new clients.**

The underlying technology may be fairly complicated, but there’s no reason that the user and merchant experience has to be. Users will be able to send Town Token as a gift, exchange Traipse points for Town Token, and pay any participating merchant with Town Token, all in a quick and convenient electronic transaction. We will also enable printing Town Token vouchers that can be scanned by a merchant, for those who prefer to have something physical (especially as a stocking-stuffer!).

There are many questions still to be answered about how this system will work, and of course, to what extent it will be used. But **this development sets the stage for an exciting new business model and revenue stream for Traipse, while also advancing our mission to boost local economies.**

Further reading:

A helpful overview of Blockchain (don’t be offended by the title 😊):

<https://www.lifehacker.com.au/2017/06/a-blockchain-explanation-your-parents-could-understand/>

This one gets a bit more into the weeds, but talks about more potential uses:

<https://www.cnet.com/news/blockchain-explained-builds-trust-when-you-need-it-most/>

Finally, a great summary of the state of the field in 2018:

<https://www.wired.com/story/future-of-bitcoin-blockchain-2018/>



Other Updates

The Town Token developments have taken a lot of our time and energy in the last three months, but we've also been making plenty of progress on our core business. Here are some updates:

Winchester Launch

On March 10, Traipse got its official launch in Winchester, in conjunction with the Celtic Fest event put on by our client, Old Town Winchester. Several people had fun completing a special "End of the Rainbow" Traipse tour that took them into several Old Town businesses. The event was a great springboard for Traipse Winchester, and we look forward to working with Old Town Winchester and other community partners to get more people using the app.

Traipse 2.1

We released v2.1 of the Traipse app in early March, and as a result app users can now build their own Traipse tours based on their interests and preferences. This new functionality makes the app even more valuable as a tool for tourists, and we've already seen greater interest from potential clients because of it.

Grant Awarded for 2018 Staunton Treasure Hunt

After a successful six-week Staunton treasure hunt in Fall 2017 (see previous newsletter for more details), we have received a grant from the SDDA of cash and services valued in total at \$3200 to put on another treasure hunt in October/November 2018! The grant will allow for much more promotion than was done for last year's hunt. We are also proud to be partnering with the Fields of Gold agritourism program, Greater Augusta County Chamber of Commerce, Staunton Innovation Hub, Staunton Makerspace, and Crack the Code Escape Room.

Virginia Tourism Corporation Grant Applications

Speaking of grants, Traipse has submitted applications for grant awards through two different Virginia Tourism Corporation marketing programs. One is called American Evolution 2019, a commemoration of several historic events in Virginia that is meant to capture more of the diversity of Virginia history. Our project involves development of a Traipse African American Heritage Tour of the Staunton area. We are working with community partners to tell a more complete story of Staunton's history. We have also partnered with the Woodrow Wilson Presidential Library and Museum on an application for the World War I and World War II Tourism Marketing Program. We are



the lead applicant on the American Evolution 2019 grant, but are happy to be playing a support role for this one. Both are opportunities to get funds for marketing activities we'd be wanting to do anyway to help increase app usage.

Art Walk Grant Application

My connections to the Kansas City area (I was raised in nearby Lawrence, Kansas) have led to an interesting opportunity to partner on an innovative arts project that would see the development of an interactive, multimedia walking tour. It would feature multiple artists with location-specific interpretive works available through the app. This blend of art and geolocation app technology will hopefully be as appealing to the grant committee as it is to us.

Gray Matter Sodality

We've been hard at work getting 12 months of mailings ready to go before we launch this secret society / puzzle subscription program, but it's almost ready. I can't reveal too much, but I will tell you that members will receive mailings that will include a mysterious cassette tape, a magical coffee mug, a marked deck of playing cards, and a perfectly ordinary chess set. All of these must be used in some fashion to solve the puzzles that reveal the locations of the pieces of Albert Einstein's brain. If you know someone you think might enjoy a GMS membership, please send them our way.

Blackburn Inn Grand Opening

The Blackburn Inn, a Traipse client for sponsored Downtown Staunton Traipse tours as well as a new tour on the hotel grounds at the former Western State Hospital, plans to open to its first guests in mid-April. We're excited to see the end result of the extensive renovation of this historic building, and to see a new audience of Traipse users exploring Staunton.

Main Street Now 2018 – Annual Conference of the National Main Street Center

In late March I brought the Traipse booth to Kansas City, Missouri, for this conference with nearly 1600 attendees from Main Street organizations nationwide. I heard from so many people who are interested in bringing Traipse to their communities, and value the role that Traipse can play as both a platform for local information and a creator of permanent, gamified tour content. We will be following up on these sales leads in the coming days, and I anticipate several new clients as a result.



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April 2018
Investor Newsletter

Downtown Intersections 2018 – Annual Conference of the Virginia Main Street Program

For the third straight year we will be providing a custom Traipse tour as a conference activity for attendees of Downtown Intersections. This year's conference will be in mid-July in Harrisonburg. Just as last year's conference in Winchester led to bringing on Old Town Winchester as a client, we hope that we'll be able to add Harrisonburg to the list of Traipse cities by the end of this year.

Thank you for taking the time to read through this quarterly newsletter. I hope the excitement we on the Traipse team feel to be at a company with so much on the horizon translates at least in part to an excitement at being an investor in such a company.

Best Regards,

Darren Smith
Traipse Founder/CEO