October 23th 2017
Whitepaper v0.5

flixxo

Community based video distribution

Abstract

On social networks, such as Facebook, Instagram or Twitter, there is a value that is transferred between users called *"Like"*. Whether it is a picture of your dog wearing a Jedi disguise, a haiku poem about autumn or a short video of a teenager Rihanna-wannabe singing in front of her cell phone, for every contribution to the community *Likes* are expected as a recognition for a good job. And they become an incentive for creating new content. But as there is an unlimited supply of Likes — no one ever ran out of them — *Likes* have no actual value.

What if we can create scarcity value on *Likes* by turning them into a freely transferable, tradable token with a limited issuance? What would happen if, to set a hypothetical scenario, we transformed *Likes* into *Likecoins*?

> *A token such as Likecoin* changes the game of social interactions, turning social networks into social economies.

On one hand, you would have to think twice before handing out your tokens in exchange for low-quality contributions, because your stock of *Likecoin* is limited. On the other hand, you would be able to give away as many *Likecoins* as you wish on a certain content that you´ve really enjoyed. You could earn your *Likecoins* back, but this would mean that you should have actually contributed to the social network.

Get involved, participate, be active. There would be no more witnesses. A secondary market of *Likecoins* would be probably built up, and users who wanted to get tokens without participating, would need to buy them, giving a monetary value to *Likecoin*. Anyone would send and receive *Likecoins* from friends, making a good present out of it – a treasurable gift.

Today, all **social networks are turning to video** as the dominant tool for engaging users on their platforms. Facebook is about to spend $300M to produce their own content, while Warner is planning a $100M budget for creating original content on Instagram. Around 70% of internet traffic is video, and this number is increasing to reach more than 80% in 2020. This business currently belongs to few players, as **traditional video platforms rely upon huge costs on storage and bandwidth.**

These companies have monopolized the market, creating an advertising-centric ecosystem in which authors don´t monetize, users can only reach the content that leaves the biggest revenues for the platforms and, ironically, advertisers cannot effectively showcase their content to their audiences. No one ever dared on confronting this models, because there is no way of competing in the infrastructure battle which such giant companies.

Instead of *Likecoins* we have our token, **Flixx**. By implementing *Flixx* on top of a social video distribution platform we can engage users in helping us improve the network by lending their storage and their bandwidth in exchange for tokens. The users will spend *Flixx* for consuming the content they really want to watch, and earn *Flixx* back for participating, for being social.

Whether it was a smartphone, a tablet or a desktop computer, even a smart tv, a video distribution community could smartly use a decentralized, incentivized peer-to-peer network, having no structural costs and unlimited scaling possibilities.

And users can earn more Flixx if they **choose** to watch advertisement. This disrupting revenues flow model creates a new ecosystem in which users decide how to monetize their attention and personal information, and then transfer this earnings to the authors of the content they really enjoy.

Within this model users reach the content they want to watch, authors monetize and deliver better quality content and advertisers find a way of effectively showcasing their content to their audiences.

Content

Flixxo team

Adrian Garelik
RSK LABS
CoFounder/CEO

Pablo Carbajo
RIECOIN
CoFounder/CTO

Federico Abad
POPCORN TIME
CoFounder/UXUI

Javier D´Ovidio
EDRANS
CoFounder/CPO

Rodrigo Saiegh
CONTENT

Sebastian Wain
SECURITY AUDIT

Olha Rymar
Head of MKT

Dominic Zynis
Advisor

ISOLAS
—1892—

ISOLAS
Legal Advisor
Gibraltar

Michael Terpin
Advisor

Introduction

The rise of internet based streaming services (also called "OTT" – short for "Over the top", or "VOD" for Video on Demand) is fundamentally changing the way video is produced, sold, distributed and consumed. Most streaming services will offer you, as a customer, the chance to select when and where to watch, and what to watch. This disconnection from the traditional linear programming attribute of what we refer(ed) to as "TV", is a fundamental shift. Besides, more and more movies, TV shows and live events are being watched on tablets, cellphones, computers and smart TV´s, radically transforming the whole audiovisual industry.

But as technology moves forward, production companies or content authors tend not to find a compelling revenue model for their work, and consumers find themselves committed to VOD services that don't satisfy their demand for audiovisual content, so they seek that content on illegal, unlicensed networks.

The gigantic costs associated with the infrastructure necessary for storing and distributing content, in addition to the endless lines of intermediaries, result into an unreasonable final price for consumers and an inefficient revenue model for the authors. Today, all the revenues are in the hands of the platforms.

By creating a distributed and incentivized peer-to-peer network where every user turns itself into a distributor of content, and by providing a decentralized payment channel, Flixxo gets rid of the middle-men and the infrastructure costs, building up a platform and a community where every author is able to upload content and set the rules of the distribution (such as the price and the incentives for users to share their work), developing new effective business models for his/her content, and where consumers may reach the content they´re looking for in a legal manner, paying a fair price or even nothing if they are socially engaged with the community.

Flixxo will also educate its community, teaching its users that in this new internet era *value* can be held and transferred online without intermediaries, a value that can be earned back by participating in a community, by contributing, being rewarded for every single social interaction.

Decentralized payments: Blockchain and the Internet of Value

When you send some information through the internet you are not actually sending the information but a copy, whether that's a spreadsheet or a PowerPoint file or a Word document or an email.

If someone wants to send $100 to another person or business, then it's important that they no longer have that $100 or indeed a copy of it. Similarly, when an artist distributes an original piece of work, then it's important that its commercial value is not undermined by that distribution.

The information-centric medium of the web, which after all is based on an interlinked page model and publishing language (HTML), was never designed to handle the exchange of actual value. Anyone transferring money online, for example, is not actually moving the value directly. Instead they are sending instructions to an intermediary — whether through a bank, a credit card company, PayPal or the Western Union — to pass on the value. Even when someone rents a spare room via the sharing-economy platform Airbnb, they are still not doing so directly over the internet but via a third-party broker. And the involvement of such third parties in the exchange of value naturally comes at a cost.

Blockchain - the technology behind Bitcoin - enables the peer-to-peer exchange of assets, something that has been largely absent from the information publishing nature of today's web-dominated internet.

The peer-to-peer exchange facilitated by blockchains has its basis in some pretty complex but powerful IT architecture. In essence, blockchains are cloud databases decentralized over large numbers of devices that maintain a global distributed ledger of transactions (encapsulated in blocks), whose integrity, permanence and non-reputability are assured by the running of regular comparisons across chains of those interconnected blocks. The underlying technology is open source, leaving companies free to innovate; and it maintains security through the use of heavy-duty encryption.

Decentralized distribution: the BitTorrent protocol

BitTorrent is a communications protocol of peer-to-peer file sharing ("P2P") which is used to distribute data and electronic files over the Internet. BitTorrent is one of the most common protocols for transferring large files, such as digital video files containing TV shows or video clips or digital audio files containing songs. Programmer Bram Cohen, a former University at Buffalo student, designed the protocol in April 2001 and released the first available version on 2 July 2001, and the most recent version in 2013.

BitTorrent protocol can be used to reduce the server and network impact of distributing large files. Rather than downloading a file from a single source server, the BitTorrent protocol allows users to join a "swarm" of hosts to upload/download from each other simultaneously. The protocol is an alternative to the older single source, multiple mirror sources technique for distributing data, and can work effectively over networks with lower bandwidth. Using the BitTorrent protocol, several basic computers, such as home computers, can replace large servers while efficiently distributing files to many recipients. This lower bandwidth usage also helps prevent large spikes in internet traffic in a given area, keeping internet speeds higher for all users in general, regardless of whether or not they use the BitTorrent protocol.

Every day there are 45M users looking for content on BitTorrent networks because, sometimes, it is the only way of reaching it. And they find it. BitTorrent turned to be an incredibly effective way of distributing files in a p2p fashion.

> **With +200M monthly users the costs associated with storage and bandwidth are zero. Compare this with the billion dollars that Netflix spends on a year basis for storing and distributing 1Pb of content.**

Netflix doesn't even have its own servers – they can´t afford that. Instead, Netflix uses Amazon cloud computing services (AWS) to host and deploy its content.

Unfortunately, on audiovisual content, more than 90% of the downloads come from unlicensed sources. However, contrary to many beliefs, BitTorrent users are more likely to pay for content than the average guy (1) . BitTorrent users are usually paying for streaming or cable subscriptions, but they look on p2p networks for content they don't find on the platforms they are paying for. For example, Otto pays a monthly $8 Netflix subscription, but when he wants to watch HBO´s Game of Thrones, the options are either paying a new subscription – this time to HBO – or legally downloading every single episode from iTunes or Amazon at $4 per piece (which is a very elevated cost in comparison with the average $0,20 that users pay per hour of Netflix content). Digital streaming of GoT is even more expensive than buying the six seasons on BluRay, although the costs of manufacturing and distributing a beautifully printed box filled
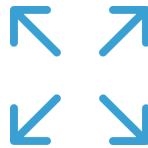
with blu-rays are obviously much higher than the costs of streaming that content. Therefore, Otto finally decides to get GoT from a BitTorrent network.

Improved video quality, better engagement

Sourcing from a local mesh network enables

higher bitrates and minimizes rebuffering.

Distributed network for infinite scale

Scale to audiences no matter where servers or

viewers may be to build a truly global platform,

providing the capacity to accommodate increasingly

large, unpredictable audiences

p2p Content Distribution meets p2p Payments

Nowadays, centralization on data storage and bandwidth turned to be a faulty model. It has been shown that peer to peer models, such as the BitTorrent protocol, became a much better paradigm for a healthy internet. However, the battle on piracy between major studios and bittorrent networks had kept these technologies from becoming mainstream.

Just like BitTorrent, Bitcoin was first associated to black markets and money laundering, but then the technology developed was adopted by banks and financial institutions when they learned the real value of these new models.
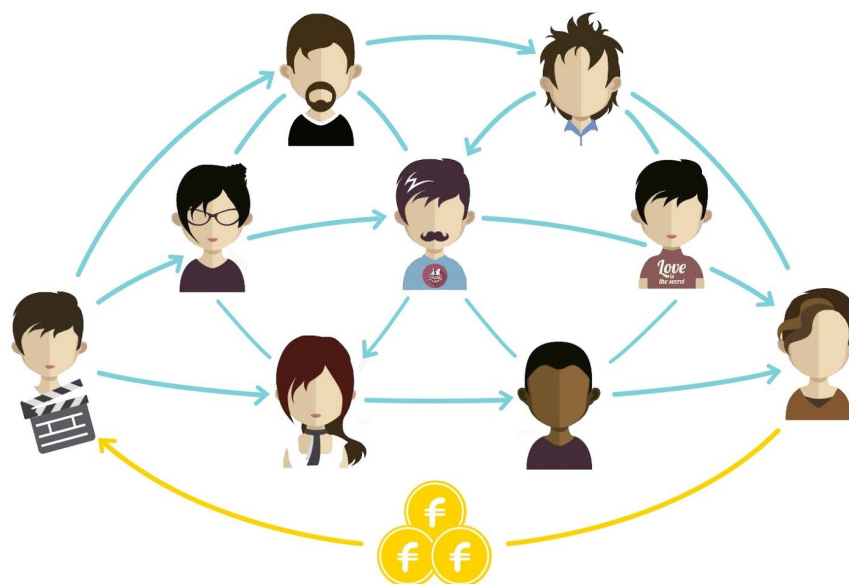
The movie industry has been engaged in a battle against BitTorrent for the last 15 years. The digital distribution has changed 100% and in the online streaming industry, which is worth more than twenty five billion dollars a year, the losses for not knowing how to adopt these technologies instead of fighting them are estimated to be more than four billion dollars a year.

However, in order to have the BitTorrent network working, users have to keep in their devices the files they´ve downloaded and share them. Those who do that are called "seeders". As the content tends to be illegal, there can't be incentives for users to seed, and a lack of seeders can spoil the network.

We know about p2p payments, we have developed decentralized ways of settling value on a blockchain, we have learned how to set rules on that value by implementing smart contracts. Therefore, we have the tools to connect peer-to-peer payments to peer-to-peer content distribution. We can merge both technologies to make a social experience out of it.

This is the main idea behind Flixxo.

What we need in order to achieve our goal is to create a token with a value that is inherent to the network we are using for distributing content. We call this token *Flixx*. Through this token, users can earn incentives for seeding legal content and get a channel for connecting directly with media producers. It is a two-way system, in which producers pay users for improving the network, and users can give authors a recognition for their work.

This token also prevents piracy and spam content, as authors have to time-block tokens in a smart contract (set as a warranty) in order to upload content. This contract will also handle and block their earnings for a certain period of time, so that in the case of a dispute the unfair-uploader may lose those tokens.

Our solution

Flixxo combines BitTorrents and smart contracts to create the first legal, decentralized content distribution network.

Flixxo creates a P2P network where authors can distribute and monetize their own content. They incentivize the distribution of their media and remove unnecessary intermediate parties by sharing their revenues with the "seeders" – a term coined in the torrents environment that refers to those who have downloaded content, keep it in their computer and share it. Flixxo allows true end users to pay a fair price for watching licensed content in a friendly and safe environment.

Flixxo is an open network, a friendly and intuitive platform, a BitTorrent client, a token and a wallet. As the network grows, so does its bandwidth and its storage space, making it more efficient and able to handle more users. The more content is being shared, the better bandwidth it will have for being distributed and streamed.

The content spreads across the network, and a final user gets it from many seeders at the time. However, the payment channel is decentralized and the consumer is able to pay right to the producer, without any intermediary party being involved. The content producer chooses whether he/she wants to share its earnings with the network or not, and in which conditions he/she would do that.
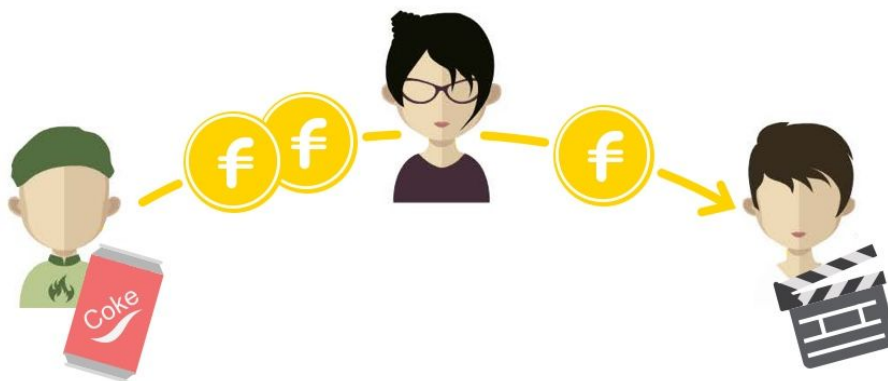
An organic market for Flixx

A July 2017 report by ad agency Jun Group examined value-exchange placements for 15- and 30-second video ads in its network. (According to Jun Group, a value-exchange placement is a user-initiated digital ad placement that is viewed—or engaged with—to unlock things like points, access to Wi-Fi, music or other digital content.) This mechanism is mostly used on gaming platforms.
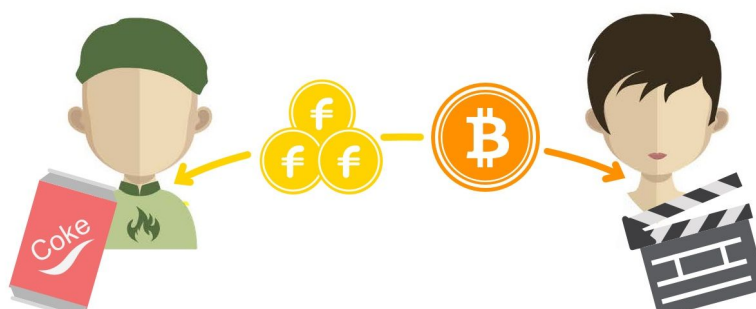
The firm found that most people within its audience network in the US were more likely to complete a video if they received some type of reward for doing so.

As we reach a critical-mass of users, brands will look for new opportunities of advertising their products on Flixxo. We will offer them the chance to show their sponsored content to our users if they give away Flixx. Then, users have four ways of getting Flixx: by producing content, by buying it or getting it from friends, by sharing content or by giving some seconds of their attention to sponsored content.

As advertisers pay incentives in Flixx to our users, they will have to reach content-creators who are the biggest stakeholders of Flixxo ecosystem and buy Flixx from them, building-up an organic market and a healthy flow of Flixx.

Flixxo will take a Flixx commission of 10% on sponsored content, on an advertisement market valued in more than $20B a year. Our team has expertise in developing AI use cases, and we will use these skills in order to understand who our users are, based on the content they have watched.

This is a fair distribution context for the revenues built on advertising, which tends to be one of the biggest complaints of content producers on other platforms. Here, as Flixxo takes no fees on content, the revenues built on advertising go straight to the authors: advertisers pay to the final user, who chooses which content to watch and to whom to pass that revenue.

With 1 billion users, YouTube is the most popular platform in which the advertisement model works. Taking the biggest piece of the market share, their revenues on ads are about $6B a year. Duplicating this model, with 1 million users, Flixxo´s net earnings on a most effective model (both for advertisers and producers) would be around $10M a year. By reaching 100 million users (like Netflix or Popcorn Time), the net ad revenues for Flixxo would be $1B a year.

Scarcity, social engagement and legal content

Flixx is an asset backed on the ability to play videos or buy users' attention on advertisement. Also, Flixx is freely tradeable and transferred without middle-parties involved, paying only a very marginal fee in the form of gas for the Blockchain that runs the basic token contract. In order for Flixx to have value outside the platform, they must be felt as valuable within the platform.

The value of an asset is relative to its scarcity and its demand. With a fixed all-time supply of one billion Flixx (1.000,000,000 Flixx), we count on scarcity as a way of social engagement with the platform. Users need tokens in order to watch videos and advertisers need them to get users' attention on their sponsored content. What about content producers? If they turn to be the largest stakeholders of the ecosystem, we need to create incentives for them to hold on to their tokens instead of dumping them into the markets. In addition, we need warranties on the content they make available on the network. With this in mind, we devised a mechanism for locking Flixx on the Distribution Contract. We will require a fixed amount of Flixx to be locked for a fixed period of time when a user tracks his new content to the network, and a variable amount set by the content producer as a bid for gaining visibility on the platform. Every new content will have a grace period of seven days in which all earnings by the producer will be locked, preventing withdrawal. One of the purposes of this is to help prevent spam content. Also, the locked Flixx will serve as collateral in case of a dispute for content ownership and license.

The optional variable bid will be locked on a user defined interval of time. The longer that interval is, the more the relative value of the tokens. This means that 100 tokens
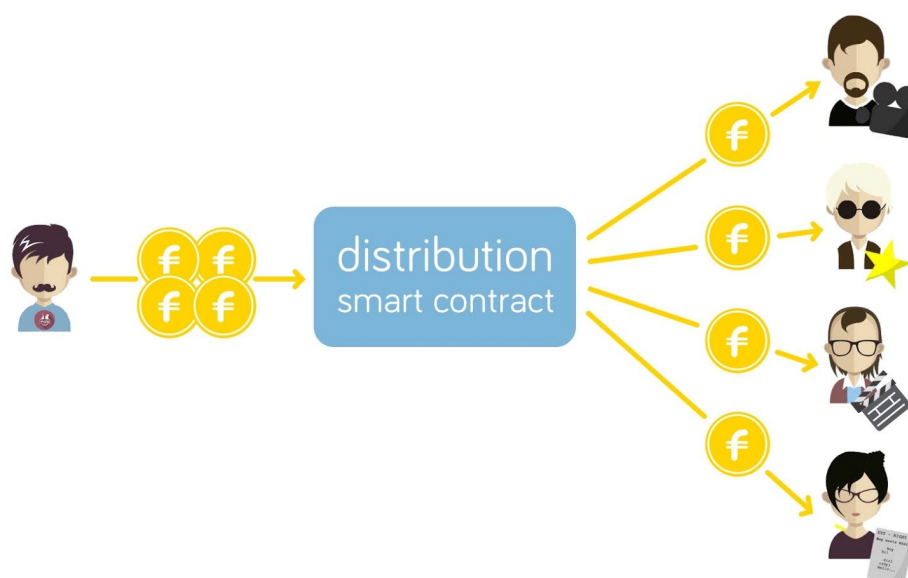
blocked for 3 months will be equivalent to 300 tokens blocked for one month. The more value a producer is holding on his/her content, the more visibility it will have on the platform (being placed on the top of the main page, etc.). Visibility will also be granted to content with the highest community engagement (more seeders, better rating).

Making producers decide whether to sell their tokens or hold them for granting availability to their content on the network – just like users who have to decide whether to trade their tokens or use them to watch videos – ensures scarcity and gives a community engagement value to Flixx.

Multiple authors, one piece of content

There can be productions in which a content has multiple owners (such as crowdfunded content or cooperative productions). Nowadays, a single producer collects all the earnings and shares them with his team on a preset time-basis (such as monthly payments). With Flixxo, multiple authors are able to set how to split the payment for every single view of the content. It means that the uploader could set, along with the price and the percentage of the earnings that will be shared with the network, how to split the earnings on several addresses (for each of the producers teammate ´s wallets).

Also, an author may set rules for others to produce derivative works, and decide how the earnings will be split with the new co-author.

Uncensored content vs inappropriate content

Although there is no way for third parties (such as governments) to censor content – which means that anyone has the chance of making any piece of media available on the network – Flixxo will develop tools for filtering inappropriate content. Flixxo could be a revolutionary tool for uncensorable and untraceable media, making it possible, for example, for free independent journalism to have a voice even in social situations in which there is a censorship environment, but it is necessary to assure that every user gets the media he/she wants to watch and avoids the media he/she doesn´t. We know there is a thin line between filtering or curating content and censorship, and it is a fact that we have an open network for everyone to upload any content. However, Flixxo as a platform will apply certain filtering based on clear rules – there should be a behavior-code for uploaders in order to offer the right content to the right user. It is a two-way deal, in which users agree to watch certain content and content producers serve that kind of content (e.g. violent content not suitable for kids).

The curation will have a progressive decentralization and we will set a roadmap for delivering this responsibility to the network, but at a first stage this will be a centralized function of Flixxo. As we build up a solid network, we will rely this curation on the hands of 101 delegates elected by the community. This curation will have a cost, paid in Flixx, and will be collected from the warranty blocked by the content uploaders.

Flixxo will not apply filters based on geographical location; however, these could be applied by the author. It means that if the author decides that his/her piece will be distributed worldwide it will reach every user in every location. He/she may also choose to have his content only shown in certain areas or countries.

Flixxo White Label

As Flixxo is a network of users and authors who interact without intermediaries, that network could serve multiple platforms (in addition to Flixxo). If the whole network (or part of the network) chooses to help improve other platforms, they have to be rewarded with Flixx. It is like creating private channels and setting a reward on Flixx for the distributors, who may or may not be able to watch the content they´re distributing or just act as peers.

A fee of 10% will be applied by Flixxo on behalf of the served network.

Platform Design

Flixxo is an app for smartphones and tablets, and also has a desktop and a web version. It can stream to the most popular cast products, such as Chromecast, and will have an app for smart TV´s.

The platform is being designed to be Frictionless.
There is no need of having Bitcoins (nor any other cryptocurrency) or a credit card in order to start using Flixxo.

As the community of Flixxo users grows, Flixxo will seek to introduce additional features whereby users will be able to offer goods or services that are associated with the content available

Flixxo could be a killer application, with the potential of bringing a bunch of new users to the cryptocurrencies ecosystem.

To have an incentive program that will decrease on time.
We will give away Flixx to the distributors. Incentives for seeding will result in incentives for content creators. Early adopters, both distributors and creators, will be rewarded. This will help develop a true decentralized network for content distribution, and will attract authors for making their content available and choosing their own business model.

To be easy to use and intuitive.
Anyone who had used any streaming service before will understand the platform in a blink of an eye. There will be a learning curve for users to understand the use of Flixx token, and we will make this process as easy and friendly as possible.

To be a gaming and a social experience.
Gamification is the practice of applying game mechanics in non-game situations. These typically include points, achievements, high score table and other trappings of modern gaming. The game industry has spent a great deal of time refining what makes a game engaging and entertaining, and applying these principles to other business contexts. Then, earning Flixx and participating in the community has to be seen as a game, there are benchmarks on your social engagement that will be rewarded with incentives. It pushes members towards behavior that benefits the community. Tailoring the rewards set up for Flixxo community can allow us to reward things like good behavior, reaching

a certain amount of shared videos, strong contributions, inviting friends, posting material that receives positive feedback and many other things. Providing both an extrinsic (such as merchandise, movie tickets, etc.) and intrinsic (tokens) rewards for the behavior we want to see is a great way to build a positive community culture.

Go-to-Market Strategy: how we will reach our first 1M users

"The disconnect between internet fame and financial security is hard to comprehend for both creators and fans," states YouTuber Gaby Dunn on her blog post Get Rich or Die Vlogging. She runs a YouTube channel that serves more than 2M views a month, and faces a hard reality: She can´t make a living out of that. She continues "Platforms like YouTube mirror the U.S. economy's yawning wealth gap, and being a part of YouTube's "middle class" often means grappling daily with the cognitive dissonance of a full comments section and an empty wallet".

It is another story for YouTube personalities such as a gamer Pewdiepie, who makes a monthly profit of $4M out of his 56M followers, or a fashion vlogger Michelle Phan who often raises more than 250K a month backed on her 9M followers.

Just like Gaby Dunn, there are thousands of vloggers "too visible to have "real" jobs, but too broke not to."

Flixxo will subsidize their shows (on a co-production model), allocating batches of $5K to $20K for covering production budgets, allowing them to try our platform in exchange for their original content. By Inviting 20 YouTubers followed by 50K to 200K fans each, we could easily bring a bunch of fresh users to Flixxo.

During the first three to six months, access to Flixxo will be granted by invitation. Having the responsibility of deploying good quality video and satisfying content demand, we must control the flow of users until reaching a massive amount of media. On the side of the incentives and economics of the platform, such a mechanism will allow us to reward with Flixx those users who invited new active users.
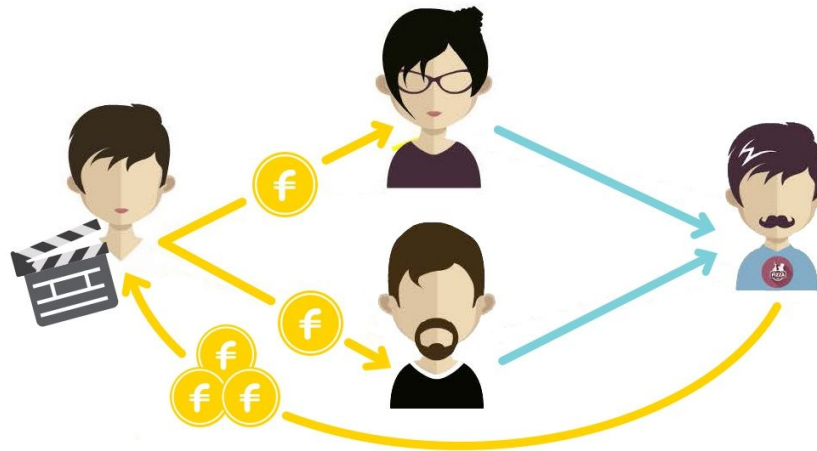
How it works – Using Flixx token on Flixxo

Meet Jean-Paul. He is a French director and producer, and he has decided to give Flixxo a chance. He has connected his computer to Flixxo and has told the network he had made available his last movie, called "French toast" in high quality and with options on subtitles in many languages. He has set a price of 100 Flixx (Flixxo tokens) and has offered to share 50% of his earnings with the network. He has also set a warranty of 5000 Flixx blocked for two weeks in the Distribution Smart Contract.

Otto, a guy in Finland, has been looking for Jean-Paul´s new film without success on his streaming app, and then on BitTorrent networks, where he had only found a bad quality copy of the movie dubbed to Russian with Spanish subtitles, and got his computer infested with some funny viruses. Otto sends those 100 Flixx straight to Jean-Paul and enjoys a great quality copy of the movie, streaming French Toast from his cell phone straight to his TV using a Chromecast device.

Even though Jean-Paul has already earned his first 100 Flixx, those funds will be controlled by the Distribution Smart Contract and will be held for seven days, in order to assure there are no licensing conflicts nor disputes.

After watching French Toast, Otto decided to seed it (in fact he was seeding it from the moment he had downloaded a single piece of it). Lionel in Argentina is also looking for French Toast. Lionel has no credit card so he can´t pay for a subscription on the most popular streaming platforms. A friend of his invited him to participate in the network, and sent him a welcome reward of 100 Flixx. Lionel is keen to pay straightly those 100 Flixx to his favorite French director. In this case, as there is – along with Jean-Paul – another seeder from which Lionel is downloading the movie, Jean-Paul shares 50% of its earnings with both seeders. By now Jean-Paul has already earned 175 Flixx and Otto has 25 Flixx for watching new content.

Now Otto wants to watch Jeaninne´s content. She´s a famous YouTuber with a lot of followers (really, A LOT) but she is tired of the unfair revenue model of that platform.

She has already allocated her content on Flixxo network, setting a price of 30 Flixx per view and sharing 75% of her earnings with the network (although this amount might sound a little bit too generous, she will earn much more per view than on any other platform). As Jeaninne has a partner who shoot and edit her videos, they have decided to split the revenues 60%-40% straight on the Distribution Smart Contract.

Since Otto doesn't have enough Flixx for watching the content he wants, and he doesn't want to buy more Flixx nor wait to earn more credits by sharing Jean-Paul´s movie, he asks for Sponsored Content.

Mr. Fox is the Marketing Director of a car manufacturing company in Germany. They spend millions of dollars each year on digital advertisement, and they have found that the actual models are not working anymore. More and more, consumers use ad-blockers or they skip video AD as fast as possible on most of the platforms. Mr. Fox has heard of the new model of Flixxo, and gives it a try. Elizabeth has been publishing her videos long enough on the platform – so she already has a lot of Flixx – and Mr. Fox reaches her in order to buy her tokens for his Ad campaign. He pays 1ETH for 33,000 Flixx (1 Flixx=$0,01), setting a market price for Flixxo´s token.

Advertisers spend an average $0,10 per an effective and complete view of their content. Content creators reach only a small portion of that amount, as there are a lot of intermediaries (cut of the platform, taxes, exchanges)

Mr. Fox – along with other advertisers – sets an organic and fair price for Flixx tokens, creating a real market. Not a speculative one.

Back to Otto; he asked for sponsored content and gives 30 seconds of his attention to Mr. Fox new commercial. At the end, Mr. Fox gives away 9 Flixx to Otto as a reward, and pays a commission of 10% to the platform (0.9 Flixx) He has spent $0,10 for a more effective way of showing his AD.

Now Otto has reached 34 Flixx and is able to watch Jeaninne´s new video on Flixxo. Furthermore, he is really interested in buying a new car. Even though Jeaninne has given away 75% of her earnings to the community (distributors), she (and his partner) had earned 7,5 Flixx for this unique view. Set the price on $0,01 per Flixx, she has earned USD 0,075, which is seven times the average $0,01 she would have earned on YouTube.

Flixx token generation event and sale

Flixx is an ERC20 standard token. The supply will be fixed at the beginning and no mining — or any kind of token creation — will be possible after the initial contract setup.

As Flixx is a token needed in order to use Flixxo platform, the purpose of the pre-sale is to grant priority and early access to those who participated in the event. Flixx tokens are not an equity representation of the company.

A total of 900,000,000 (nine hundred million) Flixx tokens will be issued. A maximum of 200,000,000 (two hundred million) tokens will be sold. Some of these tokens (not more than 33% or 66,000,000 Flixx) may be sold with anticipation of the token allocation event to strategic investors.

Flixxo Token Sale (ICO) will start on OCTOBER 24th, 2017 14:00hs CET. Crowdsale will run for 30 days.

DEPOSIT ADDRESS WILL BE ONLY DISPLAYED AT www.flixxo.com and www.icofunding.com

Flixx price will be set at a fixed rate of 1 Flixx = 0,00025 ETH (1 ETH = 4000 Flixx). Hard Cap is set in tokens (200M) With the bonus rates applied on the first days of ICO we expect to have a Cap of around 35K ETH. With that sum we would be able to develop the platform, incentivize the production of original content and deploy a worldwide marketing strategy.

Minimum CAP of 5,000 ETH would let us develop the platform, incentivize content and build up a digital marketing and communication campaign. In case of not reaching the soft cap, all the funds will be returned.

TOKENS NOT SOLD AT THE TOKEN SALE EVENT WILL BE BURNED.

Tokens will be sent immediately to the same ETH address from which the contribution has been made, but they will remain locked until November 24th. Tokens from Presale will be sent on November 24th and will be released together with ICO tokens.

ICO Bonus Program

Bonus for early adopters are offered to incentivize participation in the token sale.

Purchases made over the first 24 hours of the sale will get a 30% bonus
(1 ETH = 5200 Flixx)

From day 2 to 7 — 25% bonus (1 ETH = 5000 Flixx)

From day 8to day 14 — 20% bonus (1 ETH = 4800 Flixx)

From day 15 to day 21 — 15% bonus (1 ETH = 4600 Flixx)

From day 22 to day 30 — 10% bonus (1 ETH = 4400 Flixx)

Distribution of tokens

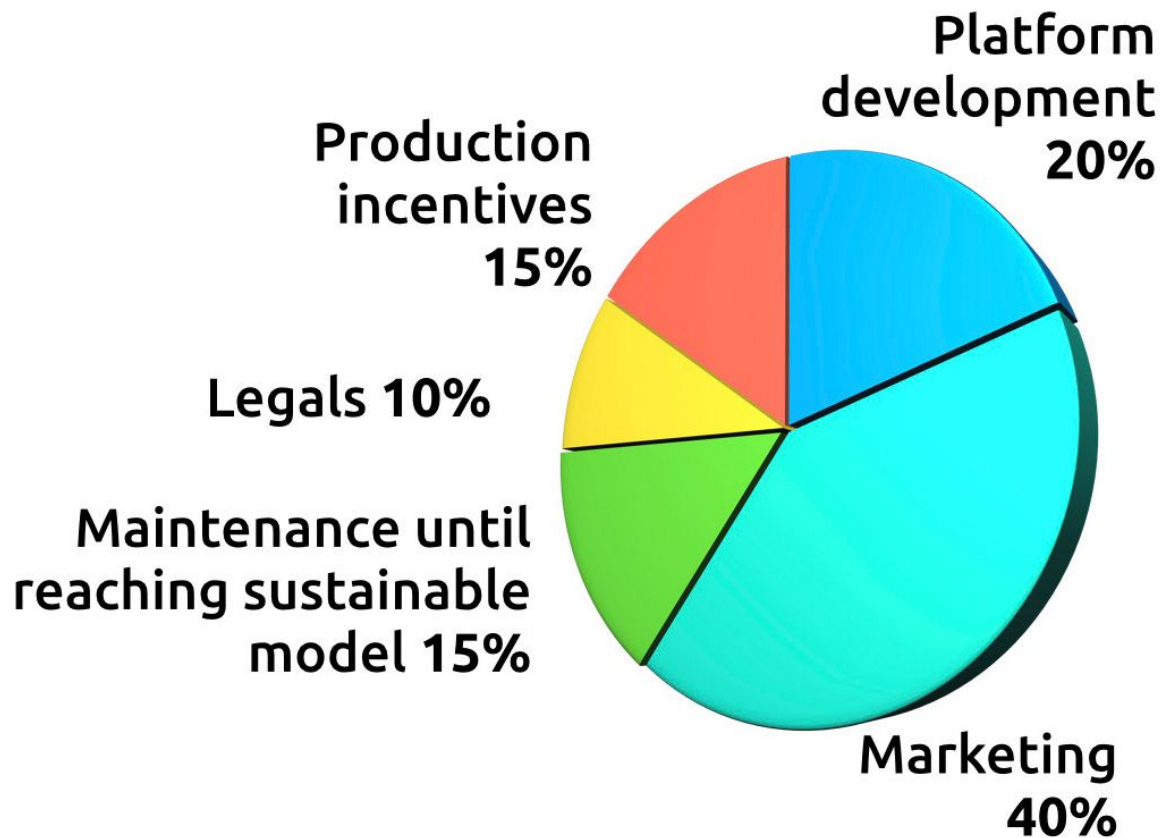Flixx 200,000,000 (two hundred million Flixx) will be sold and distributed over the Token Sale.

Flixx 100,000,000 (one hundred million Flixx), will be allotted for the development team, vested proportionally in two years.

100,000,000 (one hundred million Flixx) will remain for the company (Flixxo Limited, Gibraltar), covering the costs of the Token Allocation Event, advisors, bounty program, and future partnerships with authors. Tokens allocated for partnerships are only intended to be set as a warranty for uploaded content and are not to be cashed out. As authors need tokens in order to upload content, these tokens will be seen as a lean while they earn more tokens from further contributions.

Flixx 500,000,000 (five hundred million Flixx) will be distributed in a predefined and regulated manner via smart contract as an incentive for users and contributors to join the platform. Those incentives will decrease to zero over the first ten years and will be given away to users who join the platform and share content, as well as a reward for reaching certain social goals (basically as a way of building a strong community).

Allocation of funds

- Platform development 20%
- Marketing 40%
- Maintenance until reaching sustainable model 15%
- Legals 10%
- Production incentives 15%

ROADMAP

Q1 2016 - Flixxo foundation *(DONE)*
Q2 2017 - Functional ALPHA *(DONE)*
Q4 2017 - Token Generation and Distribution Event
Q1 2018 - L.A. headquarters opening (content gathering)
Q2 2018 - Fully functional platform premiere
Q4 2018 - Network integration with other video platform (Flixxo white label)
Q4 2018 - Flixxo Marketplace and decentralized Flixx exchange
Q1 2019 - Flixx integration with other platforms (gaming, music, marketplaces)

Conclusion

In the next five years, hundreds of authors will find Flixxo as an option for distributing and monetizing their content. This new income source will allow a smarter audiovisual market as the new artists and producers will be able to develop rich content and distribute it by their rules. New business models will emerge for both content creators and advertisers/affiliates. The smaller producer will be able to play on an even field with the biggest companies, by making their production competitive on a usually closed market, choosing the price of their content or sharing more revenues with the community – the more earnings they share, the more seeders their content will have. Big players will also find a platform (or a network) where they can monetize content that tends to be seeked on illegal networks. Piracy will not disappear, but it will decrease as users will get away from non-incentivized BitTorrent networks. More spectators will be able to reach the content they are really looking for.

Smart contracts are not just for banks and money – license agreements are contracts and licenses are a value that can be attached to such contracts.

There are more than 1 billion people downloading and streaming content on their computers, TV´s and phones every day. Flixxo will develop a social economy for bringing them all together.

BUILDING SOCIAL ECONOMIES

https://medium.com/@flixxo/the-value-of-likes-on-the-creation-of-social-economies-2b770957f740

GABY DUNN ´s BLOG POST

http://splinternews.com/get-rich-or-die-vlogging-the-sad-economics-of-internet-1793853578

PEOPLE WILL WATCH A FULL VIDEO… IF THEY GET REWARDED.

https://www.emarketer.com/Article/People-Will-Watch-Full-Video-Ad-They-Rewarded/1016240?ecid=NL1001

YOUTUBE STATS

http://statsheep.com

MPAA LOSSES ON PIRACY

http://news.bbc.co.uk/2/hi/entertainment/4972972.stm