

# Decentralized Pictures Foundation, Inc.

Declaration of Independent Film

v4.20

### **In General Consensus Assembled**

When in the course of creative endeavors it becomes necessary for free-thinking filmmakers to break away from an overly-restrictive institutional system that prevents innovation and originality from finding a voice, a decent respect to the wisdom of the crowd and the opinions of audiences everywhere requires that they declare their independence from such a system. We hold these truths to be self-evident that all great ideas should have the opportunity to grow and thrive and be enjoyed by the entire world. That they are endowed by their creators with certain alienable rights and among them are freedom of expression, artistic integrity and the rights and fruits of their labor. To secure these rights, novel and innovative methods of decision-making must be allowed to develop, mature and bear such fruit. Deriving their just powers from the consent of audiences everywhere, that whenever any industry system or traditional process becomes too restrictive to these ends, it is the right of independent artists and audiences to alter and evolve it in doing so, laying the foundation for a better system. One in which audiences and artists benefit from independence, innovation and artistic integrity. Laying its foundation on such principles and organizing its powers in new and innovative forms, free artists and audiences shall become most likely to affect their enjoyment of and inspiration from the arts.

## **ARTICLE 1 - DECENTRALIZATION AND INCENTIVISATION**

### **Decentralization**

It is critical that no central authority controls the growth and evolution of the T4L3NT Net or the ecosystem of applications built on the network. For this reason, any individual or entity should freely join or leave the network at any time and trust that the data integrity will remain. In order for the decentralized decision methodology to work, decentralization is critical.

To achieve decentralization, DCP will incentivize network participants and open collaboration for the ecosystem in several ways.

1. Block rewards for node operators / block producers.
2. Rewards in the form of the native cryptographic token, the FILMCredit (defined below), for T4L3NT Net upgrade proposals. These are set by the proposer, and it is up to the community to decide if the reward merits the update. This will be voted on by all node operators.
3. Ecosystem fund.
4. Bug and other bounty programs.

Transparency is part of decentralization. Participants in the decentralized decision-making methodology must trust that the process is fair and that deserving participants will receive the support that they deserve. Should this trust break down, it may be detrimental to the ecosystem.

### **Incentivisation**

#### **Generation of FILMCredits Through Mining**

The T4L3NT Net has been configured to support the FILMCredit. DCP has pre-mined FILMCredit purchases as well as FILMCredits that are exclusively for the Foundation and its fundraising efforts. The remaining FILMCredits are being mined over time by computer nodes that validate transactions on the T4L3NT Net. All funds raised through FILMCredit sales will be used exclusively in furtherance of DCP's 501(c)(3) nonprofit purpose.

Users may complete an educational tutorial that includes instructions on how to establish and operate a validator node. DCP will also operate validator nodes on the T4L3NT Net and earn FILMCredits that it will distribute in the manner detailed below. DCP will have no special privileges or status, as compared to Users, when mining FILMCredits.

The T4L3NT Net has a delegated proof-of-stake consensus model. DCP intends to reduce the mining inflation rate towards 0% over time. For details on the mining protocol, please see the documentation [here](#).

### **Rewards for Evaluators**

Artist evaluation is critical to the process of determining who deserves support. Participants who give their opinions on artists' work will be rewarded in a peer-to-peer fashion by the submitter to incentivize the evaluation process.

## **ARTICLE 2 - A NONPROFIT FOUNDATION AND ECOSYSTEM OF APPLICATIONS**

In order to support deserving artists in the ecosystem through applications ("Virtual Studio"), a foundation must be created that will organize rewards and consolidate support mechanisms. The primary purpose of the foundation is to promote the arts, with a focus on the cinematic arts for independent filmmakers and filmmakers from typically underrepresented demographics.

### **What is Decentralized Pictures Foundation (DCP)?**

DCP is a non-profit 501(c)(3) organization that has developed a blockchain protocol (the "T4L3NT Net") on which tokenized credits ("FILMCredits") can be mined and used in connection with arts-related applications (apps). The film financing app ("DCP App") allows participants to submit film proposals ("Film Proposals"), review and rate such Film Proposals, and make use of the accompanying web-based application that will allow users ("Users") to vie for financing and production support for their projects.

DCP encourages other individuals and entities to build arts and culture related applications on top of the T4L3NT Net to be a part of the ecosystem of applications in the Virtual Studio.

### **Proof of Stake Mining**

The T4L3NT net will have a proof-of-stake consensus model. All validator nodes (producers) will be rewarded for validating transactions and producing blocks.

The T4L3NT net is not programmed with a mining reward schedule that diminishes over time. Given that control of such updates will be decided by node operators (producers), these protocol upgrades may not pass the election process and are not guaranteed to happen. There will be an unlimited supply of digital assets to be generated as block rewards through mining. It is likely these proposals will introduce FILMCredits into supply in smaller quantities over time.

Additionally, the foundation generated 75,000,000 FILMCredits in the genesis block at the launch of the T4L3NT net. These generated FILMCredits will be used to further the foundation's nonprofit purpose and no entities or individuals associated with the foundation will be compensated with FILMCredits.

- 25,000,000 FILM to be sold privately.
- 25,000,000 FILM to be sold publicly
- 25,000,000 FILM to be held by the foundation to further its nonprofit purpose.

All tokens sold privately will be offered publicly at the same price and in the same respective quantities for a limited time.

### **Fair Launch**

In order to bootstrap the network of node operators, Users purchased miner packs to participate in the betanet test phase. Only one miner pack was purchasable per verified individual. These packs included 1 FILMCrew NFT, a miner badger for the User's profile, and 1000 FILM + 1 for gas to set up the node. This way, everyone started with the same stake in T4L3NT during this

phase in which 25,000,000 FILM are being mined. To prevent individual Users from creating multiple nodes, each User was required to undergo KYC (know your customer) when purchasing miner packs. Moreover, each User was only permitted to purchase one miner pack. At the time of transition from betanet to mainnet, there will roughly exist 100,000,000 FILM on T4L3NT Net. DCP intends to propose a protocol upgrade to lower the inflation rate to 5% per year.

### **The role of FILMCredits in T4L3NT Net**

FILMCredits will be used to pay gas fees within T4L3NT Net. Gas fees will be for transactions, publishing contracts, and interactions with the T4L3NT net blockchain. FILMCredits may be used as gas within other applications, such as dapps built on the T4L3NT net.

### **Future Development of T4L3NT Net**

T4L3NT Net is an open blockchain network that is supported by a network of validator nodes operated by users of the network. It is expected that users will develop their own applications and uses for T4L3NT Net that complement and/or operate independently of DCP apps. Because the user community is free to innovate and build new applications and uses for T4L3NT Net, the foundation cannot anticipate the full range of possible use cases for T4L3NT Net. Although this is open, DCP encourages users to build arts & culture focused applications and expects that users will be interested in developing apps that complement DCP apps and/or cater to film industry participants and film enthusiasts, but the opportunity for innovation on the T4L3NT net is certainly not controlled by any individuals or entities.

It is important that the T4L3NT net be supported by a truly distributed network of validator nodes and host a wide range of decentralized applications. These applications can be developed by third parties and may attract new users that are separate and distinct from the foundation's application user base. DCP plans to continue to develop and operate apps but control of the T4L3NT Net is determined by validator nodes. For more info on T4L3NT Net please visit [tlnet.net](http://tlnet.net)

### **What Problem Does the DCP App Solve?**

The film industry is difficult for even the most talented artist to break into. Major studio films are typically made with known talent, directors, and writers, and all too often known intellectual property, such as reboots and successful novels. Despite this challenge, artists with diverse backgrounds throughout the world continue to pursue "independent" filmmaking and aspire to beat the odds. Many of these projects do not attract the attention of a major film studio and, without adequate resources, fail to make it to production. Moreover, production costs for films have grown exponentially over the past few decades. This makes it very difficult for self-financed films to compete with those that obtain studio financing.

DCP's non-profit mission is to enable a broad community of aspiring filmmakers, thoughtful film critics, and passionate fans to create original content and review independent Film Proposals on a decentralized, blockchain-based platform. Utilizing the T4L3NT Net and the DCP App, the community can collaborate and produce content in a way that circumvents the traditional studio system and existing, often-inaccessible production networks. As explained in more detail below, the FILMCredit is at the heart of this ecosystem because it will enable users to engage in productive behavior in The DCP App, such as recording and incentivizing

reviewing and rating Film Proposals. DCP believes that this decentralized model will provide filmmakers an alternative to the traditional filmmaking process while maintaining artistic integrity and fairness.

## **How the T4L3NT Net and DCP App Will Work**

The T4L3NT Net is a decentralized,<sup>1</sup> blockchain-based network that is designed to serve as a distributed ledger for arts-related apps in general and, in particular, the DCP app. Through the DCP App - an application that DCP will launch on top of the T4L3NT Net - Users will be able to collaborate with one another to take film projects from proposal to production.

See Figure 1 below (page 6) for an illustrative example of how Users interact with each other, The DCP App and the T4L3NT Net.

## **Overview of Film Proposals and Review Process**

Every User who wishes to use The DCP App or obtain FILMCredits must first pass through a User verification and registration process.

This User verification and registration process will require that the User undergoes know-your-customer screening and optionally complete a DCP app tutorial. These interactive DCP App explainers will educate the Users about how to use The DCP App, the uses of FILMCredits in The DCP App, and how to establish and operate a validator node on the T4L3NT Net.

The DCP App will offer opportunities for Users to submit Film Proposals during defined periods of time (each, a “Film Selection Period”). At the conclusion of each Film Selection Period, one or more of such proposals will be selected to receive a set financing award (each, a “Financing Award”). During each Film Selection Period, Users who create Film Proposals (“Submitters”) will be able to submit a standard-form description of their film project that may include materials such as scripts, trailers, pitches, and treatments, trailers, anamatics, etc. among other things (“Film Proposals”).

Each Film Proposal will be vetted by other Users (“Moderators”) to filter out spam, hate speech, racist comments, profanity, and other highly offensive material before the Film Proposal goes live on The DCP App. Moderators have an incentive to moderate Film Proposals honestly because, if they do not do so, they will not earn FILMCredits for their work, they will risk losing their moderation bond, status, and their Reputation Score (see below) may suffer. If a Moderator rejects their material, Submitters may appeal the decision to another Moderator.

Users may rate Film Proposals on a numeric scale ranging from 0 to 10 (“Evaluators”). All evaluations will be recorded on the T4L3NT Net. After rating a Film Proposal, Evaluators may also provide a written review that gives Submitters constructive feedback and criticism.

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<sup>1</sup> We use the term “decentralized” here to connote the peer-to-peer distributed nature of the network. DCP plans to deploy the T4L3NT Net as a fork of the Tezos blockchain with certain technical modifications that are aimed to make Platform use more efficient. When DCP deploys the T4L3NT Net by releasing the open-source code and turning on its own T4L3NT Net validator nodes, the T4L3NT Net, like the main Tezos blockchain, will be open such that third parties may download the code and begin operating nodes to validate transactions on the network and relay them to other nodes. The T4L3NT Net is accordingly a decentralized network.

Evaluators that submit such written reviews are “Reviewers.” Only evaluations influence the ranking of Film Proposals. Given their qualitative nature, written reviews do not influence the ranking of Film Proposals. However, Users who agree with a review may “like” and thereby add weight to the Reviewer’s rating.

Users will have a score associated with their reputation on The DCP App (“Reputation Score”), which affects the weight that their evaluations, reviews, likes, and evaluations carry. Reputation Scores can be built up over time based on Platform contributions to the DCP app. Users can earn a higher Reputation Score by participating in daily quizzes, submitting or curating Film Proposals and Creative Queries (see below), highly rating Film Proposals that ultimately win financing, and moderating Film Proposals and Creative Queries without getting appealed.

## **Overview of the Creative Query Process**

In addition to Film Proposals, Users will be able to submit creative queries, questions and polls (“Creative Query”) for the consideration of Reviewers and Evaluators in The DCP App. Creative Queries will allow Users to obtain feedback and input from other members of The DCP App community on their projects or subjective inquiries.

For example, a User can post one or more draft scripts for a scene in a screenplay, different versions of sizzle reels for proposed films, trailers, commercials, or plot ideas to The DCP App and ask Evaluators to provide opinions on the material. Users can also ask Evaluators to rank the various materials against each other. Similarly, a User might pose a question to The DCP App community (e.g., “Who would be the best actor to portray Thomas Edison in a historical drama recounting the invention of the lightbulb?”). As with Film Proposals, each Creative Query is first vetted by a Moderator. In exchange for their efforts, the Moderator, Reviewers and Evaluators receive FILMCredits from a submission fee (“Bounty”) posted by the User posing the Creative Query or Film Proposal.

## **The Role of FILMCredits**

The DCP App is designed so that Users must pay fees in FILMCredits for certain platform uses, and Users will earn FILMCredits for performing various tasks in The DCP App. The collection and payment of these fees in The DCP App is done by a self-executing smart contract (“Smart Contract”) that DCP does not unilaterally control.

Submitters must pay a fee in FILMCredits to post a submission (“Submission”) (“Creative Queries” or “Film Proposals”) to The DCP App. For a Film Proposal, DCP contemplates that the amount of the Submission fee will be a function of that Film Selection Period’s Financing Award. Submitters may also encourage Reviewers and Evaluators to provide feedback on their Film Proposal by committing to reward them with an additional Bounty of FILMCredits, which would also be paid into and out of the Smart Contract. Submitters may offer film-related products, such as non fungible tokens (“NFTs”) of their intellectual property (“IP”) tickets to their film, a line in the credits, extra role opportunities, and merchandise, among other things, through The DCP App. In exchange, Reviewers can augment the Submitter’s Bounty with additional FILMCredits which will be used to further reward Reviewers and Evaluators.

Users who create a Submission in the form of a Creative Query must establish a Bounty of FILMCredits to incentivize Evaluators to curate the Creative Query. It will be up to the User to decide the size of the Bounty and Evaluators may accordingly decide whether it is worth their time to engage in the Creative Query based on the potential reward. Currently the minimum Bounty for a Creative Query is \$5.00 USD worth of FILMCredits.

A User may currently become a Moderator so long as such User has a Reputation Score higher than the 75th percentile Reputation Score across all Users. A User may appeal a Moderator's decision to reject a Submission by paying a fee in FILMCredits to the Smart Contract, and showing why the content did not violate the Terms of Service. As a general rule, no Submissions are allowed that clearly do not fit within the Motion Picture Association of America (MPAA) rating system. For example, pornography or illegal content should be moderated as unsuitable for the DCP app.

Reviewers will be able to earn FILMCredits for writing timely reviews. While many Reviewers may be interested in writing reviews for intrinsic reasons, Reviewers will receive FILMCredits in exchange for providing their thoughtful comments to Users on their Submissions.

Evaluators' votes (i.e., on the 0-10 scale) will be weighted according to a multi-factor formula. Although an Evaluator's Reputation Score is most important factor in this formula, The DCP App allows Evaluators to lock some or all of their FILMCredits in connection with an evaluation to increase its weight incrementally. The factors and their respective weights in this formula (the "Rating Algorithm") are as follows: Reputation Score (50% weight); number of FILMCredits locked on vote (20% weight); confidence (percentage of User's total FILMCredit holdings locked) (20% weight); and timing, whereby earlier votes are weighted more heavily for setting the trends (10% weight). The composition of factors in the Rating Algorithm is designed to ensure that a User will not be able to unduly influence any poll, such as a poll regarding Film Fund financing, based solely on FILMCredit holdings. For further reading on the rating algorithm, please refer to the DCP math document [here](#).

Reviewers, Evaluators, and Moderators may also earn FILMCredits for curating Submissions and Creative Queries. The FILMCredit reward amount will be a percentage of the Bounty associated with a Submission. FILMCredit rewards will encourage Reviewers and Evaluators to curate Submissions, lock FILMCredits on their reviews or evaluations, and thereby contribute to a reliable ranking of Submissions. Although users have the option to lock FILMCredits in connection with their Evaluations or Reviews, this is not necessary. By locking FILMCredits, Users add credibility to their Evaluations or Reviews and indicate to the network that their contribution is less likely to be spam or low effort. Users who lock FILMCredits when they make an Evaluation or review accordingly have greater influence over the Submissions. At the end of the Film Selection Period or Creative Query evaluation period, the User's locked FILMCredits will be returned to the User along with any earned FILMCredits for their participation.

Rewards will be calculated based on: (i) accuracy (i.e., alignment with the final result and real-world data where possible); (ii) number of locked FILMCredits; (iii) confidence (i.e., the percentage of the User's total FILMCredit holdings locked on the item); and (iv) timing (i.e., the earlier the User acts, the higher their timing score).

All uses of the FILMCredit described above (the “FILMCredit Uses”) will be available immediately when the Platformt launches.

## **Selection of Submissions for Funding**

Submissions that have positive reviews and are rated highly will become eligible to be selected by the DCP Board of Directors (the “DCP Board”) to receive a Financing Award at the end of each Film Selection Period. The eleven-person DCP Board will always have at least six independent directors. DCP contemplates that Users will be able to participate in polls in The DCP App and thereby have input on the selection of directors. Certain Financing Awards will have special guest judges to aid in the selection process from the finalists chosen by the community members who participate with Reviews and Evaluations.

Initially, up to five finalists will be narrowed down by users through the review and rating process. The DCP Board will then vote on the Submission that is most deserving of the Financing Award based on the following example community-generated metrics:

- The Evaluations submitted by Users;
- the Reputation Scores of the Users who rated the Film Proposal;
- the diversity of the Users who rated the Film Proposal;
- the potential social impact of the Film Proposal;
- the artistic merit of the Film Proposal; and
- the commercial viability of the Film Proposal.

DCP does not anticipate that its voting will differ from User evaluations, but, until full decentralization is achieved, the DCP Board will act as a check on unforeseen rating anomalies. DCP intends to transition to a fully decentralized selection process over time where the User community will make the final decisions on Financing Awards through the rating process rather than selecting only the finalists that are then passed on to the DCP Board and guest judges.

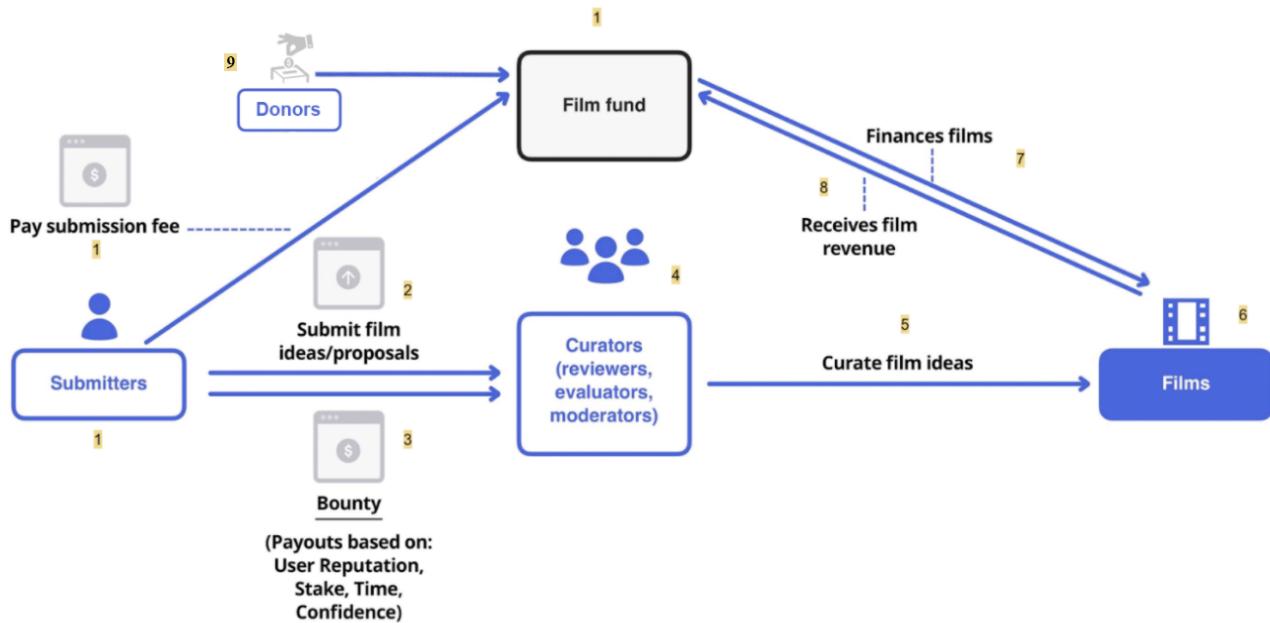
The funding for Financing Awards will come from the Film Fund and donors, which will be composed of proceeds from sales of FILMCredits, charitable donations from third parties and revenue DCP earns from films to which it has awarded financing. FILMCredits are not inherently linked to the Film Fund and holders will not have a right to receive any distribution from the Film Fund or be entitled to disbursements from the Film Fund by virtue of FILMCredit ownership.

As explained above, the Rating Algorithm dictates the weight of any User’s rating based on a variety of factors. While a few of these factors are related to FILMCredit holdings, the majority of them are not. Moreover, the most heavily weighted factor relates to the User’s reputation in The DCP App. Accordingly, no Users should be able to unduly influence any Film Fund decision based on their FILMCredits holdings alone.

It is intended that the net proceeds deposited into the Film Fund from the sale and/or distribution of these films will go first to reimbursing the Film Fund for its financial backing. Additional profits will be split by the Film Fund and the films’ respective producers, including the Submitter, after the initial financing amount has been recouped by the Film Fund in an industry standard film financing model. Financing arrangements may be negotiated on a case-by-case basis.

Figure 1, below, contains a diagram and example illustrating how users can interact with each other and DCP through The DCP App:

**Fig. 1: The DCP App in Action – How Alex’s Film Goes from Submission to Production**



For illustrative purposes, assume that a film student, Alex, has developed a screenplay and wishes to produce it into a film. As an industry newcomer, Alex has limited options for promoting her project and obtaining financing from a film studio. Alex has recently learned about The DCP App, where aspiring filmmakers may network with one another and obtain financing for their projects. Alex may choose to submit her Film Proposal and supporting materials to The DCP App, thereby obtaining constructive feedback from The DCP App community, garnering attention from members of the film industry, and acquiring possible financing from DCP's Film Fund.

The DCP App enables her to do so through the following steps, which correspond with the numbered boxes and arrows in the diagram above:

(1) In order to submit her film proposal to The DCP App, Alex will first need to acquire FILMCredits. She may do so by earning FILMCredits in The DCP App, mining FILMCredits by running a validator node and staking or delegating her tokens to a public validator node, purchasing FILMCredits from DCP, or receiving FILMCredits through a program that provides FILMCredit grants to film students who wish to submit their film proposals to The DCP App.

(2) Alex will compile her Submission materials and submit them along with at least the minimum amount of FILM Credits that act as a Submission Fee paid into a Smart Contract.

(3) The submission fee and additional FILM Credits that may be added by other users to support the proposal will act as the Bounty of FILM Credits that reward the Evaluators who vet, Review and Evaluate her proposal.

(4) Before Alex's Submission becomes publicly available in The DCP App, it will be screened by a Moderator who will vet the Submission to ensure that it is compliant with the rules of The DCP App. Billy, an amateur screenwriter, is saving up FILMCredits to make a Submission of his own and moderates Alex's Submission in The DCP App to earn extra FILMCredits. Alex's Submission queues up in Billy's inbox and he happily reviews her materials as a Moderator for compliance with The DCP App guidelines. After determining that Alex's Submission is legitimate and does not violate any DCP App rules, Billy approves it for public release in The DCP App.

(5) Calvin is a film critic who attracts some of his readership by reviewing Submissions in The DCP App. He earns FILMCredits each time he reviews a Submission and uses his FILMCredits to increase its influence. Debra is a comic who writes sketch comedy bits for television programs and spends some of her spare time earning FILMCredits by evaluating comedy Submissions in The DCP App. She uses her FILMCredits to reward other Users for reading some of her comedy bits and providing helpful feedback through the Creative Query feature of The DCP App. Calvin and Debra both come across Alex's Submission and spend time reviewing and rating it. They both view Alex's Submission as reminiscent of the early Monty Python era. They rate it highly and they choose to augment the Bounty for Alex's Film Proposal by adding FILMCredits of their own to it. That, together with the positive reviews of other Users, propels the Film Proposal forward in The DCP App rankings. Alex's Submission eventually makes it to the top of the rankings.

(6) When the Film Submission Period draws to a close and it comes time for the DCP Board to select the most deserving Submitter of the financing reward, the DCP Board reviews the rankings to confirm that there has been no fraud or gamesmanship. It determines that Alex's Submission is rightfully ranked first and deserves financing and support.

(7) The DCP Board awards Alex with financing from the Film Fund and Alex uses it to produce her screenplay into a feature length film. In addition, DCP provides industry partner support and opportunities to Alex to aid in shepherding her project through development, production, and distribution.

(8) As one of the financiers of Alex's film, the Film Fund will be entitled to receive a portion of the net revenue from her film, and this net revenue will be used by the Film Fund to finance later additional Submissions.

(9) Organizations, individuals, and businesses may, from time to time, provide charitable grants and donations to the Film Fund.

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## **Sale of FILMCredits to Users**

DCP plans to sell FILMCredits that it pre-mines and continues to mine post-launch through operating its own validator nodes on an ongoing basis. DCP intends to sell an indefinite number of FILMCredits at a price of \$0.25 per FILMCredit to Users in the DCP App. The FILMCredit sale price will be available on the purchase page in the DCP App. In addition, Users may earn FILMCredits by operating a validator node or by participating in the DCP App.

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