

Hello, all, and welcome to Patch 0.2 for Fearnought Games! This is the first Company Patch of the year, and it represents a major overhaul of some key systems – including new systems to mitigate issues we’ve seen last year.

Key issues we looked at over the course of the 0.1 cycle included:

- Specificity in Tasking. Often, you felt like you didn’t know exactly what you should be doing, or when it should be done by. Some of these changes should really help, there.
- Incentivising Progress. Without funding, all you’ve had to go off of was the vague idea that “money might happen in the future”. We think we can do better.

With that in mind, let’s dive right the hell in.

First and foremost, Patch 0.2 introduces the **Token** system, which is the cornerstone to other systems we’ll be rolling out in the future and the core of our RevShare model. It’s pretty Serious Business, so this gets its own section!

Tokens

Tokens are, essentially, shards of *entitlement to company revenue*, but *not* the company, itself. They differ from stocks in two major ways:

1. They Don’t Confer Ownership of the company. This sidesteps issues like “having to retain 51% of shares in order to keep ownership” – Jon doesn’t want to keep 51% of the profits (more on that, later), and so shouldn’t have to keep 51% of the shares.
2. They Bypass Legal Requirements of announcing stock, e.g. having to establish a Board of Directors. We have like a dozen people, currently; a Board of Directors would be ridiculous.

In simple terms, each Token you have entitles you to $(1/X)$ of its associated Prize Pool, where X is the total number of Tokens in that pool. For example,

let's say there are 1000 Silver Tokens and you own 50 of them. If the company revenue assigned to the Silver Pool is \$2000, you get:

$$50 \cdot (1/1000) \cdot \$2,000 = \$100$$

That segues neatly into the next point: **Prize Pools**. What the heck is a Prize Pool, and why aren't all tokens identical? We think there are a few good reasons for this:

1. Mitigates Executive Pay Bloat. I'm showing my communism, here, but I don't think it's reasonable to say that the Executive Department does the same amount of work as *everyone else combined* in most organizations – but they certainly get *paid* as if they do. Limiting distribution to the Executive Pool to a certain, reasonable percentage of gross revenue ensures that the lion's share of revenue goes to the *producers*. Viva la revolucion?
2. Provides a Robust Framework for Multiple Projects. If Project Songbird bounties award Songbird Tokens and Project Pleasant Garden bounties award Garden Tokens, it's trivial to fairly divide the revenue from each project toward the people who contributed to them.
3. Fosters At-A-Glance Transparency. You want to know *exactly* where that round of crowdfunding went? Easy peasy lemon squeezy: look at the Prize Pools.

This system is still in its infancy, so expect some changes and growing pains as the system matures. For now, though, my expectation is that company revenue from *all forms of funding* will be distributed as follows:

- **50% to Operating Expenses** (no associated Token). This includes buying licenses and hardware, renting servers, procuring advertising and marketing, subcontracting where required, buying merch, eventually setting up physical workspaces, and all that other 'being a business' stuff. *None of this pool will ever end up in executive pockets; it all gets reinvested.*
- **35% to Developers** (Development Tokens).
- **10% to Designers** (Design Tokens).
- **5% to Directors and Executives** (Executive Tokens).

Of note, this doesn't mean that Directors, Designers, and Executives are capped at 5% or 10% of revenue; it just means that they will have to *do*

development work while the company is still new in order to tap into the Development Prize Pool.

Also of note, we expect that Operating Expenses will decrease over time but, as Jon is currently paying for all of this out of pocket, we'd rather be conservative, here.

So that's what Tokens *are* and where they'll draw value *from*, but *how do you get them?* Solid question! That brings us to...

reQuests & Bounties

"I don't know what I should be doing" has come up a few times in the past, and, you know what? That's fair criticism. The last hard direction was "Go make content. Just make a shitload of content." What do you even do with that? Nothing, apparently. #Shade

But that's not your fault. It's ours. There was lots of ambiguity, before: lots of soft things and few concrete ones. This new system is designed to clearly and unambiguously communicate *exactly* what needs to be done, by exactly whom, and by exactly when.

People who need things done will post **reQuests** to a notice board, stating what they need done and when they need it done by. To each reQuest, the poster will attach a Bounty, in a certain type of Token (Development Quests will award Development Tokens, and so on).

The exact terms of payment are *at the discretion of the reQuest poster*. Here are a few possible examples, but sky's the limit:

- **reQuest:** Art for one full set of armor for a humanoid rig, matching the theme of the attached short story [1].
- **Deadline:** 2100 PST on Friday, 18 January.
- **Bounty:** Development Tokens: 10 (Final Product), 3 (Runner-Up), or 1 (Honorable Mentions).

- **Requirements:** 2 Completed Art Department reQuests & 1 Token (any kind) as deposit. forfeit if no entry received by deadline.

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- **reQuest:** Theme that matches the attached piece of art [1].
- **Deadline:** N/A (Open Bounty).
- **Bounty:** 2 Development Tokens per Draft after first; after each draft, you will be invited to produce further iterations, or not.
- **Requirements:** By Invitation Only; submit first Draft by end of week to be considered.

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- **reQuest:** Spellcasting System that determines spellcast by patterns drawn with mouse.
- **Deadline:** 30 Febuary.
- **Bounty:** Development Tokens: 20 (Final Product) or 5 (any Product with components that make it into the Final Product).
- **Requirements:** By Invitation Only; submit a first draft by end of week to be considered.

Sky's the limit!

When a reQuest is posted, anyone who meets its Requirements if free to have a go at it – which means you can choose your own workload, as you see fit, and be compensated accordingly.

So, who can post reQuests? Starting off, that ability will be limited to Directors and Designers, but if the throughput is manageable, it may be plausible that *anyone will be allowed to post reQuests*. That means that if you're a Composer and you want a piece of Concept Art to accompany your composition, you can reQuest it from the Art Department. If you're an artist and you want a narrative to accompany a piece, reQuest it. If you have a bitchin' Gameplay idea and... you get the idea.

Moving forward, this system should serve as the primary vehicle for project management.

There are a few technical details that we're still working out (Who mints Tokens, and under what circumstances? Do they ever expire, or can I just do a ton of work right now and be compensated forever? What would a Token *taste* like, exactly? Do you even accountant, bro?), but the overall framework is ready for some stress testing.

The first versions of these systems should be rolled out by the end of the month!