



mediacoin

Whitepaper

MediaCoin Executive Summary

Mediacoin seeks to change the way we view security and trust. Looking to ensure that developers of content are the beneficiary of their hard work and talent and are not exploited due to the inability of content distributors to properly secure their content. By assisting with the development of MediaCoin into a multitude of projects, released in phases, that will undoubtedly revolutionize the world we live in. At its core, MediaCoin stands for honesty, integrity, and an unwavering dedication to security and innovation.

Mediacoin will be of the 1st platform for musicians and content creators to secure their work or content. Users will be able to publish video, audio and streaming media via military grade encryption methods similar to how Bitcoin works. For example, if a user downloads a song from our network, then they will be able to download it but not open it. Similar to bitcoin they would need the keys for this particular file because the content would be locked using high encryption. Think blockchain and Bitcoin for security of content. It will also allow them to offer their content on Media Coin's platform on a pay per play basis. We will also be moving into the live stream market and seeding market.

MediaCoin is a platform for secure publishing, distribution, and payment. We are bringing the power back to the creator, artists, and authors of their content. Imagine being a step closer to preventing piracy of content or bootlegs of creative digital work on the web Cybersecurity for content.

The goal for MediaCion as we progresses will be to transfer from a centralized platform to a decentralized network with blockchain. In this phase users that run as a node for the network will be compensated for their contribution such as miners do for the blockchain and bitcoin network today. In order to maintain legal compliance and regulatory protection Mediacion will become an ISP with FCC permits where individuals will be able to sell their excess data to those willing to pay for it within their geographic proximity. All these processes have one thing in common which is mediacoin will become a utility token with a dedicated purpose previously not available for the end user and digital content creator.

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MediaCoin White Paper

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(In order to not violate patent applications in progress, some details and descriptions are omitted.)

Market Analysis

Piracy has become so prominent that some people feel accessing content for free is their right. Our service will provide piracy-proof, military-grade encryption for the distribution of music and video content using cryptography. Content handlers like Spotify, YouTube, and SoundCloud have consciously chosen to continue operating in a way that does not protect their client's content -- it is easily downloaded, and shared using browser plugins. The technology is here to provide a solution to these artists, and MediaCoin will deploy it.

It's expected that the streaming video market will grow to \$70.05 billion by 2021 from \$30.29 in 2016.¹ The U.S. economy loses \$12.5 billion in total output annually as a consequence of music theft² alone and world-wide revenues lost to online video piracy will nearly double between 2016 and 2022 to \$51.6 billion³.

While this was happening, paying consumers have been making choices about how they want to consume content, what content is interesting to them and how they want to ultimately pay for content. Cable-cutters have opted-out of obtaining their media via bloated cable bundles which does not reflect either the value or the content they want. Consumers want an a la carte experience where they can pick and choose the music, video and podcasts they're interested in. Our platform enables creators and media owners to have a secure environment to sell their media.

Value Proposition

Security - Our platform will provide content encryption. We encrypt the data, and provide online key exchanges using blockchain cryptography. This encryption provides content security throughout the consumer playback experience. Software licensing will involve online cryptography challenges without interrupting users.

We use blockchains features like distributed applications for communication and verification of information. Our distributed application interacting with the blockchain is used for transmission, verification and secure delivery of metadata information. Our website platform is used as an intermediary to catalog content and display it for users. No matter how many copies exist of a file or where they are loaded, compensation to the artist is paid to decrypt the content. We encourage and compensate distribution across the internet of encrypted media in Phase 2 (discussed later in this document).

Micropayment - All transactions will be processed in local currencies, with the internal storage priced in tokens with 18 decimal places. Settlement will occur on blockchain and users can transact with each other directly. Our offer includes payment processing for video, music, website content, software and generic data.

¹<https://www.prnewswire.com/news-releases/video-streaming-market-worth-usd-7005-billion-by-2021---online-video-streaming-has-increased-viewership-60---research-and-markets-300267717.html>

² <https://www.riaa.com/reports/the-true-cost-of-sound-recording-piracy-to-the-u-s-economy/>

³ <https://www.digitaltvresearch.com/ugc/press/219.pdf>

Media Value - As more and more content is available to users, the value of the network will grow. With our secure content offer, we will be able to license content that is inaccessible to other online platforms. Network growth will be fostered further with fans requesting exclusive content and creative freedom.

Smart Licensing - We will ensure distribution rights can be executed via smart contracts, allowing the content owner to dictate specific licensing terms. A content owner could decide to do a world-wide distribution, allow single play or unlimited content playback, or a number of other business rules which have in the past been negotiated on an individual basis. We have designed our platform initially for the consumer market but will offer additional applications in retail and wholesale distribution.

Referrals and Relationships - Prior relationships for referrals, music labels, publishing partnerships, creative licensing, promotional partners and more will be respected with artist payout funds. Automatic splitting between songwriters and singers can be made through our payment network. Writers and bloggers can earn direct commission based on pay-wall publishing revenue.

Artist Benefits

Artists have long been forced to “partner” with large content handlers who have been negligent with their content, to put it lightly. We understand that content is more than just a file to an artist, it is inadequate security, delayed payment without explanation, and unfair licensing are just a few issues that are brought up on a daily basis between artists who feel they have no alternative to turn to. We want to change the relationship between talent and distribution.

Content security is a given with our platform. The other benefits we will provide, is unlike many other media services on the market today, we will require no registration fees to use our platform, artists can set their own pricing terms and will receive 100% of the revenue from the purchase of their content immediately after payment by the user. To create a fair and honest license partnership, we do not want royalties, we do not want to charge for advertising (In fact, in some circumstance we pay for that ourselves), what we want is a true partnership and collaboration with the artist. Simply put, we want to change the relationship between talent and distribution.

By providing content security for media creators as well as a way for them to choose their own business model, we offer a better alternative for content producers. Creators choose how much they want to sell their content for, as well as how they would like to license it to consumers: pay-per-play or a one-time fee. In addition, content owners have no middle man to reap the benefits of their work.

Content creators dictate their own payment terms while our technology simply enforces access. We offer exclusive and non-exclusive content management, commercial licensing partnerships to a worldwide audience, and provide copyright enforcement.

User Benefits

When content is stolen, not only the artist suffers. A common approach employed by distributors is referred to as a “piracy tax.” Assuming that some users will take a legitimate route in acquiring the product, they increase the price to account for the illegally obtained content. By forcing all users to legitimately purchase content, we will in turn benefit users as well as artists by dramatically lowering the cost required to make the artist a fair profit, and not place the full burden on those who are already legally licensing content for their own consumption.

Currently, the market’s best offer is subscription-based payment models. The problem with these is consumers generally overpay. MediaCoin’s pay-per-play system will optimize the user’s budget by only

charging for what they do actually consume, at a rate decided by the artist. By offering a fair alternative, MediaCoin will be far and away the price leader in the ad-free content delivery.

The MediaCoin platform will be a magnet for licensing and commissioning high value and premium quality content that artists aren't willing to submit on other platforms. Users will directly benefit from: lower costs, portability between devices, and a wide range of content.

Internet users in the United States have been subject to Net "Neutrality" which does allow Internet Service Providers (ISP) to manipulate search engine results and even change the content of published works. By deploying advanced cryptography, we are able to deliver content that has been verified through a system of redundancies with checks from multiple sources. This allows the content to be unlocked without interference or alteration.

There are many about access to sensitive content being uploaded and viewed on the internet. Examples include content that is considered: *Explicit, violent, culturally incompatible, or unsuitable to minors*. The issue is that the majority of this content is not illegal to make or view where it is created and hosted, but may be illegal to access in your local area.

Users of the MediaCoin platform will have the ability to "opt-in" or "opt-out" of content they choose not to view. Weather it be a religious preference, political affiliation, regional restriction, or simply a moral disposition, all content will be flagged with specific tags to describe the content. This will allow the user to control the experience they have on the media platform, and allows MediaCoin to respect the individual preferences of the user.

Integration with wi-fi routers, as well as portability between devices will create a network that can be accessed at any time, anywhere, as long as the internet is available. This will allow MediaCoin to reach even the most undeveloped areas of the world, giving access to those who otherwise would not have any option to exchange data in a safe and secure format. Coupled with data tunneling, users with excess data in these areas will be able to sell or give their data back to the network.

Enterprise Benefits

While our first market is media producers, we anticipate offering enterprise services as well. We can provide controlled content access, which enables selected group access to content for a time period determined by the content provider.

When enterprise clients have a selected a target group they would like their content to be delivered to, this can be achieved by MediaCoin through a variety of variables. Location, Identity, date, and time are just a few examples of the specifications we can place on viewing the content. Unless the conditions created by our client are met, the content will remain encrypted.

Enterprise clients can be categorized as "Content Controllers" providing them full and direct access to their content being delivered to any user over the open web. Content Controllers can limit or extend the delivery to meet specification, such as the duration of time spent viewing the content or for the amount of views they wish to allot. This will allow our clients to be able to send sensitive information abroad using our military grade encryption, including information sent on a need-to-know basis. Transmissions can be sent with and without trace and transaction. Central auditing and deniability are both available and supported as security models.

Some of the potential use cases can be to deliver mandatory training and eLearning in the workplace, provide HIPAA compliance medical record delivery, offer the media and entertainment industry secure content

delivery for pre or post-production content, and a number of other potential customers; so further examples are listed below:

Currently, the medical industry is forced to rely either on technology that is in non-compliance with Health Insurance Portability and Accountability Act of 1996 (HIPAA) or to manually transfer the documents between the health care providers involved. MediaCoin offers enterprise clients an encrypted document or data transmission service that is 100% HIPAA compliant, with commonly available plugins available on all platforms identified.

The theatre production space is experiencing great loss; when movies are sent to theatres across the world, they are commonly stolen and broadcast over the internet, resulting in massive losses in revenue. MediaCoin's enterprise service will solve this issue simply by encrypting the video, and allowing the sender to specify who is permitted to view the content.

News outlets also face issues regarding interception of their internal data transmissions. Our encryption technology can assist news outlets and allow them to maintain a level of anonymity that is necessary to do their work. This will also allow them to specify who, or what region for instance, is going to be permitted to view the content.

MediaCoin Network

The MediaCoin network will grow in stages, incorporating the features listed below as they are developed:

Distributed App (DApp)

Mediacoin selects between side channel and blockchain for the purposes of speed and functionality during the transfer of tokens. Media decryption keys are delivered to blockchain addresses by browser plugin.

Peer to Peer (P2P)

Data is hosted on: MediaCoin's central servers, or by members who are paid the delivery fee for data. P2P exchanges allow the participants of the market to trade directly with each other without any trusted third party to process all trades. P2P exchanges offer high resistance to transaction censorship, are cheap to use, and private and secure when realized properly.

Advantages of P2P exchanges include:

- *Transaction censorship resistance.* Regular cryptocurrency exchanges are run by people - they are vulnerable, and may be exploited by governments by imposing regulatory restrictions. P2P exchanges are practically invulnerable to government interference, because they don't have any central point of authority which could be coerced. Even if some parts are forced to cease their operations, the rest of the system remains unaffected.
- *Cheap operations.* P2P exchanges are run by software, so there's little to no corporate overhead, and, by extension, very small fees for the users, if any.
- *Privacy.* Governments cannot impose those regulations on P2P exchanges, which means that trades can be conducted in a much more private manner.
- *Security.* P2P exchanges connect traders, allowing them to conduct deals directly. Not having to entrust your coins to a third party makes the process much safer.

Multiple devices

Mobile apps are developed (Android and iOS) for viewing encrypted content, as well as sharing and routing purposes.

Mesh network

Every connected device will have the option of sharing, hosting, relaying or requesting data. It is a type of network topology in which a device (node) transmits its own data as well as serves as a relay for other nodes. Routers are used to provide the best and most efficient data path for effective communication. In the event of a hardware failure, many routes are available to continue the network communication process.

Internet-of-things

The interaction between devices within your network. The term Internet of Things generally refers to scenarios where network connectivity and computing capability extends to objects, sensors and everyday items not normally considered computers, allowing these devices to generate, exchange and consume data with minimal human intervention. There is, however, no single, universal definition.

IoT implementations use different technical communications models, each with its own characteristics. Four common communication models described by the Internet Architecture Board include: *Device-to-Device*, *Device-to-Cloud*, *Device-to-Gateway*, and *Back-End Data-Sharing*. These models highlight the flexibility in the way that IoT devices can connect and provide value to the user.

ISP Services

MediaCoin will use a variety of wireless technologies and license bandwidth to provide mobile and rural internet access. As well, using cryptography we are able to verify and deliver content, checked from multiple sources and unpacked without interference or alteration. Internet users in the United States have been subject to the end of Net Neutrality. The current lack of regulation allows ISP's to manipulate search engine results and even change the content of published works. Our technology will put an end to this practice.

Encrypted Content Delivery

The primary weakness in the existing Public-Private key infrastructure is that "Man in the Middle" attacks are possible, where eavesdropping occurs and private communication between two parties is intercepted. This has generally occurred on the client authentication. Weaknesses have been discovered in the implementations and negotiations with the Public Key Infrastructure, but the secure design required both a certified server and client. MediaCoin intends to provide the most secure content delivery system since the record player.

While zero knowledge Succinct Non-Interactive Argument of Knowledge (zkSNARK) can be used to verify certain kinds of computations, we believe the major advancement offered by the cryptocurrency wallet plugins is client authentication. For the first time in the history of the World Wide Web, users have begun to adopt public keys accessible by web sites. Moreover, these public keys are tied to addresses that can be verified and used as a means of value exchange, through cryptocurrency, blockchain and even more relevant, tokens within a blockchain. Tokens are an ideal mixture of trust in a trust-less system and internal accounting specific to a particular data silo.

The implementation of user wallets prompts for payment, verifies the transaction with the client, and can be submitted blockchain that will prevent double-spending. Within a data silo, micro-transactions can be performed and tracked with regular bulk submission upon externality referencing events. Properly triggered,

the double spend is still prevented and transactional costs can be aggregated and minimized in the same manner as ACH within the banking networks.

Our MediaCoin Token will leverage several advances in infrastructure, user adoption of public key cryptography in wallets, a network token representing value, military grade encryption decryption in secure browser sandboxes, GPU acceleration of memory intensive encryption, protocol enhancements to data tunneling (TOR), peer discovery (DHT) and file delivery (IPFS).

While true privacy is not the goal of our implementation, we will facilitate enhanced privacy by full packet encapsulation in client. Tunneling is a mechanism necessary to content delivery and network access, but our design implementation won't directly increase latency to enhance privacy.

Network Value

In the past, it wasn't feasible to securely deliver content for playback. This insecurity led to user accessing a URL and making unlimited copies of the content. Not only does this violate copyright infringement law, it also deprives the artist the opportunity to monetize their work. The Mediacoins platform has adapted the security model to ensure encrypted files are delivered efficiently and decryption keys are sold into a secure sandbox.

Within the framework of our encrypted delivery system, our media formats are focused primarily upon video and audio playback. We will continue to pursue additional streaming content with a potential entrance into the client software market. To enhance the service we provide, all MediaCoin content will be catalogued, reviewed for proper copyright licensing, sampled for quality and ultimately encrypted. As the process is automated over time as a result of the initial editors of the content verifying it, the uploaders of the content (who will be referred to as the "artists") will choose the price of their content and ensure proper usage rights (examples would be a charge per play or per session.) A per session song on repeat loop would be charged only once and 100% of the price selected by the Artist will be paid. (However, a minimum of 10% will be paid as referrals to the playlist creator, artist referral, user referral, and user referral referrer.) As we scale larger and artists want to sign directly with us, we will offer the commercial license as a direct sale and provide copyright protected services utilizing our proprietary technology. A per file fee will be assessed, in addition to the artist fee, based on the size of the file and the delivery costs if necessary. Please note that a "per-play" license with the file saved in browser cache will not be charged a delivery fee for repeat play, but will be charged a license for each play.

A revolutionary approach we are bringing to the music and media industry as we monetize MediaCoin is utilizing "tokens" as the traded current of value. Tokens are representations of value, and can be purchased or sold for cryptocurrency and major currencies. The business model for Mediacoins is built around providing 100% artists payout with \$0 artist fees using cryptocurrency. To summarize, a user would sign up for a Cryptocurrency Exchange, providing personal identification equivalent to opening a bank account, purchase Ethereum (ETH) or Ethereum Classic (ETC), withdraw funds to a Wallet and finally interact with a Smart Contract to receive Tokens. On our website, will charge a premium for buying and selling our Tokens directly to users. The rate will be based on the Exchange rate, with approximately 20% increase above the Market Rate on Exchange to purchase, and 10% below Market Rate to withdraw Tokens as currency.

Freemium

MediaCoin users will have the opportunity to opt-in to earn token without making payments. Each network, song, playlist, and artist, and commercial license referral will be the primary methods we advocate to earn

these tokens. In addition, to provide additional revenue streams and continue to expand our operations, we will support an opt-in advertisement view, including incentivized behavior (such as mobile phone app installations, playing sponsored games, taking surveys and participating in promotions). The tokens that are earned in these ways will not be segregated but will form the foundation of a freemium consumption model; these tokens can be spent identically to purchased tokens, at the same rates. Adblocker rewrite rules installed as a browser extension with limited insertion and a hidden earn-per-click model will be Freemium with minor development. Most token based platforms regularly destroy their tokens as a way to claiming value by the network. We will not mint new tokens, but only "burn", or destroy tokens. Tokens will be migrated to our Quantum Safe blockchain. Participation in both the ETH and ETC markets can be problematic within the context to exchange participation. We fully expect to offer ETH-tokens and ETC tokens on their respective exchanges. Trading will allow for price parity as the ETH-token will ultimately become phased out as we deploy and implement our Quantum Safe Blockchain. New sales will be exclusive to the ETC-token and repurchases will be available for users holding ETH-token. If regulation is passed that severely impacts cryptocurrency (which is considered highly unlikely as result of current laws and regulations passed within our domicile), we are prepared to offer an "in-house" exchange and separate the value of the token from cryptocurrency.

Token Value

The network and token valuation is based on the principle that a medium of exchange has value between users. As the pervasiveness of cryptocurrency grows and more goods and services are bought and sold using cryptocurrency as the means of exchange, an increase of liquidity will result. Our strategy will attempt to move (in bulk and new development) the assets of artists into a network available to users of cryptocurrency.

The Network Utility ($n*(n-1)$) uses the preceding equation to reflect the overall value of the the network. This concept is widely known but is not clearly understood. The value of the network is that it scaled exponentially based upon the number of participants, known as nodes, in the network. The business and network model that we have implemented recognizes that participants are not a single case node but users participating together. Participants will be rewarded for their common behavior in the network and as more data becomes available to map behavior, we will implement practices to reward such behavior.

MediaCoin won't focus on advertising itself, but attracting unique content into the network. Adding content increases the size and value of the MediaCoin network by adding nodes. We will remain content focused with advertising, promotions, licensing and funding the development of new content based on fan feedback.

Market Segment Analysis

Market Segment	Description	Market Size US	Market Size Globally	Market Capitalization	Opportunity
Music Pay-per-use	Online purchase of music track or album.	30 million	100 million	\$7.8 billion	Music streaming equals 50% of music industry & rising value gap of returning money to music industry
Video Pay-per-view (VoD)	Online purchase of movie or event.	221 million		\$19.8 billion	\$27.6 billion by 2022.
Online University Classes	College courses taken online	6 million students		7.2 billion	Majority of services available are throughout the US; many untouched markets
Continuing Education (Online)	Lifelong learning beyond degree	92 million adult users			Licensing boards, certifying agencies require CE credits annually
Online Lessons (Personal Development)	Non-degree courses taken online			Total self improvement market value \$9.9 Billion	
Corporate E-Learning	Online professional development	27.9+ million small business, 18,500 firms with 500+ employees		51.3 billion	77% of U.S. organizations offer web-based preparing:
Corporate M-Learning	Mobile professional development				\$37.6 billion by 2020.
Medical Record Sharing	Communication outside providers software network	5534 hospitals; 18 million healthcare workers	19,217 hospitals; 43 million healthcare workers	13.64 billion	22 billion by 2021

Encryption services (B-B)	Provide secure encryption services for Enterprises			3.87 billion	12.96 billion by 2022
MVNO cell data	Mobile Virtual Network Operator	36 million	300 million by 2020		MVNO's are becoming popular in many emerging markets; Regulation is opening up new markets for MVNO activity and encouraging more market entry
Musician Services	Business assistance for Artists.				91% of all artists are undiscovered
Secure E-Book	Books downloaded online	4.8 billion downloaded E-books		\$11.86 Billion in 2018.	17% of all E-Books are pirated; 315 million estimated in losses
Meta ISP	Use nearby shared data			\$104 billion	Broadband expansion in rural markets
Live Streaming	Uploading and watch live content		100M internet users daily	\$30.29 billion	Online video will be responsible for $\frac{4}{5}$ of global Internet traffic by 2019.

** Mediacoin is still researching many of these markets for more information, this may result in some areas of this chart being left blank

MediaCoin Network Phases

The initial mode of monetization for MediaCoin will be the use and delivery of content. Both Blockchain "Gas", the internal pricing or "execution fee" that senders of transactions need to pay for every operation made on an Ethereum blockchain and data transfer fees will be assessed and included in each total. Monetization will occur as a result of these different phases.

Phase 1 Network:

Music, Movies, TV, Webcam and Streaming. At the moment, we are acquiring licenses for music, movie, and TV shows to ensure a full spectrum of content. Our users will use MediaCoin tokens to make content purchases. The content owner can keep these micropayments in the MediaCoin currency or convert it to fiat.

Our users will also be able to use our secure webcam services. They will be able to stream licensed media for personal preference and they can also use the streaming capacity of our platform for webcam communications, similar to platforms like Skype or Google Hangout.

Phase 2 Network:

File transfer network payments and Paywall services. Our secure file transfer of network payments and paywall services allow for efficient and secure resources for users to transfer files. Our paywall services will allow users to preview content but will allow content creators the opportunity to monetize their content as users will have to pay a fee to view the content in full.

Phase 3 Network:

Shareware distribution, payment and licensing, Bandwidth sharing between devices (share Cellular data for pay over bluetooth, etc), with Tunneling and relays (Tor style but without privacy focus). We will ensure that there is sufficient bandwidth sharing between devices, such as media sharing over cellular networks, to provide an optimal experience using our networks. Using data will also allow users to pay over bluetooth, a significant step in the convenience of payment. Our shareware distribution allows for users to view a trial version of content before purchasing the full version. Content creators will have the opportunity to utilize our Shareware software to both license and accept cryptocurrency payments.

Phase 4 Network:

Bandwidth and relay mapping, discovery and announce (with gamification examples), private transactions between users, decentralization using blockchain to replace token and Quantum Safe Cryptography. In Phase 4 we will encourage additional catalogs (apps, websites, etc) to exist, interacting with a decentralized and fully distributed version of our platform. Our network will allow our users the ability to optimize their bandwidth and relay mapping. Artists will be able to announce their additions to the MediaCoin library and because of our search optimization algorithms in place, our content consumers will be able to easily locate and purchase content. We have a secured platform for private transaction, primarily focusing on the decentralization of blockchains to replace tokens and our secure Quantum Safe Cryptography will allow for users to securely purchase streaming media.

MediaCoin Tokens

QMCT (ETC) and QMCTe (ETH) are the utility tokens used within the MediaCoin platform. Only with these tokens can access the vast library of encrypted content within the MediaCoin catalog that is not available anywhere else legally, or illegally. Currently QMCT is being offered through our ICO for a limited time; you can purchase QMCTe with Ethereum (ETH) or QMCT with Ethereum Classic (ETC). The instructions to do so are listed below; there are also video instructions available on our website. There are 1 billion QMCT and 1 billion QMCTe. The tokens are likely to be traded on different exchanges, with the majority of QMCT on USD based exchanges. QMCTe is likely to be traded on Tether (aka USDT) exchanges. Both will be redeemable for repurchase after the ICO period from our website.

Ethereum Classic: 1,000 QMCT tokens for 1 ETC, with the ICO payment address at:

0x3272e8087f5b9167d24d4f08ddb282e48e739ffc

The ETC Frontend address, to perform trades, inspect ownership, check balances, and track in wallet is:

0x0d35a672fbd847e84c0171060105944a951aa35

Ethereum Foundation: 40,000 QMCTe tokens for 1 ETH, with the ICO payment address at:

0xF2E8eD338D6918E41931056D1186C376f17a165a

The ETH Frontend address, to perform trades, inspect ownership, check balances, and track in wallet is:

0xaa6B3039197f6060eBB9Cc8BF425E43BC83123b2

Both the QMCT and QMCTe tokens can be used to view the same content. ClassicMask by Dexaran on Chrome and Chromium can handle both tokens and both networks simultaneously but the Firefox instructions are difficult. MetaMask is only available on the ETH network, but has convenient purchase instructions. MyEtherWallet.com are Javascript routines available on mobile devices and all Javascript enabled browsers.

QuantumCoin

While a distributed application has significant advantages, we believe that most problems with transactional processing can be solved on different platforms by releasing a blockchain based on our design. This will also allow the primary functions of MediaCoin to be converted into a blockchain, and the value network will persist as long as clients still run the blockchain. The new blockchain will be created as QuantumCoin without an ICO period beyond minor promotional benefits. When the QuantumCoin blockchain is pre-released, MediaCoin tokens can be used to purchase QuantumCoin before the QuantumCoin launch. MediaCoin tokens will be the main exchange supported transfer of value from Bitcoin and other blockchains to QuantumCoin.

Referrals and Payments

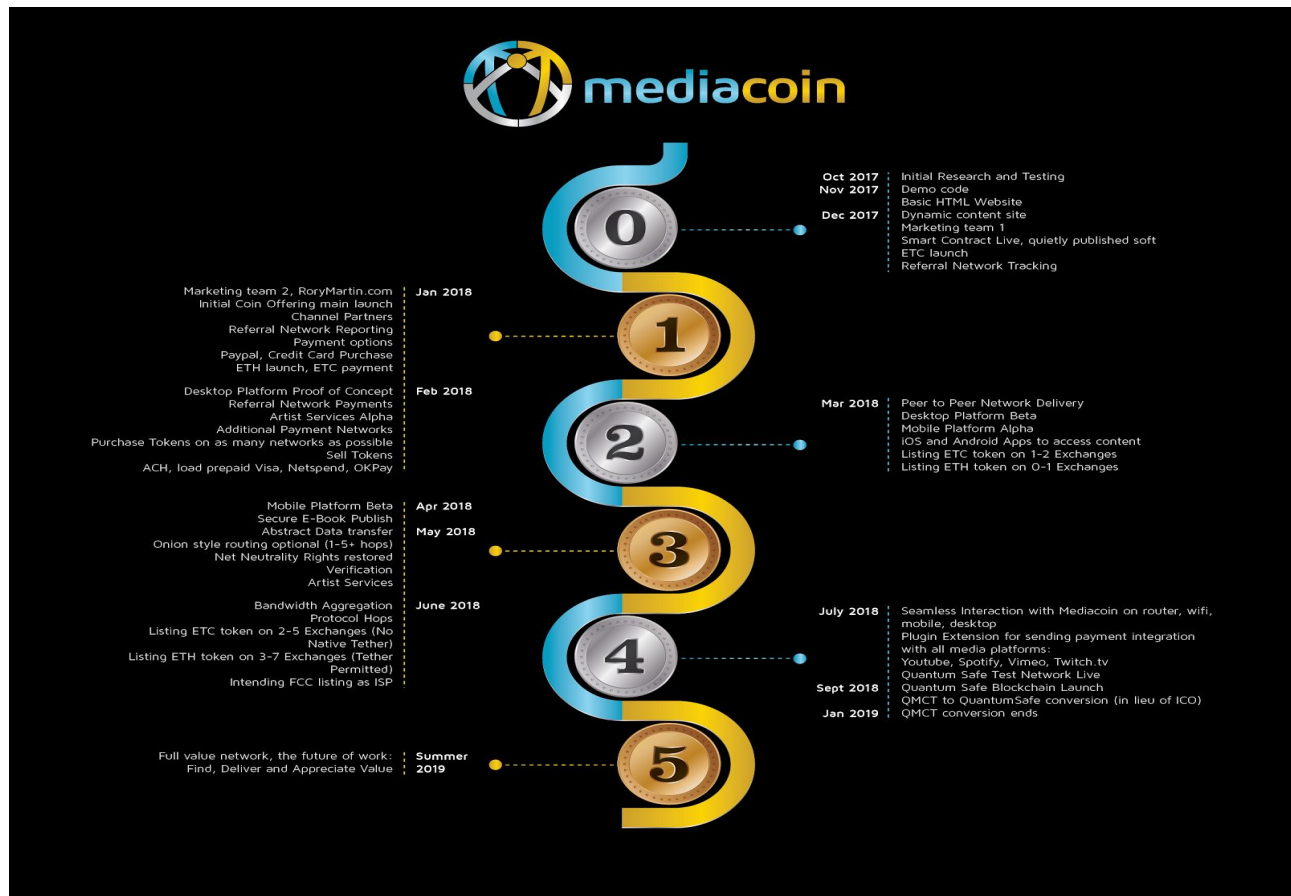
As a fundamental design principle, we think that being rewarded in minor ways for sharing valued content creates additional value. If the payments are too high, then referrals become advertisements instead of personal recommendations of value. Over-compensated referral links end up becoming another form of noise, polluting our social media and social engagement. Dinner and holiday conversations should not be consumed with attempts by people you know retailing their products for their livelihood. On the other hand, sharing something we value contributes to the enriching of our lives and the lives of those around us.

MediaCoin's referral systems are built into most content links, with the goal of making all referrals paid. Additional details and specific numbers are available in [Appendix A](#). Every industry has their own existing rules which we need to respect, but we hope our referral model will be adopted across all industries eventually. Enterprise customers, content publishers, large media licenses and other contracts will always offer a referral payment even though these are business relationships instead of links.

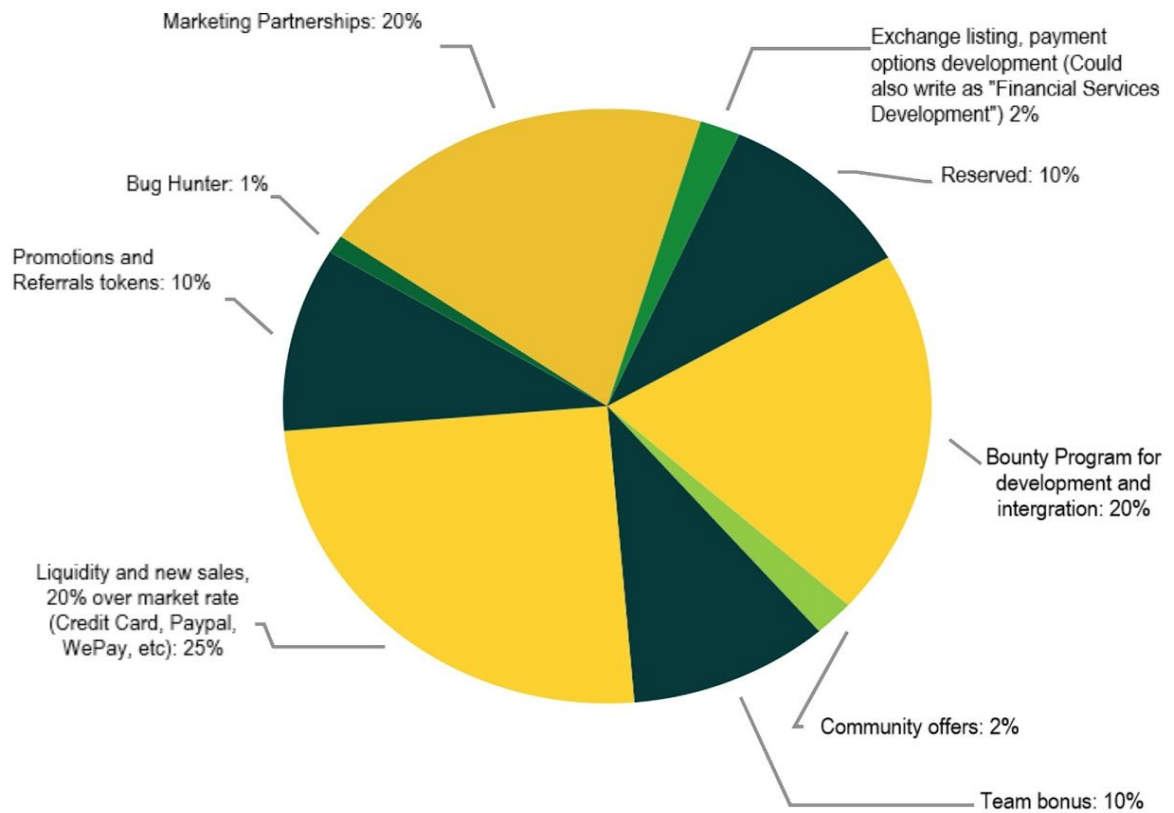
Our payment network is based on the QMCT (ETC based), QMCTe (ETH based) media tokens and the QuantumCoin (blockchain), which provides access to content and additional functionality. All prices will be based on local currency, with a fixed rate set by the artist. The payable balance in tokens will not change over time without activity, but the QMCT, QMCTe and QuantumCoin tokens and coins may have a different value over time in the local currency. Stable prices and liquidity are recognized as an important component of any business; we believe that blockchain technology requires ease of use, additional maturity and stability to be successfully adopted by businesses as a payment solution. Our business model is our effort to provide easy access to funds, easy adoption by users, no to low fees (on-chain and off-chain) and stability to users and content creators.

Payment network processing to and from local currency is one of our most important goals. Payment strategies will be adopted based on the popular methods available in each area. RecargaPay is popular in Brazil; Paypal is popular in the USA; Qiwi, Yandex and other payments are popular in Russia; Lydia and Orange in France; Alipay and WeChat Pay are popular in China; and many more. We will also support direct bank transfers by SWIFT, SEPA and ACH. In all jurisdictions we will attempt to partner with ATM networks and withdrawal services. Maintaining balances in multiple currencies worldwide will permit us to make small payments by local postal and money order services. We expect to hold significantly more than minimum required balances in multiple currencies to exceed regulatory standards for payment processing, even though we will not attempt to be a payment processor. Our business model requires our direct payments to be more convenient than selling our tokens or coins on exchanges and withdrawing from the exchange.

Roadmap



For ICO and Distribution



Promotions

Wallet Promotion

As new users find content they want to enjoy, there will be a browser plugin or mobile app installation to access the secured content. Performing the required installation will also create a wallet on the Ethereum blockchain. Completing this process, or linking an existing wallet by browser plugin, will reward the user with some of our tokens as an initial balance. This balance should be enough to view the content, allowing for a free method of accessing desired content.

Funding Faucets

Some websites offer tokens or coins on request. These are normally called "faucets" where a large reserve of tokens or coins are held. Distribution of MediaCoin tokens will be available from existing faucet programs as a promotional. Potential faucet partners have been identified but none are ready for announcement.

Air Drop

Giving some of the tokens to every funded account on the blockchain may be a method of creating volume, promoting content, and rewarding users. Air Drops will be a minor amount of the promotional budget, and will typically be used in conjunction with content promotions.

Bounty System

MediaCoin will use both a traditional (bug hunting, security reporting) bounty system as well as a social media promotional strategy. Social media bounties will be first published in Discord, then on the website. We will grant social media bounties only during the ICO phase, and with 1 million QMCT and 1 million QMCTe (poster choice of network).

Many companies (Paypal and Ebay among them) offer cash rewards for the first report of bugs and security holes. We will offer a traditional bug hunting bounty system, with the reward increasing for specific reporting, validation of bugs, security advisories (in our libraries or our code) and bonuses for adhering to disclosure guidelines. Our systems are internally and externally audited. Some systems will have source code available to the public (because it is more secure), and other systems will have limited access to source code (because it is more secure.) Secure software is of critical importance to the developers but this is an ongoing process and not a feature for a single version. (In programmer terms, “continuous integration with forward and regression tested security validation processes.”)

Long term software development will be awarded through Bounty tokens. Specific programming projects with a clearly defined scope and unit testing will be offered to the public using the bounty program. Additional rewards will be available to reach specific goals, like 100% unit test coverage on codebase.

MediaCoin Team



Chief Executive Officer

Don Morrison

Don Morrison began his career in the bank industry with numerous successes in banking leadership, market innovation and operational improvement. In addition to a long career of running financial institutions, he purposely expanded his knowledge into the field of IT. This enabled the capability of development over the last 10+ years, leading solution innovation for countless banking clients. He has helped organizations to refine vertical strategies and rebuild global sales and solution to organizations so that they may focus on providing value to existing and prospective clients. Mr. Morrison joined the MediaCoin Team as the Chief Executive Officer in January 2018.

<https://www.linkedin.com/in/donmorrison1714/>



Chief Technology Officer

Ian Smith aka rorschachrev

Ian Smith is a expert in developing and managing projects in the most suitable language under tight budget and program constraints. Since 1998 he has written programs in 20 different programming languages for pay, bring dozens of projects to completion. Ian also worked as a clustering and firewall consultant in Silicon Valley and has taught Linux at Nasa, Visa, Oracle, Boeing along with many more. He has worked on internet backbone routers at PAIX.net, profitably automated Forex trading and brings an expertise to the technical community that is unprecedented.

<https://www.linkedin.com/in/ian-smith-20a42876/>

Marketing

Rory Martin



Rory has over 17 years of expertise building and running interactive marketing and web design firms. His client list includes small, medium, and Fortune 1000 companies like Target, Redhook, KIRO7, The Seattle Times, Thompson Reuters, Intel, Microsoft, Classmates.com, HTC, Genentech, Accenture, T-Mobile, and Motorola. His work is focused on creating Social Media Strategies that reflect unique brands and cultures. Online marketing campaigns deliver both measurable revenue as well as ancillary brand, building benefits for clients. He helps companies realize the value of social media marketing campaigns and delivers reliable ROI in the process.

<https://www.linkedin.com/in/rorymartin/>



Sr UI and Javascript Developer

Jeff Lam Tian Hung aka jl

Founder and Director of Teleo.co, a project management and team collaboration tool for small businesses. Previously Lead Sales Engineer in Asia for Symphony Communication Services, a secure collaboration and workflow technology company that is valued at >USD \$1bn in 3 years. As one of the company's first five employees, he has served in a variety of roles including engineering, product design, marketing, and sales.

<https://www.linkedin.com/in/jefflamth/>



VP of Content

Nadine Krefetz

Nadine is focused on designing tomorrow's media experiences. She has been in the digital media space for many years and has worked on over-the-top TV delivery, enterprise content product development and other digital media projects. She has extensive experience managing projects and programs for a number of media companies and technology vendors involved with digital video. She's especially interested in helping media owners transition to using cryptography and blockchain technologies. She is also a contributing editor at Streaming Media Magazine and writes extensively on technologies that are impacting media today.

<https://www.linkedin.com/in/nadinekrefetz/>



Business Development/Blockchain Enthusiast

Broden Staples

Broden thrives on understanding client business challenges and mobilizing teams and suggesting options to create valuable solutions that drive business results. Bringing over 15 years of B2B sales management from multiple industry's handling contracts valued in the millions. He has hands on experience with cryptocurrencies, blockchain and trading/programming in Forex markets. Broden currently resides in beautiful Gig harbor, Washington.

<https://www.linkedin.com/in/broden-staples-020b343b/>

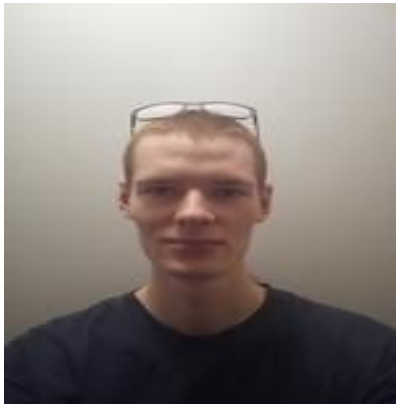


Community Director

Garrett Meade aka GP123

With almost 20 years of frontline experience working with both end-users and employees, Garrett is ready to ensure a great customer experience. He creates a positive atmosphere and puts people at ease. He holds a BBA in economics from the University of Memphis. Garrett is a champion of and for the people. And he is always at your service!

<https://www.linkedin.com/in/garrett-meade-229615152>

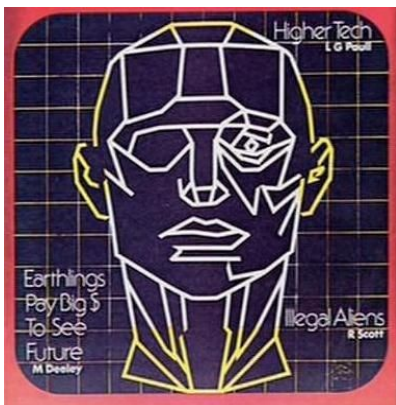


Jr Developer

Envel Lozach David Carliez aka Kireshi

David, a genuine infosec enthusiast started developing 2016; he is an expert in Junior Javascript/Java and is an accomplished PHP Developer. David received his OSCP license certification the same year he received his Bachelor's degree in Computer Programming. David completed many of his studies in France, and currently resides in Belgium where he is working on projects related to Information Security.

<https://www.linkedin.com/in/carliez-david-826599a4/>



Security

mstr_choc

MisterCh0c is a security passionate and professional. Previously developer, he's been working as a security consultant for over 2 years doing security assessments in a range of different environments (web, industrial control systems, IoT, mobile). He has contributed to several open source projects over the years and continues to do so.

Appendix A: Phases of Network Payments

Funding and Wallets

We intend to advertise content to get new members, instead of advertising the network itself. Initial plugin, wallet and account creation will be streamlined as much as possible and rewarded with an initial balance. The incentive for new wallet creation in tokens will decrease as the token value increases relative to US dollars.

There will be a bonus of +20% of the initial wallet balance for any user referral, which requires wallet activation. This activation bonus is earned by sharing the link on top of the website. In addition, the following percentages reflect additional payments:

5% Referral for Earnings (Based on advertising partners for Freemium accounts and incentives, but not DJ or duplication of other payments)

15% Deposits Referral (Based on our fee, not total amount. See [Fee Sharing Levels](#) for details.)

5% Withdrawals Referral (Based on our fee, not total amount. See [Fee Sharing Levels](#) for details.)

5% Deposits Referral for Referrer (Matching reward using same calculations as above)

If there is no referral, the initial balance is half the normal rate. Accounts inactive for 6+ months may have their referral payments folded up one layer, as a secondary anti-fraud method. We want to note that users who create a new account to only refer themselves will end up with the same total payment. Any policy changes would only be made after simulation and evaluation on the impact to the total network.

Phase 1 Network Payments

The income for our artists will focus upon these factors:

90% to the artist who has created and published the media

3% to the user who has referred the artist

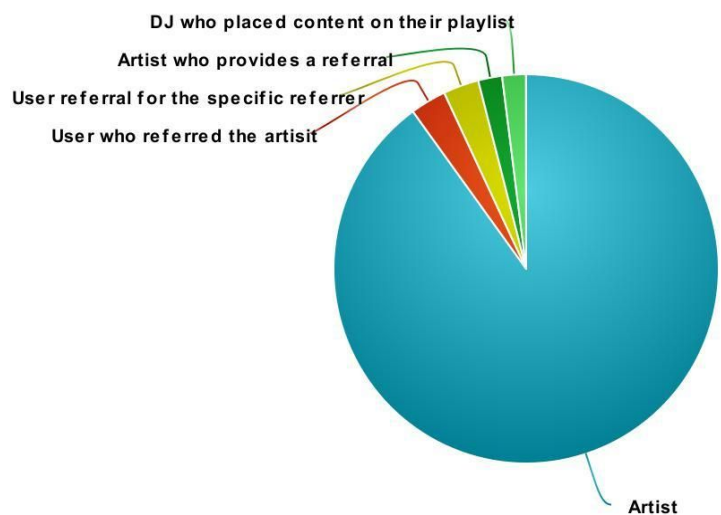
3% to the user referral for the specific referrer

2% to an Artist who provides the referral

2% to the DJ who has placed the artists content on their playlist (or artist if not actual playlist)

If no referral, the unassigned percentage goes to advertising for more recruiting. This advertising becomes the referral partner.

Untracked referrals (user deleted the referral code) get smaller sign up bonuses than tracked referrals.



In regards to derivative works, which includes speculative design and copyright varies by media type, we propose the following:

Original content artists will select their fee and any and all derivative works inherit their pricing from the original work. If there is proper attribution and use of 'in network' content, this reduces fees and increases pay. After the licensing costs are determined, the bonus is added to arrive at a total cost. Outside network fees that are not 'normative use' will have overestimated costs at launch, reduced to actual costs and retroactively paid. Regionalization aggregates pre-agreement licensing, cost reduction and fair use will be explored per locality.

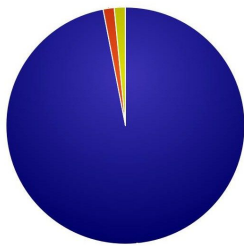
5-100% of normal fee, based on 'normative use' interpretation for each media type

10-30% bonus to editor (commentator, remixer, promoter, or other role)

4% bonus of editor Referral for artist

3% bonus of editor Referral for referral

3% bonus of editor playlist or link

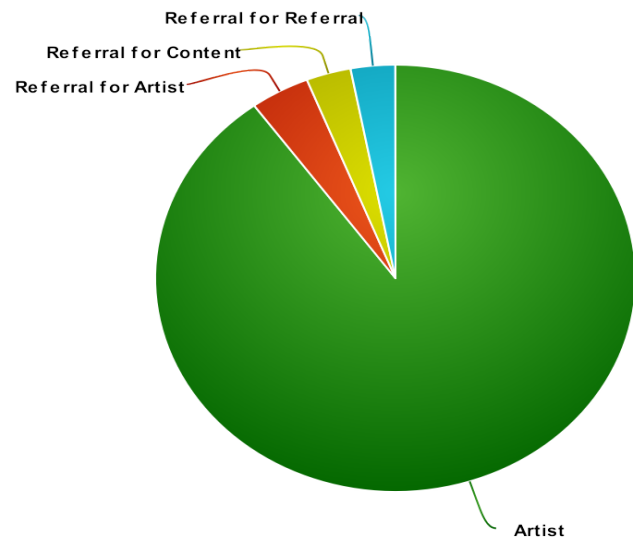


Any **Television, Anime, Movie show licensed** will show the following income:

97% rebate for prepayment

1.5% Referral for content

1.5% Referral for referrer



Any **Television, Anime, Movie show income published** will reflect the following income:

90% to the artist that published the media.

4% Referral for artist (Introduction of artist)

3% Referral for content (Link to content)

3% Referral for referral (Introduction of content referrer)

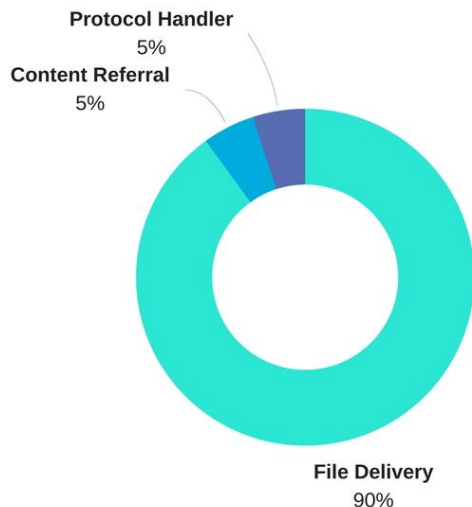
Every data transfer will have a delivery fee, based on storage, requests and bandwidth. The license key will be delivered after the data transfer fee is paid. Since all content is encrypted and licensed, sharing files for upload will be directly paid starting in Phase 2. A healthy network in Phase 1 will use prepayment for file storage and sharing.

Phase 1 Data Transfer

90% payment to content provider

5% Referral for content (DJ, outside link, reviews)

5% Transport Protocol Handler (supernode, DHT node, IPFS DHT, etc that supports mapping from request to delivery. Responsible for key delivery upon completion)



Phase 2 Data Payments

90% for file delivery, split per chunk of data.

5% Referral for content (DJ, outside link, reviews)

5% Transport Protocol Handler (supernode, DHT node, IPFS DHT, etc that supports mapping from request to delivery. Responsible for key delivery upon completion) 5% Referral for content (DJ, outside link, reviews)

Gas Estimates

Initial Transaction costs ("Gas") are calculated by processor time, storage, and various factors using a specific quantitative metric. Phase 1 will, at minimum, rely upon direct costs for Gas payments. Aggregating

transactions will lower costs, and urgent transactions will increase costs. Multiple techniques will be employed in Phase 2 to lower Gas costs for users and the network as a whole. Settlement on the blockchain will always incur "gas" costs, but blockchain settlement is not always required.

Pay-Wall Services

Many news and article sites require direct payment or an adblocker to access their content. Since our user base already has a browser plugin, very low costs, opt-in behaviors, and easy payment options, MediaCoin is positioned to act as a payment gateway for "pay per view" or "pay for access" services. While many of these services require a subscription, we can seamlessly function as an opt-in behavior system or token based payment method.

Phase 3 Data Payments

5% Referral for access (no pay for local discovery, pay for DApp mapping of access, etc.)

5% Transport Protocol Handler (exit Gateway Handler for request, may include DNS, bundling UDP in TCP, packing files, etc)

0-15% Traffic Tunneling per hop, by client request (0-3 session handler relay hops)

75-95% (by session hops) for network access, pay per MB transferred

Software Licensing

In general, software licensing is a more complex topic because of the multiple type of licenses that must be supported. The development of a secure software delivery platform is complicated since there must be deep integration within the software product. A purely superficial license key solution is easily bypassed through software disassembly. Office software, iPhone and Android apps, Shareware, MMORPG game titles, online console games and more will be supported. However, licensing agreements will often need to be established first. Subject to the terms of the content creator, we will share what is fiscally viable for download and promotion.

Phase 4 Network

Private transactions on Quantum Safe Blockchain

The creation of blockchain is dedicated to a network is a significant step forward in the long term advancement of the network. Tokens will be initially redeemed for transfer at ICO rates, and later at market rates. This conversion is the only case that any tokens will be destroyed by the network.

Decentralization using blockchain to replace token transactions

MediaCoin Tokens will be maintained and traded indefinitely. Moving operations into Blockchain ensures continuity of the network and immutable resistant to outside interference. Guidelines protecting users and artists should be well established, with multiple access points. Blockchain based publication creates further opportunities and more freedom in implementation.

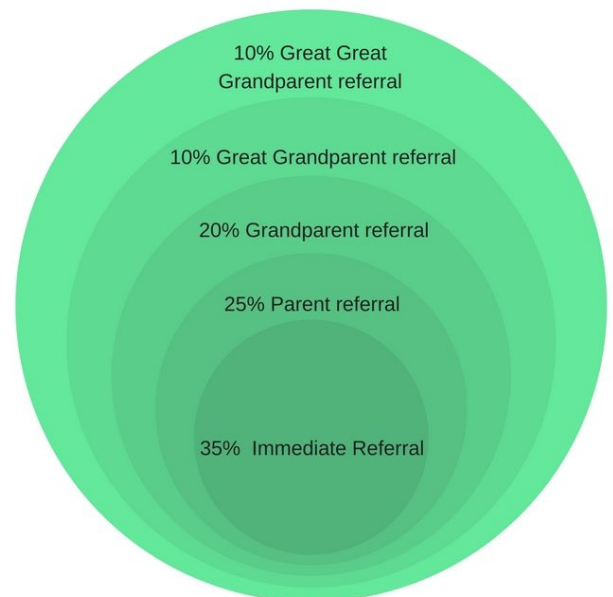
Proof of Work for network shares in GPU will be the bulk of the initial miner reward. The goal is to transition the entire network to collection and distribution of transaction fees without mining. Mining routines in GPU will mimic transactions with optimizations in mining software lowering transaction costs.

Fee Sharing Levels

Fees for deposit and withdrawal are shared between multiple referrers. 15% of deposit and freemium fees and 5% of withdrawal fees earned (100% of this amount described below) by MediaCoin are shared across multiple levels of referral. The first level, immediate referrals, will earn 35% of the total fees paid. This is tracked by actual link clicking. Their parent is the second level paid 25%, their grandparent is the third level paid 20%, the great grandparent paid 10% and great great grandparent paid 10%.

1. 35% of fees for link clicks (Withdrawal fees, Deposit and Freemium fees, for users and artists.
2. 25% for their referrer, by link.
3. 20% for their referrer, by link.
4. 10% for their referrer, by link.
5. 10% for their referrer, by link.

Total amount of paid out fees = 100%. Total amount of fees earned for pay, as described above, are 15% of deposit and Freemium fee amounts and 5% of withdrawal fees earned. For example, if \$100 is deposited or earned by Freemium users, and the fee is 20% with 80% credit to the user. The earned fee is split 15% between



Appendix B: Quantum Safe Blockchain

Quantum Risk

Nov 10, 2017 IBM Announced their [50 qubit quantum computer](#). Sweden contributed \$1 billion in funding towards their development of a 100 qubit system. Unlike [D-Wave's 2000 qbit system](#) the IBM quantum computer is capable of performing Shor's algorithm, which is capable of solving Discrete Logarithms. This is a NP-complete problem, solved in polynomial (P) time using Quantum Fourier Transforms (QFT).

The main limitation of quantum computing is that problems must be solved "all at once" and can't be solved in pieces the way silicon transistors currently do large number math. The second limitation is decoherence, where the system falls apart before an answer has appeared. Thirdly, answers are probabilistic, with some noise and chance that a wrong or "no answer" will appear.

The current simulator and cloud computing offered by IBM uses a mixture of Python and their Qasm (Quantum assembler) language. (<https://quantumexperience.ng.bluemix.net/qx/experience>) The fundamental question on a system capable of solving Discrete logs and breaking All Modern Cryptography is mostly a question of "when" and not "if" it can happen. The underlying hardware used by IBM is nuclear magnetic resonance (NMR) machines, which are present in medical labs and university systems. Once the methods are figured, it is likely that many independent labs will be able to perform quantum calculations.

If some of this research is able to leap forward based on the D-Wave designs (even though Niobium magnetic method and the NMR method are much different) then a quantum computer to break most cryptography is likely within 1 to 3 years. As larger and larger qubit arrangements become common, more and more cryptography will be solvable by such a system. If the techniques pioneered by DWave are not applicable, then a 3-6 year time frame is more realistic.

Quantum Migration

After quantum computing, the "best solution" offered among the Bitcoin community so far is creating all transactions in pairs. The first transaction is a spend of bitcoin, and the second transaction moves to a new address to prevent a quantum computing attack against the public keys that were exposed. The "second best solution" is moving all bitcoin to a series of Central Authority Silos, which would store the balances in databases and have some sort of 2 or 3 factor authentication requirements, allowing registered users to safely store and spend their bitcoin. Neither practice would work with Ethereum, unless Smart Contracts were created without "owner" permissions and the authentication to the Smart Contracts do not involve modern public-private cryptography.

The most effective solution overall is an early migration. Quantum Safe Cryptography can be implemented now, and quantum safe blockchain can be developed within the next three to six months The author has spent some time on this, attempting to create a smart contract system with privacy and quantum safe libraries. In the budget projections, money is allocated to mathematicians and researchers in order to ensure accuracy, design attacks, and countermeasures. It is presumed since blockchain can be upgraded, new algorithms will fix any inadequacy revealed in the future. However, this proposition is not entirely valid unless the address and balance calculations are backward and forwards compatible.

In Bitcoin:

- sec256k1 "private key" which is a point on an elliptical curve <https://en.bitcoin.it/wiki/Secp256k1>
- sec256k1 "public key" which are 2 numbers, related to the elliptical curve

- a SHA256 hash of the public key
- a RIPEMD160 hash of the SHA256 hash

In Ethereum:

- sec256k1 "private key" which is a point on an elliptical curve
- sec256k1 "public key" which are 2 numbers, related to the elliptical curve
- a SHA3.keccak256 hash of the public key, truncated to 160 bits (non-reversible, even if the tech existed)
- Contract addresses are SHA3.keccak256 of RLP(nonce+sender_address), truncated to 160 bits. There is no public or private key for contracts

This data cannot be altered and still maintain the private key access to funds, which essentially locks the address scheme in place since the address is based on the public key, and the public key is revealed in transactions. In other words, after exposure the funds are accessible to anyone or to no one. Bitcoin could continue after upgrading to prevent quantum attack, but upgrades to the protocol will leave old accounts vulnerable until they perform transactions under the new architecture.

If we use a token instead of a central authority, we have access to cross chain transfers on exchanges as well as blockchain to blockchain. To facilitate a transition to a quantum safe blockchain, we are creating a custom code to be used where users can "burn" tokens and receive quantum safe coins on the new chain. The "burn" to transfer mechanism will be left unimplemented until the quantum safe mechanism is in place, tested and then the contract "library" will be upgraded with the function. In the meantime, contract to contract transfers are blocked by an implementation of Dexaran's ERC223 proposal (designed to prevent Ethereum loss). After migration upgrade, contract to contract will be permitted and tools will be made available making the process user friendly and will increase monetization.

Appendix C: Zero Sum Game

Cryptocurrency markets are a "Zero Sum Game" similar to stock equity markets. Every dollar 'earned' in cryptocurrency and equities trading comes from another trader's 'loss.' A healthy ecological system and a healthy market bear similarities as "Living Systems," as detailed by James G Miller in 1972. Cryptocurrency, especially as a fledgling market, must be intentional, cognizant and careful to obey the Natural Limits (Natural Capitalism) as the system grows. MediaCoin is focused on detailing the financial systems required to make cryptocurrency a sustainable system with lasting growth.

The main difference between the markets is the input and output to the whole system. Equities receive system input as funds from IRA, mutual funds (especially tax free profits as "passive foreign investment instruments") and indirectly through some option vestment plans and dividend payments to shareholders. Cryptocurrency has direct goods and infrastructure building but both systems generally remove more value through fees than the direct investment in liquidity needs.

With Cryptocurrency as a Zero Sum Game, it is important that the output costs are minimized and the input income is greater than the output costs. Without a careful consideration of income > cost, then the resulting market is often referred to as a speculative bubble because it relies entirely on new investment to fuel the ongoing costs. When the investment input slows, returns diminish and large withdrawals at that stage will cause a speculative collapse. When income is greater than cost, the investment input is attempting to capture long term income with equity investment. For the health of the overall system, it is important that projects with costs vastly exceeding income collapse quickly to avoid risk and weakness in the larger system. Equity investment in infrastructure is a necessary step to capture long term value, but it can not fix situations where

cost exceeds income. If a large investment is able to capture a lead in a marketplace, the project must gather value and convert it to income, or sell their network to a system that can gather value.

Appendix D: Aggregate Cost Averaging and Behavior Valuation

The micromanagement approach to costs and income is very significant, because it is impossible to lose money on every transaction and yield an overall profit. The converse statement is true, it is possible to accrue revenue on every transaction and not yield gross profit due to infrastructure, licensing and total system costs.

MediaCoin takes the approach that earning income on every transaction while minimizing infrastructure costs will yield total system profit. Unlike most projects, MediaCoin will avoid aggregates of cost, profit and transaction volume for a total system gross profit. Many projects take the approach of advertising "screen real estate" to gather income. The expected income is based on the total screen real estate of all combined users viewing advertisements. If the advertising income is higher than the total system costs, the project yields gross profit. As the cost of providing services to each individual user is minimized, the system costs go down. If the advertising yields a profit to the advertiser, the advertising becomes sustainable and so does the projects that rely upon advertising for income. It is not possible to overstate the profit significance of only providing services to each user based on the actual gains to the entire system. Each transaction and each user will be profitable, with the exception of initial cost of user acquisition. Infrastructure and some licensing will primarily be paid for with the Initial Coin Offering and ongoing sales of Tokens.

Subscription models for content have disproportionate usage. 52% of all adults who read the news never subscribe to a particular newspaper. The delivered value to users who pay for monthly subscriptions but infrequently use them will lead to user dissatisfaction regardless of quality of service. Creating artificial barriers to cancellation creates a secondary consequence of alternative markets. As the trend of cellular service requiring a 1 year minimum contract progressing to a 3 year minimum contract, the market for pay-as-you-go service without cancellation barriers grew in correlation.

MediaCoin's use of Tokens to accurately represent value allow us to map costs and offer peers payment for lowering costs. The main cost for streaming sites is clearly bandwidth, and members who offer their bandwidth to peers can be paid accurately per megabyte delivered for data transfer. Use of bounties and tokens for services will allow us to spend tokens instead of venture capital for behaviors that increase the value of the network. We intend to reward our community for contributing to our success, rather than exploit it as a no cost means of providing support without reward.

Accurate Cost Measurement and Behavior Valuation will allow our company to recognize inefficiency and reward efficiency while increasing the total value to all network participants.

Robust decentralized verified network of master session handlers to convert, encrypt and deliver data.

In order to comply with laws world wide content will be tagged and accepted or rejected by masternodes and each other connecting node. This allows compliance with local law to prevent illegal content.

