

Diners need to buy digital token to eat at New York's Flyfish Club

[Will Pavia](#), New York
Tuesday January 18 2022,
3.15pm GMT, The Times



The entrepreneur Gary Vaynerchuk is a co-founder and chairman of Flyfish Club, which has been selling memberships purchased with the digital currency ethereum.

The latest restaurant to be launched upon New York's crowded dining scene does not yet have premises or a menu and will only serve diners who have purchased a token using the digital currency ethereum.

In spite of these drawbacks, or perhaps because of them, tokens giving the holder the right to eat at this establishment at some time in the future were trading this week for \$21,000.

Flyfish Club, which is due to open in 2023, has been set up by three restaurateurs and a digital marketing entrepreneur and is being billed as the "world's first NFT restaurant."

NFTs, or non-fungible tokens, are unique units of data stored on a digital ledger, using the same blockchain technology that underpins currencies like bitcoin and ethereum.

Already used in the art market, in the sale of digital photographs and pictures, NFTs allow artists to profit from resales, typically by taking a 10 per cent cut.

“We sold them in less than a minute. It was crazy,” David Rodolitz, one of the founders of the seafood restaurant in New York City, said. A further 350 VIP tokens that sold for a little under \$14,000 would offer holders the added benefit of access to an omakase room, overseen by a celebrated sushi chef.

The sales raised about \$15 million, Rodolitz said. In the week and a half since, there had been \$19 million worth of sales on the secondary market where the tokens can be traded, of which his restaurant group received a 10 per cent cut.

Owning a token offers the right to eat at the restaurant but it does not cover the cost of any meals. Table reservations will be offered up to 14 days in advance, on a first come, first served basis; token holders can also reserve a private dining room. While the tokens are bought using cryptocurrency, the restaurant bills must be settled in US dollars.

Rodolitz believes NFTs will transform New York’s ferociously competitive dining scene, allowing restaurants to build communities of patrons, while receiving a steady stream of income as the tokens are traded like stocks.

He compared the concept to the set-up at a famous old restaurant called Rao’s, where patrons “own” tables which guarantees them a reservation there. These cannot be sold or transferred.

At Flyfish Club, members own their tokens and can sell them on or lease them to others for a monthly rate. The cost of buying a token was reasonable if you compared it to the price of membership at clubs like Soho House, which charge an annual fee, Rodolitz said.

“A lot of people have already made three times their money,” he said. “I’m not saying that people should have been buying them for speculation, but by owning the asset it becomes yours, you can do what you want with it.”

One apparent buyer, who displayed a photograph of one of the tokens on Twitter, said he was not even sure if he would be able to go there, as he lives in India. He had bought it because he trusted the brand, he said. By this week, the VIP tokens were being offered for sale for upwards of \$35,000.

Rodolitz said he had made provisions in case “not one person in India but 1,500 people in India bought all the tokens”. Then “we would have an empty restaurant”. He had held back 1,500 tokens, which may be sold or distributed to patrons in the New York area. A leasing mechanism, by which owners can rent out their tokens to others, is also in

development, he said.

Merav Ozair, an expert in blockchain technology and a fintech professor at Rutgers Business School, thought the group behind Flyfish Club would need to steadily provide added benefits for token holders.

“This is how they are really going to increase the value,” she said. If they did not, the value of the assets would be entirely based on the quality of the restaurant “and this is super risky.”

Rodolitz said a series of events were planned for members in Miami, the Hamptons, and in Minneapolis, along with virtual events featuring his co-founder Josh Capon, a celebrity chef.