



Gala Film Litepaper

Updated: April 12th, 2024
Version 1.1



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VIEWS

 525.2k

NUMBER OF BACKERS

 189

TOTAL REWARDS

 25.3k

Introduction

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

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

Our unique model is designed to solve various problems in the current film production landscape. At the core of our ecosystem are a network of Gala Film Theater Nodes and \$FILM, the official token of the Gala Film ecosystem. Theater Nodes support the ecosystem as a whole by providing decentralized storage for film content and much more. \$FILM is a utility token and is used in all internal transactions, from crowdfunding new projects to purchasing theater rights.

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

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

Platform Overview

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

Tokenomics Guidelines

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

1.0. Token Supply

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

2.0. Token Distribution

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

Upon the launch of \$FILM, POPCORN! will no longer be distributed and will cease to exist once all users exchange their POPCORN! for \$FILM.

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

2.1. Operator Supply (50% initial)

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

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

2.2. Node Operation and Rewards (20% initial: split 17.5% to Theater Nodes, & 2.5% to Founders Nodes)

Gala Film Theater Nodes and Gala Founder's Nodes comprise the Gala Film ecosystem's Decentralized Physical Infrastructure Network (DePIN), rewarding users in \$FILM for supporting the ecosystem by running their nodes. These nodes host film content, which is erasure-encoded and sharded across multiple storage volumes for efficient distribution in the Gala Film Content Delivery Network. Tokens are generated or 'minted' in response to verifiable proofs of storage and retrieval.

Founder's Nodes are the backbone of the GalaChain ecosystem, and while they do not directly host film content, they still support Gala Film to enable some on-chain activity, bridging, etc. Tokens are generated or 'minted' in response to verifiable proof demonstrating support of the GalaChain and Gala Film ecosystem.

Distribution per node is calculated based on node uptime. The longer a node is online and supporting the ecosystem, the larger the daily reward.

NOTE: This assumes a node is running the specs required (please check the Gala Film site or Discord for the latest specs).

While node rewards are initially 20% of total \$FILM emission, the node reward allocation increases by ~2% annually.

2.3. Content Incentivization Mechanism (17.5% initial)

Publishers, Creators and viewers will receive \$FILM based on the amount of content consumed on the platform.

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

Gala users can receive \$FILM rewards by owning Gala Film NFTs called Moments. The more views a production gets, the larger the share in the daily distribution that production will receive - incentivizing Moment owning users to promote Gala Film and its various productions.

While Content Incentivization allocation is initially 17.5% of the total \$FILM emission, it increases by ~2% annually

2.4. Ecosystem Supporting Behaviors (12.5% initial and the keystone segment)

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

To reduce token allocation volatility, an average will be spread over 100 days.

2.4.1 Qualifying Actions (Day 1)

There are many actions which could potentially qualify as ecosystem supporting behaviors, and as more features are implemented, the list will grow.

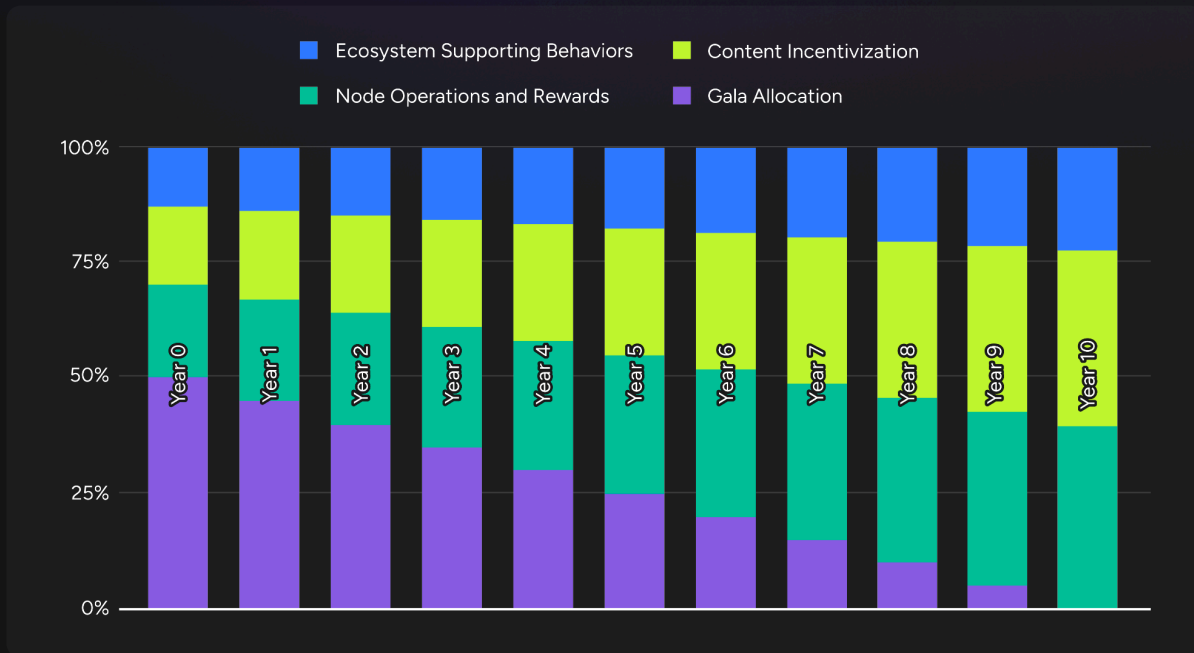
The list of these actions will be shared with users whenever it is updated, and users will be able to see which actions result in the greatest reward within any given distribution cycle.

Below is a list of the Ecosystem Supporting Behaviors that generate \$FILM at platform launch, as well as the distribution points generated by these actions:

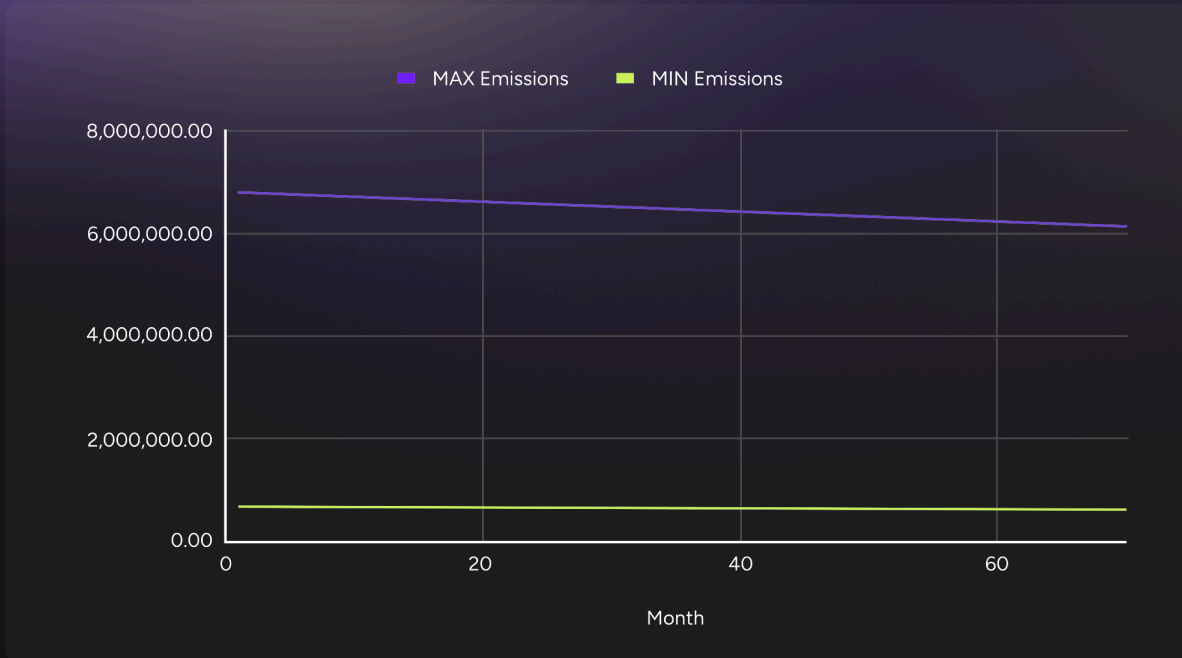
| ACTIVITY | DISTRIBUTION POINTS |
|---|---------------------|
| 1 Refer a friend who buys a Theater Node | + 1000 |
| 2 Refer a friend who opens a Moment Pack | + 50 |
| 3 Open a Moment Pack | + 20 |
| 4 Refer a friend who opens a Premiere Mystery Box | + 15 |
| 5 Refer a friend who watches a film or series episode | + 5 |
| 6 Operate a Theater Node Note: this is on top of the Node Operators allocation | + 2 |
| 7 Open a Premiere Mystery Box | + 1 |
| 8 Watch a film or series episode | + 1 |

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

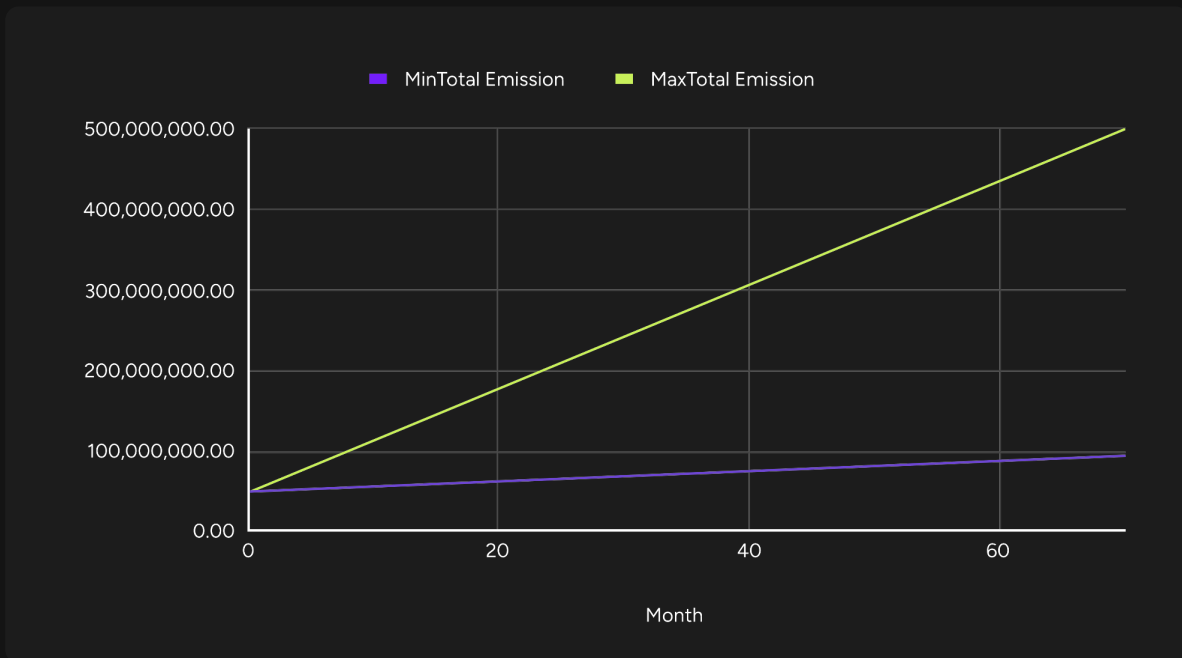
While the Ecosystem Supporting Behavior allocation is initially 12.5% of total \$FILM emission, it increases by ~1% annually.



Monthly MAX and MIN Emissions



TotalSupply Over Time (with Min and Max Emissions)



GALA FILM

10

MOMENT
PACK

10 Moments

Reveal Moments



Moments and Scenes

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

3.0. Components

3.1. Moments

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

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

| Rarity Levels | Drop Rate (%) |
|----------------|---------------|
| Bronze Moments | 60 |
| Silver Moments | 30 |
| Golden Moments | 10 |

3.2. Scenes

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

3.3. Reward Boosts

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

3.3.1. Scene Completion Boost

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

At launch, the Boost for completing a Scene will be:

| Scene Rarity Level | Boost |
|--------------------|-------|
| Bronze | 10% |
| Silver | 20% |
| Golden | 30% |

3.3.2. Full Series/Film Collection Boost

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

At launch, the MAX Boost is set at 50%.

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

Token Distribution Bonuses

At Gala Film, we are dedicated to nurturing a thriving ecosystem where users are incentivized to contribute positively. Our token distribution bonus system is designed to reward users for their engagement and activity within the ecosystem. There are currently two activities that can lead to a distribution bonus:

4.0. Existing Bonus Rewards

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

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

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

4.2. BT Orbs (sold in early 2022):

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

4.3. User Levels

Distribution to users is positively correlated with User Level. Each user will be assigned an User Level based on their activity and contributions within the Gala Film ecosystem. Watching, supporting, referring and collecting will all contribute to User Level. More detailed information on User Levels will be provided closer to \$FILM's Token Generation Event.

Gala Films recognizes that our community is at the heart of our success, and we are deeply appreciative of the contributions and enthusiasm of our users. The token distribution bonuses we've outlined are part of our ongoing efforts to express our gratitude and encourage further engagement. We look forward to working closely with our community to refine and expand these bonuses, ensuring that they reflect the values and aspirations we all share in building a dynamic web3 film proposition.

Crowd-Funding for Filmmakers

5.0. Content Crowd-funding

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

5.1. Token Locks and Delegated Fundraising

When users directly allocate their tokens to a specific film, they may receive tokens, early access keys, or Mystery Boxes at the discretion of the filmmaker which created the initial post for the film and is offering this opportunity.

If the film's target token allocation has been achieved, the tokens transfer to the filmmaker but will remain locked until they unlock according to a set schedule. However, critically, these locked token allocation can be delegated and sold, as a single unit, BY THE FILMMAKERS to potential investors in the space. This allows the Filmmakers who already take steps to raise funds for their films to decide whether they would like a slowly vesting block of tokens, or to sell them to a fund or VC interest. From an industry perspective, this is similar to bonds, which filmmakers typically get from specific jurisdictions to incentivize filmmaking and then which are resold to investors, allowing filmmakers to access the funds themselves.

The locks for contribution to a film project would be for a minimum of 90 days, or up to 18 months. This number would be determined by the individual filmmaker offering the opportunity. In the event that the filmmaker meets its target and is given access to these tokens, the lock automatically converts to a 24-month lock with a set vesting period. These locked tokens tranche can then either be held by the filmmaker or sold to another entity in exchange for fiat or other considerations.

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

Please review any materials from the filmmaker before you make any decisions.

6.0. Agent Incentives

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

7.0. Node-based Governance

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

7.1. Nodes Can

7.1.1. Content Moderation

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

7.1.2. Quality Control

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

7.1.3. Fee Structures

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

7.2. Nodes Cannot

7.2.1. Gate-keep Gala Activities

Theater Node operators have no power to determine whether a film comes to the platform or not.

7.2.2. Make Content Decisions

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

8.0. Long-term Governance

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

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

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

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

8.1. The Gala Film DAO

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

8.2. The Film Node Ecosystem

The Theater Node ecosystem, consisting of individuals or entities who operate Theater Nodes, will vote on technical and operational aspects. An enacted proposal must garner majority approval from both the DAO and the Node Ecosystem, creating a balance of power.

8.3. The Film Counsel

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

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

Conclusion

In conclusion, Gala Film is a full-fledged vision for reshaping the landscape of film production and distribution. Our ecosystem paves the way for a democratized and decentralized approach that directly addresses the inefficiencies and inequalities inherent in the current system.

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

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

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

Change Log

Version 1.1

- Updated Disclaimer Section
- Updated 3.3 Information on Rewards Boosts Related to Completion of Scenes.
- Updated 4. Token Distribution Section with amended Allocations
- Updated 5.1 Token Locks and Delegated Funding



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