



# BOND

**Bond** is a decentralized video streaming service and crowdinvesting platform for the Film and Video Industry, based on the transparent cryptocurrency economy.



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# Legal Notice

The purpose of this Document is to provide an information about BOND project to potential holders of BFP Tokens. The information given herein is not exhaustive and it does not imply any contractual obligations and may be considered only as the marketing information about project. This Document is intended to provide basic data on the project to potential token holders based on which it will be possible to decide upon purchasing BFP Tokens.

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If you are not sure that you are entitled to participate in tokensale of BFP Tokens, you need to apply to a professional legal, financial, tax or other consultant.

Participation in tokensale is entirely voluntary. One shall review carefully and accept the terms of agreement on the BFP tokensale project located at Website of the project located at <https://bond.pm/> . If you disagree with the terms partly or fully, you should not participate in tokensale, and in case of your participation with further disagreement BOND will have to decline participation in tokensale and in purchasing BFP Tokens.

By participating in tokensale you acknowledge and agree that:

- Cryptocurrencies are not recognised as legal tender and are not regulated by any central institution and may be subject to extreme price volatility;
- You understand the risks involved with digital currencies;
- You are responsible for protecting your Tokens, wallet, computer, software bank account, address and personal data against any theft, fraud or illegal activity;
- We do not accept any responsibility for any loss or damage suffered by you or any of your authorized agents or representatives, in connection with a BFP Tokens, whether directly or indirectly, and including where you provide us with any false information;
  
- All concluded Transactions are irreversible



## Disclaimer

We are not responsible for transfers made to any incorrect wallet IDs and you and your agents agree to release us from all loss or damage suffered in connection with such transfers whether directly or indirectly;

You have obtained independent legal and financial advice about the risks associated with buying BFP Tokens, or you knowingly and voluntarily elected not to do so;

BOND FILM PLATFORM has the right to refuse any order for any reason, which is at our absolute discretion and you hereby agree to release and indemnify us in the exercise of that discretion.

You further acknowledges that cryptocurrency involves risk, especially through price fluctuation. As cryptocurrencies are not regulated and backed by any central bank, there is a chance of total loss.

We cannot be held liable for any consequences of the unforeseen risks.



# Why we believe the Bond Platform is long overdue

## The Problem

In the last two decades, the film and video industry has undergone a revolution. From a strictly centralized system – in which distribution was limited to cinemas and television, and in which only a handful of creators had the means to make content – we have moved to a new world. Anyone can now become a creator, and consumers have hundreds of ways to discover new content and watch the things they like – from YouTube to Netflix to creators' personal blogs and websites.

This revolution was powered by the emergence of cheaper production tools and online streaming opportunities. Those have, in turn, brought about new consumption models, such as *binge-watching* for serialised content or *following* for videoblogs.

**What the current ecosystem lacks are fair and decentralized models for revenue distribution and financing of new content.**

Just as decades ago, most of the decisions about what should be produced are made by executives and are based on their individual, subjective judgment. Of course, in our modern age this judgment now takes into account things like Big Data statistics and Smart AI analysis of it, and Amazon even allows subscribers to vote and choose which pilots to take to series. But in order to take the project from script to pilot, even this tech giant relies on old-school, centralized and subjective decision-making.

Films and video projects are financed by big corporate entities, who decide **which content to produce, who pays for it and who then receives the majority of revenues.**



## The “BOND” solution

We asked ourselves:

*What if we take the corporations and executives out of the game and let the audience invest in projects they believe in?*

Instead of letting one or two people in suits guess what the market wants, we are allowing the market to make a decision itself!

**And instead of letting the big players get the streaming revenues, we split them between Content Creators and Crowdinvestors.**

## Why existing solutions don't work

In the last 10 years a few models have emerged that try to close the content financing gap and address the need for decentralization.

**Their sole existence is a proof that the problem we are talking about exists.**

But all those solutions provide only a halfway remedy, without changing the model as such.

Let's take a look at some of the existing models, which create content markets and incentivize the production of new content.



## Crowdfunding Platforms (Kickstarter, Indiegogo, etc.)

They do allow creators to get funds for a film or the series pilot, but the money comes in form of support from the crowd and **NOT as a proper investment**. So while they might help “kickstart” some projects, they do not work as a long-term business model.

The crowdfunding platforms are also not designed to serve the specific needs of film and video industry. Creators have to take care of content distribution and look for ways to get revenues, simply because there is no single platform which provides solutions for all those processes.

At BOND, **crowdinvesting is an organic part of the video streaming service**. Our video streaming platform will allow users who will be watching original and high quality content to buy ownership stakes from their favorite authors. Bond will also provide users with a smart recommendation service, which will feature relevant and promising authors and their projects.

## YouTube and Financing through Ads

This model works well enough for those authors who already have large volume of content and want to get revenues by publishing it, for those who can only afford to spend limited amount of time and finances on content production (e.g. video blogging) and for those who can produce quality content *and know how to attract traffic* for hundreds of thousands or millions of views.

For some forms of content production, this model has proven to be quite effective. But for the creator who needs significant time and resources to produce, for example, a serialized documentary – *advertisement money is not yet available*.



Many authors have to beg their subscribers to support them on third party platforms like Patreon, which is really embarrassing and clearly shows the inapplicability of the YouTube economy for premium quality content.

Also, consumers of premium content prefer to pay fixed monthly fee rather than be forced to view advertisements.

Just a few decades ago, the *economy of “pay per view”* was considered the de-facto standard for all types of good quality content distribution. Companies charged users per song, per album, per movie and and per episode of the TV show. Movies were released step by step to various markets – and via different media types – to maximize profits for the big movie distributors.

This “pay per view” economy was and sometimes still is a very ineffective way for consumers to access good quality content. This became even more obvious as alternative entertainment options began appearing online for free. The cost of participating in the “pay per view” economy eventually contributed to the rise of online piracy.

At some point, the market realized that fighting torrents would not address the underlying issue: pricey, piecemeal content. The market then shifted toward a more reasonable solution: the “fixed monthly fee” economy.

**Today, ad-free, subscription-based streaming has become standard for premium content consumption.**

BOND takes this one step further. It offers a decentralized, ad-free, subscription-based economy that not only benefits creators directly, but also provides the means for any viewer to invest and obtain a revenue-generating stake in video content.





Here, we have outlined a few key features which make Bond Platform so unique and revolutionary.

WITH BOND PLATFORM	WITHOUT BOND PLATFORM
One platform to raise funds, stream content, connect with fans and collect revenue	Content Creators have to use different platforms for funding, distribution, publishing and revenue collection and lose a lot of fan potential in the process
Direct financial feedback between Content Creators, Crowdinvestors and Audiences	Executives in production houses decide which content gets produced and which - does not
De-centralized revenue distribution - Content Creators and Crowdinvestors win	Centralized revenue distribution - Corporations win
Transparent and clear business-model for online content	Ambiguous business-models, non-transparent revenue distribution
Truly global Crowdfunding with cryptocurrency	Geographical limitations for Creators and Investors



## Market

The current video streaming market is estimated to reach 12,5 billion US dollars in revenue in 2017 (according to [Statista](#)) and grow steadily in the next five years, reaching about 32,8 billion in 2022.

The number of SVOD (Subscription Video On Demand) homes is forecast to reach 428 million across 200 countries by 2021, up from 177 million in 2015 and an expected 248 million by end-2016 (according to the report by [Research and Markets](#))

By 2021, Netflix is forecasted to account for **27.5%** of the global market, with 118 million paying subscribers. The remaining **72.5 %** will be split among other large players, such as Amazon, Hulu, etc.

But since we are talking about emerging ecosystem, a lot of opportunities for smaller players exist. These opportunities will become stronger as more people abstain from paying for traditional TV and cable bundles and look for new opportunities to receive content.

*[According to BTIG analyst Rich Greenfield](#), "If you end up not spending \$80 on live TV, it frees up a lot of meaningful wallet share to spend. There are lots of opportunities for new services to exist."*

We believe that Bond Platform, with its unique system of content selection and user-beneficial economy, will attract authors, viewers and investors via three instruments:

1. The idea that liberating the market from corporate decision-making will create buzz among the fans of decentralized models.
2. The process, which gives audience members control of a project's destiny through their investments, and ensures the projects with the biggest market potential will end up being made.
3. The unique opportunity presented to users of the Bond platform, who can not only support their favorite projects, but can also benefit financially from a project's success.

If you want to know more about BOND or take part in our pre-ICO, visit our website at <https://bond.pm> or write us an email at [contact@bond.pm](mailto:contact@bond.pm)



## Who are we?

We are a team of IT professionals, movie producers, script writers and visionaries who strive to change the fundamental flaws which all the current film and movie economic models have.

We know a lot about movies: how they are made, who makes them, how to get the authors on board and their great content into our library.

We have over 20 years of experience in building video streaming platforms. We have a great team of developers, designers, testers and visionaries with vast experience in development of such platforms. We know how to make user-convenient UIX on web and mobile and how to integrate our streaming service with popular media centers (Apple TV, Roku, Kodi, Plex, etc).

We have fintech developers with proven experience who build most optimal and bullet-proof smart contracts.

We have worked in the video industry for many years, know the needs of content producers, and know what to offer to attract them to our platform. For anyone working in the film and video industry, BOND is a solution they have been looking for. We will promote our cause on festivals, in film schools, at professional conferences and launch campaigns in the relevant media to attract creators and help them get their projects financed.

Our advisory board includes top names both from the blockchain world and from the movie industry.

And, of course, our main goal is for all creators and film investors to make a profit on our platform.



## So how does BOND work, exactly?

Bond is two services in one: a subscription-based video streaming service featuring content from independent creators; and a crowdfunding platform, which allows anyone to invest in and profit from new film and video projects.

The platform provides its users with 3 main types of activities:

### Author

Publishes own content on the platform, so users can watch and like it.

**When users watch and/or like some content, its Author receives a share of the revenue gained by the Bond Platform from user subscription fees.**

Authors can also publish *Content Proposals* to gain funding from the *Crowdfunders*. The proposals can be devoted to new projects like sci-fi pilots or some doc series or new episodes of some existing content or any other type and form of content the authors want to produce. Users who like the proposal and want to support the Authors in making of the new content can invest any amount into any project they wish.

Creators may submit a proposal for a script or series pilot, or present an already-produced pilot in order to seek investment for a full series production.

When Authors produce new content and publish it on the platform, they and those *Crowdfunders* who invested in their *Content Proposal* will **receive the corresponding percentage of the revenues collected from user subscriptions.**



## User-Subscriber

Pays a small monthly subscription fee to get access to all content published on the platform.

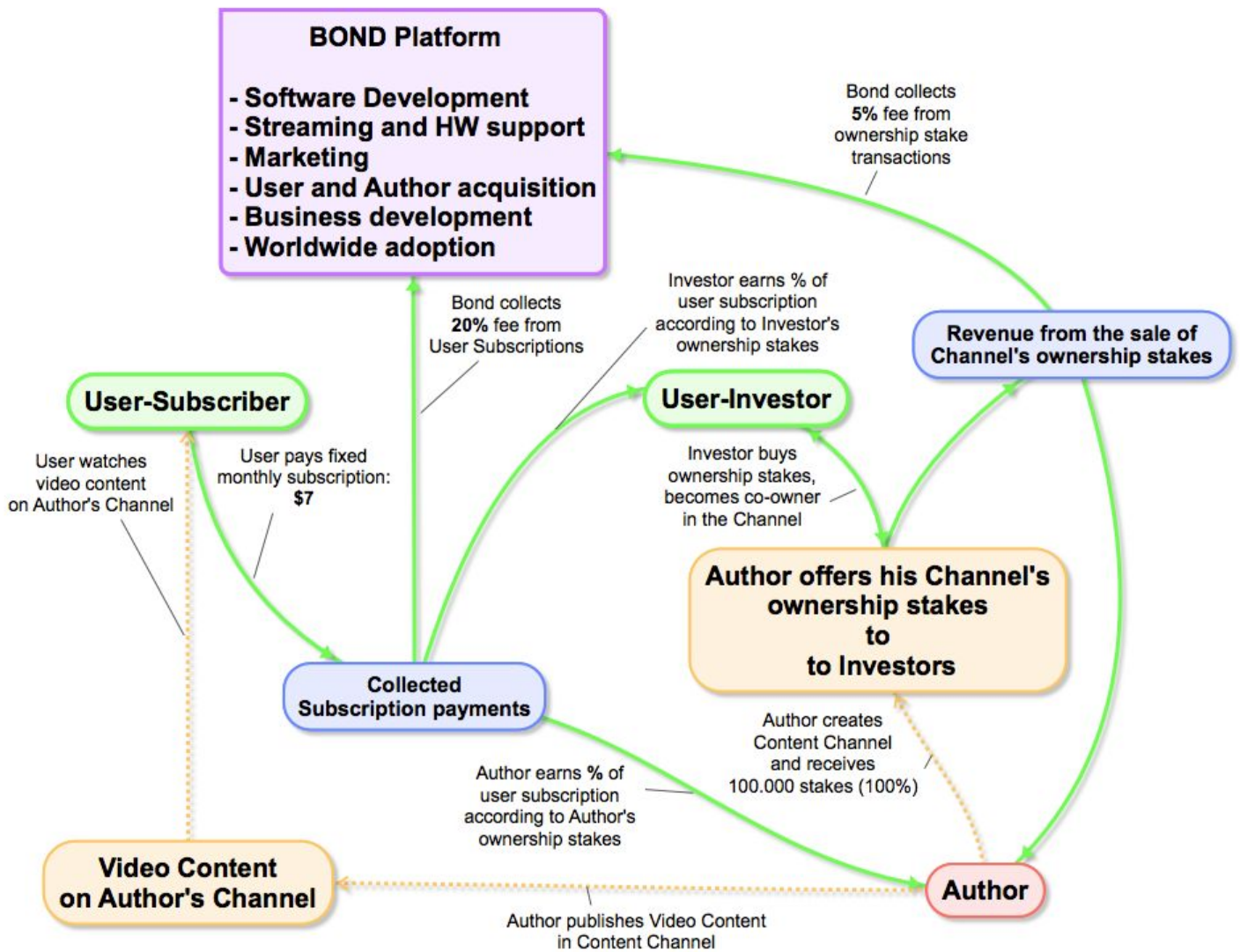
**The user's subscription fee is then distributed among all authors whose content this user watched and/or liked during the subscription period (one month).**

## User-Investor / Crowdfunder

Any user can become an investor by simply buying the ownership stakes in Author's *Content Channel* and thus becoming eligible for percentage of future revenues from this *Content Channel*.

Bond Platform provides UIX, own cryptocurrency and Smart Contract mechanism to ensure that service's economy works securely, transparently and smoothly for all types of its users.

Bond also retains a fixed percentage of all subscription payments in order to maintain our server infrastructure, pay for traffic, develop new features, and increase platform growth.



## Diagram

The following diagram models those 3 types of activities to represent the economy of the Bond Platform:

- Green lines represent the **money flow**
- Orange lines represent the **relationships** between content and users/authors
- ❑ Green boxes represent **users** in two roles: user-subscriber and user-investor
- ❑ Red box represents **author** in two roles: as producer of its own content and as author of new Content Proposals and consequently of Crowdfunding campaigns
- ❑ Orange boxes represent **content** (films, shows, clips, etc.), campaigns, marketing, etc



## Token Economy

In order for our Smart Contract to calculate revenue distribution, we need to know the current *State of Ownership* for each *Content Channel* in question and *Content Rating* for each video in this channel, which is calculated separately for each user who watched this video.

***State of Ownership*** and ***Content Rating***  
are the cornerstone factors  
which form the basis of our Token Economy.

They will be discussed in great detail later in the document.



# ICO

Bond plans to launch an **ICO** (Initial Coin Offering) campaign in order to attract enough supporters, believers and investors to make the development of the new Film Platform possible.

Bond will release its own crypto token, based on Ethereum and **ERC 20** standard. The token will also be a **Smart Token** by conforming to the [Bprotocol Foundation protocol](#). The name of the token will be

## **BFP (Bond Film Platform)**

The initial price of the token will be **\$0.10** (10 US cents).

We chose this price in order to have a token that is both attractive to investors, and inexpensive enough to be used as a currency for micropayments on our platform.

## Pre-ICO

Carrying out ICO is not easy and is definitely not cheap. We want our ICO to be properly organized from all aspects: software, legal arrangements and marketing.

Therefore we plan to launch a Pre-ICO campaign first and build a strong community of our supporters, investors, advisers, etc.

During the Pre-ICO period we will openly discuss all of the ideas outlined here with our supporters on our [Telegram Chat](#). We want our future users to study the proposed *Token Economy, Platform Features, UIX*, etc., and challenge us with their questions, alternative solutions and ideas.

We encourage all our supporters to [join the discussion](#) and help us design the best Film Platform on the Internet !





# BFP Token

**BFP** Token will be used throughout the platform for *all payment related tasks*:

1. Monthly subscription payments
2. Crowdinvestments
3. Distribution of the revenue to all stakeholders

Here is an example of the token usage for monthly subscription payment:

At the end of the billing cycle, our algorithm will decide how to distribute each user's subscription payment between *stakeholders* based on the current *State of Ownership* of the *Content Channel* they own the stakes at and also based on this user's activity on this channel. *Detailed description of the formula is at the end of this document.*

The tokens from user subscription payments will be sent to the Smart Contract and after the calculations are completed, the Smart Contract will distribute the collected funds to the wallets of all the relevant stakeholders - Authors and Crowdinvestors.

It is important to note that there is no mechanism today in crypto world for charging users with monthly payments. The only widely acceptable, simple and working solutions for recurring payments are Credit/Debit cards and PayPal.

Also, most Authors produce content, hire equipment, personnel, pay salaries, etc only with the fiat currency.

We will show how we address both issues, while keeping our economy completely decentralized and by operating it only with our BFP token.

Bond Platform will also use one of the fiat currencies (by user choice) to represent some fiscal amounts on the platform, e.g. monthly subscription cost, financial goal of content proposal, etc.

Nevertheless,

**ALL revenue sharing and content funding will be done  
STRICTLY IN CRYPTOCURRENCY.**



## Content Ownership

One of the most important tasks in the world of content is to establish, declare and protect the ownership of each piece of produced material.

This is usually done in form of a legal agreement, which is negotiated and signed behind closed doors by producers, huge hollywood studios and sometimes private investors. This scheme lacks transparency, fairness and leads to unbalanced revenue distribution where few decision making parties receive most of the income and the rest of the team – movie directors, actors, script writers, etc, those, who actually made the movie – are left with the lesser piece of the pie.

In huge movie and TV show productions, this is not a serious problem. The pie is so big that even the actual film and show makers receive enough financial benefits for the whole thing to continue operating.

But in medium and small-size productions, the problems of content ownership and revenue distribution are both visible and obvious. The current “commonly accepted way” does not give small players a lot of chances to succeed.

Bond Platform offers the following solution:

Any Author can create a **Content Channel** (very much like a YouTube channel) and by doing so he or she will receive 100% of **Content Ownership** for this channel. The Author will also be able to give or sell any amount of this ownership to any other author or user on the Bond Platform.

The ownership structure of the channel is represented by the **State of Ownership**: at the moment of creation, every channel is assigned **One Hundred Thousand Stakes** and this amount never changes during the lifetime of the channel.

As was already mentioned, the creator of the channel - the Author - will receive all 100,000 stakes (100%) when he or she creates the channel.

Any video published on this channel will automatically become owned by whoever has ownership stakes for this channel.

**Any revenue generated by the videos of this channel will be distributed among all stakeholders of this channel**



So, when the channel is first created, the **State of Ownership** looks as follows:

Stakeholder	Stakes
Author	100,000

Author may give stakes to any other Author who helps create content for this channel, e.g. scriptwriter, sound director, actor, producer, etc.

Author may give stakes to any user on Bond Platform for free or in return for channel promotion, content curation, etc.

Author may also offer some amount of stakes for sale at a specific price. This would usually mean that Author has a new Content Proposal for the channel subscribers and needs to raise funds for the production of new content. Any user may decide to become an investor and purchase any amount of stakes from the offered at the price specified by the Author.

In general, any stakeholder, be it the original channel owner, another author or user may offer any amount from the stakes they own for sale at any price they decide is appropriate. We will call it **Sale Order**.

At the same time, any user on Bond Platform can make an offer to channel stakeholders to purchase some amount of stakes from them at a specific price. We will call it **Buy Order**.

It is easy to see from the above that as soon as Content Channel is created, Content Ownership of this channel becomes a tradable asset and the new market is created. This market discovers the price of each channel's stake as the intersection between all Sale Orders and all Buy Orders.

Stakes from different content channels will have different pricing, depending on popularity and therefore profitability of that channel. And because there is a fixed and equal amount of stakes for each channel, the stake price of one channel will show its popularity and profitability in relation to any other channel.

The channel page acts as main project page and as a place for channel authors to publish their Content Proposals, to interact with their fans, followers, crowdfunders and essentially becomes the home for their content.



After some time, channel's State of Ownership may look as follows:

Stakeholder	Stakes
Author Owner	40,000
Producer	15,000
Investor 1	2300
Investor 2	5200
...	...

Clearly sum of all Stakes will always equal 100 thousand (100 percent).

By recording State of Ownership this way, we solve a few cornerstone problems of content economy:

1. **Ownership information** is stored in an immutable blockchain, which makes it both **publicly recognizable and impossible to forge**
2. **Ownership becomes a tradable asset and can be obtained and sold on the open market**
3. **Revenue distribution algorithm ALWAYS takes into account State of Ownership to calculate how to split the user subscription between stakeholders**

In order to store and manage State of Ownership, we need process all Buy and Sale Orders only through channel's Smart Contract.

One important and inevitable consequence of the above is the fact that for every new Content Channel we must create and initialize a new Smart Contract on the Ethereum blockchain.

Execution of Smart Contract is not free and costs gas. Therefore every author who wishes to create new content channel on Bond Platform **will have to pay** for execution of this smart contract in order to establish and record new State of Ownership in the blockchain.



We estimate the *cost of Smart Contract initialization to be around \$4-5 USD*, given the current ETH/USD rate of \$500. This is not cheap, and is obviously not a standard practice on most video streaming platforms, where a cost for content submission simply does not exist.

This may seem as a huge disadvantage of the Bond Platform economy model, but in fact it is the **ONLY** possible way to establish **TRUE** ownership and create **TRUE** revenue stream for any decent quality content.

Since there is no such thing as free views on the Bond Platform, any user who will watch the content published on this channel will pay for it with some part of his or her subscription payment.

**This means that authors with even minimal number of subscribers will be able to make profit from their content.**

And it also means that spam, bad quality or cheap content will not be present on our platform, because Bond Platform will be too expensive for spammers to operate on.

Same goes for *cheat views* and *cheat likes*. Even though this “industry” is thriving on almost all social platforms, it will be virtually impossible to introduce this kind of scam on our service, because again, there are no such things as a free views or free likes on Bond Platform.



The easiest way to show the benefits of our decentralized economy is by example:

Let's imagine an author who created a channel, paid **\$5** for it and started publishing the content.

*As was mentioned above — this payment is for Smart Contract execution on Ethereum blockchain to establish State of Ownership for the channel).*

Now let's assume the videos on this channel receive **10,000 monthly views** in total from Bond Platform users. This would not be considered a very popular channel by the "current world standards" and on any other social platform it would bring its owners zero revenue.

But imagine for a second how those 10,000 people look like. It is a huge crowd. And any theatrical performance or conference would be happy to host so many people for a single event. But in the realm of social networking it's, eeeh, ok..

A common everyday thing.

Now let's do some simple math. At the end of the month, our smart revenue distribution algorithm will calculate how much each user will pay this for watching videos on Bond Platform. Our algorithm takes into account length of the video and how long each user has watched it.

We can safely assume that most users watch **no more than 50 different channels per month**. This means that our author's channel will receive **at least 10 cents from each user**. Now let's do some easy calculations. 10,000 views, 10 cents per view...

***Our author will be receiving AT LEAST \$1,000 USD per month from his "unpopular" channel?!***

How much will an author with 100,000 monthly views will make?

What about an author with a million views?

What will happen when professional script writers, producers, animators, and directors start producing high-quality content, attracting millions of views and followers? How will our films, shows, web series, video blogs, etc, will change? How will the quality of the content change when authors will know the revenues a good production can bring them?

We sincerely believe that, in this new type of economy, human creativity will thrive like never before. We know that it may take a long time to change the common view on this subject. *But we also know that THIS IS THE WAY the world should function.*



## Monthly Subscription Payment

We plan to set basic monthly user subscription payment at **\$10**.

This amount was chosen to be *lower* than the subscription costs of most popular streaming platforms, yet high enough to generate a reasonable amount of profit for creators with a moderate amount of fans.

Bond will charge **30%** from this subscription, which will allow our platform to compensate for infrastructure costs, ongoing platform development, marketing, content and user acquisition and other business-related expenses.

The user will be able to choose preferred fiat currency when subscribing and paying with Credit or Debit card. The actual subscription payment will be done in **BFP** and the conversion will be made at the current market rate during the payment.



## Authors

In order to become an Author, user needs to go through a *verification process*.

The Author's status is clearly displayed on his Public User Profile page.

To become verified, the author needs to fill the “application form” available in every user account. Our team will verify all the publicly available works of this author/team, their achievements, awards, cinematic history, their potential and honesty and will make a decision.

Our users can be sure that all authors have passed the verification process and can expect to see high quality content in their video feed.





## Financial Goal of Content Proposal

When authors publish new Content Proposal on their channel page, they must specify the amount of funds they wish to attract during the campaign in order to start producing the content and the amount of Stakes they are ready to sell to their investors in return for those funds.

Bond Platform will provide Authors with the recommended amount/share proportions, minimum and maximum budgets for different stages of project development - from writing a script to producing a trailer, a pilot or the whole season of content, etc.

We will also provide *recommended budgets for different genres* - documentary, video-blogging, animation, drama, comedy, etc.

Again, the author may choose any supported fiat currency to specify their Financial Goal in. It will be automatically displayed to each user in their preferred fiat currency (when that user visits the *Content Proposal*) and will also be displayed in BFP, using the current market rates.

Investors will be allowed to invest any amount, up to a maximum (financial goal) and will be presented with UX to see how many stakes they will receive for the specified investment amount.

When the campaign is successful, the authors will be able to use the collected funds as crypto (BFPs); or ask Bond to wire the resulting fiat amount to them. Authors can choose which disbursement method they prefer.

This process repeats when the first stage of the production is successfully completed the authors may offer their investors another set of stakes to purchase as investment in second stage, and so forth until the content is produced and published.



# Crowdfunding

Bond Platform allows anyone to invest in projects on different stages - from initial idea developed into a pilot, to a pilot taken to series. The earlier is the stage of the project, the higher is the risk for the investor. Therefore, authors can offer stakes to earlier stage investors at a lower price.

## Who can create Content Proposals and initiate Crowdfunding campaigns ?

Any registered user can become an Author on our platform, start publishing content and creating crowdfunding campaigns.

Our team will perform the **KYC (Know Your Client)** procedure for each author, learning about their career, works, portfolio, the content they want to publish on our platform and which campaigns they plan to run.

Additionally, each *Content Proposal* campaign that this author may create will have to pass through our due diligence process. We check that description and materials of the campaign are in line with acceptable moral principles, are not considered antisocial, are not frauds or projects that contain hate speech, that campaign is not trying to trick the user in any way and that all information is accurate. We also assist authors in making their campaign more appealing, honest and realistic.

We will prepare detailed guidelines and tutorials for our authors, which will help them organize and launch their campaign quickly and efficiently.



## How Are Campaigns Organized?

Each campaign will need to present some of the following materials, depending on the *genre* of the project and the *stage* for which the funding is sought:

- Introduction video
- Creators' CV and track record
- Scripts and treatments
- Storyboards, mood boards and other imagery
- Trailer of the project, if available
- Pilot of the project, if the funding is required to take the pilot to the series
- Detailed plan / Roadmap with trackable milestones
- Detailed budget for the planned stage of production
- Information about the team and each team member
- *Preferable*: team's own channel on our platform with their content
- *Preferable*: other info the team wants to share with their viewers and investors

Interesting, promising and popular campaigns will be showcased on our main page and in our email newsletter.

## Budget Plan and Execution

Each campaign will need to present a *budget plan*. This will allow investors to have more control over the production process and split their investments into stages. Each stage will be funded separately and next stage will be funded only if most of the investors are happy with the results of the previous stage. Each stage will have a deadline, at which the authors will need to present the investors with some results and if investors consider those results satisfactory they may decide to invest in the next stage of the plan.

An investor who wishes to show their dissatisfaction with the current state of affairs may offer his or her channel stakes for sale at any desired price. Other stakeholders may decide to purchase those stakes if they do believe in this channel's future.

By using the budget plan, authors will attract more investors to the campaign. Budget plan allows investors to balance their risks and to participate in the production process. It also requires authors to be more open and honest and to provide their investors with constant updates on the progress of their project.



## Legal Agreement

Bond Platform will also provide authors and all stakeholders with a service to receive collected funds and revenues in fiat currency. In order to issue bank wires to the stakeholders, we will need to have a *Legal Agreement* with them. In accordance with this agreement, all current stakeholders as they are specified in channel's State of Ownership will be entitled to **royalty payments according to the amount of stakes they own.**

In today's world most authors need fiat currency to produce their films and shows and Bond Platform will provide them with solution to make the conversion from BFP into a desired fiat currency and to send a bank wire *in accordance with the signed Legal Agreement.*

By using those legal arrangements, we achieve a number of goals:

1. Authors and investors can receive royalties both in Crypto and in Fiat, as they desire
2. Since Bond Platform is one of the parties of the legal agreement and is obligated to take care of content distribution and therefore revenue distribution, all monetization which occurs *outside* of the streaming platform will still be governed by the rules of the same agreement, which means that authors and investors will get their share of the revenue even from "offline" sales, if those would occur
3. Users-Subscribers do not need to go through KYC when they pay for their subscription with a credit or debit card, as *they are not actually purchasing any BFP tokens themselves*
4. KYC is required for authors in order for them to have legal right to receive the funds from investors and revenues from subscriptions. KYC will also be required for those investors who wish to receive their royalties in fiat.



## BFP and other currencies

It is important to explain how the Bond Platform handles different currencies and payment processing on its backend. Most of this handling is done in order to provide user with more convenience and to increase the security of the transactions. And of course most of it is not visible to the user.

Let's take a look at monthly subscription payments.

Users who wish to pay in cryptocurrency will need to top up their account with some sizable amount of BFP and then choose the number of months they wish to “lock” their funds for.

For example, the user may top-up her account for an **equivalent of \$60 in BFP** and commit to be a subscriber on Bond Platform for **6 months**. This will allow our Smart Contract to lock the whole amount and charge her account an **equivalent of \$10 in BFP** every month, taking the funds from the locked sum. If the user decided to cancel her subscription at some point, the remaining funds will be released to her.

This sounds complicated and indeed it is. And that is why we encourage users to pay for a monthly subscription using a credit or debit card, as it is the most-used and most convenient payment method for online purchases.

Since all internal transactions must happen in cryptocurrency and credit card processing is not possible without doing thorough KYC for each user, we have decided to take a different approach.

When users pay for their subscription using credit and debit cards *they DON'T actually purchase BFP tokens*. What happens is we collect the funds from their cards and exchange them into a corresponding amount of BFP tokens.

The user never receives BFP tokens, because the *only reason* those tokens were purchased is to distribute them between stakeholders, which is exactly what will be done by our Smart Contract without adding any cryptocurrency to the user's wallet.

A different scenario is when user becomes an investor after reading/watching the Content Proposal.



Here, if the user decides to invest with BFP tokens, he can perform this investment in one click by simply sending BFP from his wallet to channel's Smart Contract. As soon as transaction completes, the user will receive corresponding amount of channel Stakes and will have a guaranteed revenue from this channel at the end of the month. If the user decides to sell his stakes, he may create a Sell Order in the same Smart Contract and any other user can purchase those stakes for the specified price.

It must also be noted, that investors who wish to pay with Debit/Credit cards or from their bank account **WILL NEED TO GO THROUGH KYC**, since we must record them in this channel's State of Ownership and in our Legal Agreement. This will make sure that they will receive revenue share from this project in the future.

Bond will also assist both authors and investors in withdrawal of the funds. If they wish to receive their funds and/or royalties in **BFP** and then convert them into **ETH**, for example, they will be able to do it right on the platform in a few clicks.

Those authors and investors who will choose to receive funds and/or royalties in **fiat currency**, will need to go through additional KYC process, which will allow us to send them bank wires or card transfers directly in accordance with the legal agreement that have already discussed.



## Subscription Revenue Distribution

Bond receives **30%** from every user subscription. Those funds will help us continue developing our platform, sustain encoding and storage servers, pay for the streaming costs, cover administrative expenses, attract more authors, help them launch more crowdinvesting campaigns, do SEO and marketing campaigns to increase our user base, etc..

The remaining **70%** will be distributed to stakeholders depending on their stakes and *viewer behaviours*.

What we are saying here is that in order to distribute the revenue properly

not only we must take into account State of Ownership for each channel, but we also need to figure out how **EACH USER** reacted to **EACH VIDEO** on the platform

We will name this “reaction” the **Content Rating** and for each paying subscriber we will calculate this rating **for each video they watched** during the past month (subscription period).

Then, we will calculate the percentage of the subscription fee that will go to each stakeholder from this user, taking into account both State of Ownership of the channel, where this video was published and its Content Rating.

So, for example, if some user paid a subscription fee of **100 BFP** one month ago and only watched the videos from **3** channels (**C<sub>1</sub>**, **C<sub>2</sub>** and **C<sub>3</sub>**) we will need to distribute those **100 BFP** between stakeholders of channels **C<sub>1</sub>**, **C<sub>2</sub>** and **C<sub>3</sub>** **according to their stakes in each channel**. Using our smart revenue distribution algorithm we *may* come to the following distribution:

- **50 BFP** will go to author **A<sub>1</sub>(C<sub>1</sub>)** and investors **I<sub>1</sub>(C<sub>1</sub>)** and **I<sub>2</sub>(C<sub>1</sub>)**
- **35 BFP** to authors **A<sub>1</sub>(C<sub>2</sub>)**, **A<sub>2</sub>(C<sub>2</sub>)** and investors **I<sub>1</sub>(C<sub>2</sub>)** and **I<sub>2</sub>(C<sub>2</sub>)**
- **15 BFP** to author **A<sub>1</sub>(C<sub>3</sub>)**

In the following few paragraphs we will outline the formulas and logic that will be used to calculate the exact distribution of the subscription revenue.



### Note:

We will use a few constants and some assumptions, which we have selected elaborately based on our experience, common and math sense.

In the following calculations we determine *Content Rating* for each video watched by the user.

**Content Rating is a value from 0 to 1**, which represents how the user valued the content and how engaging it was for the user.

Content ratings are obviously subjective by nature and can not be considered absolutely fair.

*If the community can and will offer us suggestions and ideas on how to distribute the revenues in a way, that would **seem more fair to the majority of the community**, we will be glad to adjust our algorithm to incorporate those ideas and suggestions.*





## General Explanation

In order to explain how the Content Rating algorithm works, we need to introduce the parameters which we will use in our calculations:

1. **Content Duration** in minutes
2. Percent of content watched by the user, or **Watch Depth**
3. If the content received a **LIKE** from this user
4. A **Channel Coefficient** that this user specified each channel

### Content Duration

The first parameter is easy to explain. The longer the video, the more it took to produce it, shoot it, edit it, etc. Usually more people take part in producing longer videos, so the relationship here is obvious - the longer the video, the higher should be its content rating. At the same time, we decided to put a limit of **40 minutes** on the content duration in our formula, which makes the content rating calculation algorithm to treat all content longer than 40 minutes as if it was 40 minutes in duration.

*It is very likely that our formula will be optimized in the future to take into account the difference between full-length films, medium-length serialized content, short web-series and other types of content.*

### Watch Depth

Second parameter, the **Watch Depth** specifies how long the user watched the content. If the user stopped watching the video at the beginning and never resumed, we assume that user didn't like it enough or really disliked this content. If the user watched more than half of the video, we assume that this content only partially appealed to the user. If the user watched over 80% of the video, we consider it to be a fit content for this user.

Obviously this parameter should correlate with the *duration* of the video. It is much easier to watch half of the one minute video and much harder to sit through half of a 30 min video, unless it's interesting and engaging.



## LIKE

Third parameter is very simple. If the user gave this video a **LIKE**, we consider the content rating to be **1** and no further calculations are done. If the user didn't bother or forgot to give it a LIKE, we engage the algorithm, which takes into account the other 3 parameters.

Since Bond Platform doesn't plan to introduce a **DISLIKE** button, the only way for us to determine if the user liked or disliked the video would be to use the **Watch Depth**.

## Channel Coefficient

Fourth parameter - **Channel Coefficient**, or **K** for short - is a manual setting, which any user can adjust on their settings page. User will be able to adjust **K** for each channel.

By default every channel has **K** equal to **1**, which makes all channels even. But the user may decide to increase or decrease this value for each channel to make the revenue distribution algorithm favor one channel over another.



## The Formula

*The following calculations may look and seem complicated to some people, but we're providing them here for those members of our community who want to know the inner workings of the Bond Platform and learn how we implement our ideas on a software level.*

In order to calculate the **ContentRating** we need to calculate two important values:

1. **DurationWeight**: values the content based on its duration in minutes
2. **WatchDepthWeight**: values the content based on how deep the user watched it. *WatchDepthWeight* also depends on duration of the content. The longer the duration, the more weight the *WatchDepthWeight* will carry.

Both weight values should be in range [ 0, 1 ] and their sum should also be in the range [ 0, 1 ]. So, in order to calculate **ContentRating**, we can use the following simple formula:

$$ContentRating = (DurationWeight + WatchDepthWeight) \times K$$

What we are trying to say here is that by taking into account both the “heaviness” of the video duration and the engagement of the user who watched that video, we can calculate the rating of that content “in the eyes” of that user.

As was pointed before, if the user **LIKEd** the content, we don't run any calculations, but set *ContentRating* equal to **1**.



## Formula Constants

*In order to calculate the abovementioned weights, we will need to employ a few math methods and some preselected constants. Those were found using trial and error and might be changed in the future if a better set of constants OR formula distribution method will be found.*

1. **MaxDuration:** Maximum content duration to take into account. All durations longer than this value will be considered equal to this value

Constant Value: 40 minutes

2. Graph Area: **[ $x_{start}$ ,  $x_{end}$ ]** and **[ $y_{start}$ ,  $y_{end}$ ]**: the area of the **atan()** graph (below) which we use to *distribute the formula results unevenly*. By using the **atan()** function we force our formula to output higher **y** values for medium to high **x** values and lower **y** values for medium to low **x** values.

For our purposes, we use the following graph area

$$[x_{start}, x_{end}] = [0, 2]$$

$$[y_{start}, y_{end}] = [0, 2.42]$$

*This is the area of atan() graph as shown on the image below*

3. The power of **x** in the **atan()** function: determines the steepness of the curvature of the **atan()** graph and therefore the speed of the distribution of values

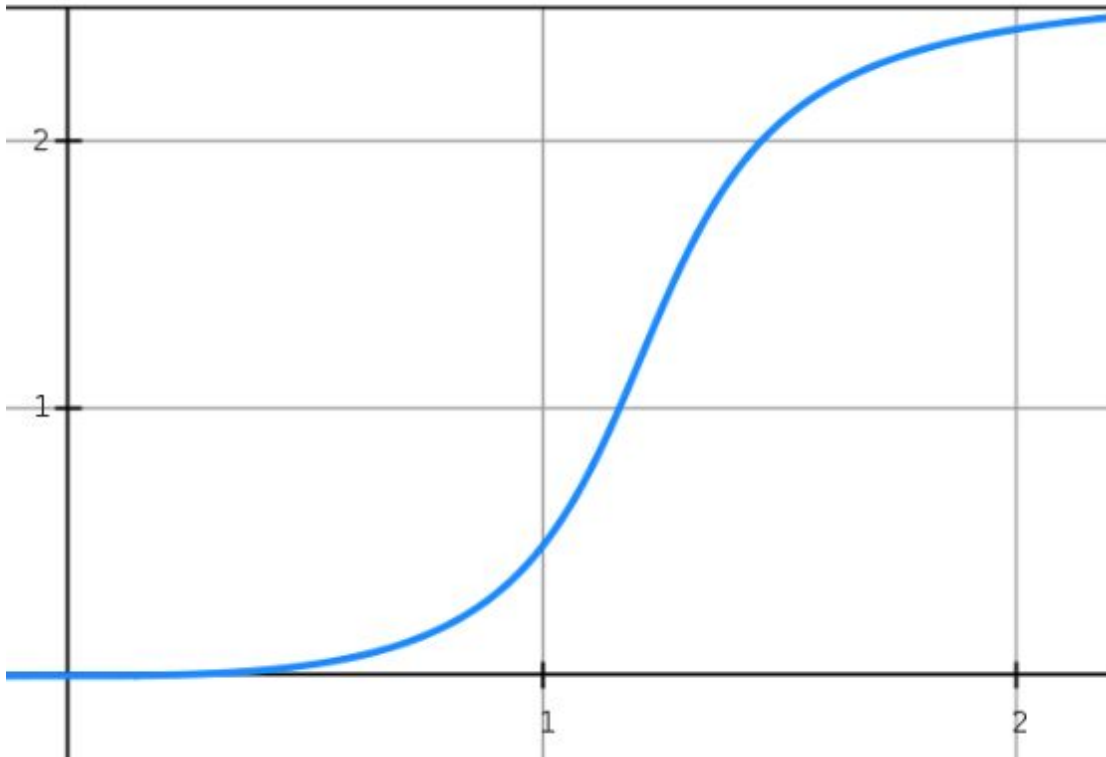
Constant Value: 3



The general formula that we use for our distribution is:

$$\text{atan}(x^P - \frac{\pi}{2}) + 1$$

Which for  $P = 3$  produces the following graph:



Using the curvature of this graph to distribute the values of our formula and using the constants, specified above, we can calculate our **DurationWeight** as follows:

$$\frac{(\text{atan}((\text{RelativeDuration} \times x_{\text{end}})^P - \frac{\pi}{2}) + 1) \times \text{Ratio}}{y_{\text{end}}}$$

Where **Ratio** is a relationship between our weights (we'll discuss it later), and **RelativeDuration** is **ContentDuration** limited by **MaxDuration**:

$$\frac{\min(\text{MaxDuration}, \text{ContentDuration})}{\text{MaxDuration}}$$

*Note: **ContentDuration** is the actual duration of the content measured in minutes.*



In a similar way we can calculate the **WatchDepthWeight** using the following formula:

$$\frac{(\text{atan}((\text{WatchDepth} \times x_{end})^P - \frac{\pi}{2}) + 1) \times \text{RelativeDuration} \times (1 - \text{Ratio})}{y_{end}}$$

Where **WatchDepth** is the actual percentage of the video the user has watched, represented as a value in a range [ 0, 1 ]

Now, when we have both **WatchDepthWeight** and **DurationWeight** we can easily calculate the value of **ContentRating** by adding those two values and multiplying the result by **K**.

One thing that we mentioned in both formulas was the **Ratio**, which is used to smartly connect content duration with it's watch depth.

The idea here is that the *larger* is the duration of the content, the *less* influence should it have on its **ContentRating** and the *more* influence should we give to the **Watch Depth**. And vice versa, the *shorter* the content, the more important is its *duration* and the less important is its **Watch Depth**.

We want to use another area of **atan()** graph here, in order to give more preference to medium-low and medium-high **x** values and less preference to the low **x** values. Therefore we're taking the **x** and **y** ranges to be:

$$[x_{start}, x_{end}] = [ 1.33, 2 ], [y_{start}, y_{end}] = [ 2, 2.54 ]$$

We will also use **P = 5**, to make the graph even steeper. And then the formula for **Ratio** will look as follows:

$$\frac{(\text{atan}((\text{RD} \times (x_{end} - x_{start}) + x_{start})^P - \frac{\pi}{2}) + 1 - x_{end}) \times \text{WD} \times 2 \times \text{BR}}{y_{end} - y_{start}}$$

Where **RD** is **RelativeDuration**, **WD** is **WatchDepth** and **BR** is **BaseRatio** - the base for the Ratio value, which we increase or decrease based on the duration and watch depth values. We take **BaseRatio** to be **0.15**, or 15%, which means that in base scenario the weight of content duration is **15%** and therefore weight of it's watch depth is **85%**.

[Here one can see some examples](#) of how content rating is constructed for different values using this formula



Thank you for reading our whitepaper!

Please visit our website <https://bond.pm> for latest and updated information about our project.