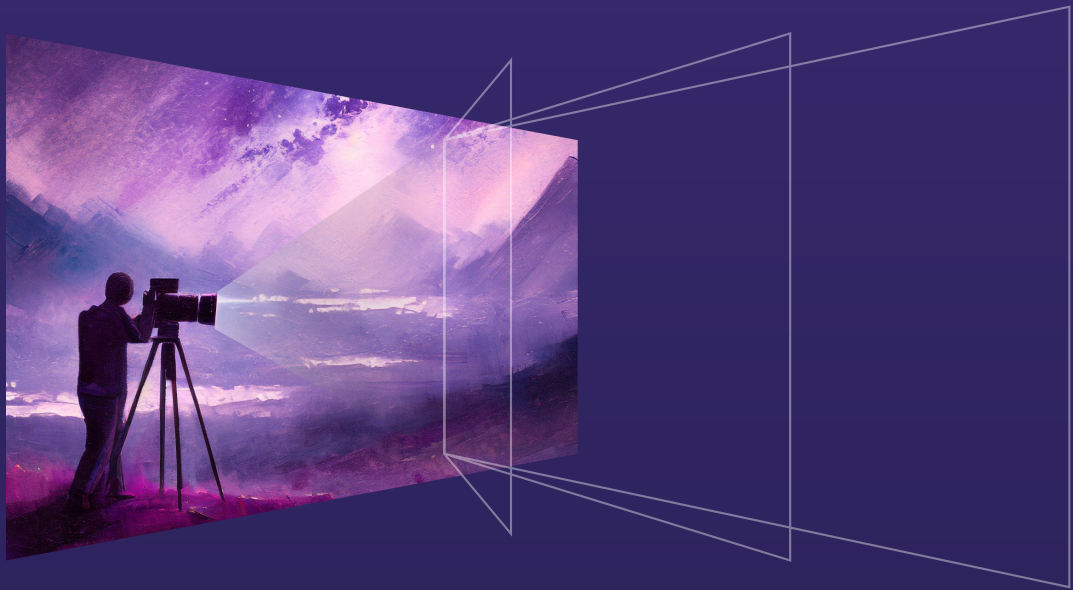


MovieBloc

White Paper Ver2.0 | ENG



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MovieBloc White Paper Ver2.0

This table of contents is designed to comprehensively cover strategic updates to the token economy of MovieBloc, focusing on addressing current challenges and leveraging growth opportunities through innovative funding models. Each section is thoroughly and meticulously dealt with based on extensive research and analysis, aiming to effectively convey the innovative strategies that MovieBloc will implement to nurture a strong independent film ecosystem.

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1. Introduction

1.1 Preface

Independent films, often based on unconventional themes and diversity and experimenting with styles, prioritize artistic value or message delivery over commercial objectives and frequently operate within limited budgets. Despite playing a positive role in reflecting the social landscapes of various regions worldwide, the indie film sector faces several challenges, including limited funding opportunities, difficulty accessing distribution channels dominated by major distributors and Netflix, and marketing constraints that hinder reaching a broader audience.

MovieBloc emerged to break the monopoly of significant capital and provide independent filmmakers with broader opportunities to showcase their works on a global scale. By hosting blockchain-based film festivals and providing financial support for film production, it has fostered a vibrant community of creators and supporters.

With a focus on transparent rewards and access to viewer data,

MovieBloc has worked towards a decentralized, participant-centric approach to film production, distribution, and consumption, enabling creators to effectively meet the diverse needs of their audience.

Over the past five years, leveraging blockchain technology with the goal of invigorating the independent film ecosystem, MovieBloc has come to realize that the fundamental challenges of sustaining independent films ultimately revolve around finding ways to connect with and gain empathy from a small but precious audience. Our answer to this question involves innovating the funding methods for creators to reach a broader audience, ensuring more reliable participation and contribution from stakeholders, and guaranteeing realistic benefits for the projects they support.

MovieBloc's whitepaper upgrade outlines new pathways for filmmakers to more easily access capital and realize their projects, introducing a funding and sponsorship model that injects new vitality into the independent film ecosystem in the Web 3.0 era for the public good. Among the key strategies for independent films to communicate with more people amidst the flood of commercial

films, the issuance of tokenized securities within the MovieBloc ecosystem is introduced.

The issuance of tokenized securities in the film industry is gaining attention as blockchain technology matures. Tokenized securities represent a digital expression of actual asset ownership, offering several potential benefits, including increased liquidity, fractional ownership, and programmability.

The newly introduced film security token issuance model allows participants not only financial support but also the opportunity to actively engage with the projects they support. This approach will amplify the voices of independent filmmakers, foster deeper connections with audiences, and provoke meaningful conversations. Tokenized securities provide a sense of ownership and loyalty to the project, strengthening the bond between creators and their audience by linking them with the project.

This creative project aims to free itself from the constraints of traditional funding channels, respecting and expanding philosophical discourse and experimental artistry in the film industry with a robust funding model. Furthermore, MovieBloc will solidify its position as a film token issuer, growing into a platform that presents a firm vision and direction for film token issuance backed by MBL. We hope our newly initiated MovieBloc V2 system will become the cornerstone contributing to the uniqueness and public good of the independent film ecosystem.



2. Overview of the MovieBloc Ecosystem

MovieBloc is an innovative platform designed to empower independent filmmakers through the dynamic exchange of content, services, and value, unite audiences, and break down cultural barriers. At the heart of MovieBloc is a digital marketplace where creators can showcase their work, audiences can discover and engage with diverse content, and translators can facilitate global accessibility. By employing decentralized principles and innovative features, MovieBloc redefines the traditional film industry, offering a transparent, fair, and inclusive ecosystem for all participants.

2.1 Platform Components

Content Marketplace

The core of MovieBloc, the content marketplace, provides a platform for creators to upload their independent films and generate revenue. Creators have full rights and control over their content, setting their terms and pricing, while MovieBloc ensures a safe and efficient transaction process.

Audience Engagement

Audiences play a pivotal role in the MovieBloc ecosystem by actively participating in content consumption, providing feedback, and supporting creators through purchases or donations. Their engagement fosters a vibrant community of film enthusiasts, promoting the platform's growth and sustainability.

Translator Network

The translator network in MovieBloc expands the reach of content by adapting films into multiple languages, enabling diverse audiences worldwide to access it. Translators play a crucial role in breaking down language barriers and facilitating cultural exchange.

Feedback Mechanism

MovieBloc encourages direct communication between creators and audiences through feedback mechanisms like ratings, reviews, and comments. This collaborative environment allows creators to refine their work based on viewer insights, leading to higher-quality content and improved viewer satisfaction.

2.2 Participant Roles

Creators

Independent filmmakers are the lifeblood of MovieBloc, leading content creation and diversity within the platform. Creators maintain complete ownership and control over their work, freely producing and uploading films. They can set their terms and pricing to generate revenue from their content and build a loyal fan base.

Audiences

Audiences form the core of the MovieBloc community, actively engaging with content, providing feedback, and supporting creators. Through film purchases or donations, audiences directly contribute to the success of independent filmmakers while enjoying access to high-quality and diverse content.

Translators

Translators play a vital role in extending the global reach of MovieBloc content by translating films into multiple languages. They help creators communicate with worldwide audiences and promote intercultural exchange and appreciation.

Feedback Providers

Including viewers and industry experts, feedback providers offer valuable insights and critiques to help creators refine their work and improve content quality. By actively participating in the feedback process, users contribute to the continuous development and growth of the MovieBloc ecosystem.



3. Current Token Economy

The MovieBloc token economy is a dynamic and evolving ecosystem designed to support creators within the independent film industry, attract audiences, and stimulate growth. Utilizing the utility and incentives of MBL tokens, MovieBloc aims to create a sustainable platform where creators can thrive, audiences can discover diverse content, and stakeholders can actively participate in shaping the future of film.

3.1 Utilization of MBL within the Ecosystem

3.1.1 Token Utility

MBL tokens play a crucial role in facilitating various transactions and interactions within the MovieBloc ecosystem.

3.1.2 Content Access

Users can use MBL tokens to access premium content, purchase, and watch movies, providing a sustainable revenue source for creators and enhancing the viewing experience for participants.

3.1.3 Membership Benefits

MBL token holders can enjoy exclusive membership benefits, including content purchase discounts, priority access to screenings, and rewards for active participation within the platform, encouraging token holding and participation.

3.1.4 Creator Incentives

Creators receive rewards in MBL tokens based on the popularity and engagement of their content, promoting high-quality production, audience engagement, and innovation within the independent film industry.

3.1.5 Community Governance

MBL token holders can participate in community governance projects, such as voting on platform updates, content selection, and strategic decisions, presenting a decentralized and inclusive governance model.

3.1.6 Utilization for Film Sponsorship

MBL tokens can be used as a means to sponsor film production within the MovieBloc ecosystem, offering a reward function where profits are shared among sponsors and creators based on their stakes.

3.1.7 Staking and Rewards (Planned)

MBL token holders can participate in staking pools based on their contributions and receive rewards based on the security and stability of the MovieBloc network, promoting network participation and decentralization.

In addition to MBL token utilization, MovieBloc explores sponsorship funds as a means to enhance the platform's sustainability and growth.

3.1.8 Collateral for ST Token Issuance (Planned)

MBL tokens are intended to be used as collateral for the issuance of security tokens (ST) on the MovieBloc platform. This structure will further solidify the value of MBL tokens and facilitate investments and fundraising through security tokens within the platform. This will give independent and artistic filmmakers a new opportunity to showcase their projects to a broader investor base and raise the necessary funds.

3.2 Key Factors Influencing the Token Economy

Content Consumption

Demand for MBL tokens is driven by user engagement and content consumption within the platform, with increasing demand leading to higher token value and liquidity.

Creator Engagement

High-quality content creation and upload by creators incentivize audience engagement and token use, increasing demand for MBL tokens and stimulating economic activity within the ecosystem.

Audience Incentives

Providing incentives and rewards for audience participation (e.g., token-based loyalty programs and referral bonuses) encourages active participation and token circulation within the platform.

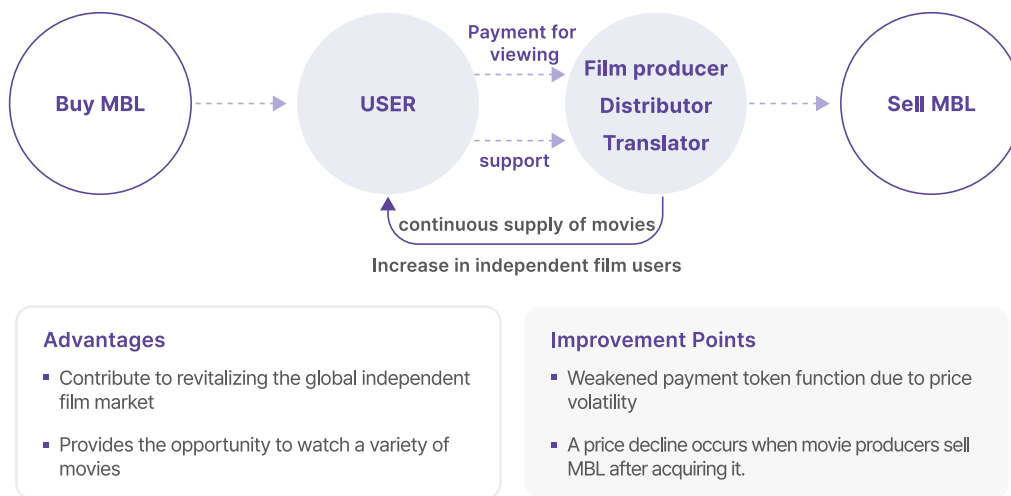
Market Dynamics

External market factors such as cryptocurrency trends, investor sentiment, and industry developments can affect the value and volatility of MBL tokens, impacting user behavior and platform dynamics.



4. Current Economic Issues

The MovieBloc ecosystem is energized by the participation of users, creators, and stakeholders, with the MovieBloc token (MBL) acting as the primary medium for transactions within the platform. However, the volatility of MBL presents significant difficulties for its adoption and use. To address these issues and enhance the utility of MBL tokens, MovieBloc proposes a strategic shift towards a membership system instead of individual payments, and innovative solutions like profit-sharing through sponsorship funding and the issuance of security tokens (STO) for each film.



4.1 Current Challenges

Volatility Issues

The price volatility of MBL tokens introduces uncertainty and risk for users, leading to reduced frequency of payments, content access, and economic activity on the platform. This volatility causes hesitation among users and hinders the growth of the MovieBloc ecosystem.

Introduction to Stable Point Popcorn

In response to MBL token volatility, MovieBloc introduced Stable Point Popcorn as an alternative payment method. Although Popcorn provides stability, its introduction has reduced the usage of MBL tokens for payments, creating difficulties for the token economy.

Lack of DAO Community Engagement

The absence of activated DAO governance in MovieBloc has led to centralized decision-making, resulting in a lack of community engagement, trust, and slowed progress. The token holders play a significant role in MovieBloc's DAO community. However, the current inactivity of DAO governance due to centralized decision-making leads to a lack of community participation. Furthermore, there's a lack of a rewarding system to foster such engagement. Activating a reward system for contributions could help gather community feedback and enhance trust in development.

Insufficient Support Funding System for Creators

While MovieBloc offers a global space for showcasing independent films and distributing rewards fairly among participants, it falls short in supporting independent filmmakers with initial funding and generating profits for all participants from produced films. This limitation is recognized as a critical point linked to the activation of the ecosystem.

4.2 Solutions

Transition to Membership System

MovieBloc proposes transitioning to a membership system that allows users to utilize MBL tokens for accessing premium features and exclusive content. By providing tangible benefits and incentives, such as discounted ticket prices, early access to screening times, and VIP benefits for MBL token holders, the platform encourages continued use and token circulation.

Profit Sharing from Funding

MovieBloc explores the possibility of profit-sharing agreements in independent film funding, where MBL token holders can sponsor or invest in tokenized content and receive dividends or rewards based on success and profitability. This model aligns the interests of sponsors, creators, and users, encouraging MBL token utilization and fostering a mutually beneficial ecosystem.

Film Security Token Issuance (STO)

MovieBloc considers transforming STO as a mechanism for MBL token holders to invest in their favorite works and receive dividends or profit distributions from the overall performance of the ecosystem. STO provides a regulated framework for fundraising and investment,

offering investors transparency and legality while stimulating demand for MBL tokens.

Introduction of DAO Governance

Introducing DAO governance on the MovieBloc platform allows community members to decide on the platform's operation and development direction. Making the voting and decision-making process transparent and fair through DAO governance can build user trust in the platform. Users can propose excellence in content, reward systems, and new features through DAO and make decisions based on community feedback.

Staking Functionality

Token holders can participate in governance voting through staking, allowing them to directly engage in decisions regarding the platform's direction, improvement suggestions, and protocol upgrades. Staking supports the healthy growth of the MovieBloc ecosystem and provides economic incentives to users, encouraging more engagement with the platform.

DEX (Decentralized Exchange) Planned

Unlike centralized exchanges, a decentralized exchange (DEX) operates without an intermediary distributor mediated by the platform. Transactions occur directly between users, utilizing blockchain technology and smart contracts to execute trades and custody assets automatically. DEX offers advantages such as no intermediary fees, reduced dependence on external intermediaries, enhanced liquidity, real-time trading possibilities, low-cost transactions, improved security, and increased transparency and trust.

Conclusion

By implementing strategic solutions to address the volatility issues of MBL tokens and enhance their utility, MovieBloc aims to create a sustainable and prosperous ecosystem for content creation, consumption, and economic activity. Through the introduction of a membership system, profit-sharing mechanisms, and the activation of DAO governance, alongside innovative approaches to stimulate token use, MovieBloc seeks to offer users, creators, and stakeholders the opportunity to actively participate and contribute to the platform's success.



5. Overview of the New Token Economy Funding Model

This section details MovieBloc's innovative approach to fundraising for independent films, emphasizing the unique benefits of each stage of the funding model and highlighting how it supports creators and engages users within the ecosystem.

5.1 Current Funding Landscape in the Film Industry and the Evolution of Content Funding Methods

Before delving into MovieBloc's unique funding model, it's crucial to understand the evolution of funding methods and the current state of crowdfunding in the film industry.

Purpose of Investment	Funding method	Reward Method	Entity
Profitable	Stocks, Bonds	Revenue Distribution According to Stake	Investment Firm
	Loan	Principal and Interest Repayment	Individuals and Corporations
Non - Profitable	Products, Services	Product and Service Provision	Individual
	Donation	-	Individual

Revenue-based crowdfunding in the film industry typically involves soliciting investors before production, with returns calculated based on audience numbers. Profits are realized, and contracts are concluded after screening ends.

5.1.1 Revenue-based Crowdfunding

Revenue-based (for-profit) crowdfunding has been a common funding method in the film industry. Investors typically contribute funds before production, with profit and loss ratios calculated based on audience size during screenings. However, this model is mostly applicable to mainstream, commercial films. Independent films find it challenging to attract investors, indicating that revenue-based funding is not ideally suited for the independent film production environment.

5.1.2 Donation-based Crowdfunding Donation-based

crowdfunding operates more as a sponsorship, where backers receive benefits like merchandise rather than making an investment. For independent art films, donation-based, non-profit crowdfunding is more appropriate, though it typically generates smaller amounts and relies solely on donations.

5.1.3 STO Funding Method STO (Security Token Offering) shares

There are similarities with crowdfunding in terms of fundraising goals, but it differs by offering tokens representing equity, enabling continuous profit sharing. Thus, crowdfunding can be followed by issuing an STO, allowing the sharing of film equity and ongoing profits.

5.1.4 Emergence of Security Tokens (ST) in Content Funding

The film industry is gradually adopting new funding systems like STO (Security Token Offering), which, unlike traditional crowdfunding, issues tokens representing shares in the project, allowing investors to share in continuous profits even after the film's completion. This model offers the possibility of ongoing revenue sharing, adding long-term value to film investments.

5.1.5 The Potential of ST

The possibility of generating revenue by selling shares of an independent film exists, making it attractive to participants due to the potential for continuous profit sharing through shareholding. Given the challenging environment and the uncertainty of revenue generation that characterizes independent films, the anxiety surrounding dividend payments is addressed within the MovieBloc ecosystem.

5.2 Introduction to New Funding Methods

MovieBloc's ecosystem addresses the harsh environment and uncertainties surrounding independent film production by offering a transparent and inclusive platform for creators and investors. It provides paths for initial production support and long-term revenue, assisting independent filmmakers in overcoming financial difficulties and realizing their creative visions in an ever-changing industry.

MovieBloc's support mechanism for independent films offers opportunities for creators and investors to participate in a collaborative and sustainable ecosystem. Combining sponsorship funding for initial production costs with long-term revenue through STO enables independent filmmakers to thrive in the dynamic industry environment.

Initial Production Cost Support Model (Crowdfunding - Donation-Based)

MovieBloc's donation-based funding model aids independent filmmakers in raising initial production costs. Creators can use the platform to receive donations and support, offering backers benefits like exclusive pre-production meetings, producer credits, and exclusive merchandise.

Pre-production Funding (Raising funds with an STO)

Before production, a synopsis and screenshots can be used to issue an STO, aiming to raise target funds. This stage allows partial disclosure of the film to attract investor interest, with raised funds covering production costs. Investors gain from the value increase of token sales and a share in the final movie profits.

Post-production Funding (Raising funds with an STO)

After completing the film, MovieBloc supports the purchase of project securities tokens through the film's STO, allowing participants to share in the movie's long-term revenue and profit flow. This provides a sustainable funding model for independent filmmakers.

5.3 Initial production cost funding model (Crowdfunding)

MovieBloc's donation-based funding model focuses on independent art films, receiving contributions in the form of donations and offering backers the chance to enjoy pre-screenings and other benefits. Trustworthy directors and projects are selected, and scripts or outlines are disclosed, making MovieBloc a platform for raising funds within its ecosystem. Funds are converted to MovieBloc tokens (MBL), with corresponding rewards for each donation.

Director Selection and Project Disclosure

Trustworthy directors are carefully selected to participate in initial production support. Project details, including scripts or outlines, are disclosed to potential backers to attract interest and support.

Conversion and Utilization of Donation Funds for MBL

The donated funds are converted to MBL tokens, which serve as the primary currency for donations within the MovieBloc ecosystem.

Tiered Sponsorship Benefits

Sponsorship benefits are tiered, offering various rewards based on different donation amounts. Potential benefits include:

- Exclusive access to pre-screenings through a private link.
- Recognition as a contributor in the movie credits during screenings.
- Early access to the movie script.
- Opportunities to participate in private Zoom meetings with the producer.
- Listing as a producer or co-producer in the credits.

Negotiated Sponsorship Conditions

The sponsorship amount is negotiated for each project, considering factors such as the scope of the movie, budget, and potential benefits for sponsors. Collaboration between the MovieBloc project team and filmmakers determines the target sponsorship price and benefits.

The model for issuing Security Token Offerings (STO) to support fundraising after film production completion will be explained in more detail in Sections 6 and 7. Section 6 will describe the STO system, while Section 7 will elaborate on the revenue-sharing mechanism of the ST model.



6. STO Model for Independent Films

This section explains the process of tokenizing film projects for profit sharing, outlining the operating mechanism and benefits for investors. It describes the process and methodology for screening films for profit sharing and the sale and distribution of token securities.

6.1 Token Security Funding within the MBL Ecosystem (Revolutionizing Film Financing)

MovieBloc introduces an innovative sponsorship model in the form of token securities utilized within the MBL ecosystem. This innovative approach comprises two stages: the tokenization of trustworthy films already produced, rather than pre-production (pre-production) funding represented by sponsorship, and profit sharing through this process. By leveraging blockchain technology, MovieBloc ensures transparent and automatic revenue distribution, innovating the film financing method and providing broader opportunities for creators.

6.2 The Tokenization Process of Film Projects

Selection and Valuation

Independent film directors and films are carefully selected, and discussions on asset valuation are conducted to determine the value of the film project.

Asset Tokenization

Films are tokenized into securities, allowing creators to maintain more than 50% of the tokens while selling the rest to fund the project. More than 50% can be sold, and it's even possible to sell 100% for fundraising purposes, completely decentralizing ownership.

Token Sale

Token securities are sold to investors through Revenue Share Cinema, and once the specified capital sales amount is reached (at the end of the token sale quantity), all revenues generated within the platform are automatically deposited into the customer's wallet.

6.3 Profit Sharing Mechanisms with Investors

Revenue Share Cinema

MovieBloc establishes cinema within the platform where revenue is shared, allowing audiences to view the work at a higher entrance fee than regular screenings and receive security tokens for the film.

Automatic Revenue Distribution

Revenue generated from screenings is recorded on the blockchain and automatically shared monthly or quarterly based on token ownership percentages, ensuring fair and transparent revenue distribution.

Audience Participation

Audiences can participate in profit sharing by receiving security tokens for the films they watch distributed to their MovieBloc wallet, enabling continuous revenue generation while the film is screened on the platform.

6.3 Key Features

Film Tokenization

Creators can tokenize films into securities, securing transparent ownership and maintaining control over intellectual property while facilitating fundraising.

Automatic Profit Sharing

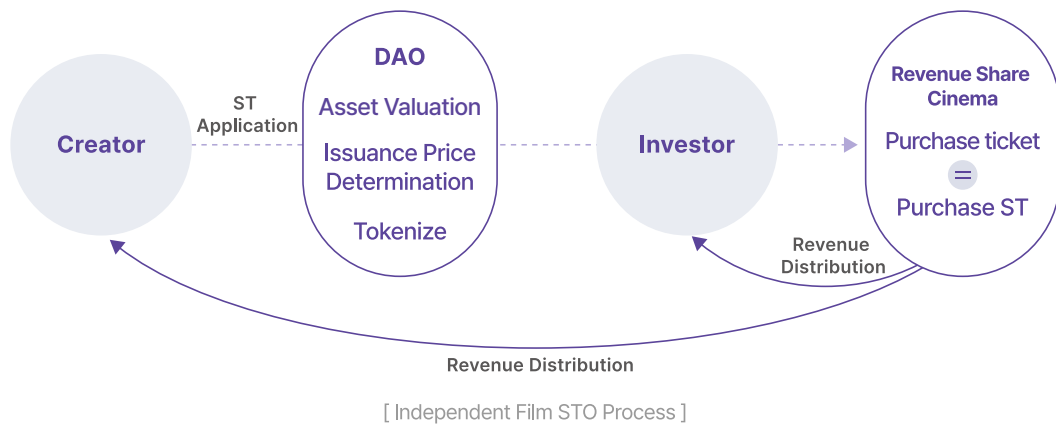
Revenue generated within the MBL ecosystem is automatically distributed among token holders within the MovieBloc platform using MBL tokens, eliminating the need for complex adjustments and ensuring efficiency and fairness.

Limited Screenings

Revenue Share Cinema are offered in limited quantities to maintain exclusivity and value. Once the sales target is reached, the tokenized work transitions from revenue sharing screenings to regular screenings, where continuous revenue from viewing still occurs.

The token security sponsorship model of MovieBloc provides creators with a transparent and efficient means to fund and share profits, innovating film financing.

Through pre-production funding and post-production profit sharing via security tokens, MovieBloc supports independent filmmakers in realizing their creative visions and energizing the ecosystem. We aim to transform the landscape of the independent art film industry and usher in a new era of prosperity beneficial to both creators and audiences.





7. Revenue Share Cinema for Security Tokens

The Revenue Share Cinema is an innovative screening model that enables continuous revenue generation at cinemas and offers audiences empathy and benefits for the creator's work. This model strengthens mutual cooperation between film creators and audiences, operating through a revenue-sharing mechanism facilitated by tokenized securities.

7.1. Operating Principle

- Revenue Share Cinema operates based on films that have been internally appraised on the platform and only screens movies that have issued security tokens.
- For example, suppose 1,000 tokens are issued for a movie to be screened at 10,000 KRW each, with the creator holding 50% of the total tokens.
- The creator can sell the remaining 50% of the tokens, and these tokens are allocated to the audience when the movie is screened in the Revenue Share Cinema.
- The cinema operates on a revenue-sharing model, where all revenue generated by the work within the MovieBloc ecosystem is automatically distributed to all token holders who have viewed the film in the Revenue Share cinema.

7.2 Revenue Distribution

- The cinema automatically settles and distributes the film's revenue to token holders monthly or quarterly, based on their shares.
- Settlements are made transparently and efficiently using blockchain technology, automatically distributing profits according to each token holder's share ratio.

7.3 Revenue Share Cinema Closure

- Once the allocated volume of sales ends, the Revenue Share Cinema transitions to a regular cinema.
- Even after transitioning to a regular cinema, the movie's revenue continues to be fairly distributed to the creators and token holders.

Revenue Share Cinema promotes mutual cooperation and continuous revenue generation between creators and audiences. Through transparent and fair revenue distribution, it contributes to enhancing the sustainability of the independent film industry.

Classification		Revenue share Cinema	Regular cinema
Token distribution		Exists	Does not exist
Number of screenings		Screen as much as the sold token volume	No limitations
End of screening		When sold out, the screening ends	End upon consultation with the creator
Profit settlement	Creator	Profit distribution according to ownership shares	Profit distribution according to ownership shares
	ST holders	Profit distribution according to ownership shares	Profit distribution according to ownership shares
	Audience members	Acquisition of ST	No revenue settlement

[Features of Revenue Share Cinema]



8. Benefits of the New Token Economy

The newly introduced token economy in MovieBloc offers diverse benefits to creators, users, and the platform itself. By utilizing tokenization and blockchain technology, MovieBloc innovates the film financing method, fosters community participation, and enhances platform utility, creating a dynamic ecosystem.

8.1 Benefits for Creators

Revenue Generation

Post-production tokenization of films allows creators to generate sustainable revenue and motivation to continue creative activities.

Ownership Assurance

Maintaining 50% of the total issued tokens for their work ensures creators retain ownership, contributing to the potential increase in token value and maintaining control over intellectual property.

Rapid Monetization

Through the sale of security tokens, creators can quickly monetize and anticipate potential token price increases, securing liquidity and capitalizing on market demand.

Collaborative Ecosystem

Forming a joint ecosystem with film tokens encourages creators to collaborate, share resources, and receive support for the continuous growth of independent film production.

Customer Loyalty

Creators can secure loyal customers invested in their work, fostering a dedicated fan base and long-term engagement.

Individual Transactions

Selling the security tokens of their works allows creators to participate in individual transactions and generate additional revenue, preparing funds for future projects and freely managing their financial benefits.

8.2 Benefits for Users

Ownership Stake Acquisition

Users can acquire a stake in a project's success and revenue by watching movies and owning their security tokens.

Revenue Distribution

Profits generated from movie screenings are distributed through security tokens, offering users direct financial incentives from independent films

Rights Ownership

Users owning tokens for independent films can exercise rights over the movie and participate in governance voting and decision-making processes within the ecosystem.

Community Participation

Engaging in a shared ecosystem with movie tokens enables users to participate in community activities, collaboration, and co-ownership and development of content.

Supporting Creators

Users contribute to the growth of the independent film industry and support emerging directors by tokenizing and owning the works of their favorite creators.

Token Trading Opportunities

Ownership of early works by creators provides opportunities for profit as the value of these works increases with the director's success.

8.3 Benefits for the MovieBloc Platform

Global Independent Film Financing Platform

MovieBloc becomes a powerful and global financing channel for independent film creators, offering Security Token Offering (STO) and attracting various investors.

Active Participation

Governance activities within the platform are maintained until the security tokens are retired, ensuring continuous engagement and liquidity in the MovieBloc ecosystem.

Increased Utilization of MBL Tokens

MovieBloc enhances the utility and demand of MBL tokens by using them for viewing and supporting payments in Revenue Share Cinema, facilitating token securities trading.

Creation of Forums for Each Film

Establishing forums for each film activates the movie community, encouraging transparency, communication, and collaboration among stakeholders.

Transparency and Automation

All information recorded on the blockchain operates transparently and automatically, ensuring authenticity, reliability, and efficiency in platform operations.

Adapting to the STO Market

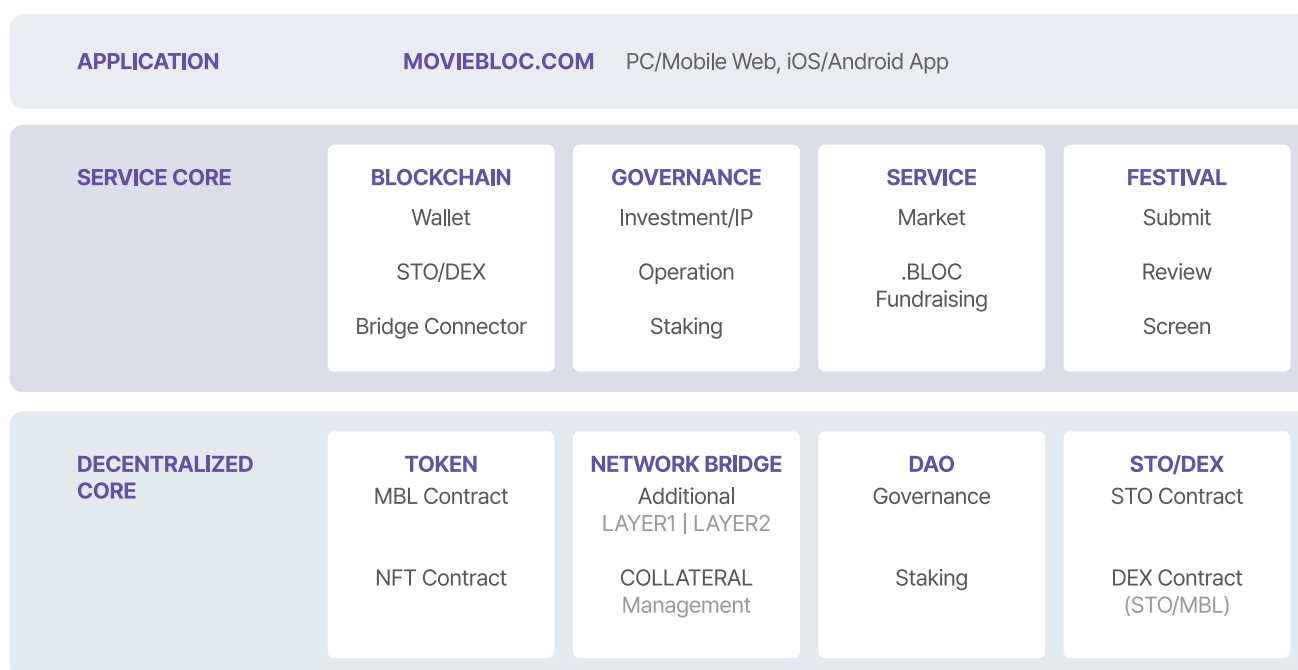
Transitioning to a full security token issuing platform allows MovieBloc to actively contribute to the film industry and quickly apply distribution in the market outside the MovieBloc ecosystem, positioning the platform advantageously within the entire STO ecosystem.

The new token economy introduced by MovieBloc, through changes in independent film financing methods, innovates user participation and platform utility, providing various benefits to creators, users, and the platform itself. Fostering financial autonomy, community participation, and technological innovation, MovieBloc opens up a comprehensive, transparent, and prosperous future for independent film production. Everyone who loves movies is invited to participate in redefining the independent film industry, discovering creativity and potential through the spirit of Web 3.0, and redefining relationships among all participants.



9. Architecture

MovieBloc is set to enhance service coverage and user experience through innovations in investment methods, improvements in service management practices, and the expansion of a blockchain-based network. This section explains our improved architecture, categorized into the Distributed Core Layer, Service Core Layer, and Application Layer.



[MovieBloc Architecture]

9.1 Distributed Core Layer

This layer ensures transparency in token flow and management systems among platform participants, enhances network coverage and stability through network token movement and collateral management, and guarantees the integrity of token issuance and transactions through smart contracts. Decisions made by decentralized autonomous organizations (DAO) are recorded on the blockchain, maintaining immutability.

9.1.1 TOKEN

The token module handles the issuance and transaction flow of tokens and NFTs generated through user activities on the platform. MBL serves as the

base currency within the MovieBloc ecosystem, managed through smart contracts and expanded via network bridges. NFTs, used as ownership proofs for goods like Movie Cards, donations, levels, and tickets, are traded through the NFT market.

9.1.2 NETWORK BRIDGE

This module supports mainnet expansion and ensures the total issuance of MBL through collateral management. Mainnet expansion improves participant convenience and reflects the blockchain ecosystem and technological advancements in MovieBloc.

9.1.3 DAO(Decentralized Autonomous Organization)

MBL holders can participate in the DAO, contributing to organizational operations and decision-making. Participation requires proof of ownership through MBL Staking. Decisions and processes are hashed and permanently recorded/-stored on the blockchain.

9.1.4 ST(Security Token)/DEX

Security token smart contracts handle collateral management, issuance, trading, and liquidation. The initial value is determined by the ratio of collateral tokens to issuance volume. Holders can request liquidation if they deem the ST value below the collateral value. Liquidation pays out the collateral tokens based on the initial value times the liquidation quantity, reducing the security token issuance volume. Issuers can increase issuance by adding collateral. STs may be supported for trading via DEX in the future, except liquidation does not include revenue-collateralized STs

9.2 Service Core Layer

This layer realizes the distributed core layer as a service. The BLOCKCHAIN module integrates TOKEN, NETWORK BRIDGE, and ST/DEX, while GOVERNANCE is the DAO implementation. Additionally, it includes the SERVICE module and film festival module for constructing the MovieBloc service ecosystem.

9.2.1 Blockchain

Handles MBL token transactions, rewards, revenue settlements, revenue-collateralized ST revenue distribution, off-chain sections of the network bridge,

and the user interface. Wallet services are provided to users, with integration and transfer support for third-party wallets, enhancing accessibility and evolving MovieBloc towards the Web3 spirit.

9.2.2 Governance

The foundation promotes MBL holder participation in investment, IP acquisition, and operational decisions, progressing towards a decentralized organization. Governance results are hashed and stored on the blockchain, providing a user interface for staking contracts and managing related policies.

9.2.3 Services

Offers interfaces related to content purchasing, screening, community, and fundraising. The market establishes OTT-style services ranging from product configuration/recommendation/search/purchase/viewing/settlement. .BLOC service acts as a social network, connecting users with creators and creators with staff.

9.2.4 FESTIVAL

Film festivals consist of submission, evaluation, and screening functions, available to MovieBloc and third parties. Even when supplied to third parties, content is submitted and screened through MovieBloc. Prizes and rewards are issued via the BLOCKCHAIN module executing the TOKEN module.

9.3 APPLICATION

Distributed service cores combine to form the MovieBloc Dapp. The MovieBloc Dapp is provided in the form of a PC, Mobile WEB, iOS, and Android APP



10. Governance and Compliance

The governance and regulatory compliance related to Security Token Offerings (STO) vary significantly by country, with some countries introducing specific laws to regulate this new financial instrument.

10.1 Major Country Policies

United States

- Regulatory Authority: The Securities and Exchange Commission (SEC) regulates STOs in the US.
- Regulatory Framework: The SEC considers STOs as securities, thus applying traditional securities laws, specifically Regulations D, A+, and S.
- KYC/AML Requirements: STOs must implement Know Your Customer (KYC) procedures and Anti-Money Laundering (AML) programs.

European Union (EU)

- Regulatory Authority: The European Securities and Markets Authority (ESMA) supervises financial market participants and products.
- Regulatory Framework: The EU regulates STOs through several laws, including the "Prospectus Regulation" and "Markets in Financial Instruments Directive (MiFID II)."
- KYC/AML Requirements: The EU enforces KYC and AML regulations through the 4th and 5th Anti-Money Laundering Directives (AMLD).

Switzerland

- Regulatory Authority: The Swiss Financial Market Supervisory Authority (FINMA) regulates STOs.
- Regulatory Framework: FINMA considers STOs as securities, applies traditional securities laws, and provides guidelines for digital assets.
- KYC/AML Requirements: Switzerland enforces stringent KYC and AML regulations.

Singapore

- Regulatory Authority: The Monetary Authority of Singapore (MAS) regulates financial markets.
- Regulatory Framework: MAS regulates digital assets through the "Payment Services Act" and the "Securities and Futures Act." STOs classified as securities are subject to relevant laws.

- KYC/AML Requirements: MAS requires financial institutions to conduct KYC procedures and comply with AML/CFT (Counter Financing of Terrorism) requirements.

10.2 KYC (Know Your Customer)

KYC is a process by which financial institutions verify the identity of their clients to prevent misuse of services. This process includes collecting:

- **Basic identity information:** Name, address, date of birth, etc.
- **Identity document submission:** Passport, driver's license, national ID, etc.
- **Proof of address:** Recent utility bills or bank statements.
- **Source of income and assets:** Documents verifying the source of income or proving the source of assets.

KYC procedures are crucial to ensure that investors are not involved in illegal activities such as money laundering or terrorist financing.

10.3 AML (Anti-Money Laundering)

AML encompasses a wide range of policies, laws, and regulations aimed at preventing money laundering. Financial institutions implement AML procedures, including:

- **Transaction monitoring:** Identifying and monitoring suspicious transaction patterns or activities.
- **Reporting suspicious transactions:** Reporting transactions above a specified amount or suspicious activities to the country's Financial Intelligence Unit (FIU).
- **Risk-based approach:** Applying stricter scrutiny based on the customer's risk level.
- **Internal policies and procedures:** Establishing internal policies, procedures, and training programs for AML.

10.4 MovieBloc Regulatory Compliance

MovieBloc aims to obtain the qualifications of a token securities issuer worldwide, considering various regulatory environments. The platform ensures legal compliance through the following key strategies:

1. Cooperation with Regulatory Authorities

- **Regulatory Awareness:** Close cooperation with financial regulatory authorities in each country to understand and comply with specific regulatory requirements.
- **Legal Advice:** Ongoing legal support from experienced legal advisors in each region.

2. KYC/AML Procedures

- **Investor Identity Verification:** All investors undergo KYC procedures for anti-money laundering and investor protection.
- **AML Policy:** MovieBloc establishes and adheres to strict Anti-Money Laundering policies.

3. Transparency and Disclosure

- **Project Information:** All film projects provide comprehensive information, including financial status, budget plans, and target funding amounts.
- **Regulatory Compliance Reporting:** Regular reports to disclose the platform's operational status and compliance with regulations.



11. Long-term Strategy and Token Economy

MovieBloc plans to expand its role as a token securities issuer, positioning itself as a specialized issuer of Real World Assets (RWA) for the film industry, including independent art films. This section describes the long-term strategy to bring innovation to the film industry and expand the ecosystem through the token economy.

11.1 Film Token Securities Issuer

11.1.1 MovieBloc's Vision

MovieBloc's main goal is to provide a new method of fundraising through tokenization within the film industry, building a platform beneficial for both independent filmmakers and investors. The platform aims to support all stages of film financing, from independent to commercial film funding, enhancing transparency and accessibility in the film industry.

11.1.2 Future Role of MBL

MBL plays a central role in the MovieBloc ecosystem, being used in all processes including loans secured against film copyrights, token issuance, and revenue distribution. MBL is also used to issue STO tokens, with some MBL being burned in the process to preserve token value.

11.1.3 Film Tokenization Process

- **Filmmaker Loans:** Filmmakers receive MBL loans from the MBL Trust Division using the copyrights of produced films as collateral.
- **Token Issuance:** The MBL STO Division calculates and issues film token distribution ratios through smart contracts.
- **Token Sale:** Issued tokens are sold through the MBL IDO Division, with revenues moving back to the MBL Trust Division.
- **Revenue Distribution:** Filmmakers continuously distribute revenue generated by the film to users who purchased tokens based on the collected amount.

11.2 Long-term Strategy

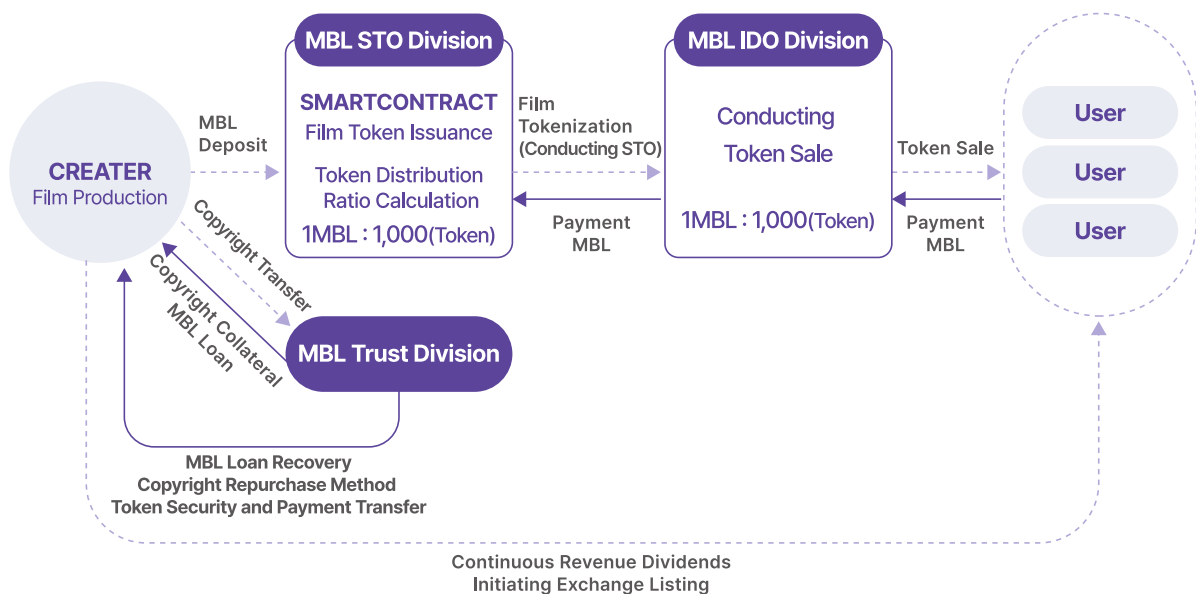
11.2.1 Liquidity and Exchanges

MovieBloc plans to strengthen cooperation with over-the-counter exchanges to secure liquidity for film tokens. This will allow token holders to check and trade their investment performance in real-time based on the revenue-generating ability of the films.

11.2.2 Long-term Strategy

MovieBloc plans to expand its ecosystem through the following strategies:

- **Selecting Trustworthy Projects:** MovieBloc uses careful appraisal and analysis to identify film projects worthy of investment.
- **Legal and Institutional Foundation:** Contributing to the development of legal and institutional infrastructure for the successful implementation of the film tokenization model.
- **MOUs and Partnerships:** As a holder of underlying assets, MovieBloc plans to issue value-preserving film token securities through MOUs and partnerships with various entities.
- **Platform Development and Expansion:** Continuously developing and expanding the platform to support fundraising at all stages, from independent to commercial films.





12.Token Information and Distribution

MBL Information

Token Name

MBL

Platform

Ontology

Total Token Supply

30,000,000,000 MBL

Token Distribution

