



Gala Film Litepaper  
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## Introduction

Within the Gala Ecosystem, we have always worked to drive innovation. First via Gala Games, then via Gala Music, and now with Gala Film. As digital technologies continue to disrupt traditional industries, the film sector remains an area ripe for innovation. While mainstream platforms have provided an alternative to conventional distribution methods, they often fall short in democratizing access for creators and viewers alike. This is where Gala Film steps in.

We are creating an ecosystem where filmmakers, producers, directors, financiers, and audiences can interact seamlessly, without the need for middlemen or centralized platforms. By leveraging emerging technologies, Gala Film introduces a transparent, secure, and efficient way to fund, produce, and distribute cinematic content.

Our unique model is designed to solve various pain points in the current film production landscape. At the core of our ecosystem is the Gala Film Nodes, powered by the \$FILM token. The Gala Film Nodes serve a central role supporting the ecosystem as a whole through providing decentralized storage for film content and much more. \$FILM is a utility token and is used in all internal transactions, from crowdfunding new projects to purchasing theater rights.

The long-term plan for decentralization integrates novel new concepts to advance the industry in this ever-evolving space. We believe that by embracing a truly decentralized approach, we empower filmmakers to maintain creative control while fostering a community-driven environment that benefits both creators and consumers. While we stand at the center of this ecosystem as it grows, we believe that in order to achieve the long-term vision, the community of node operators and token holders must be DEEPLY engaged to advance the cause of decentralization.

This short introductory paper will delve into the intricacies of Gala Film's architecture, briefly expound upon our tokenomics model, and provide a vision of a roadmap for the future. Join us in rewriting the narrative for film production and distribution, as we usher in a new era of cinematic experience. In the future, there will be a much more involved publication that provides more documentation and deeper explanations. The current plan is to publish this document as an evolving and open-source publication on a public code repository such as Github, enabling the community to have the ability to propose additions, expansions, or modifications.

## Platform Overview

Gala Film (\$FILM) is a decentralized platform that rewards users for their engagement in consuming and supporting films. With a fair launch model, a node-based emission mechanism, and a viral sharing incentive, the platform ensures a democratized and efficient approach to content distribution and token generation.

## Tokenomics Guidelines

These tokenomics guidelines are subject to change up until the day that the tokens are minted and \$POPCORN is converted into \$FILM. This is, however, the current plan.

### 1. Token Supply

The total supply of \$FILM tokens will not be predetermined or hard-capped on-chain. Instead, tokens will be minted through an emission mechanism regulated by network nodes. This token structure will roughly align with the structure already used by the \$GALA token. There will be a maxSupply in the sense that the current totalSupply can never exceed 500,000,000 tokens.

### 2. Token Distribution

In a “fair launch” model, there is no “premint” allocation for the team, early backers, or public sale. There is, however, a portion of tokens that are created to award users for actions prior to the activation of the ecosystem that have been running their nodes. This will convert all existing “Popcorn Buckets” into \$FILM and provide a reserve of tokens for ecosystem initiatives. The current plan is to convert all \$POPCORN into \$FILM at a 1/10 ratio, with a bonus for larger buckets. This means that for every unit of \$POPCORN you have, you are likely to receive 10 \$FILM tokens after the Token Generation Event.

\$POPCORN will continue to exist after this initial conversion period. This will give users the freedom to decide when they would like to convert their \$POPCORN into \$FILM, giving them flexibility in terms of both the amount they convert and the potential externally perceived value at the time of conversion. When \$POPCORN is converted into \$FILM, it is done at a rate that favors larger holdings of \$POPCORN. \$POPCORN is distributed for node operation and for other actions within the ecosystem, and having a preferential conversion for larger amounts of \$POPCORN incentivizes the accumulation of \$POPCORN and the performing of more ecosystem-supporting actions. \$POPCORN can be used in the platform without conversion to retain the benefit of accumulation.



Rather than a premine of the total maxSupply, as is common with most tokens, all tokens are instead minted through user engagement, node operation, and content sharing. The max emission rate is a set % of the remainder to the softCap making the emission functionally eternal, but providing a smooth emissions curve of .05% of the remaining tokens to softCap  $((\text{maxSupply} - \text{totalSupply}) * .0005) / \text{day}$ ). However, the actual emission rate could be as low as 10% of this amount.

## 2.1. Operator Supply (50% initial)

The operator begins receiving 50% of the token mint allocations, with this reducing by ~5% annually with total platform decentralization to be achieved within ten years. The operator reserves the right to distribute this token as needed to support ongoing operations, but some basic categories which will be funded from this allocation are:

- 2.1.1. Development Costs
- 2.1.2. Marketing
- 2.1.3. Events
- 2.1.4. Partnerships
- 2.1.5. Grants
- 2.1.6. Minimum Guarantees
- 2.1.7. Etc.

## 2.2. Node Operation and Rewards (10% initial)

Individuals or entities running nodes to support the ecosystem will be rewarded with \$FILM tokens. These nodes host film content, which is erasure-encoded and sharded across multiple storage volumes for efficient distribution in the Gala Film Content Delivery Network. The tokens are generated or 'minted' in response to verifiable proofs of storage and retrieval. While this is initially 10% of the emission rate, it increases by ~2.5% annually.

## 2.3. Content Incentivization Mechanism (20% initial)

Publishers, Creators, and Galaxian Viewers will earn \$FILM tokens based on the amount of content consumed on the platform.

For example, if a publisher or creator brings an independent film to Gala Film, they would receive \$FILM tokens based on the viewership of their project, in addition to any sales on the platform they would additionally receive.

Galaxians can only earn tokens by watching if they also actively grow the platform via shares and referred users. This is similar to the early Founder's Node referral reward model but instead of focusing only on sales/node operation, it also allocates rewards based on actual involvement with the ecosystem, rather than just referred sales. While this is initially 20% of the emission rate, it increases by 2.5% annually.

## **2.4. Ecosystem Supporting Behaviors (20% initial and the keystone segment)**

To encourage the spread of content and attract new users, Gala Film will distribute tokens based on what we deem to be positive ecosystem supporting actions. These actions are entirely at our discretion and determine the number of tokens distributed on any given day.

### **2.4.1. Qualifying Actions (Examples)**

There are many actions which could potentially qualify as ecosystem supporting behaviors. The list of these actions will be published and users will be able to see which actions result in the greatest reward within any given distribution cycle.

Examples of these actions may include but are not limited to:

#### **2.4.1.1. Watching**

- 2.4.1.1.1. Watch Films
- 2.4.1.1.2. Watch Series Episodes

#### **2.4.1.2. Support Ecosystem**

- 2.4.1.2.1. Pair a reward earning NFT (aka a Moment)
- 2.4.1.2.2. Complete a Scene (a collection of particular Moments)
- 2.4.1.2.3. Bridge tokens into GalaChain
- 2.4.1.2.4. Link to Rep on Chain

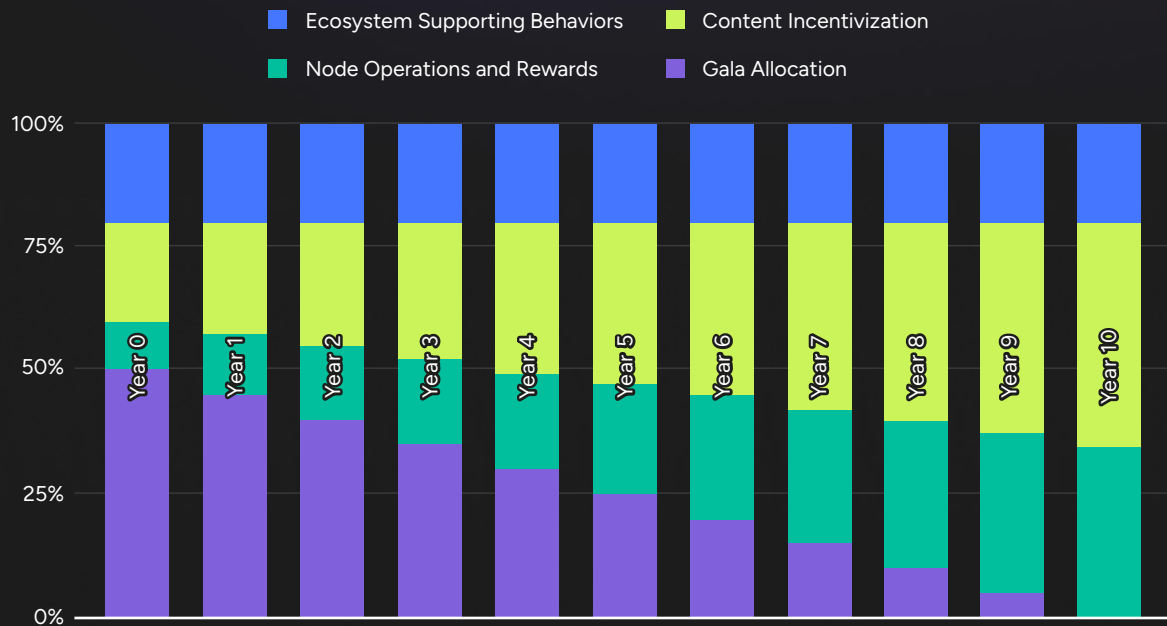
#### **2.4.1.3. Referrals**

- 2.4.1.3.1. Refer a friend (who completes certain actions)
- 2.4.1.3.2. Your referred friend refers a friend (who completes certain actions)

#### **2.4.1.4. Collecting**

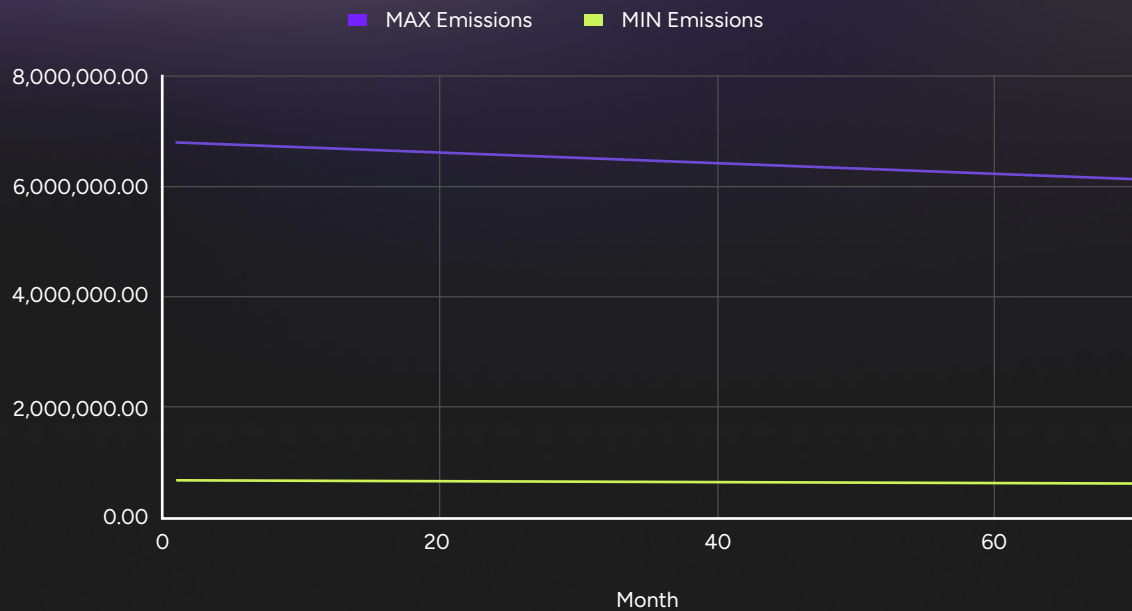
- 2.4.1.4.1. Completing a shard set
- 2.4.1.4.2. Completing all shard sets for a Film/Series

The key to this distribution is that all actions which qualify as “Ecosystem Supporting Actions” must be publicly visible and verifiable. This means that they either need to be written to chain or available in public in a way that the data surrounding them can be pulled via API and integrated into a distribution formula that is independently verifiable and transparent.

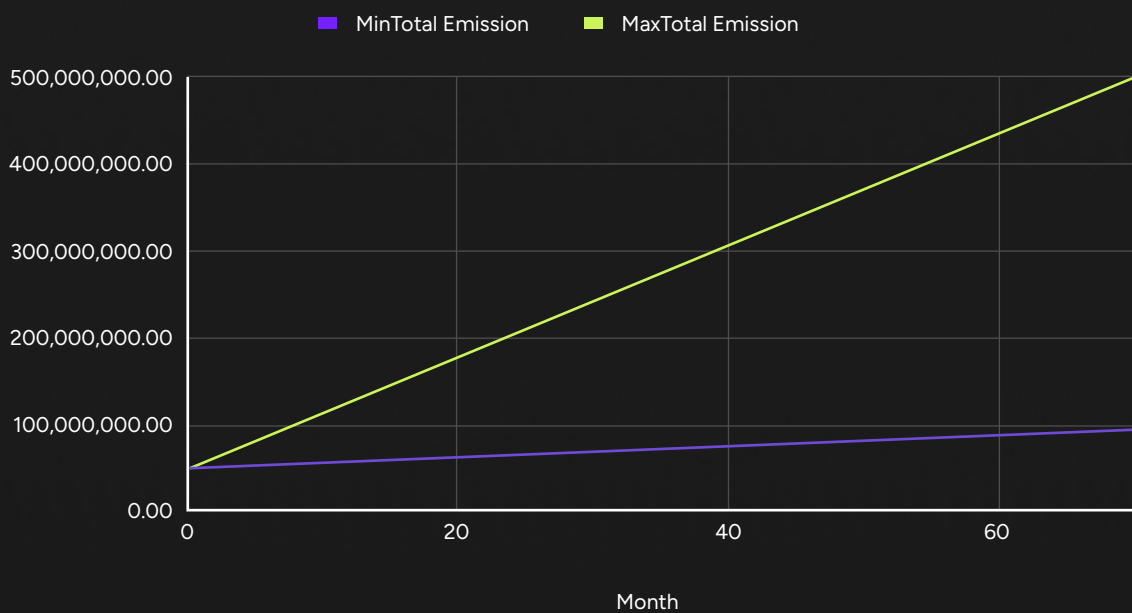




## Monthly MAX and MIN Emissions



## TotalSupply Over Time (with Min and Max Emissions)



## Moments & Scenes

We are committed to nurturing a vibrant ecosystem where enthusiasts and collectors are not only encouraged but also rewarded for their active participation. A key component to the platform lies in the concept of 'Moments' (aka reward earning collectible). Moments are designed to amplify your collection adventure by offering \$FILM token incentives that go beyond the ordinary. As you delve into the world of Moments, you'll discover an innovative token distribution bonus system that celebrates your dedication to your favorite content.

### 3. Components

#### 3.1. Moments

Moments are individual units of a scene extracted from films or series available on the platform. Each Moment is represented as a digital collectible. A significant feature of Moments is their daily earning potential, which rewards Moment holders based on the performance of the associated film or series on the platform. These daily rewards are a function of the popularity and viewership of the content, creating a dynamic value proposition for Moments.

Importantly, Moments come with varying levels of rarity that dictate their drop rate, ranging from common to golden tier. This rarity factor not only impacts the likelihood of acquiring a particular Moment but also adds an exciting dynamic to the collection process, encouraging users to assemble comprehensive and immersive collections that span various levels of rarity.

Rarity Levels	Drop Rate (%)
Common Moments	60
Silver Moments	30
Golden Moments	10

### 3.2. Scenes

Scenes are curated collections of Moments, strategically assembled to represent pivotal sequences from films or series. Each film or series featured on the platform will offer a selection of notable Scenes, which users can collect in part or entirety by owning individual Moments that constitute those Scenes. The collection of Scenes adds a layer of engagement and interactivity, allowing users to build a more comprehensive and immersive collection.

### 3.3. Reward Boosts

The token reward system introduces the concept of boosts, which incentivizes the acquisition of full Scenes and even complete collections of Scenes from a particular film or series. The reward potential of Moments serves as a daily basis for token rewards, while the following additional boosts further enrich the user experience:

#### 3.3.1. Scene Completion Boost

Users who manage to collect all the Moments comprising a full Scene will experience a boost in their daily rewards. This provides an additional incentive for users to assemble complete Scenes from their favorite films or series, adding an element of gamification and accomplishment to the Moments experience.

#### 3.3.2. Full Series/Film Collection Boost

Achieving the remarkable feat of collecting all the Scenes from a particular film or series results in yet another, and a more significant rewards boost. This encourages users to explore and engage deeply with their favorite content, ultimately creating a compelling ecosystem of film and series-related collections.

The integration of Moments and Scenes into the Gala Film ecosystem creates a unique and immersive experience for users. By blending daily rewards with strategic collection opportunities and additional boosts, this innovative digital collectible system not only enhances user engagement but also solidifies the platform's commitment to rewarding and acknowledging the dedication of its user community.

## Token Distribution Bonuses

At Gala Film, we are dedicated to nurturing a thriving ecosystem where Galaxians are incentivised to contribute positively. Our token distribution bonus system is designed to reward Galaxians for their engagement & activities within the ecosystem. At the time of writing, there are two activities that can lead to a distribution bonus:

### 4. Existing Bonuses

#### 4.1. Galaverse Scenes (given out during Galaverse Malta 2022)

If a Galaxian's wallet contains a Galaverse Scene(s), their daily distribution will receive a 0.025% bonus. This bonus stacks is cumulative for each unique Galaverse Scene, allowing Galaxians to earn up to a 0.5% multiplier (20 unique scenes \* 0.025% distribution bonus). NOTE: This multiplier is applied for each unique scene; multiple copies of the same scene will not receive additional distribution boosts.

For Galaxians who possess all 20 unique Galaverse Scenes, an exceptional **10x bonus** will be applied, elevating their distribution bonus to 5%. NOTE: Multiple full sets also do not stack

#### 4.2. BT Orbs (sold in early 2022):

If a Galaxian's wallet contains a BT Orb NFT (Limited Edition), their daily distribution will receive a .0125% bonus. This bonus stacks and is cumulative for each BT Orb NFT (Limited Edition) and is unlimited. The Open Edition BT Orb NFTs also receive a bonus, but one which is 10% of the Limited Edition BT Orbs.

#### 4.3. User Levels

Galaxian distribution is positively correlated with their User Level. Galaxians will be assigned an User Level based on their activity and contributions within the Gala Film ecosystem. Watching, supporting, referring & collecting will all contribute to a Galaxians User level. More detailed information on User Levels will be provided closer to Token Launch.

Gala Films recognizes that our community is at the heart of our success, and we are deeply appreciative of the contributions and enthusiasm of our users. The token distribution bonuses we've outlined are part of our ongoing efforts to express our gratitude and encourage further engagement. We look forward to working closely with our community to refine and expand these bonuses, ensuring that they reflect the values and aspirations we all share in building a dynamic Web3 film proposition.

# Crowd-Funding for Filmmakers

## 5. Content Crowd-funding

Users can contribute their \$FILM tokens to film projects they are interested in. In return for this crowd-funding, they receive unique benefits such as early access to the film, exclusive behind-the-scenes content, etc.

### 5.1. Token Locks and Delegated Fundraisings

When users allocate tokens to a set pool for a specific film, they may receive early access keys, Mystery Boxes, etc. This pool, however, remains locked until it is handed over to the film which has been funded. These tokens will unlock at a set rate going forward on a set vesting schedule. However, critically, these pools can be delegated and sold BY THE FILMMAKERS to potential investors in the space. This makes the Filmmakers, which already sell equity and raise funds for their films, able to make the decision of whether they would like a slowly vesting block of tokens or to sell them to a fund or VC interest. From an industry perspective, this is similar to bonds which filmmakers typically get from specific jurisdictions to incentivize filmmaking and then which are resold to investors, allowing filmmakers to access the funds themselves.

The locks for contribution to a pool would be for a minimum of 90 days, or up to 18 months. This number would be determined by the person establishing the pool initially. In the event that the pool is fully funded and a filmmaker is given access to a pool of tokens, the lock automatically converts to a 24-month lock with a set vesting period. This locked token tranche can either then be held by the filmmaker, or sold to another entity in exchange for fiat or other valuable considerations.

In addition, a small percentage of the locked pool will be added to a Governance-controlled pool for ecosystem support as well as Agent Incentives (if applicable)

## 6. Agent Incentives

Agents who refer filmmakers who list their projects for crowd-funding on the platform will also earn a % of \$FILM tokens allocated to those projects. This provides a direct monetary incentive for agents and industry professionals to drive filmmakers to choose this platform for funding and distribution.



## 7. Node-based Governance

Film Node operators are given voting rights in the film platform's governance. They can participate in key decisions about the platform's future, such as changes to the tokenomics model, new feature proposals, and more.

### 7.1. Nodes Can

#### 7.1.1. Content Moderation

Node operators can vote on the types of content allowed on the platform. This can include voting on content guidelines, enforcing community standards, and deciding on acceptable and unacceptable content.

#### 7.1.2. Quality Control

Node operators can be involved in voting processes related to content quality. This could include deciding the technical standards for content, such as resolution, format, and other specifications.

#### 7.1.3. Fee Structures

They can vote on any changes to the platform's fee structures, including transaction fees, withdrawal fees, and any other platform-specific fees.

### 7.2. Nodes Cannot

#### 7.2.1. Gate-keep Gala Activities

No power to determine whether a film comes to the platform or not - governance limited to platform operation and the following activities

#### 7.2.2. Make Content Decisions

Other than specific moderation guidelines, nodes do not make content decisions about what can and cannot come to the network.

## 8. Long-term Governance

Decentralization is the very ethos upon which the Gala Ecosystem is built, aiming to dismantle centralized authority and distribute power back to users in Games, Film, and Music. In traditional film and entertainment models, control and data reside with a few entities, leading to monopolistic behaviors and potential exploitation.

In contrast, a decentralized approach fosters transparency, security, and trust by removing single points of failure. It promotes a collaborative ecosystem where each participant has a voice and a stake in the network's growth. Moreover, decentralization drives innovation by creating a permissionless environment where anyone can contribute and build.

For Gala Film, achieving genuine decentralization is not just a technological endeavor but a commitment to reshaping the digital landscape, ensuring Galaxians reclaim ownership of their entertainment experience, and fostering a more equitable internet. Embracing this journey is a testament to a project's dedication to a more open and inclusive digital future.

To advance this, Gala Film will operate under a bicameral structure with an elected "executive branch" which ensures diverse representation, effective checks and balances, and robust decision-making, fostering a sustainable platform for the long-term. Decisions cover platform improvements, content moderation, reward mechanisms, security measures, and partnerships.

### 8.1. The Gala Film DAO

The long-term plan is for Gala Film to adopt a bicameral structure for robust governance, incorporating a Decentralized Autonomous Organization (DAO) and the Film Node Ecosystem in opposition to one another in a sort of bicameral legislature. The DAO will be composed of \$FILM token holders, with each token representing a voting right on proposals affecting the platform.

### 8.2. The Film Node Ecosystem

The Film Node ecosystem, consisting of individuals or entities running nodes, votes on technical and operational aspects. To enact a proposal, it must garner majority approval from both the DAO and the Node Ecosystem, creating a balance of power.

### 8.3. The Film Counsel

A group of five officials, elected by the DAO and the Nodes, effectively “hold the keys” to the ecosystem and are charged with the successful operation of the platform. Initially, these members would be executives of the Gala Films Business Entity, but as decentralization approaches, they should begin to be replaced by elected community members with the first two being elected in the third year of actual operation.

The addition of a viral sharing component incentivizes users to promote the platform and its content, thereby increasing platform visibility, enhancing content distribution, and attracting new users, all while rewarding active participants for their contributions.

## Conclusion

In conclusion, Gala Film is not merely an idea; it's a full-fledged vision for reshaping the landscape of film production and distribution. Our ecosystem paves the way for a democratized and decentralized approach that directly addresses the inefficiencies and inequalities inherent in the current system.

However, this publication serves merely as an introduction to the ambitious path we aim to tread. In subsequent sections, yet to be presented, we will delve deeper into technical specifications, regulatory compliance, risk assessments, and an exhaustive roadmap. We will also expand upon our strategies for community engagement, partnerships, and the phased rollout of our platform features.

While the road ahead is long and filled with challenges, the opportunities are boundless. The global film industry is at a crossroads, and we believe that Gala Film holds the key to its future. By aligning our project with the core principles of decentralization, transparency, and community engagement, we are setting the stage for an industry-wide transformation.

We invite you to join us on this exciting journey. Whether you're a filmmaker wanting more creative control, an investor looking for untapped opportunities, or an audience member seeking unique and diverse content, there's a place for you in the Gala Film ecosystem. Thank you for considering our vision, and we look forward to presenting our full paper, which will expand our plans and aspirations in greater detail.



This is a living document and as it is intended to eventually be fully operated and overseen by the community, we want the community to be able to help us improve and clarify any unclear points in the Litepaper. Please see the most up-to-date version in the Gala Film GitHub Repo by scanning the QR code.