

# A MOVE coin moment

Talking fundamentals on  
Rally Creator/Community  
coins



[@banal\\_na\\_graial](#)  
*May 5, 2022*



Crypto for  
Creative  
Communities

Rally RLY



**Rally** - An ERC-20 token on Eth Mainnet  
(V2 will also link to the Solana network)

- Consistent, well-established downtrend vs USD & ETH since Apr 2021

- Selected Resources

- [Business Model for Community Tokens](#)

- [Creator Coins: A value multiplier](#)

- [a16z led funding round for Rally venture studio](#)

- [Former Patreon exec joins Rally as CEO](#)

- [Rally V2 preview](#)

- [Rally Raises \\$57M For Community Treasury](#)



# The \$100B Question\*

**What is required to reverse  
Rally's downward price  
trend?**

## **Note:**

*This discussion investigates Creactor/Community coins  
It does not consider or analyze the RLY token, smart contracts or the  
value of the broader rally ecosystem or cryptocurrencies in general.  
Please do not treat this as investment advice and do your own research*

[Rally ERC-20 contract \(no security audit posted\)](#)

[Example hack of ERC-20 social token](#)

\* [Forbes - Creator Economy Overview 2021](#)

# A House Divided

- On Apr 29, an event took place which highlighted a divided set of values within the ecosystem.
- The price of [MOVE](#), the creator coin of Movement Ventures headed by Brian Clark and Jerod Morris, dropped from:
  - \$7.947 -> \$0.798
  - RLY48.9 -> RLY5.5 (-90%).
- This sparked a debate within the community mainly between:
  - a. the creator who was converting sales made MOVE off the Rally network in order to recover USD.
  - b. Market participants from the wider Rally ecosystem/community, their activities are driven primarily by the [Rally Rewards system](#).



# A Selected set of messages

## The Rewards Camp

As a coin supporter with a long term vision like me, seeing the uncertainties just make me pull out money from this ecosystem. I believe rally is a very transparent platform that is centered around the creators. But if the creators try to sell on the supporters, this suggests that there are some serious issues on the creators end. From what I was communicated is that the community will be growing together; thus, there was never even a chance of a sell off that will wipe me off entirely. I am speechless with what has happened and did not expect this at all. It will be hard to trust people in life from now on.



# A Selected set of messages

## Camp Creator

I understand where you are coming from. However, there are a couple important things to keep in mind:

- 1) There have already been two fairly sizable sell-offs from within this ecosystem that have caused a major price dip. Those were made by investors/speculators, but not our original community — who this coin was intended to serve.
- 2) The idea that creators can never sell their coins is very dangerous for the long-term viability of creator coins. If creators cannot extract value from the ecosystem, how do they earn a living or get compensated for the value they put in to incentivize holding?

The notion of everyone holding forever is certainly prevalent, and romantic, but what's the end game? Not everyone can benefit from the price raise expectations on paper. That value isn't actually there for everyone. Rally Rewards help fill this gap, but not if the norm/expectation is to reinvest indefinitely.

We went into this with an open mind, plus a commitment to sharing what we've learned and providing value to our existing Movement Ventures community. We remain committed to that.



# A Selected set of messages

## The Rewards Camp

Why wasn't this issue raised 3-2 weeks ago? Why not be upfront about the sales made/total revenue lost? Better question, why not only sell the amount owed?

The fact is you acknowledged the situation right after you got called out. You could have only sold the amount due but you sold as much as flow control would have allowed it. You have profited unproportionally, well in excess the actual buys that came through MOVE coin.



# A Selected set of messages

## Camp Creator

The amount we sold is less than the amount we were owed. We didn't get "called out," I knew we would have to explain the situation. It's just that I work for a living and had a very busy schedule today.

And I never said you sold anything. \*\*\* was the one who threw out "rug pull" and he tanked us last time and clearly doesn't understand what that term means.

We are very upfront with our actual customers about everything, because they actually spend their \$MOVE with us as is intended with creator coins. That's who we owe allegiance to





# A Selected set of messages

## The Rewards Camp

He should have gone to his investors and asked for liquidity rather than nuking his community

That's why I'm so pissed at him. And his excuses are pathetic  
To be honest, it's shit like this that makes it really hard for Rally to grow, or gain investment. He showed you can't trust an influencer token. Again.

Which f\*\*\*s all of us



# A Selected set of messages

## Camp Creator

Just about every one of his paying customers (myself included) only entered Rally because Brian decided to take a chance on it.

We were already getting good bang for our buck paying him for what he puts out. The members of the Rally ecosystem who are trying to build out the platform are coming from a different mindset and position.

I still consider Brian solid, but I agree owes a better explanation to the guys he got liquidity from.

I dunno if you noticed but someone threw US500 into MOVE as SUSIE\* was selling off. That would've been one of Brian's people.

Its the USD coming in that's gonna reverse Rally's downtrend

*\*SUSIE is another Creator Coin within the Rally network. One of the large selloffs during this event occurred with the user converting the MOVE directly into SUSIE*





# Back to the \$100B Question

**What is required to reverse Rally's  
downward price trend?**

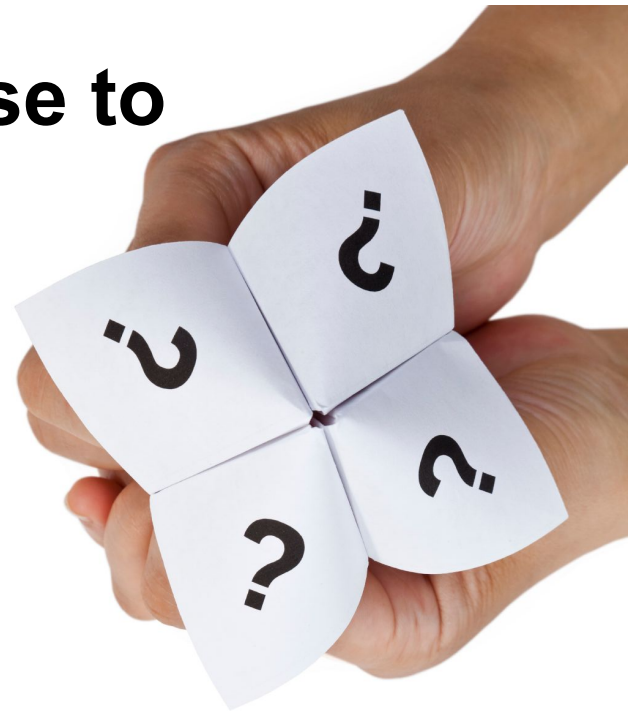
*First order answer:          Demand must exceed supply*

More people must want to have Rally and/or their creator  
coins, compared to USD or ETH (Solana coming soon!)

# Why might a rational actor choose to buy/hold a Creator Coin?

1. The Creator offer them something they want, and is willing to be paid in the Creator Coin (maybe for a discount).
2. The Creator (or somebody else) gave them the coins, for some reason.
3. They would rather have the Creator Coin than alternative options, for any number of practical, technical, emotional reasons (possibly because that coin is receiving Rally Rewards)
4. Price go up, still go up \*

*\*Vervet monkeys have a wide variety of alarm calls ... Each call provokes a different response, such as fleeing to trees or looking to the sky. [Source](#)*



# Why might a rational actor choose to sell a Creator Coin?



1. If they are the Creator/community, they sold something and now want to convert that into a different currency (whether for income or to cover other expenses).
2. They want to buy something else that doesn't accept that Creator Coin as payment. Yet by converting, they can now afford the item.
3. They would rather have some alternative option, rather than this Creator Coin for any number of practical, technical, emotional reasons (possibly because that coin is not receiving Rally Rewards)
4. Price go down, I must be some kind of sucker! Somebody screwed me

***NOTE: This is not meant to be a comprehensive list.  
If you feel I'm missing something, please feel free to reach out***



# This gives us 4 basic factors

1. The commercial value proposition of the Creator/Community
2. The turbulent, changing market
3. Personal & rally ecosystem circumstances
4. Animal spirits



[Source: Sunshine Coast Removalists](#)

## Let's unpack these one by one

# I. The commercial value proposition of the Creator/Community

Ya sure Ill buy that thing. Gotta pay in *<your-token-here>*? Sure why not.



Making all this great stuff for my audience is getting kinda expensive, Gotta eat after all!

This creator said they'd get that doohickey to us weeks ago. I don't really wanna be here anymore anyway



# As the Creator

They sold something  
and now want to convert  
that into a different  
currency



[Source: Pinterest](#)

- I. This is obviously a basic requirement for creators.
- II. When would a creator ever accept payments via a platform/currency if they cannot later take possession of those sales?





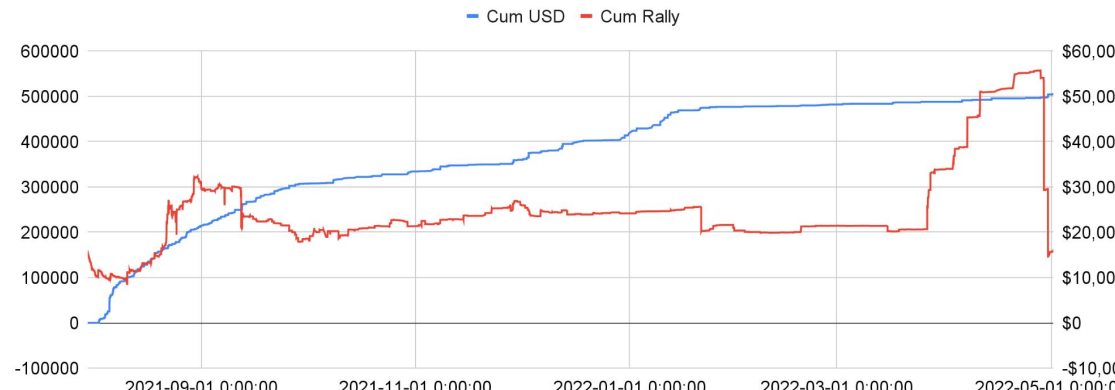
[Source: Triathlon Magazine Canada](#)

# As the Customer/Consumer

They sold something and  
now want to convert that into  
a different currency

- I. Creators on all platforms have multiple paths to monetize their creations. In all cases, the challenge is to have your strategy/tactics well-meshed with your creative content
- II. Similar to kickstarter and indiegogo, sometimes creators can finance their works in progress based on a promised future delivery date.

# Case Study: MOVE

- Since first launch in Aug 2021, MOVE has generated just over ~USD50 000 in sales to the Rally Ecosystem
- 
- | Date       | Cum USD (USD) | Cum Rally (USD) |
|------------|---------------|-----------------|
| 2021-09-01 | ~50,000       | ~10,000         |
| 2021-11-01 | ~300,000      | ~20,000         |
| 2022-01-01 | ~400,000      | ~20,000         |
| 2022-03-01 | ~480,000      | ~20,000         |
| 2022-05-01 | ~500,000      | ~50,000         |
- The sales stemmed from 2 sources:
    - 2 tiers of access to a community discord server (\$15 & \$120). These offers were listed on the Discord page but as of May 3 2022, they have been delisted from the page.
    - Targeted, exclusive offers for courses and coaching made to individuals/groups based on feedback & accumulated relationship (to be paid partially or wholly in MOVE). In some cases these were facilitated by the sale of an NFT.
  - As of May 3, 2022, there have been ZERO public complaints or expressions of discontent from paying customers of these services. There have been multiple expressions of support & even community suggestions to discontinue the Discord service

# So how much was recovered?

So for all the uproar, they probably made a killing right?

The senders & receivers of a transaction are not exposed via the Rally API.

However, the sale by the creator appears to have happened in 3 transactions.

Transaction ID	Date	MOVE	Rally
8374999f-7347-4d7a-a975-ea9c6ec24d96	2022-04-28 22:37:08	1810.544	27,143.918
a13bf8b6-47c1-47d6-b7b5-59e19d3f08e6	2022-04-28 22:36:40	2,319.549	41,682.142
7fdc7fcf-ad28-450c-ad5d-ece17c5832b5	2022-04-28 22:36:27	7,320.786	141,517.030
Total		11,450.879	210,343.09

**RLY210,343.0** \* **\$0.1429** Rally Price (RLY) ▲ 2.12% = **\$30,079.06**

So if the USD50 000 inflows are to be viewed wholly as sales, then the creator paid a 40% 'fee' for the ability to accept payments in their coin

*Note 1: This does not include gas fees for bridging onto the Ethereum mainnet.*

*Note 2: These 4 transactions dropped the Coin support volume from \$103,400 to \$50,300. This is an exaggeration caused by the bonding curve*

# What about the RLY price decline?

Looking at the USD inflows alongside the RLY price at the time:

- The \$50 000 paid in by the MOVE community is around \$15 000 today.
- We (MOVE) have been buying all the way down
- If we fully discount the USD to account for RLY price drops, MOVE sales account for around 50% of the funds recovered by Brian.
- Does that imply that the rest came at the expense of non-MOVE RLY holders?

	USD/RLY	Cumulative USD purchases by MOVE	RLY value of purchases	USD inflow value
8-15-2021	\$0.58	\$12,584.58	21,697.55	\$12,584.58
9-1-2021	\$0.72	\$21,686.58	12,730.07	\$24,615.75
9-15-2021	\$0.58	\$26,731.01	8,695.79	\$25,015.89
10-1-2021	\$0.59	\$30,741.16	6,825.79	\$29,345.16
10-15-2021	\$0.70	\$32,208.16	2,106.25	\$36,256.62
11-1-2021	\$0.58	\$33,218.16	1,739.88	\$31,228.19
11-15-2021	\$0.55	\$34,768.16	2,838.31	\$30,927.63
12-1-2021	\$0.53	\$35,987.62	2,296.97	\$31,286.26
12-15-2021	\$0.37	\$39,677.95	9,941.62	\$25,565.37
1-1-2022	\$0.34	\$40,856.55	3,485.95	\$24,464.30
1-15-2022	\$0.28	\$46,891.42	21,212.20	\$26,620.77
2-1-2022	\$0.23	\$47,656.42	3,318.87	\$22,332.97
2-15-2022	\$0.24	\$47,851.42	806.45	\$23,622.82
3-1-2022	\$0.22	\$48,206.20	1,588.80	\$22,170.23
3-15-2022	\$0.18	\$48,346.20	788.73	\$17,763.00
4-1-2022	\$0.21	\$48,776.20	2,019.73	\$21,735.59
4-15-2022	\$0.17	\$49,531.20	4,496.72	\$17,896.41
5-1-2022	\$0.14	\$50,501.20	7,044.30	<b>\$15,647.40</b>

STAY TUNED!

## II. The turbulent, changing market

I got these coins free from the creator/community. Maybe I can use them later



I really wanna buy that cool thing, but all I have are these other tokens. I mean seriously, Look how much they just went up/down!

For reference, In just one of several ongoing campaigns, MOVE has done giveaways of more than \$1500 (spot market price) since initial launch.

# The Rally ecosystem - it's a jungle out there

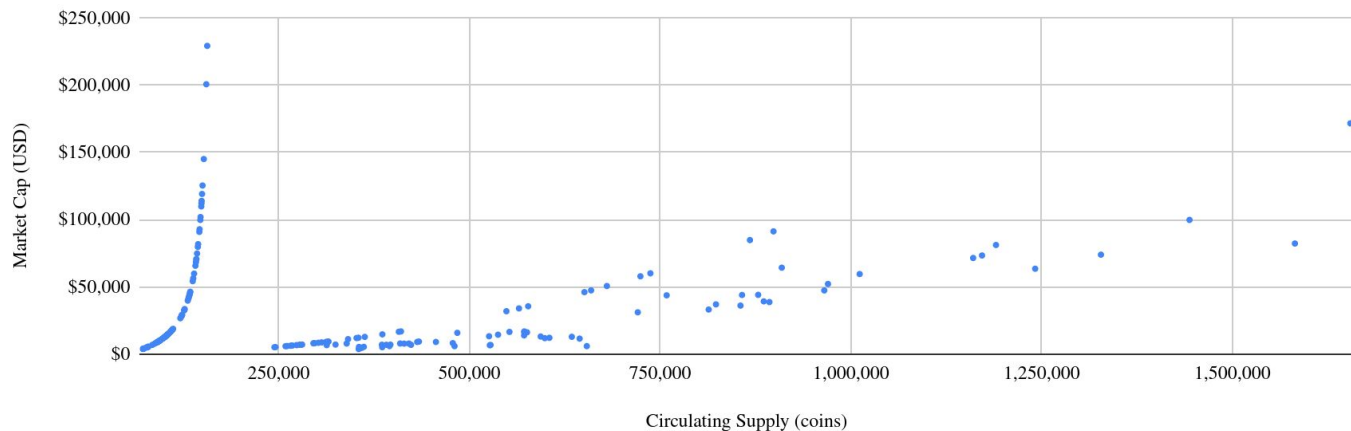
- As of Apr 26, 2022, there were 200 Creator Coins listed on the Rally network.
- Curious about why there are 2 groups? It's because there are 2 types of [Token Bonding Curves](#):
  - V1 - the S-curve (formally known as the [logistic function](#))
  - V2 - a linear curve
- This is important to understand if you plan to transact on Rally using anything other than a one-off transaction. Ongoing memberships/subscription purchases can also be complicated by the dynamics of these curves.
- It's also worth noting that no V1 coins appear to be close to the flattening phase of the curve

## **Important note:**

*The logistic function is commonly used in ecology and ecosystem population studies.*

*It also underlies the [Logistic Map](#) one of the most famous examples of mathematical chaos.*

*So the ecosystem analogy is more than just a metaphor on the V1 curves!*



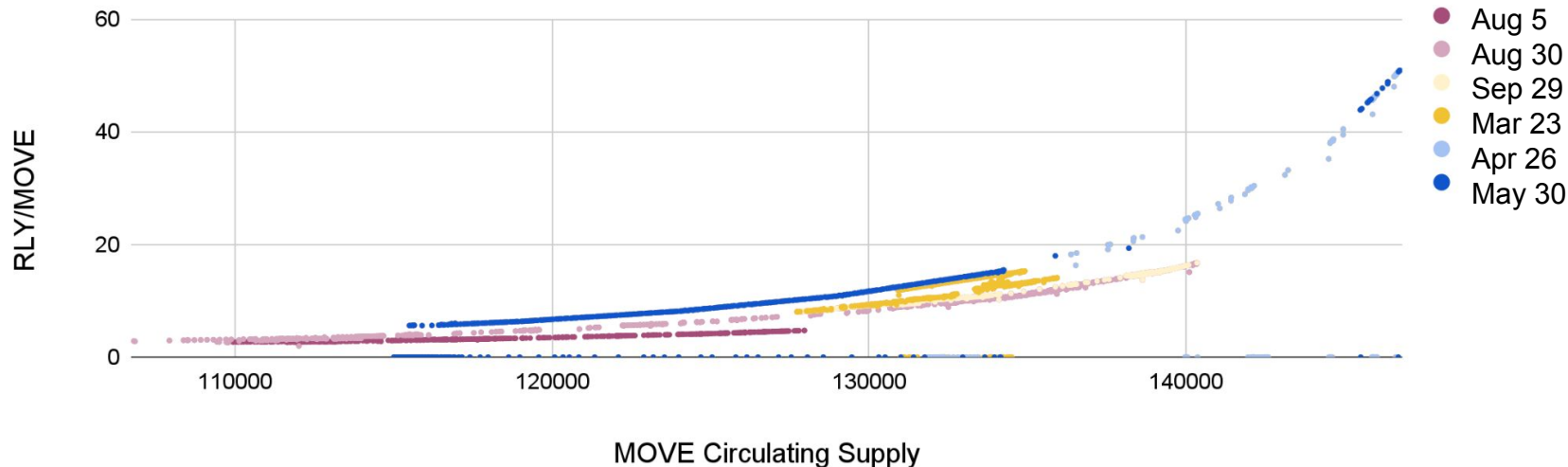
# Keeping up with the curve

The MOVE curve appears to have gotten more expensive vs Rally over the past 6 months.

The reason for this is unclear, Rally's article on bonding curves does not raise the possibility of change over time.

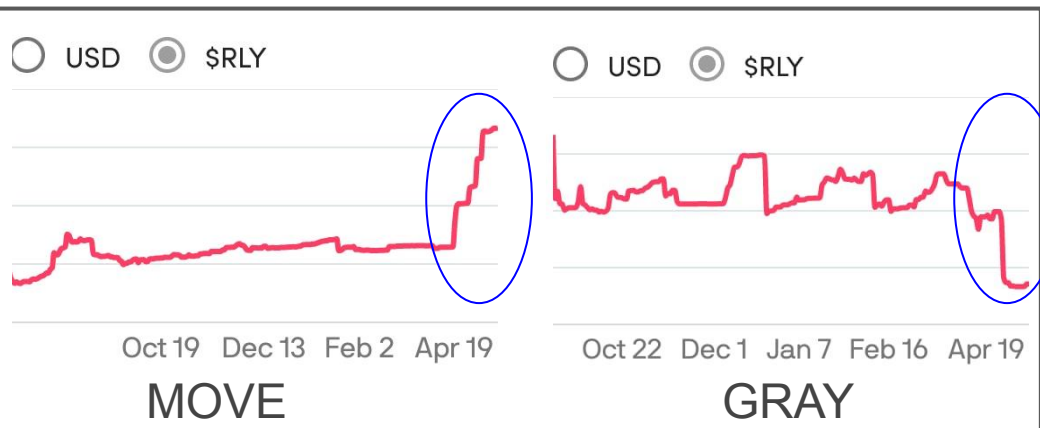
It appears to benefit current holders as they will get more RALLY per MOVE (on selling) in the future in this trend

CO



# Case Study: graials swing-trade histo

- Initial MOVE token purchase: \$225 (Sep and Oct 2021)
- Sep 5 - executed first Community Commerce purchase within the MOVE community. A custom 3d rendered image outlining the principle of [Ecological Economics](#).
- 3 months swing trading MEGA, HLTH, RAW, GRAY & SOUL
- Dec 22 - Bridged out \$810 to ETH Mainnet in order to gain Trusted Seed Membership of [CommonsStack](#)



- On Apr 19 MOVE and GRAY swung heavily in opposite directions prompting graial to convert 100% into GRAY
- Today, On May 4 graial repurchased 200% of that original MOVE position because of the selloff.



### III. Personal & rally ecosystem circumstances

I just love this creator, and they bring in SOOO many rewards!



Damn, did you see that new token that just launched?  
Wonder what they're up to..

Everyone has their own practical, technical, emotional background, knowledge & circumstances.

[Rally Rewards](#) and new coin launches have a large influence on decisions made throughout the ecosystem.

# Understanding/Evaluating your Personal circumstances

*In all things related to your own Health, Wealth and Happiness.*

Please consider speaking with a certified professional when considering how any program, technique or advice might be applied to your own life.

A certified professional has demonstrated competence in their field of expertise according to criteria established by their profession & field.

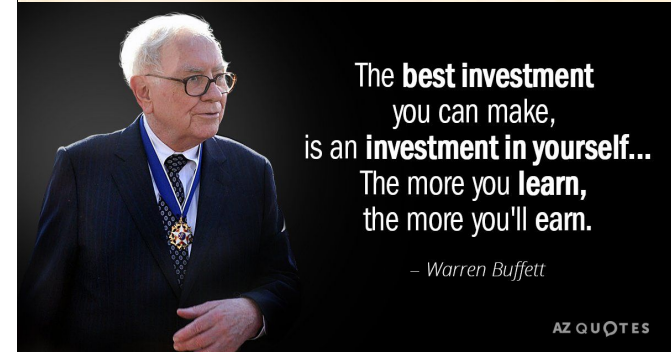
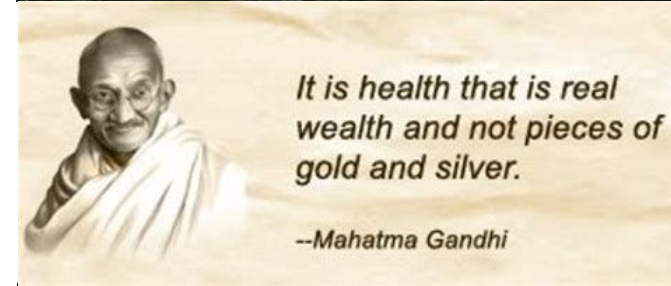
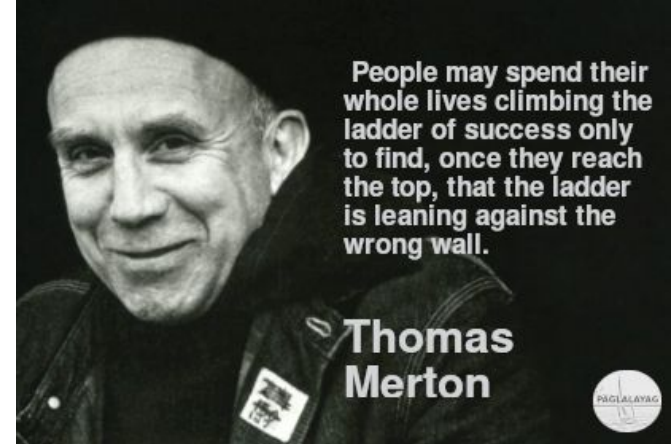
They are also legally bound to give advice that accounts for your own personal circumstances.

**BUT.....**

Don't be afraid to get your hands dirty and learn yourself either. You may find that you have more control over your life than you've come to believe.

## Selected Resources:

- [Warren Buffett on the folly of investing in non-productive assets](#)
- Why process is more important than goals, in [fitness](#) and [creativity](#)
- [Intelligent Investor - The classic text on value investing](#)
- [A simple group activity to try \(& adapt!\) to gauge your tolerance to randomness](#)



# Rally Rewards - the Creator's killer app?

See here for a primer on Rally Rewards - [Rally Rewards 101](#)

A more in-depth discussion can be found in [this forum discussion](#)

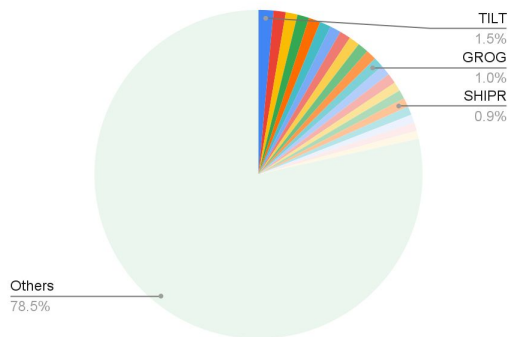
## Highlights:

A community/coin will receive rewards if it “has more underlying \$RLY in the current hour than their previous 4 week hourly average”

Currently, Rally is in its network bootstrap phase issuing a constant RLY350k per week. Each new creator coin increases the daily distribution.

A total of RLY 7.5bln are allocated for distribution to creators over the coming 8-10 years ([wallet 0xE75](#), current balance 7.35bln )

Total awards to Top 20 creators relative to all others

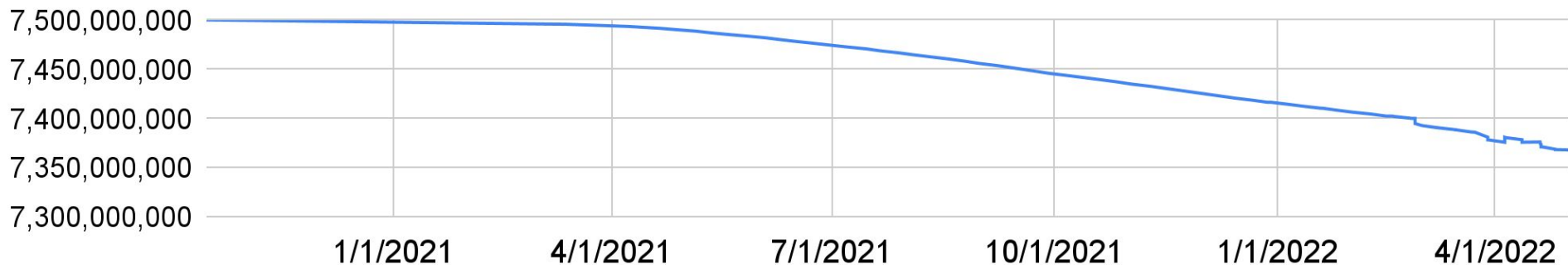


**Total rewards  
disbursed since  
launch**

RLY114.4M  
USD 16M

**Total rewards  
disbursed  
last week**

RLY2159k  
USD 302k

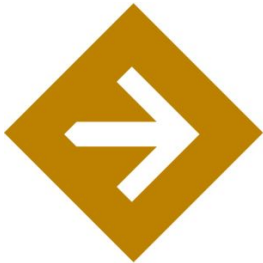


# Benchmarking industry peers

*Content/Curative Marketing*

Launch (time since launch)	Prive in RLY	Total RLY backin g	Circulatin g Supply	USD Sales on-chai n	Avg wkly reward s
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- If you had some RLY to spend today and you:
- a. aren't that interested in any products/services on offer.
  - b. want to 'put it to work'.
  - c. Want to see a healthy creator economy which should lead to growth of Rally overall



MOVE

Jul 25 (31 wks)	6.641	172.6K	120.8K	\$50,500 \$30,080**	18516.5 13199.4*
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Would you rather buy a token with weekly rewards yield of:

- 2.3% (MOVE) or 0.14% (TILT)



TILT

Jun 9 (100 wks)	142.588	1.3M	155.4k	\$65,856	30144.5
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How much would you want to pay per weekly USD inflow into Rally?

- RLY492 (MOVE) or
- RLY33,646 (TILT)

*\* As per slide 7, rewards from the past 3 weeks are considered controversial by some*  
*\*\*As per slide 19, around US30k was extracted from the Rally network, leading to a reduction in network market cap*

## IV. Animal Spirits

Price go up, still go  
up...To the moon!



Price go down, Rally is finished!  
We've been rugged! The end is  
near!!

‘Animal Spirits’ was the term used by the notorious currency/securities trader George Soros, who studied philosophy under the equally legendary Thomas Kuhn. Kuhn brought the concept of ‘paradigm shifts’ into our collective consciousness

Soros credits much of his success to his unique perception of ‘Herd mentality’ in market psychology

# Understanding and harnessing your own Animal Spirits

In a world of heavy uncertainty, many of us dream of an alternate future.

Blockchain technologies can offer an exciting suite of new possibilities. They can also get hacked. You can make bad decisions &/or get scammed.

Ultimately though, many of the most serious mistakes are made due to emotional overreactions, especially (fear and greed)

Here are some habits you can form to maintain your discipline in financial markets.

- Research...Lots of research
- Define your Circle of Competence and manage your risk tolerance accordingly.
- Learn about Margin of Safety
- Keep a log of your buy/sell decisions and the reasons for your decision
- Have a plan
- Before any buy or sell, ask yourself:
  - Why you might be wrong, seek other opinions
  - What will I do if I am right?
  - What will I do if I am wrong?
- Be Patient. With the market and yourself





# Back to the \$100B Question

**What is required to reverse Rally's  
downward price trend?**

*A positive balance of trade*

- *USD inflows > USD outflows*
- *ETH inflows > ETH outflows*
- *SOL inflows > SOL outflows*

*If Rally could become a  
DAO with a \$15bln market cap\**

- *Total Supply = RLY15bln*
- *US\$1/RLY (+607% vs \$0.1414 today)*

*\* Assumes:*

- *15% market share*
- *0% future growth of the Creator  
Economy*



# Ok sure, but who would be crazy enough to try n catch a falling knife?





# What was that



Rally RLY







To be continued...