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# COMPANY PURPOSE

1. Pre-sell private jet hours on a security token.
2. Lease 4 HondaJets to service the Western US.
3. Redeem tokens for service on our 4 jets or on 4k jets on our blockchain booking platform.
4. Token represents guaranteed availability so price should vary around peak demand days.

# PROBLEMS

1. Millions of flyers compete for 4,000 jets on thirty blackout days per year.  
*Membership programs with complex rules have emerged to guarantee peak access.*
2. ~38% of private jets in flight have no passengers (i.e. “empty-leg”).  
*Today, a variety of centralized databases and fragmented air charter brokers address the ‘empty-leg’ market with limited success. Some legs lack commercial appeal but many major routes still fly empty today.*
3. Fractional programs do not accept cryptocurrency as a means of payment and only one or two charter brokers have adopted it.  
*Presently, those who wish to pay for private air travel first convert their crypto to fiat.*

# SOLUTIONS

1. A fixed number of tokens are redeemable for an hour of flight time on one of our HondaJets in our Western US service area with a set notice period. Token price should rise and fall with demand fluctuation around industry blackout dates (holidays, sporting events etc). This creates a hedging mechanism for charter brokers and travelers alike – a more elegant solution than a straight membership program.
2. Empty-leg or other capacity can be posted to the marketplace with a smart phone or API, and sold with reduced transaction cost. We plug-in to Avinode as well.
3. The jet card program will accept cryptocurrency payment and the Private Jet Coin (PJC) itself will trade on exchange. Our tokens are expected to be redeemable for miles on any airline.

# WHY NOW

## Positive annual private jet flight hours

### 4. Overall Trends (Calendar Year)

|       | Total      |         | Domestic   |         | International |         |
|-------|------------|---------|------------|---------|---------------|---------|
| Year  | Operations | Change  | Operations | Change  | Operations    | Change  |
| 2005  | 4,727,826  |         | 4,191,692  |         | 536,134       |         |
| 2006  | 4,745,746  | 0.38%   | 4,166,506  | -0.60%  | 579,240       | 8.04%   |
| 2007  | 4,824,960  | 1.67%   | 4,180,510  | 0.34%   | 644,450       | 11.26%  |
| 2008  | 4,291,104  | -11.06% | 3,681,606  | -11.93% | 609,498       | -5.42%  |
| 2009  | 3,449,204  | -19.62% | 2,929,476  | -20.43% | 519,728       | -14.73% |
| 2010  | 3,842,314  | 11.40%  | 3,212,132  | 9.65%   | 630,182       | 21.25%  |
| 2011  | 3,955,400  | 2.94%   | 3,323,596  | 3.47%   | 631,804       | 0.26%   |
| 2012  | 3,982,236  | 0.68%   | 3,315,438  | -0.25%  | 666,798       | 5.54%   |
| 2013  | 4,072,848  | 2.28%   | 3,394,942  | 2.40%   | 677,906       | 1.67%   |
| 2014  | 4,235,910  | 4.00%   | 3,527,038  | 3.89%   | 708,872       | 4.57%   |
| 2015  | 4,291,174  | 1.30%   | 3,605,060  | 2.21%   | 686,114       | -3.21%  |
| 2016  | 4,349,272  | 1.35%   | 3,666,930  | 1.72%   | 682,342       | -0.55%  |
| 2017* | 4,486,854  |         | 3,797,054  |         | 689,800       |         |

\* - Year to date

Source: ETMSC

Note: International flights include US to Foreign, Foreign to US and all foreign operations.

## Positive monthly private jet flight hours

### 3. Monthly Trends

| Month | Total     |           | Domestic |           | International |        |           |           |        |
|-------|-----------|-----------|----------|-----------|---------------|--------|-----------|-----------|--------|
|       | 2017-2017 | 2016-2016 | Change   | 2017-2017 | 2016-2016     | Change | 2017-2017 | 2016-2016 | Change |
| Jan   | 348,166   | 341,562   | 1.93%    | 292,360   | 284,028       | 2.93%  | 55,806    | 57,534    | -3.00% |
| Feb   | 344,196   | 341,800   | 0.70%    | 290,502   | 286,034       | 1.56%  | 53,694    | 55,766    | -3.72% |
| Mar   | 387,800   | 374,728   | 3.49%    | 324,118   | 310,398       | 4.42%  | 63,682    | 64,330    | -1.01% |
| Apr   | 375,436   | 356,284   | 5.38%    | 314,732   | 300,250       | 4.82%  | 60,704    | 56,034    | 8.33%  |
| May   | 384,858   | 371,838   | 3.50%    | 324,286   | 313,178       | 3.55%  | 60,572    | 58,660    | 3.26%  |
| Jun   | 375,252   | 366,016   | 2.52%    | 315,086   | 307,204       | 2.57%  | 60,166    | 58,812    | 2.30%  |
| Jul   | 361,780   | 359,816   | 0.55%    | 304,052   | 302,164       | 0.62%  | 57,728    | 57,652    | 0.13%  |
| Aug   | 385,828   | 363,970   | 6.01%    | 330,494   | 310,300       | 6.51%  | 55,334    | 53,670    | 3.10%  |
| Sep   | 387,756   | 373,452   | 3.83%    | 335,696   | 319,256       | 5.15%  | 52,060    | 54,196    | -3.94% |
| Oct   | 400,678   | 385,266   | 4.00%    | 345,808   | 332,252       | 4.08%  | 54,870    | 53,014    | 3.50%  |
| Nov   | 383,500   | 368,678   | 4.02%    | 325,326   | 312,402       | 4.14%  | 58,174    | 56,276    | 3.37%  |
| Dec   | 351,604   | 345,862   | 1.66%    | 294,594   | 289,464       | 1.77%  | 57,010    | 56,398    | 1.09%  |
| Total | 4,486,854 | 4,349,272 | 3.16%    | 3,797,054 | 3,666,930     | 3.55%  | 689,800   | 682,342   | 1.09%  |

Source: ETMSC

Note: International flights include US to Foreign, Foreign to US and all foreign operations.

# WHY NOW

1. We can do it fast: The Ethereum network enables a rapid implementation of an ERC-20 compatible tokenized operation. We can later pitch-fork onto any other desirable protocol, or build/clone a protocol to suit.
2. The blockchain market is rapidly maturing and private jet travel is on a stable and growing trajectory.
3. The CME has listed bitcoin futures and the IRS has already promulgated guidance on blockchain assets.

# MARKET SIZE

1. Part 135 business jet operators logged approximately 3.5mm flight hours in 2017 per FAA and NTSB data.
2. We estimate the average cost to operate a US business jet at \$5,000/hr.
3.  $3.8\text{mm hours} \times \$5,000/\text{hr} = \$17.5\text{bn}$  market size for hours only.
4. This estimate excludes capital costs and all ancillary revenue; we have seen all-in-estimates that add an order of magnitude to the calculation of GDP from the US private aviation market.
5. We cater to the fractional jet owner, the jet card owner and the free and independent traveler.

5. Top Ten Aircraft for Domestic Business Jet Operations  
Jan 17 - Dec 17



Source: ETMSC

# COMPETITION

The FAA lists ~ 2,000 Part 135 operators, and approximately 13,750 business jets in service in the US. ~4,000 are available on charter. We count roughly 34 jet card programs and highlight the following competitors either because of their scale or innovation:

- NetJets
- Delta Private Jets
- FlexJet
- VistaJets
- XOJET
- WheelsUp
- JetSuiteX
- JetSmarter

# PRODUCT

1. We are selling private air travel on a HondaJet in the Western US, and access to a community that allows both booking of private aviation and the opportunity to earn rewards.
2. Buyers of 25 or more hours worth of tokens are considered members and we handle all booking and payment on their behalf. Buyers of fewer hours may use the platform to book a HondaJet or other charter asset directly.
3. Private Jet Coin is an ERC-20 compatible token redeemable for private air travel, and the key unit of exchange on the online marketplace.

# BUSINESS MODEL

1. Jet Token Inc. operates on a business model substantially similar to the traditional software booking platform paired with a fractional aviation model. **The blockchain token mixes the financing function with the customer acquisition function.**
2. The company sells jet time in 50 and 100 hour increments on business jets.
3. Private Jet Coin will support private jet air travel with enhanced liquidity and a decentralized charter and empty leg marketplace.
4. The marketplace itself will charge ~4% but its currency would be expected to take on value; buy a token and use the marketplace to obtain lower commission and enhanced price discovery.

# CO-FOUNDERS

**Mike Winston, CFA**, age 42, began his career with Credit Suisse First Boston and later spent five years as a portfolio manager co-running \$1bn at one of the largest investment funds in the world, Millennium Partners. After leaving Millennium, Mr. Winston created the Sutton View group of companies, dedicated to forming investment partnerships on behalf of institutional and qualified investors. He received an MBA in Finance and Real Estate from Columbia Business School in 2005, and a BA in Economics from Cornell University in 1999. Mr. Winston is a CFA Charter Holder, and a member of the Economic Club of New York.

**Confidential**, was most recently employed by one of the largest cybersecurity firms in Israel. He was a lead developer in charge of the design and implementation of enterprise class security related software. His work as a full-stack developer specifically related to efficient security policy enforcement, authorization, authentication, and distributed systems, respectively. He wrote his first computer program at age 13 and today is the author and custodian of several open source block chain tools. Holds both practical and theoretical knowledge in cryptography and data science and served with distinction in the elite R&D unit of the Israeli Military (IDF). He graduated from Israel's Technion in 2013 with a degree in Computer Science.

# BOARD

**Mark Blair** is an aviation executive with more than 41 years of aircraft, airline and aerospace industry experience. Following a 14-year career with The Cessna Aircraft Company, Mark joined FedEx Express in 1990, retiring August 1, 2017 as a Vice President in the Technical Operations Division of FedEx Express Air Operations. He has held senior management and executive leadership positions across multiple disciplines of virtually all civilian aviation industry segments.

During his tenure at FedEx Express, Mark has held a variety of positions in the Air Operations division and has been a Vice President since 1996. Following an initial assignment with FedEx's Aviation Services organization conducting a variety of aircraft sales and purchase transactions, Mark led FedEx's Supplemental Air Operations organization which includes the global Feeder Aircraft Operations, with more 350 turbo-prop package freighter aircraft and the Corporate Aviation Department operating 11 business jets.

In 2003, Mark assumed the position of Vice President, Engineering and Planning for FedEx's fleet of 350+ transport category aircraft. In this role, he was responsible for core & liaison aircraft engineering, airport/aircraft performance engineering and passenger to freighter modifications development. Additionally, he was responsible for technical planning, maintenance programs, technical publications and business operations which included fleet planning and expense and capital expenditure planning for the Air Operations Division.

Beginning in 2007, he assumed responsibility for FedEx's aircraft modification programs, airframe and engine heavy maintenance activities and related planning for 350+ freighter aircraft and 1,200+ engines. This assignment has further contributed to Mark's diverse experience base with employees, suppliers and maintenance/modification activities in thirteen cities, nine countries and four continents, each with unique and complex regulatory oversight matrices.

In 2013, Mark assumed additional responsibilities including FedEx's International Line Maintenance Operations, Technical Operations Training and Maintenance Operations Control.

While at The Cessna Aircraft Company, the leading general aviation aircraft manufacturer, Mark held positions of increasing responsibility in operations, finance, flight training, product development, distribution planning and sales and marketing of flight training, fleet, government, military and special mission aircraft. Mark has a diverse base of experience in aircraft and airport operations with past responsibilities at Cessna for personal, business, utility, flight training and agricultural aircraft segments of the general aviation industry.

Mark, a native of Arkansas City, Kansas, is a 1976 graduate of Oklahoma State University with a B.S. degree in Business Administration. He holds a Commercial Pilot certificate with Multi-Engine and Instrument ratings and has more than 3,000 hours of flight experience with qualifications/flight experience in more than 28 aircraft types.

He and his wife Dee Anne have two adult children and four grandchildren and are 28-year residents of Germantown, Tennessee.

# BOARD

**Brenda Paauwe-Navori** has personally sold business jets valued in aggregate at over a billion dollars. Ms. Paauwe-Navori brings almost 20 years of senior leadership experience to the Board and is one of the most respected sales, operations, and marketing experts in the world of aviation and aerospace. She currently holds a global vice president role with Bigelow Space Operations.

As co-founder of GoGo Jet in the late 90's, Brenda served as president and a cross-functional senior executive. Later, she was responsible for capturing significant market share growth in North America with Flexjet by Bombardier and held a vice president role for almost 5 years at Embraer Executive Jets. During her tenure at Embraer she led the MGM Resorts International Legacy 500 and Lineage 1000E transaction; a fleet purchase deal valued at over USD \$350 million. Her extensive industry experience includes: hiring, marketing and sales, contract negotiation, customer service, finance and administration.

Her role at Bigelow Space Operations is focused on the B330 spacecraft and other space station hardware for the commercialization of lower Earth orbit and deep space missions.

A few years ago, Brenda was also the subject of a major Walt Disney motion picture, the Million Dollar Arm. When she is not in the office or on an airplane, Brenda is an avid Equestrian showing her champion American Saddlebred horses or cheering for her daughter who also rides competitively.

# BOARD

**Major Ran David (IAF)**, age 43, is a decorated active-duty combat pilot in the Israeli Air Force. He has served as a deputy squadron commander, and spent ten years as a flight instructor. One of Major David's primary responsibilities has been to train, test and approve new IAF fighter pilots. Major David is a graduate of the USAF Air Command and Staff College and the University of Haifa.

**Ehud Talmor (IAF Ret.)**, age 43, is a decorated, recently retired, senior officer from the Israeli Air Force with over twenty years of experience in all aspects of air combat and aircraft logistics. He began his career in 1995 as a fighter pilot and later, flight instructor. He subsequently took on a variety of supervisory roles, including F-16 deputy squadron commander. In 2007, he joined the Acquisitions Department of the Israeli Ministry of Defense and later held the position of Project Manager for three separate Air Force jet acquisition projects. The jet acquisition projects were: (1) the Beechcraft T-6II, (2) the Leonardo M-346, and (3) the Lockheed Martin F-35A (arguably the world's most advanced fighter jet). In addition to serving as Project Manager for the \$3bn F-35 program, Mr. Talmor was also IAF's Chief Instructor for the F-35. Mr. Talmor graduated from I.D.C. Herzliya in 2013 with a B.A in Psychology.

# BOARD

**Aaron Cohen**, age 42, is a nationally recognized counter-terrorism expert, best-selling author and founder of Cherries Defense. Mr. Cohen has a twenty-year track record of success in the private security industry; his teams have protected numerous A-list celebrities and high level diplomatic personnel. His book, *Brotherhood of Warriors: Behind Enemy Lines with a Commando in One of the World's Most Elite Counterterrorism Units*, has been translated into seven languages. Cherries Defense provides soft-target (schools, malls, hotels) security training and also specializes in the manufacture of supporting concealed carry gear for security professionals.

Mr. Cohen appears regularly on the Fox News Channel and has also been featured by the following: Vanity Fair, the Discovery Channel, National Geographic, Entertainment Tonight, Access Hollywood, Bravo, E! Channel, Hollywood Reporter and Variety. In addition to regular television appearances, he hosts KFI AM 640's Real Security, the only sole-focus security and counter terror show in the US. Mr. Cohen served with distinction in Israel's (IDF) elite anti-terrorism unit.

# BOARD

**Bryan M. Eagle III,** In 1999, Mr. Eagle created Myjets.com, the first online private aircraft reservation system and partnered with The Air Charter Guide (now Avinode) to create the original database of operators. Avinode is the largest centralized database of charter and empty-leg market data in the US. Mr. Eagle created a patent portfolio around the reservation system and the sale of empty legs which he sold in 2016 to Victor, a company owned by BBA Aviation. BBA's Signature 'Flight Support' business operates the world's largest fixed based operation [FBO] network for business & general aviation users.

Mr. Eagle is an award-winning marketing, strategic planning, and business development leader, consultant, inventor, and entrepreneur with over 25 years of experience in the telecommunications, software and aviation industries, respectively. He is skilled in creating, marketing, and financing new organizations and positioning them for sale. He is a board member of Emerge Memphis, an organization he founded in 1998 dedicated to the support and advancement of start-ups in the Mid-South. Mr. Eagle received a BA from the University of Virginia in 1980 and an MBA from Columbia Business School in 1985.

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