



**LOLLYCOIN**

**UNLOCKING THE NEXT ERA OF  
HOSPITALITY REWARDS**

**LOYALTY DAO WHITE PAPER**

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# Unlocking the Next Era of Hospitality Rewards

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## Loyalty Coin “LOLLY” - A global loyalty infrastructure for modern travel commerce

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# 1. Introduction

LOLLY's flagship product is a loyalty infrastructure layer designed for enterprise-level travel sellers. Rather than operating as a consumer-facing travel product, LOLLY provides the underlying ledger, issuance, and redemption coordination systems that partners can integrate into their own products and communities. Travel booking and inventory management are handled by third-party partners off-platform.

This **Universal Loyalty Product** will be offered to global clients, including fintechs, superapps, ecommerce platforms, and travel membership clubs, that sell travel to their bespoke communities. LOLLY allows these enterprises to mint their own sovereign, white-label rewards program on-chain. The rewards program is fungible across any travel inventory category the client sells, including flights, hotels, villas, activities, events, and ground transportation.

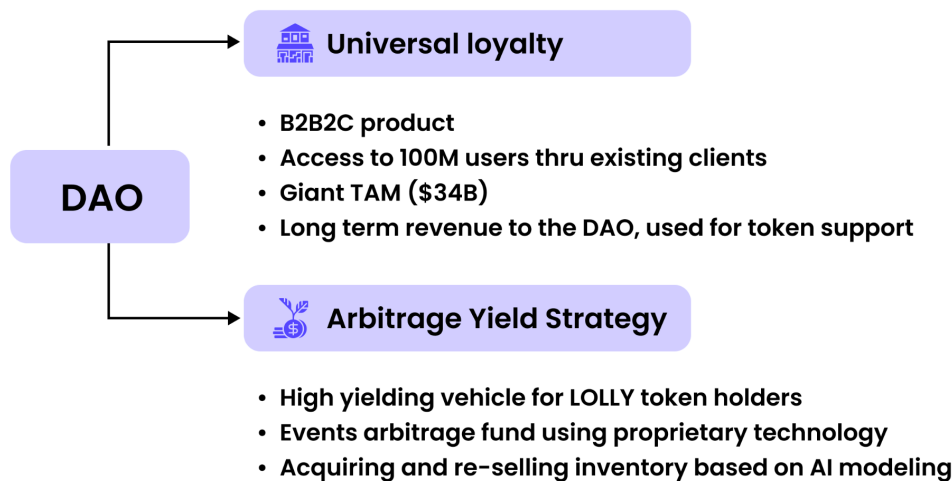
The loyalty product will capitalize on built-in demand from the customer base of its first redemption partner, Xenix Inc. Xenix is a white-label travel technology platform with an existing, live API subscriber base of global large-cap companies. Collectively, **these subscribers bring an audience of over 100+ million users** ("travelers"). These subscribers have demanded a self-branded, fungible, and customizable rewards & loyalty program fully integrated with their travel booking ecosystem.

LOLLY will earn a fee on all loyalty redemptions. A typical enterprise client can generate millions of dollars in redemption fees, which LOLLY can deploy to support its ecosystem either by reducing its token float or by rewarding community members.

Using its proprietary relationships and technology, LOLLY will additionally offer an attractive investment vehicle to token holders who stake a minimum required amount. The **Arbitrage Yield Strategy** can generate substantial returns by acquiring and reselling travel ahead of high-demand events. The strategy relies on proprietary databases and AI agents to identify global events (such as conferences and concerts) in markets where demand for hotel rooms will greatly exceed the available supply of room nights. Our databases also track nightly historical room prices by market over the past 5 years, enabling AI agents to identify attractive opportunities to pre-purchase room blocks 4-6 months ahead of the event. The protocol will deploy event-specific investment pools, accessible exclusively to LOLLY holders meeting a defined minimum threshold. Smart contracts govern the full lifecycle — from capital calls through to return distribution — eliminating the need for intermediaries. The inaugural pool will launch concurrently with the Token Generation Event.



## Exhibit 1: Overview of the Loyalty DAO



## 2. Loyalty Coin Overview

### 2a. LOLLY Coin

LOLLY serves as the foundational access and governance token for the Loyalty DAO. As the economic beneficiaries of the rewards ecosystem, LOLLY holders shape the protocol's strategic direction through on-chain governance, including decisions on redemption economics, partner onboarding, and treasury allocation.

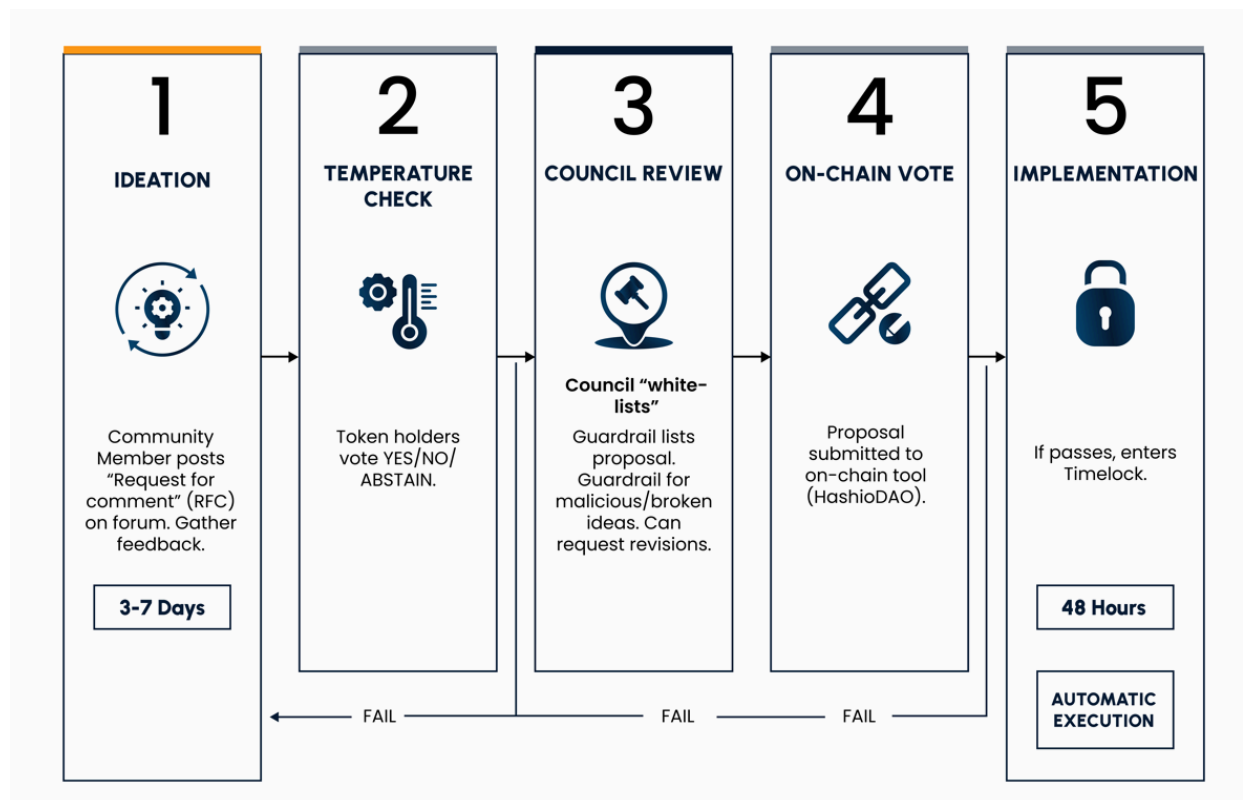
### 2b. Governance

LOLLY holders govern a travel industry rewards and loyalty program and oversee the issuance and redemption of on-chain reward points.

- **Voting rights:** LOLLY holders can determine the parameters and extent of DAO business activities, including operations, development, and growth initiatives (e.g., grant funding).
- **Treasury management:** determine uses of LOLLY treasury, including funding initiatives.



## Exhibit 2: Governance Flow



### 2c. Holder benefits and staking

The LOLLY coin holder benefits strategy is designed to incentivize participation, govern system economics, and provide tangible benefits to LOLLY holders.

- **Arbitrage Pool Access:** To participate in inventory arbitrage pools, investors must stake LOLLY equivalent to 1/10th of their USD investment.
- **Governance:** token holders participate in DAO governance.
- **Deployment of treasury yield:** 100% of yield from the Universal Loyalty Product can be used to support the ecosystem, including funding the token price or distributing perks and rewards to token holders, such as high-value travel experiences purchased on a redemption partner's platform.

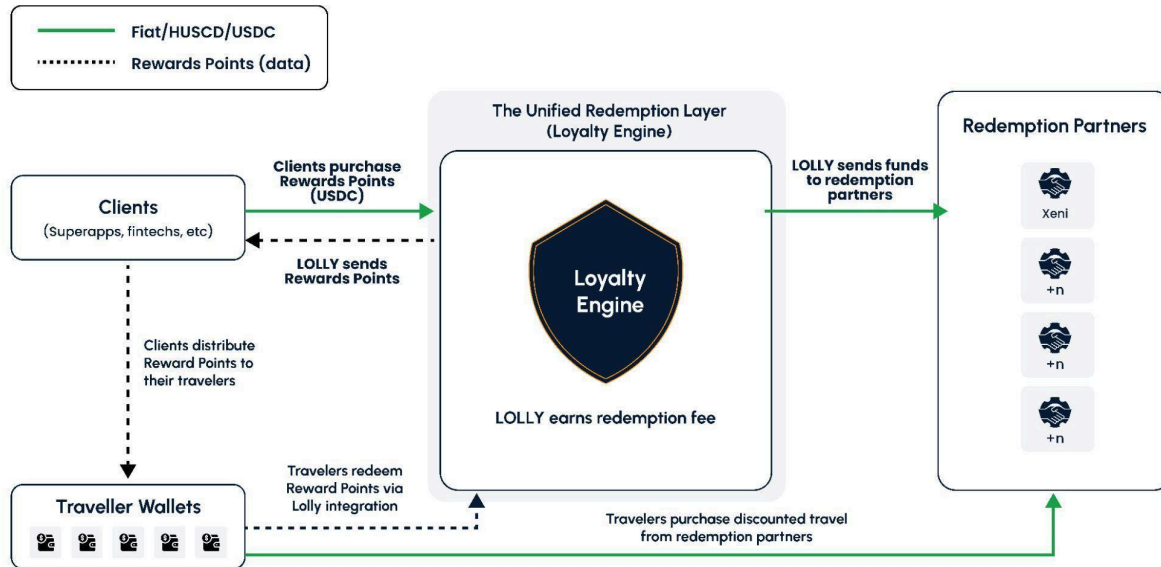
## 3. Universal Loyalty Product

LOLLY provides the underlying ledger, issuance, and redemption coordination systems that clients can integrate into their own products and communities. LOLLY's clients can be B2B travel inventory and booking platform providers, such as its initial partner, Xeni Inc., or LOLLY can sell directly to Enterprise clients who integrate the loyalty engine with their preferred travel inventory partners.



The loyalty product is independent and agnostic of travel inventory redemption partners.

Exhibit 3: Overview of the Loyalty Coin rewards system



### 3a. Built-in demand from LOLLY’s first travel partner (Xeni)

LOLLY serves as the sophisticated infrastructure layer for the next generation of travel rewards, providing the **underlying ledger, issuance protocols, and redemption coordination systems** necessary to power a sovereign loyalty economy. By design, LOLLY focuses exclusively on the financial and logic-based architecture of rewards rather than the booking logistics. It does not provide travel inventory or booking engines; instead, it serves as the “loyalty engine,” integrating seamlessly with established travel technology providers.

This strategic focus is exemplified by LOLLY’s partnership with Xeni Inc., a leader in white-label travel booking technology and inventory. Xeni manages a vast portfolio of global enterprise clients who have reached a critical inflection point: they have the booking tools, but they lack a native, flexible loyalty product to drive retention. As LOLLY’s inaugural travel redemption partner, Xeni will channel this significant enterprise demand directly into the LOLLY ecosystem, enabling clients to deploy a fully integrated, brand-owned travel-and-rewards experience for the first time.

Xeni has an existing customer base that has requested a universal travel loyalty product.

Existing Xeni Subscriber	Community Size (traveler audience)
LatAm Conglomerate	80 million
US Universities Travel Manager	50 million



GCC Ecommerce & Fintech	30 million
Mexico Fintech	19 million
LatAm Fintech	6 million
GCC SuperApp	2 million
GCC Insurance Company	1 million

The loyalty layer will be integrated into the booking platform to administer and track rewards, much like how Stripe is integrated to solve payment acquisition.

### **3b. Global demand for a travel loyalty administration product**

The demand for travel-based rewards has evolved from a “nice-to-have” perk into a strategic necessity for global enterprises. In today’s market, companies across finance, retail, and tech are increasingly eager to integrate travel incentives into their customer journeys.

However, they face a significant bottleneck: the traditional “points-buying” model. Currently, enterprises must negotiate rigid, multi-million dollar contracts with legacy giants like Delta or Hilton. These systems are often “walled gardens” where the enterprise has little control over branding, pricing costs, or the data generated by its own audience.

Forward-thinking organizations are now moving away from these expensive, third-party dependencies in favor of sovereign, white-labeled loyalty systems. By embedding a native points infrastructure directly into their own digital ecosystems, enterprises can treat travel as a high-margin utility rather than a costly outsourced service. This shift enables total brand alignment and real-time flexibility, allowing companies to deploy rewards, set redemption values, and manage "burn" rates.

The 2025 market size specifically for **Travel Loyalty Programs** is estimated at **\$34.08 billion**.

### **3c. Universal Loyalty Points are fungible across travel inventory categories**

Today, large global companies (e.g., airlines, hotel chains, and credit card companies) dominate the loyalty program landscape. It is virtually impossible today for travel resellers (such as superapps or travel membership clubs) to embed their own loyalty rewards program across inventory categories on their own travel-selling site. This fragmentation forces travelers to manage siloed points, severely limiting the utility and perceived value of their rewards.

The universal loyalty infrastructure eliminates these boundaries by providing a ledger where points are fully fungible across the entire travel spectrum. Rather than being restricted by brand or category, community owners have the autonomy to dictate how and where their audience redeems points. Whether booking a flight, a hotel, or a rental car, the loyalty infrastructure ensures that universal loyalty points can be applied anywhere within the partner ecosystem, maximizing liquidity for the user and control for the enterprise.



## 4. Arbitrage Liquidity Pool

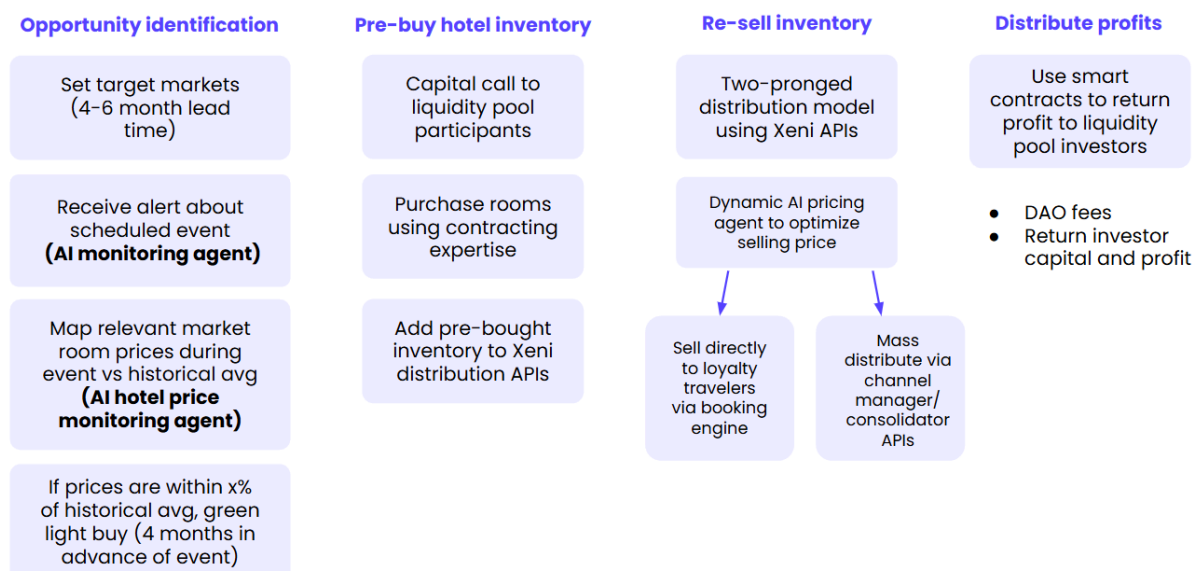
The Arbitrage Liquidity Pool by LOLLY identifies and capitalizes on high-demand market “spikes” where hotel room rates soar during major events, such as SXSW, the F1 Grand Prix, or international sports finals. The process begins with AI monitoring and modeling to identify target markets and map current room prices against historical averages.

Once an opportunity is green-lit, the pool issues a capital call to participants to pre-buy inventory, with the purchase administered by the DAO contracting function.

These rooms are then resold through mainstream travel distribution channels (inventory distributed via API to industry-leading inventory consolidators) — with final profits distributed back to investors via smart contracts. Pool participants fund the pool in USD and achieve a realized return at the conclusion of the strategy.

The mechanisms employed by the pool overcome historical obstacles to arbitrage room rates. By combining high-quality data sets with AI modeling, the pool can continuously identify and green-light attractive investment opportunities worldwide. The use of smart contracts can facilitate the seamless conduct of capital calls, fund the contracts once minimum investment thresholds have been reached, and distribute returns to investors. By deploying experienced hotel contracting professionals, the pool can ensure outstanding rates, flexible reselling terms, and cancellation risk management. Finally, by leveraging its partnership with a global travel technology platform, the pool can upload its proprietary contracts (prebought inventory) to the world’s largest hotel inventory consolidators for global distribution.

Exhibit 4: Arbitrage Liquidity Pool (ALP): Travel demand and supply arbitrage model





## 5. LOLLY Core Principles

Loyalty Coin establishes the rules, incentives, and strategic direction at the protocol layer and engages with ecosystem partners, such as Xenii Inc., to deliver services. This structure ensures transparent, community-driven governance alongside professional execution for partners and users. Critically, LOLLY can welcome additional ecosystem partners—participation is open, not exclusive—creating a collaborative and expansive network.

### 5a. Governance & Autonomy (The DAO Foundation)

The LOLLYCoin operates on a hybrid governance model designed to ensure both community agency and project stability.

- Participation is anchored by LOLLY, where voting power is directly proportional to holdings: one coin equals one vote. This ensures that those with a vested interest in the ecosystem have a direct say in its evolution. A simple majority will determine which proposals will be presented to the Council.
- To maintain strategic alignment and protect the treasury from malicious or redundant proposals, LOLLYCoin utilizes a dual-layer process. Before a proposal reaches the community for a general vote, it must first be reviewed and sanctioned by an Appointed Council. This council acts as a quality-control filter, verifying that all requests are technically viable and align with the long-term mission before they are moved to the floor for a final democratic decision.

**Transparency and Auditability:** All key governance actions (proposals, votes, treasury movements) and protocol logic (how reward points are validated and settled) must be recorded on the ledger and be publicly verifiable.

**Code-Based Autonomy:** the core functions of the DAO—specifically the validation and settlement of redemptions—should be executed automatically by self-enforcing smart contracts. The DAO operates autonomously under the community's voted-upon rules.

### 5b. Loyalty & Economic Alignment (The Loyalty Program Focus)

These principles ensure the loyalty program is competitive and fair for both users and the ecosystem partners.

**User Value & Trustless Redemption:** The primary goal is to empower the end user with a valuable, flexible loyalty token (reward points) that can be redeemed under clear, immutable rules set by the community rather than a centralized corporation.

**Protocol Sustainability:** The Protocol Fee ensures the LOLLY treasury is perpetually funded. This treasury exists to fund necessary protocol development, security audits, and incentives for LOLLY holders. By DAO vote, the proceeds from fees can be utilized for token repurchase.



Partner Alignment: The protocol will maintain a fair and attractive relationship with its ecosystem partners and Enterprise Clients, ensuring they continue to use the platform by incentivizing efficiency and transparency within the decentralized loyalty system.

### 5c. Growth & Ecosystem Development

Ensure the protocol is adaptable and future-proof through community-driven governance and rapid iteration based on proposals. Maintain a governance model that encourages participation from all ecosystem stakeholders (holders, clients, and users) for robust, well-rounded decision-making.

### 5d. Tokenomics

Total supply: 10,000,000,000

Allocation Group	Proposed Percentage	Vesting Details	Purpose
Community	[15%]	10% unlock at TGE, 60-month linear vesting	Distributed for marketing, grants, and staking rewards.
Grants & Partnerships	[15]%	10% unlock at TGE, 48-month linear vesting	Strategic reserves for integrating new partners (like new suppliers or tech providers).
Treasury	[25%]	Straightline monthly unlock over 60 months.	Funds future ecosystem growth. By DAO vote, fee proceeds could be directed to token repurchases.
Ecosystem Development	[15]%	7% unlock at TGE, 60-month linear vesting	Funding development of protocol infrastructure.
Founders & Team	[15]%	6-month cliff, 36-month linear vest.	Rewards core contributors and aligns them for the long term.
Private/Seed Investors	[5]%	5% unlock at TGE. 36-month linear vest.	Provides initial funding and liquidity.
Liquidity	[5%]	100% unlock at TGE, 6-month linear vesting	Market makers
Public Sale	[5]%	50% at TGE, 6-month vesting	Token Generation Event (TGE).





### **LOLLY token launch table:**

Token Name	Loyalty Coin
Ticker	LOLLY
Total Supply	10,000,000,000 (10 Billion)
Standard	ERC-20 / HTS (Hedera Token Service)
Primary Utility	Travel arbitrage, rewards and loyalty, governance.

## **6. Summary**

LOLLY establishes a new standard for modern travel commerce by combining a decentralized governance layer with a high-performance travel rewards infrastructure.

The protocol offers two core value drivers: an Arbitrage Yield Strategy that uses AI-driven modeling to capture high-demand travel inventory and a Universal Loyalty Product that empowers global B2B clients to mint their own white-label, on-chain rewards. Through its launch partnership with Xeni Inc., LOLLY gains access to a network of over 100 million travelers.



## Appendix

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### The Global Buyers of Airline & Hotel Loyalty Points — Beyond Banks:

Airlines & Hotels	British Airways, Qatar Airways, Marriott, Hilton, Uber, Lyft	Build cross-earn ecosystems, boost partner loyalty, and increase travel frequency
Online Travel Agencies (OTAs)	Expedia, Booking.com, Trip.com	Drive repeat bookings, differentiate in a commoditized market
Retail & E-Commerce	Amazon (Shop with Points), Starbucks, Walmart, Wallmart, Amazon, etc.	Travel rewards create higher emotional value than discounts
Telecom & Mobile Carriers	T-Mobile, Verizon, Virgin Mobile	Reduce subscriber churn, increase app usage
Mobility & Super Apps	Uber (Bonvoy), Lyft (SkyMiles), Grab, Gojek	Increase trip frequency and platform stickiness
Corporate Travel Cards	CWT, AMEX, GBT, Chase, Capital One, and other	Retain enterprise clients, incentivize policy compliance
Fuel & Car Rental Brands	BP Rewards (United/Alaska), Hertz (Delta/United)	Tie everyday spending to aspirational travel rewards
Sports Teams & Entertainment	NBA teams, Live Nation	Improve fan engagement through experiential rewards
Loyalty Aggregators & Platforms	Points.com, Collinson Group, Aimia	Buy and resell points; power third-party loyalty programs

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