FYC
Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television Entertainment

FYC Foundation
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Summary

Since blockchain technology and the token economy were born, different industries carried with the token began the reform based on the blockchain technology. Today, the global cultural film and television industry is involved in the fundraising, content copyright, contract signing, collaborative production, box office and derivatives; income dividend is the best fit for blockchain practice.

After decades of development, technology and content of the film and television industry is constantly innovative, but there are big issues inside the industry chain, such as plagiarism, contractual fraud, tax evasion, opaque incomes, difficulty in fundraising for small and medium-sized projects, monopolization, difficulty in protecting rights, etc. The further development of film and television industry is restricted. These problems, rather than blaming on institutions, are more of a traditional model that has not been adapted to the needs of new century entertainment film and television investors, producers and audiences.

Blockchain technology helps the film and television industry to create the most trustful environment, so that film and television investment and profits are transparent, direct dividends are possible, which will push forward the future reform of entertainment film and television and its derivatives companies. We believe that the direction of this change is: the combination of film and derivatives, the decentralization of fundraising and revenue, a film is an industry chain, the company will become a community, and contract will become smart contract. Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television entertainment has the ability and the responsibility to lead this change. Therefore, we launched FYC.ONE.
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I. Project Background

1.1 Development status of film and television industry

Film and television is a special product with perfect combination of culture and art, inspiration and creativity, science and technology. It has the butterfly effect of attracting eyeball and spreading at a high speed. It has extensive social influence and spreading power. With the improvement of material living standard and the increasing demand for film and television entertainment industry, film and television works have become an important part of people's spiritual and cultural life all over the world. As one of the most effective and direct means of cultural communication, film and television can cross the language barrier and transmit the excellent culture of different countries, different color and different race to every corner of the world.

By data analysis, when per capita GDP is close to or exceeds $5,000, there is an explosive growth increase in cultural consumption. The International Monetary Fund (IMF) released a ranking of the world's per capita GDP in 2018, and per capita GDP of 100 countries out of 189 countries is over $ 5,000, of 52.9% of the total. Luxembourg ranked No.1, as high as $ 113954.417, while the United States ranked No.7 as $ 62517.530; $ 41615.923 as in New Zealand, $ 40105.780 as in Japan ranking 24; it is $ 9633.09 in China. We can see that the world is in a good period of cultural consumption development, and the ability and level of cultural consumption meets a golden era.

![Map of per capita GDP rankings](image_url)

Taking the film industry as an example, the global film market has maintained a steady growth in recent
years, driven by the emerging film industry, especially the Asian film industry such as China. With the global market growing at about 4% in recent years, North America, the world's largest film market, is basically saturated, and the dominant position of American films in the world remains obvious.

Figures show that the global movie box office reached a record high of $40.6 billion in 2017, a 5% increase over the same period than in 2016. The global film market is booming and the demand is booming.

![Box Office Revenue in the Global Film Market 2013-2017 (unit: in US $1 billion)](image)

Under the impact of new media represented by Internet, especially mobile Internet, the film industry has not only entered the era of full digitization, but also the production, distribution, screening, marketing and copyright trading of films are all under the influence of digitalization and Internet.

### 1.2 Film and television derivatives

#### 1.2.1 Current situation of film and television derivatives market

Movie and TV derivatives refer to a series of services or products that are available for sell through the development and design of professional marketing professionals utilizing the visual product image in film and television productions, and they are different forms of development that can produce economic and cultural value for the relevant content in the film. Such as audio and video products, book novels, games, toys, animation image models; At the same time, it can extend to a wide range of fields by means of visual image authorization, such as film and television themed food and beverage, café, hotel, bookstore, KTV, park and other tourism industry and
service industry, which constitute the value-added chain of film and television entertainment industry.

In Hollywood, which has a well-established film and television industry, derivatives earn more than twice as of at the box office. "Star Wars", the highest-gross film in history, has created a $1.8 billion of box office miracles, while its derivatives worth $4.323 billion. It already becomes a long industrial value chain of business empire. The Lion King spends $ 4.5 million on animation, and its derivatives are now sold for more than $ 2 billion.

However, throughout the whole film and television industry, for the most majority of film companies, the box office counts the main measure of the income, some film production with the better quality, more successful business operations, although the box office is successful, it ignored the development of film and television derivatives, Its cultural and commercial values have not yet been maximized. Today's industry chain of film and television culture has established an operating system of "investment - production - issuance - marketing - broadcasting - development of derivatives". In practice, however, there is a huge gap among different countries, different regions and different companies. Facing the strong market demand, the development of film and television derivatives is imperative.

1.2.2 Broad cultural and economic values

Under the background of globalization, the development of film and television derivatives will play a very important role in the development of film and television entertainment industry. It will get rid of the present situation of market profit model of film and television play, reduce the risk of investment in film and TV play, and promote the diversification of main investment of film and TV entertainment industry, marketization of the main development, systematization of operation subjects while meeting the consumer culture demand, it will make film and television entertainment industry form a healthy cycle value chain, promote the development of film and television entertainment industry, produce extensive cultural and economic value.

① Extensive cultural value
Film derivative development has a strong effect of cultural and expansion, and the strong cultural impact it forms can produce the effect more than expected. Countless Hollywood movie derivatives were successful in the market, and the culture and values they advocated permeated every corner in the world.

② Huge economic value
The film and television industry has flourished and the derivatives have become a new gold mine. The development of movie and TV derivatives will play an extremely important role in promoting the development of
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film and television entertainment industry, which is a significant part in the film and TV cultural industry chain. It increases the added value of products in the film culture industry, benefits the return of film funds, makes film investment more stable, and enables investors to obtain stable returns. It can continuously create new wealth, develop and form a brand effect. It is not only a means of movie publicity, but also a sharp weapon to expand the market.

1.3 Fundraising financing

Crowd fundraising is public financing, which means that the project founder show their creative projects in front of the public through the Internet crowd fundraising platform and strive for public support, thus achieving the purpose of raising funds.

Film and TV industry fundraising first. The traditional financing methods of the film and TV industry include bank loans, private equity financing, multi-party cooperative shooting, special funds of films, pre-sale financing of films and listing financing. Due to the unusual aspect of the film and TV industry, the traditional financing mode has many problems, such as high financing cost, high investment risk (due to the weak liquidity of intangible assets owned by film and TV enterprises, it is difficult to reasonably estimate their value and assess the rate of return), and difficulty in financing small and medium-sized projects. Crowd fundraising breaks through the sources of traditional financing, which can only be conducted through banks or other financial institutions. Small and micro projects can solve the problem of financing difficulties through public financing.

Crowd fundraising has the advantages of low financing cost, high financing efficiency and low investment risk. Crowd funding provides a new way out for small and medium-sized film and TV enterprises to raise funds. Many creative project teams that lack financial support can obtain financing from crowd fundraising platforms, which is much easier than bank loans.

1.4 Pains in this industry

The film and TV industry is a resource-intensive and capital-intensive industry, forming a huge industry chain around the film and TV productions works themselves. Investment and financing, production, production, production, distribution, content copyright, derivatives, income dividends and other related processes involve mixed interests. Plagiarism and piracy, super high priced film remuneration, dual contracts, single and opaque income, crowd funding fraud, oligopoly, and delayed dividends are real problems. As these problems continue to be exposed, the stigmatization of the film and TV industry has increased, affecting the sustainable development of the film and TV
industry. The most essential reason for all these problems is the lack of trust and the inherent shortcomings of the film and TV industry, which cannot be solved by systems and policies alone. The traditional mode can no longer meet the needs of investors, producers and audiences of film and TV culture in the new era.

The difficulty in the development of movie and TV derivatives lies in:

(1) The core of the film and TV industry is copyright economy. Piracy is rampant and intellectual property rights cannot be reasonably protected.

(2) The product lacks creative selling points; the product form is single; the design is rough, the high-quality talents for the design and production of movie and TV derivatives are still in short supply; the design does not match the demand and fit the connotation of the work;

(3) The quality of films and TV plays restricts the space for derivatives development. Tremendous film and TV productions are created every year in the world, however, there are few high-quality products and there is a lack of good IP for derivatives development;

(4) The industry chain is not perfect, with shortage of many links, planning and marketing. Usually, derivatives are demonstrated to the audience only to create momentum for the movie, which may soon fade out from consumers.

Although crowd funding has provided a new path for many small and micro projects, its limitations lie in: It is small in scale and cannot raise funds to the maximum extent; There are some credit risks caused by lax supervision and inadequate disclosure of crowd fundraising platforms, which make it impossible to effectively use idle market funds that are willing to invest in films and TV.

1.5 Solutions

How can the film and TV project team obtain sufficient funds with low cost and high efficiency in the early financing process? How to create a long-term value chain covering the whole industry chain so that investors can invest without worry? How to produce better quality works in the process of medium-term production? How to maximize the value of film and TV productions through distribution and content copyright authorization in the later period? How to improve the movie and TV derivatives industry chain, layout and design derivatives in advance, so as to expand the cultural value and economic value of film and TV productions, and achieve mutual benefits between culture and economy in commerce?

The success of movie and TV derivatives depends on the quality of the movie itself and the accuracy and appropriateness of the development strategy. The success of crowd funding movies cannot be achieved without
good team, good economic management model and a high-quality crowd fundraising platform.

All these questions come down to one common answer, the credible industry environment.

II. Blockchain

2.1 Birth and development of blockchain

Since the 1870s, with the rapid development of cryptography, distributed networks, consensus algorithms and hardware storage and computing ability, the conditions for establishing a consensus mechanism among multiple agents through technical means have become increasingly mature, providing a brand-new solution for solving the trust risks of intermediaries in a multi-agent environment, reducing transaction costs and improving collaboration efficiency.

In 2008, Satoshi Nakamoto published a paper entitled *Bitcoin: A Peer-to-Peer Electronic Cash System*, which describes in detail how to create a decentralized electronic transaction system. This system does not need to be built on the basis of mutual trust between trading parties. It is the first time that a consensus mechanism among trading subjects has been established through technical means. The blockchain technology is the basic technology that constitutes this electronic transaction system.

![Diagram of Bitcoin System Operation](image)

Since its birth in the past ten years, it has experienced ups and downs. To this day, developers all over the world are still working hard and exploring, and blockchain is combining with various industries to produce brand-new application scenarios. Blockchain is not only a technical framework, but also represents an ecosystem framework. It is called the "trusted machine" based on rebuilding trusted production relations.

The digital cash application represented by Bitcoin is called Blockchain 1.0, and it is mainly used for functions of money such as payment, circulation and finance; The generation of Ethereum announced the arrival
of the Blockchain 2.0. Ethereum is another pioneering blockchain project after Bitcoin. Ethereum creatively combines smart contract with blockchain, solves the problem of commitment fulfillment among trading entities by automatically triggering executable electronic contracts, and effectively promotes the further development of industrial application of blockchain. Recently, Wall Street JPMorgan Chase issued JPMCoin by using Ethereum technology, becoming the first investment bank in the world to formally enter the field of digital assets, blazing a trail.

Blockchain 3.0 is dedicated to solving the congestion problem of distributed systems, improving concurrency and transaction processing speed. Up to now, there has not been a universally recognized benchmarking public chain, and the application of blockchain has gone further beyond the economic field and attempted to carry out large-scale cooperation in the fields of science, health, education, etc.

2.2 Feature of blockchain technology

Blockchain technology is considered as the next generation of value Internet, which will disrupt the current internet model and lead the Fourth Industrial Revolution after steam engine, electricity and Internet. Blockchain is essentially a distributed ledger system, while digital cash is the incentive of the system to the workload of recording nodes.

Blockchain technology is to verify and store data by chained-block data structure, to generate and update data by distributed node consensus algorithm, to ensure the security of data transmission and access by the method of cryptography, and to program and manipulate data by smart contract made up of automated script code. It is a new form of distributed infrastructure and computing paradigm.

a. Distributed data store, that is, decentralization. Derived from the development of database technology, hardware storage and computing ability as well as peer-to-peer information transmission between agents, the size of blockchain continues to rise over time. The mature Hardware Storage and Computing Ability makes it possible to simultaneously store large amounts of the same data between multiple agents;

b. Shared Data. Derived from consensus algorithm, various agents participating in blockchain automatically reach consensus through the assigned decision-making mechanism, and then share the same credible data ledger;

c. Anti-modification and Privacy Protection. Derived from the application of cryptography, the security of the agent identity and the common information is ensured through cryptography tools such as public keys, private keys and hash algorithm, etc.;
d. Smart Contract. Derived from virtual machine technology, the generated cross-agent digital smart contract is written into blockchain system, which drives the execution of the digital contract through the preset trigger conditions.

![Data Sharing Diagram]

**2.3 Smart contracts and tokens**

Smart contract and tokens economy are the two directions being highly discussed and pursued in the current blockchain field.

**2.3.1 Smart Contract**

The essence of blockchain smart contract is a set of contracts in digital form, which is strictly enforced by computers. In the way of execution, the usual contract is executed afterwards according to the person’s wish; while smart contract is objectively determined by the computer program to ensure that the contract is executed in a timely manner after the trigger condition is satisfied.

Digitizing assets into blockchain or anchoring assets with blockchain, using smart contract to describe commitments to asset relationships, meanwhile the execution and results of smart contract are strictly documented by blockchain. With these steps can compliance costs be reduced and efficient performance ensured. Blockchain smart contract brings a new, more precise representation of the "contract" as well as a more objective and rigorous implementation.

Since contracts are the foundation of all activities in the civilized society, this change will have a broader social impact. In the distributed system of blockchain, smart contract is the foundation of all innovation and
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2.3.2 Token Economy

Token, defined as a circulated encrypted digital proof of equity. After Bitcoin, anyone can issue a custom token based on ERC20 standard on Ethereum. Since token is the main way to achieve economic incentives in blockchain, the new token ecosystem is formed based on it. This concept has become increasingly popular. The token economy is the Internet of Value, allowing each individual and organization to issue token based on their own labor and productivity to form a self-financial paradigm. The large-scale group collaboration based on token enables each value-creating role to share value fairly, thereby to fully mobilize the motivation of participation, and then to set up a self-organizing form, which will be a subversion of the company system.
2.4 Film and TV entertainment industry

The continuous development of blockchain technology and the ensuing enthusiasm of token have aroused extensive attention in the financial sector and industrial economy. Various types of blockchain projects have sprung up tending to cover the whole industry. In order to maintain competitiveness in the new era, traditional enterprises have explored ways of combining blockchain technology with original businesses to empower the traditional businesses. A certain foundation of trust is required for traditional business development. For businesses with difficulty in trust establishment and high maintenance cost, such as business scenarios with characteristics of data credibility, contract fulfillment, historical traceability and long-term chain, etc.

Film and TV entertainment industry often has the characteristics of large-scale collaboration, complicated production processes, long industry chain and multi-stakeholders involvement. With the cost of tens of millions or even billions, the time period of a film is often calculated in years. The crowdfunding, content copyright, contract signing, collaborative production, box office and derivatives, income dividends involved in the film production process are the most proper application areas of blockchain. Blockchain technology will provide very effective help.

2.4.1 Film and TV Investment

(1) Reduce the investment threshold: Smart contract can provide entrusted payment services, which means that both funds and ownership will be stored in the system and distributed to the participants at the same time. In addition, the transaction is witnessed by hundreds of people, thus ensuring that the delivery is error-free and that there is no need for a middle man between the parties, thus eliminating the problem of the premium of the film investment companies.

(2) Reduce investment risk: It is the token of the film and television company that is invested, and the amount of income does not depend on a single movie but on the overall income of the company. This diversifies the risk of investing in a single movie and reduces systemic risk.

(3) Diversified return on investment: Token is the share, if the company is operating well, not only you have the return on investment, but also the return of the token value increase.

(4) Efficient investment return: The combination of smart contract and tokens makes the return on investment direct to the account, without any intermediate link or long waits, which greatly shortens the investment cycle of the film and TV entertainment industry.
(5) Transparent funds management: With the blockchain technology, each fund expense will be recorded by multiple nodes in the chain. The process is transparent, cannot be modified and easy to be supervised by investors.

2.4.2 Film Production

As an art category, there should be more possibilities for film and TV culture, however, the traditional film and TV industry has settled over the years to form a pyramid structure. Whether it is a writer, director or actor, it is difficult for newcomers to get a good opportunity. This is determined by the characteristics of the traditional industry economy and the commercial markets, and any industry will eventually lead to an oligarchy.

Therefore, in the film production, the choice of a script, picking roles and director is always determined by very few people. Blockchain will change this phenomenon from the perspective of the underlying production relations. Through the way of token, more film enthusiasts, film and TV investors and ordinary people will be involved to determine the direction of a movie together. More film and TV career persons will be given the opportunity to realize their personal value. Harry Potter, by the British writer J. K. Rolin, was initially rejected by publishers. It eventually became one of the most successful best-selling books in the world. The reason is that thousands of thousands readers are indispensable.

2.4.3 Film and Television Copyright Protection

Copyright is of paramount importance in the film and TV industry, and Harry Potter’s revenue in the full copyright industry chain reached $22 billion in 2015. However, under the traditional rules, it is a consensus that it is difficult to protect copyright of the film and TV industry. The emergence of blockchain has brought new hope to the copyright protection of film and television. The copyright information of a new film and television production is permanently stored after being written into blockchain and cannot be modified. In the case of copyright transactions, there is no third party, which reduces the cost of payment to the intermediary platform and improves the efficiency of copyright transactions.

2.4.4 Film and Television Publicity and Distribution Promotion

In the traditional film production structure, propaganda and publication account for a considerable proportion. The introduction of blockchain can provide a decentralized, distributed and community-based propaganda model
in addition to the original centralized and channelized propaganda means. Designing smart contracts accordingly, establishing incentive mechanisms and guiding the audience to spread spontaneously, which will greatly reduce the cost of propaganda and publication.

2.4.5 Film and television derivatives

The essence of movie and TV Derivatives is fans’ products. Only when they like a movie can they have a demand for its derivatives. In addition to good planning and design, the most important prerequisite for its successful development is still the financing. The application of blockchain voting can help to solve the problem of crowdfunding for the development of film and TV derivatives. In the blockchain community, fans vote for their favorite derivatives projects with token in hand, which helps film and TV derivatives developers solve the financial problem.

As the film and TV derivatives are released with successful development, the anti-counterfeiting traceability of blockchain technology can also help film and TV derivatives to achieve copyright protection and completely eradicate pirated copies. And the underlying architecture of blockchain technology can also be applied to establish anti-counterfeit traceability mall. Token is used as the exchange medium to maximize benefits as well as facilitate fans.

III. Concept of design

3.1 Concept of design

When derivatives of Film and TV Culture encounter blockchain, it is undergoing a rebirth. The birth of blockchain-based Token makes it possible for asset investment and income to be fully transparent and direct dividend. This will promote the reform of film and TV culture and its derivatives companies in the future. We believe that the direction of this change is: the combination of film and derivatives, the decentralization of fundraising and revenue, a film is an industry chain, the company will become a community, and contract will become smart contract. Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television entertainment has the ability and the responsibility to lead this change.

Therefore, we launched FYC.ONE—— Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television entertainment.
The idea of FYC.ONE is that movies link everything and consensus creates value. The platform aims to mobilize the initiative of all individuals and groups involved in the investment, production and income of film and TV cultural projects through the distribution of super-Token eco system, so as to form a cash flow and direct dividend sharing platform with film and TV culture as the carrier as well as increasing on-demand and box office, disseminating and selling derivatives as the main revenue. It is an autonomous, efficient and transparent crowdfunding and direct dividend platform for film and TV productions. Voters can reassure themselves of gains. Producers can do things with ingenuity and maximize their value without worrying about the fairness and transparency of the platform, the rationality of the funds allocation, or the security and speed of their voting and dividend management system.

3.2 Executive plan

3.2.1 Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television Entertainment

In the past, crowdfunding earnings were single, opaque and delayed in dividend distribution. The earnings were collected by the central system and then redistributed, which posed a systemic risk. While in FYC platform, the application of blockchain technology in voting for crowdfunding can completely avoid the above problems, truly realize the decentralization of crowdfunding and income, and screen out more high-quality film and TV productions.

Digital assets are used for voting, and the value of digital assets is used for voting implementation. Script, director, protagonist, commercials placements and IP derivatives are all crowdfunded by the public voting. A certain number of digital assets are as one vote, and voters need to consume digital assets to vote on the works and products they support. Once a crowdfunding project generates earnings which is the profit generated by the investor's investment, it goes directly to the crowdfunding account according to the voting proportion of the participants, without any intermediate link.

For example: If a viewer bought a $10 ticket at the ticketing platform or cinema reception, and voting percentage of the participant is 10%, then 10*33%*10% = $0.33, which will go directly to the participant's account.
3.2.2 Combination of Movies and Derivatives

Movies must be combined with derivatives in order to maximize their cultural and economic values and deliver more reliable expected returns to investors. In other words, systematic planning and production of derivatives should be started at the initial stage of film and television, animation preparation. Professional design teams and marketing personnel should be recruited to explore the selling point elements in the film and try to be same as the images of the work with professional and unique design. While creating the content of the work, try to keep close to the image of the work, promote derivatives through various marketing means to bring the product into the consumers’ vision proactively and create a consumption atmosphere and psychology to guide and stimulate consumers' consumption intention, and sell derivatives in advance or synchronize with the release of movies. Then the market can be occupied preemptively.

So voting crowdfunding is the key. Through blockchain-based FYC Voting Dividend Direct Platform for Film and TV culture derivatives, with the FYC Token vote, to select the first one and to provide derivatives development funds.
3.2.3 Make contract smart contract

A lot of contract frauds in the film and TV industry have called worldwide attention. The contract is a written proof of the agreement between the two parties, and there is much space for falsification and manipulation before the smart contract emerged. In the film and TV productions invested and produced by FYC, as well as community investment and operation, any contract signing involved shall be linked to the smart contract. Once linked, the system will automatically stamp the time stamp. The contract content shall not be falsified, duplicated or destroyed, and the contract can be kept permanently for easy viewing. Therefore, information transparency and fairness can get best guarantee.

3.2.4 Company community

Blockchain is international and borderless since it emerged. Bitcoin has been running steadily for ten years in the form of community autonomy. In the future, the traditional boundaries of countries, regions, cultures, institutions will be broken. FYC.ONE is not a traditional company. It has taken a key step in the evolution of crowdfunding dividend sharing platform to the community by issuing FYC token. FYC community is an open and transparent, Tokenized organization, and FYC (Frenzy Coin) represents all the rights and interests of the FYC.ONE trading platform. FYC community.

As Token economy, FYC is an economic form with more marketization, higher liquidity efficiency, more rational distribution and stronger incentive function. It will bring about two important impacts. On the one hand, it will make assets Tokenized and occasionally bring about efficient transactions, which will enable all individuals to participate in financial activities and create a new financial system. FYC enables ordinary people to participate in the crowdfunding of a hundred billions film and gain profits from it. On the other hand, based on Token’s incentive and social attributes of the token, all organizations will evolve into a Token economy, and it redefines the human economic system and organizational relationship dominated by the company system, and make the company community.

FYC initiates the models of "learning is mining", "sharing is mining", "voting is mining", and "shopping is mining". All positive contributions to the platform will be rewarded by FYC, and 20% of FYC will be rewarded to the community by learning, sharing, shopping and voting. FYC is a community-based organization of film and television cultural derivatives, and co-built, co-owned, co-governed and shared by all FYC holders.

Distributed organizational form of blockchain and community spirit of co-construction, sharing and
3.2.5 Film and TV Derivatives Anti-counterfeiting Traceability Mall

The emergence of blockchain makes traceability possible. The Project of Movie and TV Derivatives is still threatened by infringement problems like piracy and plagiarism after it is successfully incubated and listed in FYC Community. In order to crack down on fake and inferior products from the root, and to enable FYC Community members and the wider group to buy genuine products, the FYC Foundation set a precedent and established the first Film and TV Derivatives Anti-counterfeiting Traceability Mall in the world, namely FYC Film Store. FYC Community members can use FYC tokens in FYC Film Store to exchange and buy favorite movies at will.

FYC Film Store adopts the underlying technical architecture of blockchain, and utilizes the decentralized and
non-tamper features of blockchain to trace the entire process of Movie and TV Derivatives. Information of every process is automatically recorded in the chain, including raw materials, production, warehousing, logistics, etc. After receiving the goods, the buyer just scan the QR code on the goods to get all the data.

IV. Core value and differentiation

The core value of FYC. ONE is: With the support of blockchain technology, the investment threshold of Film and TV Industry has been lowered, so that the sense of participation, sense of value and income can be obtained from the joint investment. Joint investors in the Film and TV Industry shall make their income transparent, vote on the direction of the project according to the proportions of ownership, and share the independent IP and IP income of the project. Each FYC holder has the right to participate in the voting and selection of films, screenwriters, directors, and actors. IP use and Derivatives are also voted and decided by FYC holders. The income is completely transparent and open after voting.

V. Technical support

FYC.ONE is based on the architecture of financial core system, sidechain, lightning network, IPFS protocol and other advanced blockchain technology, forming a leading management system of digital assets in the industry.

5.1 FYC platform architecture

FYC Platform consists of system bottom Layer, Bass Platform Level and Business Application Layer. For the FYC application scenario, FYC architecture design focuses on high concurrency, low latency and storage of big data on the chain. The transformation, research and development of the underlying technology are emphasized to better serve different scenarios of FYC and provide a smoother and more natural blockchain application experience.
## Technical framework

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<td>Component layer</td>
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<td>Member management components</td>
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<td>跨链通信组件</td>
<td>Cross-chain communication components</td>
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<td>共识验证组件</td>
<td>Consensus verification components</td>
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<td>智能合约组件</td>
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<td>协议层</td>
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<td>成员接入准则</td>
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<td>账本数据储存</td>
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<tr>
<td>系统底层</td>
<td>System Bottom Layer</td>
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</table>

**Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television Entertainment**
5.1.1 System Bottom Layer

The system bottom layer, as a distributed database, adopts the latest encryption technology in FYC data network to protect FYC data. On account of the limited storage capacity of blockchain, additional storage is required to effectively store the data of FYC users, and system bottom layer provides this function.

User data generated in FYC applications and transmitted is typically encrypted in the application layer via the FYC SDK before it is further transmitted, which enables no one but the data holder himself to read the original data. The system bottom layer can be accessed through the Bass platform level of FYC. In addition, based on system bottom layer, FYC establishes a fully functional blockchain deployment and access tools, in order to allow the users to realize one-click deployment and management of their own blockchain network nodes. Through the design of data fragmentation, and the schemes including distributed storage system, a decentralized user data storage scheme is established, and user big data storage management platform of blockchain is provided.

5.1.2 Bass platform level

The Bass platform level provides all the core functions including connecting FYC business applications with the system bottom layer, and managing user information. Driven by blockchain, with the information stored in blockchain as the basis, Bass platform level performs the data input/output function by connecting with the system bottom layer of FYC. Inside, the Bass platform level can be divided into smart contract based on the Ethereum Virtual Machine (EVM) and the section which connects the application layer with the system bottom layer. The smart contract includes account information containing FYC currency information and links to the user's data in system bottom layer. In FYC, the possible operation cost of platform is reduced by minimizing the amount of data stored in blockchain containing smart contract.

5.1.3 Service application layer

The FYC business application layer is a general designation of all applications that use the platform for user information management and utilization, which includes applications of all forms in both mobile and network environments. Through the Bass platform level, these applications can access the data in the platform. Developers
can easily and quickly develop applications to connect FYC using the SDK, API, and development protocols provided.

5.2 Side chain DAPP application

The flexibility of the side chain is manifested in that all blockchain parameters can be customized, such as the simple block interval, block rewards, direction of transaction fee, etc., and the advanced users can also modify the consensus algorithm. The most important thing is business logic. You can easily develop business-related transaction types or smart contracts on the side chain.

FYC Voting Dividend Direct Platform for derivatives of Film and Television entertainment is the DAPP (distributed application) programmed on the side chain, which is more convenient for mobile users to use and operate in mobile Internet era.

5.3 Store user date on the chain

IPFS (INTER PLANETARY FILE SYSTEM) protocol is a general decentralized storage facility. Based on IPFS, users can build version control, blockchain decentralized applications etc. for file storage. With IPFS as the storage service of the blockchain platform bottom layer, the single node can decentralize data within an application without the need for full redundancy, thus achieve the result of data partition and slice, and improve the throughput performance of the system. FYC conducts secondary development to IPFS to build a suitable user data storage engine, construct user personal files through the data storage chain.
Blockchain-based Dividend Sharing Platform for Voting Derivatives of Movie and Television Entertainment
VI. Development Roadmap

Launch DAPP

2019.2

2018.11

2018.7

2018.6

2018.5

2018.4

2018.3

2018.2

2018.1

2017

2015

2014

Launch FYC film store

Launch FYC identity authentication system

Set up 100,000 FYC clubs

Broadcast the world’s first blockchain talkshow—Blockchain Age

Start Film and Television Company; research and develop film and television copyright blockchain

Internet marketing training and community marketing

Operate Cultural Artwork Exchange

Research and develop Ethereum ERC20 FYC token

Launch FYC Wallet, dedicated to the tokenize derivatives enterprises.

FYC tickets: to launch online ticket-purchasing system

Build the first community
VII. Six application scenarios

<table>
<thead>
<tr>
<th>Blockchain + 身份</th>
<th>Blockchain + Identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>推广客户，增加电影点击率和票房</td>
<td>Expand customer base so as to increase both movie lick rate and box office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blockchain + 协同</th>
<th>Blockchain + Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>影视制作：从培训人到电影制作发行，导师、编剧、导演、演员、剧务、发行。</td>
<td>Film production covers from staff training to movie production and distribution, which requires instructors, scriptwriters, directors, actors, stage managers and film distributors.</td>
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</table>

<table>
<thead>
<tr>
<th>Blockchain + 金融</th>
<th>Blockchain + Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>电影众筹、分红、区块链上合同存证。</td>
<td>Film crowdfunding, dividends and blockchain contract certificate.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blockchain + 珍品商城</th>
<th>Blockchain + Treasure Mall</th>
</tr>
</thead>
<tbody>
<tr>
<td>赞助植入：每一家产品可溯源、防伪。</td>
<td>Sponsorship and product placement: to make sure every product is traceable and authentic.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blockchain + 版权</th>
<th>Blockchain + Copyright</th>
</tr>
</thead>
<tbody>
<tr>
<td>文娱版权、购买版权</td>
<td>Entertainment copyright and copyright buying</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Blockchain + 公益</th>
<th>Blockchain + Public welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>社会公益、助学、扶贫</td>
<td>Social benefits, fellowship and poverty aids</td>
</tr>
</tbody>
</table>

FYC has six applications scenarios which include identity authentication, project crowdfunding, content copyright, team collaboration, authenticity and traceability, and public welfare. Identity authentication is to
determine the authenticity of identity through phone number, ID card and facial recognition. Consumption quota determines the grade of membership; referral codes recognize and lock referral relationship; register and encrypt customers’ information so as to keep it modify-resistant and protect their privacy. Project crowdfunding refers to the use of digital assets to vote on film and television roles, film and television project and derivative project, reflecting the support for a certain project. Through the registration of courses, scripts, films, music, trademarks, patents and other works on the blockchain, the content copyright can be confirmed, divided, traded, shared and collected. The blockchain has led to major changes in production relations, and self-organizing forms is about to emerge. The blockchain technology is applied to create an authenticity and traceability supply chain for derivatives, and on this basis, the treasure mall comes into being. Meanwhile, FYC’s fund management and financial support for public welfare play an important role.

**VIII. Five Value Scenarios**

FYC Fund will build five value scenes around the fields of wallet, store, club, instant messenger, and video, in order to provide sufficient conveniences for FYC community members to invest, to share knowledge and hobbies, to communicate online, and to recreate.

**FYC Wallet:** FYC holders can use it for red packet distribution, buy back, dividends-receiving and interest.

FYC Film Store: FYC holders can use it to vote for favorite movies, to buy movie tickets or derivatives, to buy back and to bear interest.

**FYC Club:** FYC holders can use it to learn relevant knowledge in the industry of blockchain or movie, predictions on the future trend of development, experience sharing from the teachers in the industry, and nodes communications from different regions.

**Deep Pit:** FYC holders can use this instant messenger to distribute red packets, to buy back, to receive dividends, to bear interest, and to exchange. Through studying, holders can get more FYC.

**Mine Video:** FYC holders can use Mine Video, an application in the fields of small video and webcast, to achieve FYC investment, FYC earning, and FYC consumption by giving a thumb-up, or sending gifts by the watching video.
IX. Strategic cooperation

FRENZTCOIN Blockchain Technology Ltd.

FRENZTCOIN is a world-leading Blockchain Technology Corporation, which focuses on the innovations of the blockchain technology and products. It provides complete blockchain digital assets management system for companies and has developed Token Chain, a highly-performed life cycle management platform for blockchain digital assets, which enables business scenarios of various industries to be tokenized with top speed, and satisfies the needs of complicated and different business scenarios.

FRENZTCOIN takes the lead in the industry in proposing the concept of TAAS (Token as a Service), which makes tokenization as easy as surfing online. By achieving the value circulations of real scenarios and business through tokenization, like value achievement, value transfer and value payment, FRENZTCOIN is dedicated to build a new generation of circulation network for token value.

FYC Studios

FYC Studios is dedicated to execute integrated projects of culture industry, like filming, producing, distributing, literary and artistic creation, venture capital investments of Film and TV funds, and incubation of the rising young screenwriters. Moreover, FYC film and TV also actively explore new ways of resource integration and development for a lot of industries and take an active part in investing and filming excellent film TV Productions.

FYC club

FYC club is the first systematic learning platform combined with blockchain knowledge popularization, blockchain asset value investment and enterprises tokenized in the world. FYC club will devote to provide its memberships with the latest, most complete, and deepest consulting services of blockchain and build a platform to communicate environment and resources sharing for a large number of blockchain lovers and entrepreneurs, which will promote technology development of blockchain and ecological construction of communities.
X. Team background

Jeff Walt Founder
PHD of Columbia University, majoring in film. He used to engage in Film and TV Industry for many years and worked at Paramount Pictures, Inc. He has had a deep insight on Film and TV Industry. He has mainly researched in blockchain field in recent years. And he used to serve as a development consultant of blockchain equity transaction platform at YN chain company.

Riley Clayton CTO
PHD of Computer Science, University of California Los Angeles He has had working experiences in Computer Science and Technology field for many years. And he used to serve as a CTO at Bithumb. His present job is including blockchain, data mining and algorithm optimization etc.

Luke Andrew Stannard Market Consultant
Luke Andrew Stannard is the core member of Financial Giant Riggers Family, who owns very abundant experience in film and TV, science and technology and finance industry. He has focused on blockchain industry in recent years and chiefly invested to blockchain start-up project. He used to invest some projects including Ethereum, Dragonchain and RSK etc.
XI. Foundation governance

The headquarter office of FYC foundation is located in Singapore, which is a non-profit organization. FYC foundation will devote to the development construction, project transparency, and project promotion work of FYC and promote the safety and harmonious development of Kaiyuan ecological organization. Besides, this foundation will make favorable governance construction and help manage all matters of the project with a major aim for promoting project sustainable development, management effectiveness and the security of raising fund. FYC Foundation will maintain community operation. In the blockchain world, trust and cooperation is the foundation, and we implement community autonomy to work on establishing a high-quality blockchain community.

XII. Risk control management

It is expected that some economic disputes and uncontrollable factors will happen when the total circulation of FYC reaches a certain scale and the ecological scale is large enough. As a result, when FYC reaches 50% of its total circulation in the secondary market, the founder team will set up a Risk Fund around the world with 1% of its total circulation to address issues and prevent potential risks within the system.
XIII. FYC Distribution and allocation

13.1 FYC Issuance

Frenzy Coin (FYC for short), with a total circulation of 1 trillion, promises never to do Private Placement.

13.2 Distribution of FYC

<table>
<thead>
<tr>
<th>Name</th>
<th>Allocation proportion</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The early investor(s)</td>
<td>10%</td>
<td>The early investors refer to angels and seed round, which provide early financial support for projects. For the sustainable development of the project, the release period is 4 years, with 25% released annually.</td>
</tr>
<tr>
<td>Founder team</td>
<td>20%</td>
<td>The founder team is mainly technology and R&amp;D teams, which leads to the birth of the project directly. In order to make a sustainable motivation, the release period is 5 years, with 20% released annually.</td>
</tr>
<tr>
<td>Market operation</td>
<td>20%</td>
<td>Market operating expenses is not small, including marketing, promotion and brand construction expenses, etc. The continuous operation of the project needs to bring in more excellent talent.</td>
</tr>
<tr>
<td>Community construction</td>
<td>50%</td>
<td>The final form of FYC is community autonomy. In order to encourage more community members to make positive contributions to the community, 50% of total token are given to community motivation. The release period is 10 years, 10% of which are released annually.</td>
</tr>
</tbody>
</table>
13.3 FYC Holder's Equity

In the FYC Voting Dividend Direct Platform for Film and Television entertainment derivatives, FYC holders, namely community members, each of them have equal rights to buy back, dividends, interest and stable value of shopping rights.

**Buy back:** The FYC community uses 20% of its income to buy back the FYC in proportion according to its composition. For example, in a buy-back cycle, FYC's income that need buying back is $1 million, while community member A holds FYC which accounts for 1% of circulation, and the number of FYC that the member can buy-back is $10 thousand/current market price.

**Dividend:** The FYC community distributes 20% of its income to FYC holders in equal proportions to their composition. For example, in a certain allocation cycle, FYC's income to be distributed is $1 million, and community member A holds FYC which accounts for 1% of circulation, the income allocated to the member is $10,000.

**Interest generating:** The FYC wallet provides FYC financing function. FYC holders can choose to lock different periods of FYC to obtain different benefits. The longer the period, the higher the interest.

**Stable index shopping:** In the FYC Film Store, the value of FYC is constant, with the quantity as the price unit.
Regardless of how the FYC price fluctuates in the market, FYC holders can use the same amount of FYC to redeem merchandise in the mall, such as movie tickets, derivatives, and so on.

XIV. Disclaimer

Except as expressly stated in this white paper, the FYC Foundation has no representations or warranties (especially for its marketability and specific functions) to the project token FYC. Anyone participating in the FYC sales plan and purchasing FYC is based on your own knowledge of FYC and information in this white paper. Without prejudice to the generality of the foregoing, all participants will accept FYC as it is after the FYC project is launched.