



JUK Rewards White Paper

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The JUK Rewards represents a groundbreaking innovation at the intersection of blockchain, music, augmented reality, and the metaverse. This document outlines the vision, tokenomics, governance, and real-world integration of JUK across TouchTunes' network of entertainment venues.



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Introduction: The Future of Music Engagement

Music has always been more than just sound—it is connection, culture, and shared experience. But as technology evolves, so too must the way we engage with music. JUK Token is born from this evolution: a decentralized asset designed not only to power digital payments, but to unlock immersive, interactive music experiences across both real-world and virtual environments.

This white paper outlines the technical foundation, governance model, and metaverse integration of JUK Rewards. By bridging blockchain innovation with the largest jukebox network in North America, JUK is positioned to redefine music commerce. Whether you are an operator, a developer, a music lover, or a crypto enthusiast, this document offers a comprehensive view of how JUK will transform the entertainment economy.

Welcome to the next chapter of decentralized music engagement.

Our Vision

JUK Rewards exists to redefine music engagement for the modern world — where every venue becomes an immersive digital arena, and every fan, artist, and operator becomes an empowered stakeholder.

We're not just decentralizing payments — we're decentralizing the music experience itself. This is the future of entertainment: open, connected, and owned by the community.



JUK Rewards White Paper

Abstract

The JUK Rewards is a transformative digital asset issued on the XRP Ledger (XRPL), enabling seamless, cost-effective payments across the TouchTunes network of 65,000 jukeboxes and 6.2 million mobile app users. By harnessing blockchain technology, AI, and metaverse frameworks, JUK revolutionizes how music is experienced and monetized. It reduces transaction fees, eliminates chargebacks, and fosters a vibrant, cross-platform music economy—extending into the metaverse with immersive virtual jukeboxes and interactive fan experiences. JUK also leverages the Flare Network to enable smart contracts and decentralized functionality.

Executive Summary

JUK Rewards is a decentralized utility system integrated into the TouchTunes Mobile App and network. Issued on the XRPL at address `rN7nWFdRLLiAp33FkQsnPvP7rB2ZMEQ5TF`, it eliminates high transaction fees, automates payments, and supports new digital experiences. JUK uses the Flare Network to enable advanced smart contract features and DeFi integrations, bridging the XRPL's speed and scalability with Flare's programmable smart contract capabilities. With 65,000 connected TouchTunes jukeboxes and 6.2 million mobile app users, JUK unifies the physical and digital worlds of music by facilitating real-world and virtual interactions, including jukebox control, gifting, NFT-based fan engagement, and immersive AR experiences.

Problem Statement

Traditional fiat-based payment systems in the music and entertainment industry face major challenges:

- High Transaction Fees
- Chargebacks & Fraud
- Limited Global Access



Mission:

JUK powers real-world and virtual music engagement with decentralized, transparent, and interactive experiences.

Solution Overview

JUK Rewards offers a modern, decentralized solution:

- XRPL Integration
 - Flare Network Integration
 - AI Personalization
 - Metaverse Integration
 - Augmented Reality
 - Global Utility
-

Market Opportunity

As of 2025, approximately 65 million U.S. adults are digital asset holders, primarily owning or using cryptocurrencies [1]. This demographic significantly overlaps with the typical customer base of bars and restaurants, particularly in the age group of 21-34, which is the prime demographic for the bar and nightclub industry, accounting for 31.1% of its revenue [2]. Digital asset holders are predominantly younger adults, aged 18-45, aligning closely with bar and restaurant patrons [3]. This overlap presents a unique opportunity for JUK to bridge the gap between digital asset holders and traditional entertainment venues, leveraging the TouchTunes network of 65,000 jukeboxes and 6.2 million mobile app users to create a seamless payment experience.

The growing acceptance of cryptocurrency payments in the restaurant industry further supports JUK's market potential. For instance, Chipotle began accepting Bitcoin and other cryptocurrencies in June 2022, offering a 10% discount for crypto payments [4]. Similarly, Starbucks allows customers to use Bitcoin through the Bakkt digital wallet [5]. These examples demonstrate the feasibility and increasing trend of digital asset payments in entertainment venues, paving the way for JUK Tokens to become a standard payment method within the TouchTunes ecosystem. By capitalizing on this trend, JUK can position itself as a pioneer in integrating blockchain technology with traditional entertainment, enhancing user experience and creating new revenue streams.

Citations:

[1] Security.org, "2025 Cryptocurrency Adoption and Consumer Sentiment Report," 2025, <https://www.security.org/digital-security/cryptocurrency-annual-consumer-report/>

[2] Small Business Development Center, "Bar Business & Nightclub - Small Business Snapshot



Reports," <https://www.sbdcnnet.org/small-business-research-reports/bar-business-nightclub/>

[3] Decoding the cryptocurrency user: An analysis of demographics and sentiments, PMC,

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10907656/>

4] EMERGING, "The Rising Use of Cryptocurrency in Restaurants,"

<https://emerging.com/insights/digital-currencies/the-rising-use-of-cryptocurrency-in-restaurants>

[5] NBC News, "Bitcoin by bitcoin, restaurants start to accept cryptocurrencies,"

<https://www.nbcnews.com/business/bitcoin-bitcoin-restaurants-start-accept-cryptocurrencies-rca21211>

Flare Network Integration

The XRPL provides fast and efficient payment infrastructure for JUK transactions. However, XRPL does not natively support smart contracts. To enable programmable features, JUK leverages the Flare Network:

- Smart Contract Enablement via EVM compatibility
- Federated Bridges for XRPL ↔ Flare token movement
- Automated Revenue Sharing
- NFT Integration
- Community Governance



5. Reserve Framework and Release Controls

JUK Rewards uses a capped program-reserve framework of 100,000,000 JUK units. This reserve map is intended to support rollout, distribution, partner campaigns, operator enablement, and long-term program administration. It is not presented as tokenomics for a public speculative market and should not be interpreted as a promise of future price support or public-market liquidity.

Reserve Category	Allocation	Primary Purpose
TouchTunes Strategic Reserve	40%	Program rollout, promotions, ecosystem integrations, sponsor support, customer acquisition, and long-term platform alignment
Community Rewards and User Adoption	20%	User onboarding, bonus credits, referral campaigns, loyalty challenges, and approved consumer promotions
Operator Incentives and Enablement	20%	Venue onboarding, rollout support, operator performance programs, and adoption incentives
Founder Alignment Reserve	15%	Long-term alignment subject to staged vesting, lock-up restrictions, and transfer controls
Compliance, Ecosystem, and Technical Reserve	5%	Audits, reporting, security, legal and compliance support, technical integrations, and special-purpose program needs

Reserve governance should follow written policy rather than implied discretion. Material releases should be tied to program milestones, launch phases, campaign budgets, or stated strategic purposes. Founder-alignment units should be subject to staged vesting and documented transfer restrictions. Internal approvals, reporting expectations, and accountability for material reserve activity should be defined before launch.

Sponsor-funded campaigns can exist alongside the reserve framework. A beverage brand, venue group, artist, or restaurant chain may fund a campaign-specific reward pool without changing the long-term reserve map. This distinction helps preserve discipline in the core program reserve while supporting flexible commercial growth.

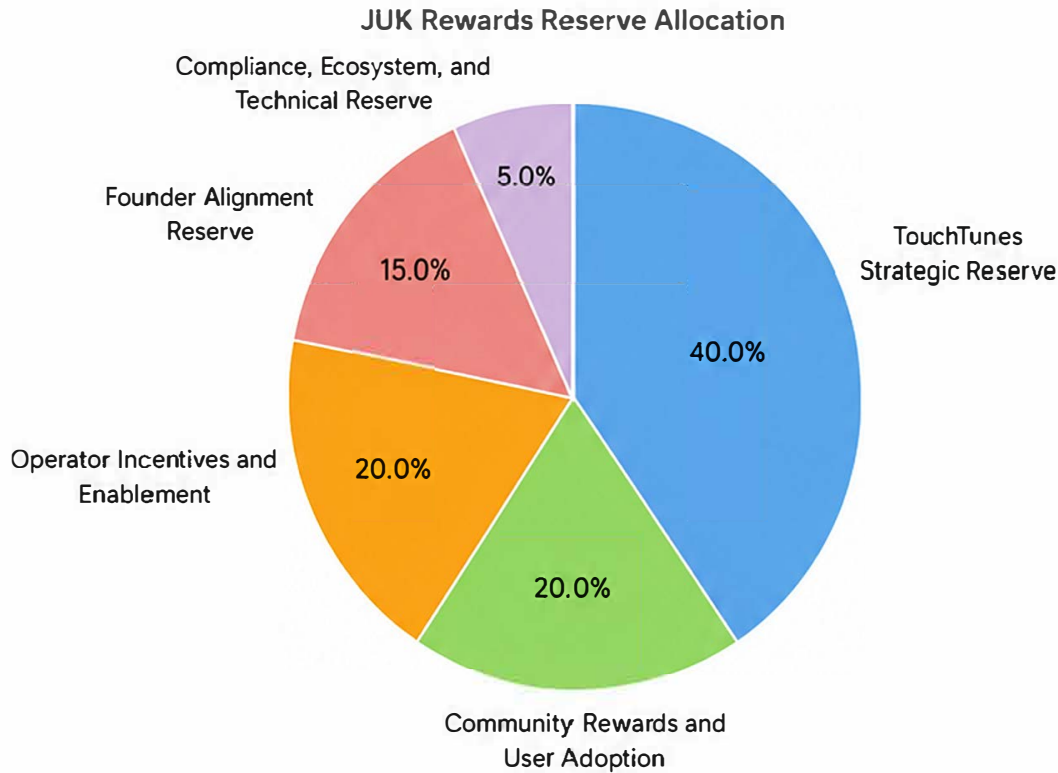
No customer-facing rights are created by holding or using JUK Rewards with respect to reserve voting, treasury control, governance participation, company revenue, or discretionary distributions. The reserve framework supports program operations and growth; it is not a claim structure.

6. Technology and Settlement Design

JUK Rewards is designed to support a flexible technology stack. The customer experience can be app-native and simple, while the underlying settlement and accounting architecture can use distributed-



JUK Rewards Reserve Allocation



TouchTunes Strategic Reserve

TouchTunes Strategic Reserve represents 40% of the capped program reserve. It supports program rollout, promotions, ecosystem integrations, sponsor support, customer acquisition, and long-term platform alignment.

Founder Alignment Reserve

Founder Alignment Reserve represents 15% of the capped program reserve and is subject to staged vesting, lock-up restrictions, and transfer controls for long-term alignment.

Program Reserve Notes

The reserve framework is designed for program operations, user adoption, operator enablement, compliance support, and commercial growth. It does not create governance rights, treasury voting rights, or discretionary claims on company revenue.



TouchTunes Reserve Controls and Use Policy

This page summarizes how the TouchTunes Strategic Reserve and related program reserves are intended to operate under the JUK Rewards reserve framework. The allocation model follows the current reserve map and is designed for program rollout, customer engagement, and commercial use.

TouchTunes Strategic Reserve

TouchTunes Strategic Reserve represents 40% of the capped program reserve. It supports program rollout, promotions, ecosystem integrations, sponsor support, customer acquisition, and long-term platform alignment.

Material releases should be tied to documented business purposes such as launch phases, approved campaign budgets, feature rollouts, partner integrations, or stated strategic initiatives. Reserve activity should follow written internal policy and appropriate approval controls.

Program Reserve Categories

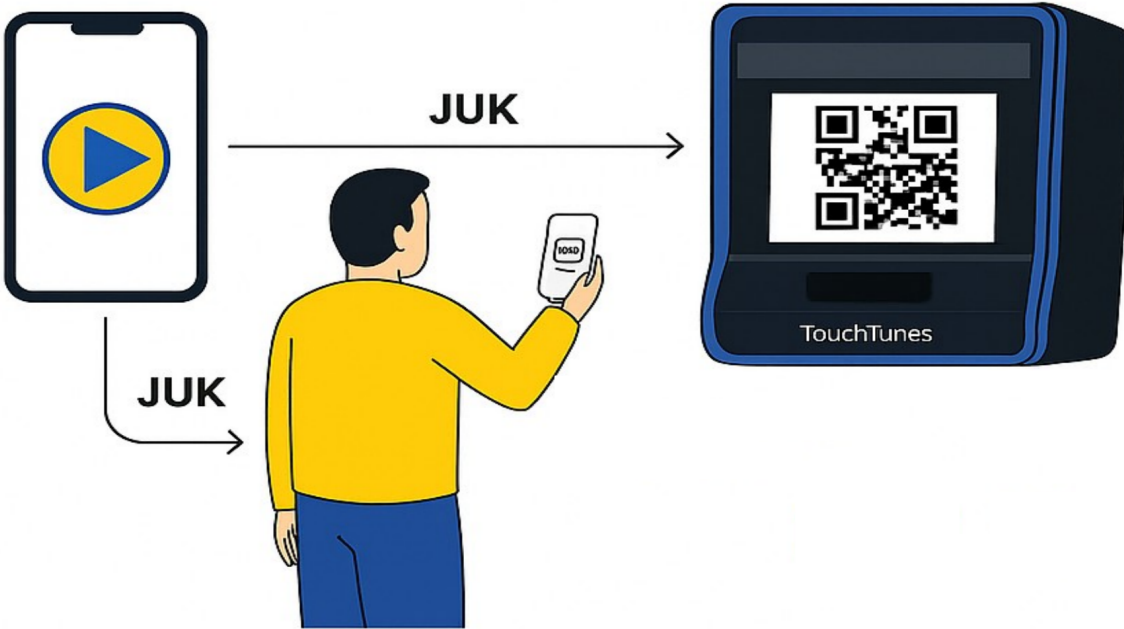
- Community Rewards and User Adoption — 20% for onboarding, bonus credits, referral campaigns, loyalty challenges, and approved consumer promotions.
- Operator Incentives and Enablement — 20% for venue onboarding, rollout support, operator performance programs, and adoption incentives.
- Founder Alignment Reserve — 15% subject to staged vesting, lock-up restrictions, and transfer controls for long-term alignment.
- Compliance, Ecosystem, and Technical Reserve — 5% for audits, reporting, security, legal and compliance support, technical integrations, and special-purpose program needs.

Program Reserve Principles

Sponsor-funded campaigns may exist alongside the core reserve framework. A beverage brand, venue group, artist, or restaurant chain may fund a campaign-specific reward pool without changing the long-term reserve map.

JUK Rewards does not create customer rights with respect to reserve voting, treasury control, governance participation, company revenue, or discretionary distributions. The reserve framework is intended to support program operations and growth, not to create an investment or claim structure.

Using JUK with a QR Code



Using JUK in the Mobile App

The screenshot shows the "Get credits" screen in the mobile app. At the top right is a yellow music note icon. Below it are links for "Get credits", "Bonus history", and "Help". Three credit packages are listed:

Credits	Free Credits	Price
12 credits	+ 1 FREE	\$7
25 credits	+ 5 FREE	\$15
70 credits	+ 30 FREE	\$30

The 70 credits package is highlighted with a yellow border and labeled "BEST VALUE". Below the packages is a section titled "More ways to get credits" with a button for "Refer a friend" (indicated by a person icon). At the bottom, text reads: "JUK is a utility token for jukebox interaction only".



AI & Voice Integration

- Integration with voice assistants and AI algorithms to enable smart song suggestions, voice-activated selections, or ambient auto-playlists, all powered by JUK interactions.

Virtual Jukebox Integration

A **virtual jukebox** is a digital replica of a physical jukebox that operates inside virtual environments such as:

- Metaverse platforms (Decentraland, Spatial, Roblox)
- AR/VR apps
- 3D web interfaces

These digital jukeboxes allow users to:

- Spend JUK tokens to play songs in virtual lounges, clubs, or events
- Interact socially with others through shared playlists or group listening
- Unlock branded, exclusive experiences or NFT music content
- Earn JUK through gamified challenges, POAP events, or social interaction

Virtual jukeboxes enable new forms of music monetization and fan engagement, extending the JUK ecosystem into global digital communities without physical hardware requirements.

Flare as a Metaverse & Smart Contract Layer

Flare allows you to:

- Build **custom virtual jukeboxes** in a 2D or 3D web interface (hosted or app-based)
- Integrate **AR/VR frameworks** (like Unity, Unreal, or WebXR) using Flare's native smart contracts
- Use **FAssets and state connectors** to bring in data (e.g., music history, song plays, geolocation)
- Mint NFTs, assign token rewards, or create DAO-linked access systems

Third-Party Integration

- Developers and venues may use JUK to unlock features, license music layers, or build branded user experiences.



- The Developer Ecosystem Fund will issue grants to teams building on the JUK + TouchTunes stack.

Compliance & Non-Speculative Design

- JUK is classified as a utility token used for access, coordination, and rewards.
 - Founders and TouchTunes reserve tokens are locked and staked—not used for speculation.
 - JUK is not marketed or designed as an investment product.
 - TouchTunes reserve tokens are designated for operational use, including staking, rewards, and ecosystem development. A portion of this reserve is staked under terms consistent with the founder’s lock-up schedule. These rewards are not intended for speculation or resale and are governed under oversight and compliance review.
-

JUK in the Metaverse

JUK Rewards bridges physical and digital music experiences:

- Virtual Jukeboxes
- Avatar Payments
- NFT Integration
- Virtual Concert Tickets
- Community Governance
- Operator Benefits

Metaverse Integration & AR Social Layer

The Metaverse Experience

JUK Rewards unlocks immersive, digital-first music experiences that extend into the metaverse. Users can explore virtual lounges, engage with digital jukeboxes, and collect fan NFTs tied to real-world music events. These environments provide new opportunities for fan interaction, community-building, and cross-platform content distribution across XRPL and Flare.

Augmented Reality Social Layer — JUK Beyond the Bar

As the centerpiece of the JUK + TouchTunes Web3 transformation, the Augmented Reality (AR) Social Layer redefines how people experience live venues. By subscribing to the TouchTunes



AR platform, users can virtually enter real bars and lounges using AR glasses—appearing in real time to on-site guests who are also wearing AR glasses.

This bi-directional AR interaction is powered by the JUK Rewards and enables a social experience like never before:

- **Remotely visit** TouchTunes-partnered venues from anywhere in the world: Explore bars, lounges, or live music events in real time via an immersive first-person perspective, with AR-glass compatibility enabling full spatial awareness.
- **Appear and interact** with on-site guests wearing AR glasses: Virtual visitors are represented by avatars or styled image snapshots and can walk, wave, talk, and even dance with real guests—all synchronized through spatial mapping.
- **Play music** on the TouchTunes jukebox using JUK Rewards: Users can select and queue songs from the venue’s actual playlist, remotely influencing the vibe of the room, with real-time audio playback synced to the bar.
- **Buy drinks, food, or gifts** for bar guests using JUK: Through the interface, remote users can view available menu items and send drink or food orders directly to a physical guest’s table, with JUK Rewards deducted automatically.
- **Make purchases with JUK** for a future in-person visit: Visitors planning a trip can pre-order meals, drinks, or experiences. These can be redeemed with a scannable AR code upon arrival, creating seamless loyalty and reward loops.
- **Collect POAPs, leave digital autographs**, or unlock location-based collectibles: Remote attendees earn proof-of-attendance tokens for visits, leave signatures or emojis on digital venue walls, and collect exclusive NFTs tied to specific songs or moments.

To protect the integrity of the venue and maintain community safety, **remote guests are represented by avatars or image-based digital twins**. Upon setup, users can take a snapshot of themselves (clothed and styled) to use as their default AR projection. All AR appearances are subject to an **AI-driven visual moderation filter**, which prevents nudity, obscenity, or disruptive visuals from being shown inside the venue. Venue owners can additionally flag or mute remote avatars in real time.

Subscribe to TouchTunes AR

SUBSCRIPTION

100 JUK

/ month

billed monthly

Subscribe

Balance: 250 JUK

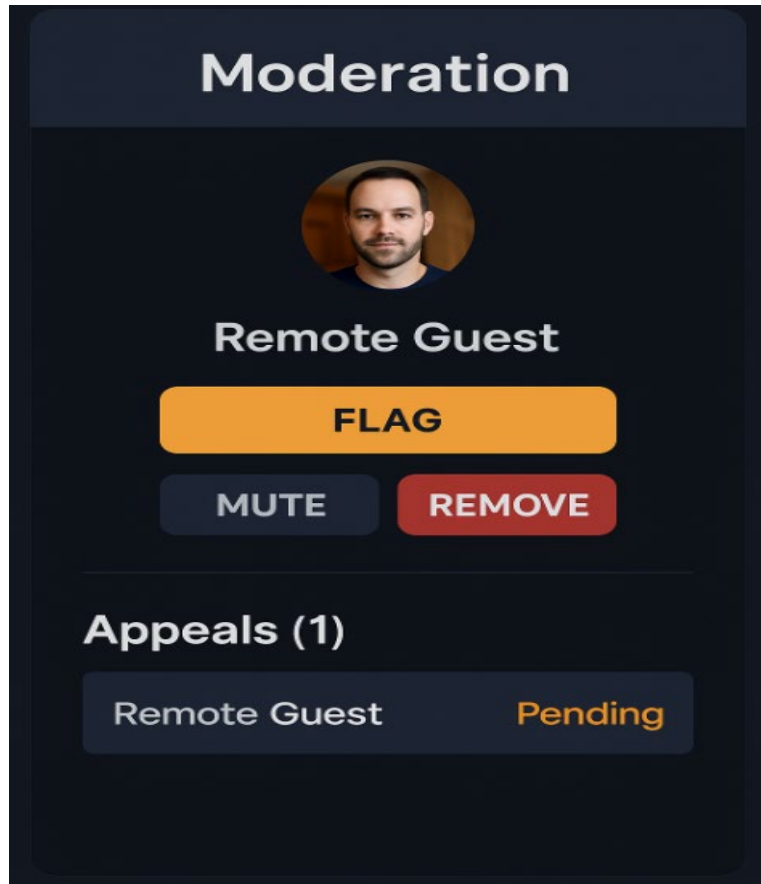
Subscription portal

AR interface preview

AUGMENTED
REALITY SOCIAL
LAYER

JUK BEYOND THE BAR

- Remotely visit TouchTunes locations
- Appear to on-site guests wearing AR glasses
- Play music on the jukebox with JUK tokens
- Buy drinks or food for bar patrons



What is Spatial Mapping?

Spatial mapping refers to the process of digitally scanning and understanding a physical environment in three dimensions, allowing augmented reality systems to accurately place and anchor virtual objects—and people—within that space. In the JUK AR experience, spatial mapping enables:

- Remote guests to appear at specific tables, walkways, or performance areas within a real venue
- Natural movement and interaction between avatars and on-site guests, with proper scaling, direction, and audio orientation
- Anchoring of digital content such as POAPs, menus, and holographic performers to real-world coordinates

This technology allows the virtual and physical worlds to blend seamlessly, making the interaction feel authentic and location-aware.

Spatial Audio

Voice Chat



Jukebox



Hear nearby on-site guests with spatial audio

Bluetooth

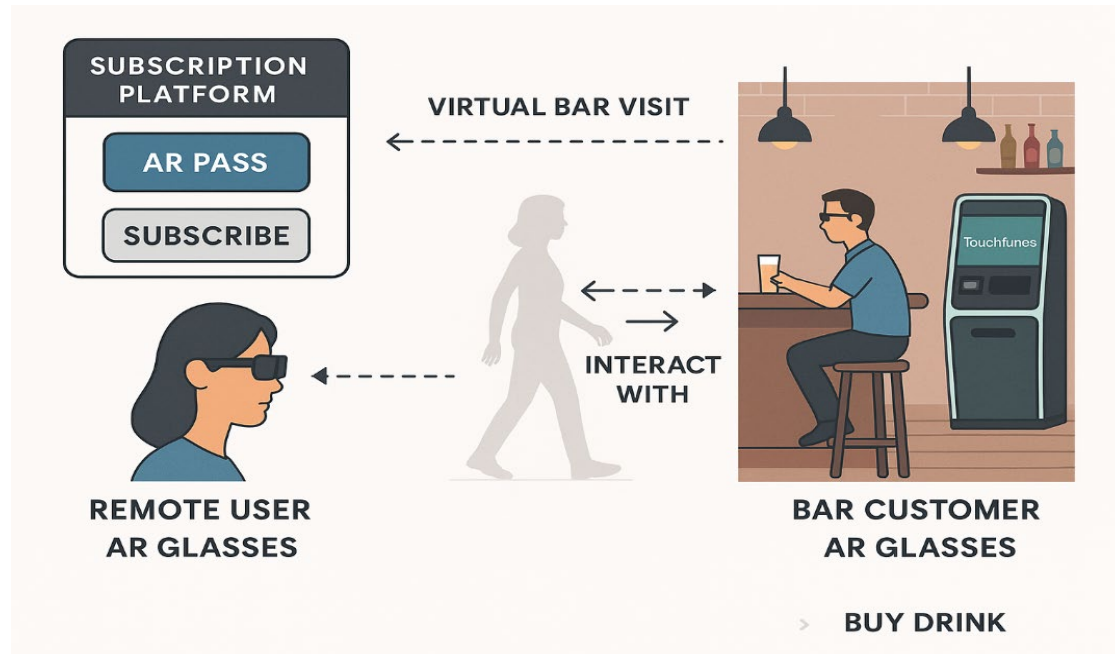


This creates a dual-revenue model for bars and restaurants:

- **On-site guests** continue spending normally with JUK
- **Virtual patrons** pay subscription fees, buy drinks, and interact using JUK

The subscription model creates predictable revenue, while the token-based actions (play music, buy drink, buy for later) increase the velocity and utility of JUK.

Monetization Model



Feature	Paid In	Benefit
Monthly AR Pass	JUK / USDC	Ongoing access to virtual venues
One-Time Entry	JUK	Pay-per-visit access to a specific venue
Song Requests	JUK	Remote jukebox control
Gifting Drinks or Food	JUK	Send gifts to real people at the venue
Future Purchase Scheduling	JUK	Buy items now, redeem when visiting in person

Technical Overview: How It Works

The following section dives deeper into the integrated systems that power the JUK + TouchTunes AR experience. These systems create a seamless, secure, and immersive interaction between remote and on-site users through advanced identity verification, real-time audio communication, and blockchain-based commerce logic. Each component of the AR architecture has been carefully designed to maintain realism, accountability, and monetization potential while enhancing user agency through intuitive controls.

Identity Verification (KYC)

To ensure safety, compliance, and accountability, all users must complete a Know Your Customer (KYC) process prior to subscribing to TouchTunes AR:



- **KYC Verification:** Upon creating an account, users are required to submit a government-issued ID and facial verification using secure third-party services.
- **Age and Location Checks:** KYC also verifies that users meet the legal drinking age requirements for their jurisdiction and prevents usage from restricted regions.
- **Subscription Lock-in:** Only verified users can access AR features such as avatar setup, voice chat, jukebox control, and gifting. KYC status is clearly indicated in the user profile.
- **Privacy Protection:** All KYC data is encrypted and stored in compliance with international privacy standards (e.g., GDPR, CCPA).

Audio Communication System

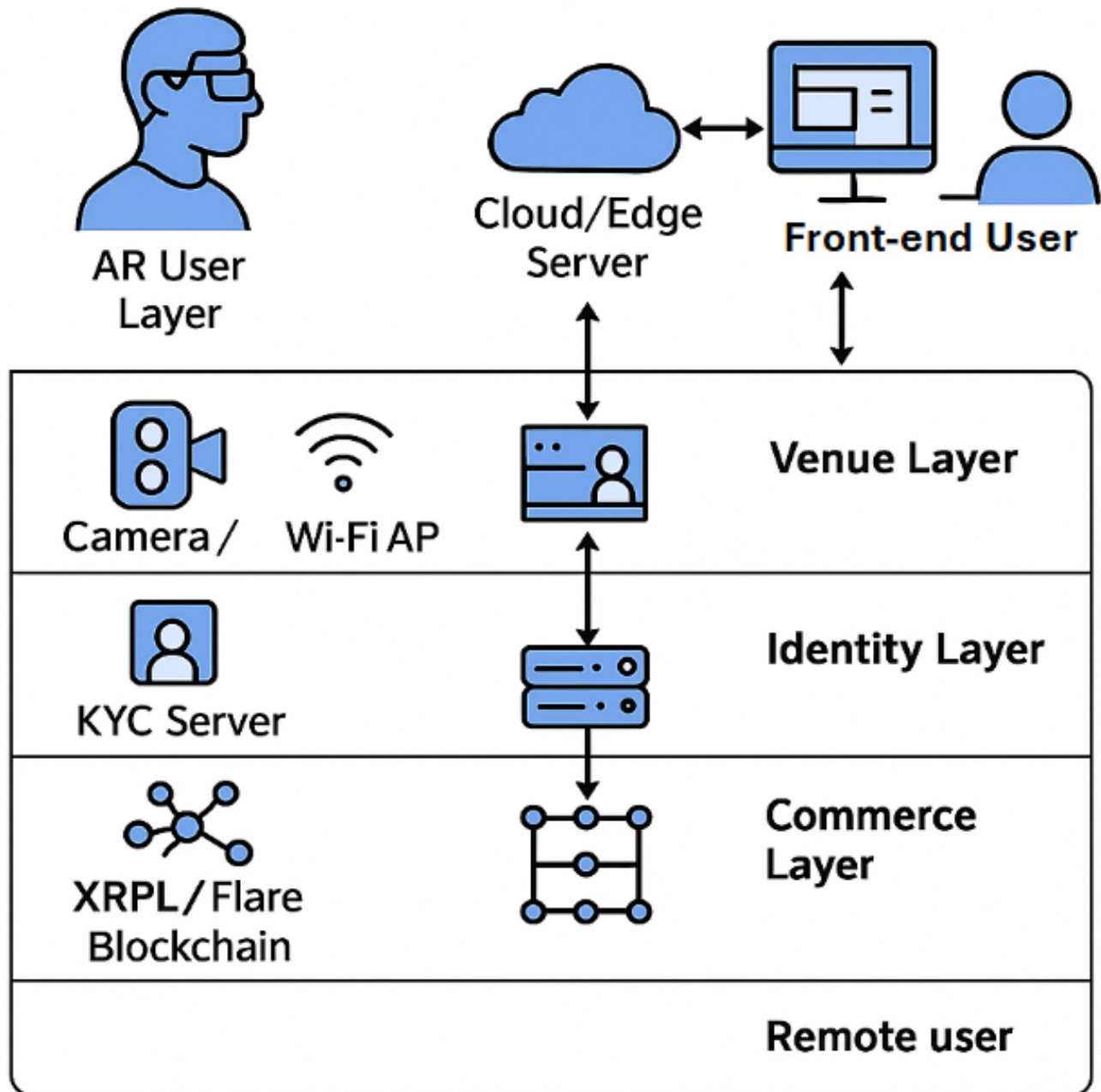
To enable seamless interaction between remote guests and on-site bar patrons, the TouchTunes AR platform integrates spatial audio and real-time audio streaming features:

- **Hearing Physical Guests:** Physical guests wearing AR glasses are equipped with Bluetooth-connected earbuds or bone conduction headphones with built-in microphones. These devices capture real-time voice input and send it to remote users, maintaining spatial orientation (e.g., volume and direction) based on where the sound originates in the venue.
- **Remote Audio Playback:** Remote guests hear the conversation through their own AR-compatible audio output, such as earbuds or VR headsets, with spatial audio positioning that mimics the environment.
- **Jukebox Music Playback:** The TouchTunes jukebox is synced with the AR system to provide a clean, digital audio stream directly to remote users. This bypasses ambient noise and transmits the music exactly as heard in the venue, with optional spatial effects for immersion.
- **Volume Controls:** Both remote and local users have volume balancing tools that let them prioritize conversation, music, or ambient effects according to their preference.

-
1. **AR User Layer:** Users wearing AR glasses log into their TouchTunes AR accounts linked to JUK wallets.
 2. **Venue Layer:** Participating venues equip staff or guests with AR-ready tablets or glasses, powered by the TouchTunes app.
 3. **Identity Layer:** Verified avatars and spatial anchors connect virtual visitors to the real-world venue layout.
 4. **Commerce Layer:** JUK Tokens are used for real-time interactions—pay per play, digital purchases, tipping, etc.
 5. **Smart Contracts:** Built on Flare and XRPL, enabling automation of voting, spending limits, and reward triggers.
 6. **Moderation Filter:** AI moderation ensures avatars comply with visual guidelines and community standards.
-

AR Architecture Layer Diagram & Data Flow

AR ARCHITECTURE LAYER DIAGRAM





Creative Expression & Avatar Customization

To balance creative freedom with verified accountability, remote guests who have completed KYC may personalize their AR appearance and voice within defined boundaries:

- **Custom Avatars:** Verified users may select from an extensive library of avatars, including science fiction, fantasy, pop culture, or branded characters. Licensing partnerships or open IP guidelines may apply to enable use of recognizable characters (e.g., space operas or iconic sci-fi series).
- **Voice Modulation:** Users can activate voice filters to match their avatar or preferred persona, from robotic tones to stylized effects. Voice modulation is applied client-side, with toggles available in the user control panel.
- **KYC Enforcement:** All creative expressions are permitted only after identity is verified and locked through the KYC system. Behind every creative avatar is a real-world verified identity, providing accountability while enabling expressive freedom.
- **Moderation for Custom Content:** AI moderation tools review both visual and audio outputs. Characters or sounds that promote obscenity, hate, or impersonation without authorization are flagged or filtered automatically.

Moderation Tools & Behavior Policy

To ensure a respectful and safe AR experience, all users must adhere to a published **Code of Conduct**, which prohibits nudity, hate speech, harassment, impersonation, and disruptive behavior. Moderation features include:

- **Real-time avatar flagging** by venue staff or users
- **Immediate mute and visibility toggle** for flagged avatars
- **AI-powered avatar scan** upon setup to detect inappropriate content
- **Cooldown penalties** for behavior violations (temporary bans, payment freezes)
- **3-strike policy** for repeated violations resulting in permanent suspension



Expansion Opportunities

- **Venue Licensing:** Participating venues can opt in to TouchTunes AR by paying a monthly licensing fee. This includes access to the AR dashboard, spatial mapping integration, moderation tools, and priority listing within the AR venue directory. Venues can also unlock revenue-share tiers based on monthly AR engagement and token activity.
 - **Artist Engagement:** Artists and DJs can host exclusive AR-only performances or meet-and-greet sessions with virtual and on-site attendees. This creates new monetization streams through token-gated access, tips, or collectible content drops, while enhancing artist exposure through immersive branded environments.
 - **POAPs and NFTs:** Users earn Proof-of-Attendance Protocol (POAP) badges for AR visits, song plays, interactions, or event attendance. These can be collected, traded, or redeemed for exclusive experiences. NFTs tied to song moments or artist collaborations offer fans a way to build their identity and loyalty history within the JUK ecosystem.
 - **White-labeling:** Bars, lounges, and nightclubs can fully customize their TouchTunes AR environment. This includes themed avatars, branded POAPs, special loyalty rewards, or custom interfaces—all powered by JUK. Businesses can choose from pre-designed templates or work with developers to build immersive, brand-specific experiences tailored to their audience.
-

This feature positions JUK as the first music token in the world to **bridge metaverse, real-world interaction, and AR commerce**. It's not a theoretical use case—this platform is deployable across TouchTunes' existing network of 65,000 jukeboxes and millions of app users.

Accounting for Jukebox Transactions

Each jukebox is linked to a blockchain wallet with a unique ID. Payments are routed through XRPL, while Flare smart contracts manage automated revenue sharing. A centralized dashboard provides immutable financial reporting.

Cost Reduction Benefits

- No Chargebacks
- Smart Contracts
- No Bank Fees
- AI Optimization
- Global Accessibility



Legal Considerations

JUK is classified as a utility reward and not a security based on:

- Functional Ecosystem Use
- No Profit Expectation from Others' Efforts
- No Ownership or Dividend Rights
- Decentralized Governance
- Regulatory Alignment

Founder & TouchTunes JUK Rewards Holding & Compliance

TouchTunes and the founder may hold Reward allocations provided they are clearly designated for utility purposes such as operational incentives, staking, or governance—not for speculative investment.

- **TouchTunes staking 67%** of its supply reserve for 36 months. The remaining portion is allocated for platform operations and ecosystem integrations.
- The **founder** has committed to **staking 33% of their 15%** allocation under the same lock-up schedule and reward terms, reinforcing regulatory compliance and sustained network growth.
- **Operator Incentives: 50%** will be automatically staked for Each Jukebox ID for up to 36 months. Rewards will be automatically applied towards each Jukebox ID account bill quarterly.
- Community Rewards and User Adoption can be staked but not required.

These staked rewards are locked and earn compensation through Flare Network rewards—not through resale or market speculation.

Smart contract audits and legal compliance reviews are ongoing.



Why JUK Is Not a Security – Howey Test Compliance Summary

The JUK Rewards does not meet the criteria of a security as defined by the SEC's Howey Test, which evaluates the following four prongs:

1. Investment of Money

Users may spend fiat or digital currency to acquire JUK, but this is for utility access—not as an investment with the expectation of profit.

2. Expectation of Profits

JUK is not marketed or structured to provide profits to holders. There are no dividends, equity, or passive income rights.

3. Common Enterprise

There is no pooling of funds for shared profit. JUK operates in a decentralized ecosystem, with all token allocations transparently defined for staking, governance, and utility—not investment.

4. Efforts of Others

Ecosystem growth is driven by active community participation. Neither the founder nor TouchTunes benefit from speculative sales. Their reward allocations are locked, staked, and non-transferable during the vesting period. These principles are supported by the JUK Rewards Distribution Chart and JUK Spend Flow Diagram, which emphasize transparency, ecosystem alignment, and non-speculative use.

Smart contract audits and legal reviews are ongoing to ensure continued regulatory compliance.

Expanded Compliance Notes: Staking, and Governance Structure

Staking rewards received by the founder and TouchTunes are earned through protocol-native staking on the Flare Network. These rewards represent compensation for participation in network security and governance, not profit-sharing or dividends.



Conclusion

JUK Rewards represents a groundbreaking innovation in the music and entertainment industry, seamlessly integrating blockchain technology, augmented reality, and the metaverse to redefine how music is experienced, monetized, and shared. By leveraging the XRPL for efficient payments and the Flare Network for smart contract functionality, JUK offers a decentralized, transparent, and interactive ecosystem that bridges physical venues and digital spaces. Its utility spans real-world jukebox payments, immersive AR experiences, empowering users and venues alike.

With a fixed supply of 100 million tokens, transparent allocation, and compliance with global regulatory standards, JUK is designed for sustainable growth and community trust. Its integration into the TouchTunes network of 65,000 jukeboxes and 2.7 million mobile app users positions it as a pioneer in merging blockchain with traditional entertainment venues. The token's applications in virtual jukeboxes, AR social layers, and NFT-based fan engagement further extend its reach into the metaverse, creating new opportunities for monetization and interaction.

JUK's decentralized governance model ensures that the community drives its evolution, fostering innovation and alignment with Web3 principles. By addressing industry challenges such as high transaction fees, chargebacks, and limited global access, JUK paves the way for a vibrant, cross-platform music economy that benefits artists, venues, and fans alike. As the first music token to bridge real-world and digital experiences, JUK is poised to transform the future of music engagement and commerce.

Decentralization Comparison: JUK Token vs. Bitcoin and Ethereum

Feature	Bitcoin (BTC)	Ethereum (ETH)	JUK Token (JUK)
Launch Year	2009	2015	2025
White Paper DAO Mention	None	None (DAO came later)	None
Token Supply	21M, mined	120M+ (inflationary)	100M fixed supply
Token Distribution	No premine, mined by public	Premine (~72M), ICO	Premine
Founder Token Allocation	None	Yes	15% time-locked, staked (3-year vesting)
Governance Method	Off-chain via node consensus	Community + GitHub EIPs	On-chain: Snapshot Dist., based on Mobile Play
DAO Structure	Not applicable	Introduced later	Not Applicable
Smart Contracts	None	Native	Flare + XRPL smart contracts
Treasury Model	None	Ethereum Foundation guided grants	None
Security Classification Risk	Very low	Medium (ICO history)	None
Community Governance	Node operators	Hybrid	Snapshot



JUK Rewards White Paper – Full Q&A Appendix

The following expanded Q&A section addresses common questions about the JUK Rewards ecosystem, TouchTunes integration, AR/Metaverse features, and technical considerations.

GENERAL OVERVIEW

Q1: What is the JUK Token? A1: JUK is a decentralized utility reward issued on the XRPL and extended via Flare Network. It enables low-cost music payments, governance, digital experiences, and AR interaction across the TouchTunes network.

Q2: Who developed the JUK Token? A2: JUK was founded by independent creators and is strategically aligned with TouchTunes through a staked reserve model, incentivized operator adoption, and open integration.

Q3: What makes JUK different from other music or crypto tokens? A3: JUK focuses on real-world jukebox payment utility, XRPL efficiency, Flare-based smart contracts, and an immersive AR experience at real venues.

TOKENOMICS & COMPLIANCE

Q4: How is the token supply structured? A4: JUK has a fixed supply of 100 million supply, with transparent allocations for community rewards, operator incentives, development, partnerships, and staking.

Q5: How are founder and TouchTunes tokens managed? A5: The founder receives 15% of the supply, which is staked and time-locked with a 33% of 15% for 36-month vesting schedule to ensure long-term alignment and commitment. TouchTunes receives 40% of the supply, of which 67% is staked for 36 months. The remaining 33% is reserved for operational and strategic collaboration, with no ownership or dividend rights attached. Both are staked and time-locked with vesting terms over 36 months. These tokens are not used for speculative investment.

Q6: Is JUK considered a security? A6: No. JUK is structured as a utility token. It grants no ownership, equity, or dividend rights to holders, including founders and TouchTunes. While the founder holds 15% and TouchTunes 40%, these allocations are governed by vesting schedules, staking, and utility restrictions. Their purpose is to support operational leadership, platform growth, and alignment—not equity participation or speculative gain.



Q15: Can avatars be customized? A15: Yes. Verified users can choose avatars, voices, and filters. All customizations are moderated, and real identity is verified via KYC.

Q16: Is there a dress code or behavior policy? A16: Yes. AI moderation and venue controls prevent inappropriate avatar visuals, impersonation, or offensive language.

SUBSCRIPTIONS & VENUE REVENUE

Q17: What do bars or venues gain from participating? A17: New revenue streams through JUK token tips, subscriptions, remote purchases, music control, AR branding, and licensing.

Q18: Is there a subscription cost? A18: Yes. Remote users pay per venue or via monthly AR passes using JUK or USDC. Venues pay a licensing fee for AR tools and dashboard.

Q19: Can purchases be made for future use? A19: Absolutely. Remote guests can pre-order food or drinks for future visits, redeemable via QR or AR-linked accounts. Select venues may also offer delivery or pickup options, potentially in partnership with local services accepting JUK or USDC.

Q20: Are there digital collectibles involved? A20: Yes. Users earn POAPs, leave digital signatures, and unlock exclusive NFTs for visits, interactions, and song moments.

TECHNICAL INFRASTRUCTURE

Q21: What is spatial mapping? A21: The process of scanning a physical space and anchoring digital avatars or content in real-world coordinates for immersive AR experiences.

Q22: How are jukeboxes connected to blockchain? A22: Each unit is tied to a unique wallet. Transactions route via XRPL, with revenue sharing and data management handled by Flare smart contracts.

Q23: Can the AR interface run offline? A23: Offline payments via Bluetooth and QR codes are possible for venues with low internet connectivity, using preloaded JUK balances.

MODERATION & SAFETY

Q24: How is content moderated? A24: AI-driven filters scan audio and visual content. Venues can manually mute or hide avatars. Repeat violations trigger cooldowns or bans.

Glossary of Key Terms

XRPL

XRP Ledger - a decentralized, high-speed, low-cost blockchain used for payments.

Flare Network

A blockchain platform that enables smart contracts and data integration from other chains like XRP, BTC, and ETH.

Gnosis Safe

A multi-signature wallet system used to securely manage DAO treasury funds with shared control.

Snapshot

A governance tool that enables token holders to vote on proposals off-chain based on their reward balances.

fJUK

Staked version of the JUK Rewards on the Flare Network, representing long-term alignment and locked rewards.

POAP

Proof of Attendance Protocol - digital collectibles that prove participation in an event or experience.

KYC

Know Your Customer - identity verification process used to ensure legal compliance and user accountability.

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Glossary of Key Terms

AR

Augmented Reality - an interactive experience overlaying digital elements in real-world environments.

NFT

Non-Fungible Token - a unique digital asset representing ownership of digital or real-world items or content.

Metaverse

A collective virtual space that merges digital and physical experiences, often using 3D/AR/VR technologies.

Staking

Locking up rewards in a blockchain protocol to earn rewards or support network operations (e.g., validator incentive).

Legal Disclaimer

JUK Rewards is designed for potential integration with leading digital jukebox networks, such as TouchTunes, subject to future partnership agreements.

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