

BLOCK PARTY

Authority Node Proposal



TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
GOALS	3
ORGANIZATION	4
Team	4
Jon Mason - Head of Operations and Finance	4
Matthew Herman - Head of Technology	4
Dan Gurewitch - Head of Marketing	4
Josh Morrissey - System Administrator	5
Advisors	5
Ricky Van Veen - Head of Global Creative Strategy at Facebook	5
Michael Wolfson - Private Equity CFO	5
Sheridans LLP - Legal Counsel	5
NETWORK	6
Node Specs	6
Infrastructure	7
Support	7
Security	7
USE CASES & APP DEVELOPMENT	8
ECONOMIC MODEL	9
Fundraising	9
Token Utilization	9
Grant Pool	9
COMMUNITY GROWTH	10
Entrepreneurship & Funding	10
Marketing	10
CONCLUSION	11

EXECUTIVE SUMMARY

Block Party is a for-profit enterprise applying to run 2 servers within the Factom Authority Set.

We believe that the Factom protocol has an opportunity to fundamentally remake the architecture of data within our society. While the scale and scope of this opportunity is readily apparent, its success is by no means a foregone conclusion -- after all, superior technologies can lose out to inferior ones when not implemented effectively.

We feel that the Factom protocol's success in this next stage of growth depends on executing a comprehensive strategy that addresses the following challenges:

- **Running a stable decentralized network**
- **Proving real world use cases of the protocol**
- **Establishing monetary stability in the Factoid market to incentivize participation**
- **Building a self-sustaining ecosystem with extensive third-party involvement**

Block Party has assembled a team of participants and advisors whose strengths are uniquely suited to addressing these specific challenges, with expertise in network engineering, finance, law, auditing and marketing. This proposal will outline the ways in which Block Party can help the Factom protocol reach its full potential.

GOALS

- **Assemble a team capable of delivering significant value toward the protocol**
- **Contribute to network stability by hosting stable & secure servers with 99.99% uptime and 24/7/365 support**
- **Develop powerful applications running on the Factom protocol**
- **Promote Factoid price stability**
- **Establish community working groups in fundraising and marketing, expanding our team's professional relationships to the entire community**

ORGANIZATION

Team

Jon Mason - Head of Operations and Finance

Discord: ThinlySlicedMeat

Jon is an experienced entrepreneur with a proven track record of conceiving, financing, scaling, and exiting businesses. Prior to starting Block Party, Jon was the co-founder and CEO of Trace VFX, an international visual effects company with over 600 full-time staff across offices in New York, Los Angeles, London, and Mumbai. During his time at Trace VFX, Jon raised multiple rounds of funding and worked on content for brands including Coca-Cola, Apple, Nike, Mercedes-Benz and IBM, as well as series and films like *Game of Thrones*, *The Hunger Games* and *The Shape of Water*. He ultimately sold his business to Technicolor, a publicly-traded media, entertainment, and technology company.

Matthew Herman - Head of Technology

Discord: mherm

Matthew has spent 15 years working as a systems architect in broadcast, post production, and VFX. Along with Jon Mason, he was the co-founder and CTO of Trace VFX, where he created and developed enterprise-level applications targeted to the VFX industry, built data centers, led security compliance, and managed a 24/7 support team consisting of 12 systems administrators. He has led multiple facilities through security audits for Marvel, Disney, Paramount, Fox, and the MPAA. During his 7 years as CTO, Trace VFX maintained 99.995% uptime.

Dan Gurewitch - Head of Marketing

Discord: ToasterOven

Dan is a two-time Emmy Award-winning writer for HBO's "Last Week Tonight with John Oliver," as well as the winner of three Writers' Guild Awards and two Peabody Awards. Recently, he was a primary writer on the "Cryptocurrencies" episode of "Last Week Tonight," which included research aided by Factom CEO Paul Snow (at Dan's request) and introduced and explained the blockchain space to a mainstream audience of millions. Previously, Dan was a writer and performer at the comedy website CollegeHumor, where he specialized in writing viral, mass-appeal content that has gained hundreds of millions of views. On the marketing side, Dan has a personal brand with significant reach on social media, as well as extensive experience writing marketing copy and branded content.

Josh Morrissey - System Administrator

Discord: joshmorrissey

Josh has been a system administrator for leading international law firms for over 12 years - currently at Crowell & Moring LLP, where he is a Senior IT engineer, and previously at Simpson Thatcher & Bartlett LLP. Josh has built systems to ensure 24/7 operation and accessibility of secure documents in an industry that, as it's driven by billable hours, has notoriously strict uptime requirements.

Advisors

Ricky Van Veen - Head of Global Creative Strategy at Facebook

Ricky is the Head of Global Creative Strategy at Facebook, where he helps develop the company's approach to content, and works with media partners to create original programming for the platform. Prior to joining Facebook, Ricky co-founded Vimeo and leading comedy brand CollegeHumor, which he helped grow into the largest comedy property on the web. CollegeHumor and Vimeo were acquired by IAC in 2006, where Ricky spent the next ten years overseeing the TV, film, print, and digital content efforts of Electus Digital. Ricky has presented at conferences including SXSW, TEDx, and Recode, and has been featured on Crain's 40 under 40 and Vanity Fair's New Establishment lists.

Michael Wolfson - Private Equity CFO

Michael is a veteran CFO and experienced auditor. He has been an auditor at PWC, Head of Internal Audit at a FTSE 100 company and a CFO for various private equity-backed ventures. As a CFO, he raised over £200m of capital for multiple businesses, and delivered exits valued at over £500m. Michael sits on the board of numerous companies, is a chartered accountant and graduate of the prestigious Maths Institute at the University of Warwick.

Sheridans LLP - Legal Counsel

Sheridans is a leading media and technology law firm based in London, England. Sheridans has worked extensively in the blockchain industry, having represented cryptocurrency exchanges and advised on multiple initial coin offerings and innovative uses of blockchain technology in connection with gambling, social networks and video games. The firm is regularly approached for comment in connection with blockchain matters, and has been quoted by the Telegraph, Wall Street Journal, and BBC.

NETWORK

Block Party plans to utilize Google Cloud Platform (GCP) and Amazon Web Services (AWS) to provide a balance of redundancy, reliability and scalability. Block Party's Head of Technology has been using these cloud providers for many years in different aspects of business, from storage to rendering, and is well-equipped to design and maintain servers on these networks.

Node Specs

Block Party plans to use virtual systems that support the maximum technical specification score. We may run slightly different specs depending on cloud providers, but the following specs will be a baseline minimum. Geography is flexible, as there are many zones available between AWS and GCP. We have included two that seem beneficial below, but we're open to any supported locations.

	AWS	GCP
Location	US/Virginia us-east-1c (1x federated, 1x follower for brain swap/HA)	Brazil/Sao Paulo southamerica-east1-c (1x federated, 1x follower for brain swap/HA)
CPU cores	m5.2xlarge (8 cores)	n1-standard-8 (8 cores)
CPU type & clock speed	2.5 GHz Intel Xeon® Platinum 8175	2.2 GHz Intel Xeon E5 v4
RAM	32 GB	32 GB
Storage	200 GB EBS SSD Storage with separate disk for Factom data (Amazon specific storage protection)	200 GB SSD Provisioned Storage with separate disk for Factom data (GCP specific storage protection)
Connection & uplink speed	10 Gbps	16 Gbps

Infrastructure

Our ideal node infrastructure would be similar to an active-passive high availability system used in servers and network hardware. We would host our nodes in diverse locations, and maintain one spare follower node for each authority server we host.

For added physical and network redundancy, we would host this spare follower node in a separate access zone (where available) within the same geographical region. This would allow us to perform the "brain-swap" procedure as designed, and provide superior reliability. In the future, Block Party would support the development of an auto-switching system to allow the standby follower node to automatically be promoted in case of a software or hardware failure.

Support

We will have a maintenance team available 24/7 in two locations: **Abu Dhabi, UAE** and **New York, NY USA**. We will build an alert system through our cloud provider to receive notifications of abnormal activity. Staff will be able to respond to issues within minutes. We have budgeted to add additional support staff if necessary.

Our CTO has spent the past 15 years developing operational structures and incident management systems that provide 24/7 support for broadcast and VFX facilities, and will build similar systems for Block Party.

Security

We are well-versed in security hardening for both servers and networks. We will have a stateful firewall limiting traffic to only what is required by the Factom network and maintenance, 2-factor authentication for management console login, as well as SSH certificates for each system administrator and node. Certificates will be refreshed every 30 days.

We follow ISO 27001 best practices. We have built and managed facilities that have been certified for high-security film work, and have passed multiple independent security audits. We will bring this experience to the operation and hardening of our nodes.

USE CASES & APP DEVELOPMENT

The key to long-term price stability will be a robust ecosystem of third-party developers building applications on top of the Factom protocol. Immediately following M3, a number of early adopters will need to step forward to prove the protocol's functionality for a number of use cases. Block Party plans on participating as an early adopter by building IT security and supply chain management applications, initially focused on serving the Visual Effects (VFX) industry.

The Block Party team will leverage our existing relationships in this space to rapidly build and implement applications, proving the Factom protocol in a large and highly visible market.

The VFX industry is in a unique position to adopt blockchain applications built on top of Factom, for the following reasons:

- **Entirely digital workflow:** Everything from the source material to the end product is entirely digital and natively writable to the blockchain.
- **Vast global supply chain:** The effects for any major feature film are executed through a supply chain involving hundreds of vendors dispersed throughout the world, maximizing the benefits of decentralized ledger technology.
- **High level of audit compliance:** Major movie studios require each vendor to pass security audits, demonstrating compliance with their IT security policies. However, no solution exists for proving documentation. Factom can be this solution.

Our team has passed security audits for Disney, Marvel, 21st Century Fox, Sony, Paramount, MPAA, and others, giving us a thorough understanding of the landscape, audit process, and key decision makers that would be involved in executing this business.

This is a very brief outline of the opportunity we see in this space. We are happy to discuss our business plan in more detail.

ECONOMIC MODEL

We believe that the value of Factoids is a significant metric, as a healthy token economy is required to build the virtuous cycle necessary for network effects to take hold. With additional Factoid supply coming online with M3, a strategy to mitigate the effects of this supply, given current levels of liquidity, is required for the protocol to flourish.

Fundraising

Our team has extensive experience managing the financial aspects of various medium to large-sized companies. We have lined up outside capital if required and allocated personal resources to finance the business.

As such, **Block Party's core team pledges to self-finance our first year of operations rather than selling tokens we receive to fund working capital.** The only FCT we sell will be to cover tax liabilities from disbursements. We believe this is a standard that should be considered for adoption by all entities participating in the initial Authority Set, as it will greatly reduce downward price pressure in the FCT market.

Token Utilization

Block Party's interest in acquiring Factoids is chiefly as a means to efficiently produce entry credits required to power its various applications. Given that we will build these applications on top of a third-party protocol, it's also important for us to participate in the governance of the network, which can be accomplished through acquiring and staking tokens.

Grant Pool

If awarded one node, we pledge to defer 25% of our monthly Factoid dispersal to the community Grant Pool. If awarded two nodes, we would increase this pledge to 30% due to greater economies of scale. The remaining tokens will allow us to retain and attract valuable advisors into the community and build up entry credits to power new applications, all providing significant value to the protocol.

COMMUNITY GROWTH

We believe that in order for the protocol to flourish, it's imperative that participants work together to leverage everyone's collective experience, relationships, and expertise. While the community will need working groups covering a number of different disciplines, our team can assist by leading the following groups:

Entrepreneurship & Funding

Creating an entrepreneurial ecosystem around Factom will be an essential part of expanding the protocol's reach. This will require more than just ideas, but the business expertise necessary to turn good ideas into great businesses.

The members of our core team and our advisory board have extensive experience building, scaling and funding businesses at all levels of growth. **We will use our experience and connections in various industries to help the community create business plans and access capital to fund their endeavors.**

Marketing

The Block Party team will organize a working group of people with interests in the network's success to collaborate on marketing projects and efforts to increase the protocol's visibility, development and adoption -- from promotional materials to participation in industry events. We have already been involved in the earliest stages of this effort, contributing to initial discussions around how to improve community outreach and messaging.

More specifically, we will commit to **creating marketing and publicity materials**. Our team possesses the talent, experience and resources necessary to write and produce everything from articles to infographics to high production value video content introducing and/or explaining the benefits of the protocol to potential developers and users alike.

CONCLUSION

We are a professional team deeply committed to the success of the Factom protocol, and look forward to using our respective experience, expertise and industry connections to achieve this goal.

While we've presented what we believe is a compelling case for our involvement, we see this process as highly collaborative and invite feedback from the community. We are excited to play a small but integral role in helping Factom realize its considerable potential.