READCOIN

RE_BUNDLING OF CONTENT
TO MEDIA IDENTITY

White Paper

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The internet of content has become insufficient and unsatisfactory, since an attention based internet economy has separated:

- content from information,

- information from credibility,

- and content from media identity.

As a result, the internet of content is stuck and cannot develop further. More attention, advertising and advanced user-tracking methods will not generate additional wealth. Something has to disrupt this vicious circle.

The aim is to establish an organizational structure and an open platform based on blockchain technology as an answer to these inefficiencies.

The implementation of this technology for the first time allows to:

- unbundle content from type, place and price

- re-bundle content in any constellation and any kind of channel / media identity

- apply a trustworthy blockchain testimony and smart contracts.

From a social point of view, a new blockchain token technology can

- make information valuable and trustworthy again

- restore social values and users' identification with internet media

- enforce the creation of new channels and distinctive content values

- create strong incentives

- disrupt the attention based communication monoculture of the internet

An open platform – being the core element – shall use a cyber resource in combination with a set of dedicated smart contracts on the Ethereum blockchain, the READCOIN.

The reason we decided to implement Ethereum blockchain technology is that it has the potential not only to resolve core deficiencies of the existing publishing sphere in the internet, but also to restore lost social and ethnographic functions of communication and the media. *We're addressing here the trust gap, the identity gap as well as the compliance gap as explained in Section A.*

We have a vision of a sustainable cyber resource system which is democratic and open, and when implemented with operational experience, can evolve to become an industry standard. *The core token setup is described in Section B. Organizational issues like rollout and ICO are described in Section C.*

All Initial Readcoins are transferred for free.

This is a point of zero. It creates an ekospace for sustainable development. Each step forward, small or large, allows the Readcoin to grow.

SECTION A

BASIC UNDERLYING ASSUMPTIONS

Introduction

When analyzing the basic dimensions and mechanisms of the economy of publishing on the internet, it becomes obvious that the solutions offered by web 2.0 and mobile apps have led to a complete disorder when it comes to creating content of certain value, identity and appreciation.

Recently the reputation of the news industry has suffered substantial damage. Many people use the term 'fake news', and no instance can judge what is true and what is not. People distrust the internet and according to the latest research, the consumption of news leaves nearly every second user unsatisfied and left alone. The readers feel they have to face the world's problems alone, not knowing how to deal with the negative aspects of the news. When it comes to dedicated information, we have a growing problem with accessing the dedicated potential information resources, as search engines operators are scaling their businesses and focusing on commercializing every single inquiry. With ongoing pressure on commercialization, the search results are expected to degenerate further.

The process of commercializing the attention of the user in exchange for free content has disrupted the traditional economy of the media. On the one hand, the internet allowed for a no-cost distribution/channel of content, but on the other hand content has lost its identity and is expected to be offered on an open and free of charge basis.

The ARPU (average revenue per user) of Google rose to a stunning 77 USD/year, and the ARPU of an average client of a top rated publisher, to let's say around 20 USD. Facebook and Google combined capture roughly 75% of digital ad spending in the United States and 95% of its growth. On the other hand, traditional media continue to struggle with decreasing incomes. Paywalls and subscription offers of large and small publishers remain as the last resort, but are backward oriented. "These brands are stuck in an antiquated 'captive model' in which the customer has no choice but to surrender to their mediocre system".[1]

The incumbent publishing houses of printed press today have left a wide gap in terms of technology and customer binding. Small and medium-sized publishers and bloggers either publish completely for free or engage in a niche market.

The existing value chain based on gaining attention and advertising has eroded and there is no doubt that these deficiencies create a widening gap for new solutions to be established.

In the following under-sections, a break down of the problem is carried out, in orderto show what directions as well as solutions are essential for the future of publishing.

The Trust Gap

The 2009 financial crisis has created the 'trust-gap'. People distrust not only the 'established' financial system, governments, and corporate world. People also distrust the existing internet.

Creating the internet meant unbundling the transfer of data from the oligopoly of telecom operators to a public instance. People do not distrust the internet in terms of that data interchange is not reliable. The distrust rather refers to the applications, governments and tech companies, and that comes along with the general distrust evoked by the 2009 financial crisis.

Some predicted early that an overload of unstructured internet content will cause rejection. Clifford Stoll stated in 1995 in the famous Newsweek column devoted to the internet that „ *every voice can be heard cheaply and instantly. The Result: every voice is heard. (…) When almost everyone shouts, no one listens"* [2]. Every society incorporated processes built over decades enabling to sort out true information from false. With the growing use of the internet traditional verifying processes lost their range and large tech companies were the only ones to step in.

Free speech can also be defined as the right to be informed about the truth. One should think that the internet set the speech free on a broader ground. But as everyone can shout out everything, an overwhelming volume of this so to say 'new free speech' creates a serious obstacle to establishing one's opinion/passing one's judgment on anything. ***In today's internet, free speech has lost its basic paradigm of 'truth' which results in general distrust.***

Introducing blockchain technologies involves unbundling information and evidence ('the truth') from government and tech corporations to a public instance of evidence ('the trust network').

Ad-blockers and the rise of ad-free browsers like Bravo or virtual VPN networks with spam firewall like Nord VPN also indicate a strong shift in customer behavior. The deal 'I strip my personal data, am confronted with advertising, and get content for free' has strongly eroded – same as the quality of content. Spying on internet users has taken over, the advertising is becoming excessive and demeaning – and the content – what you as an internet user get in exchange for all that – has also lost its charm.

Blockchain technologies certainly may close the *'trust gap'* and enable the disruption of the current state. The question is how exactly this is supposed happen.

One possibility is to continue down the chosen path and say that customer attention remains the 'currency' , 'clicks' are of utmost importance and the content continues to be nice, easy and for free. The blockchain ICO of the 'basic attention token' (BAT) has raised a funding of approx. 35 million $. The idea is to unbundle user attention and replace it by a new token. The outcome and the detailed technology underlying this ICO are not very precise. It seems that a new browser blocking any kind of advertising would also register the tracking data – and using blockchain as well as real user privacy, the Basic Attention Token could then in some way create a value or monetize.

No doubt that following this path, a publisher will still need high public attention or a high number of readers/subscribers/followers as the key to success. And this is certainly true for today's internet reality, which is driven by advertising / tracking / 'per-click-attention'. In the end it does not matter who is reading or consuming the content. Only the number counts: the more attention in terms of quantity measured by the number of clicks I get, the more advertising money or alternatively Basic Attention Tokens I get.

The other possible way the blockchain technology may disrupt the current state is by creating an anarchic incentive system based on unbundling and free re-bundling of the type, the place and the price of online content.

Let's say the whole attention-based internet content distribution is to be replaced.

Basic underlying social and economic relations simply can be restored: the one who creates something that individuals or the whole society can benefit from, may also receive a respective reward in return.

The reward is meant not only for the one who makes the best jokes, the craziest figures, breaking news, shocking twitter posts, and the most noise (attention). The reward is also meant for the one who has something trustworthy and useful to say. And: the more benefit content creates, the more it may be rewarded.

The Identity Gap

To understand the media we need to go back to the basic economic and ethnographic aspects of human communication. The ***Ethnography of Communication (EOC)*** is the analysis of communication within the wider context of social and cultural practices and beliefs of the members of a particular culture or speech community. Scientists use it to analyze speech e.g. in order to learn more about the cultures of the past.

What we're basically trying here is to use this science, but turn the sequence around. We start with our existing culture and social life which is powerful and well grown, and then with the EOC we try to name and understand our basic intercultural needs in terms of communications.

The Dell Hymes SPEAKING model is the most referred to system in the EOC. It breaks down the ethnographic elements of communication into 16 instances. For a simplified approach, let us divide it into only 3 basic instances: the CREATION, the STORAGE/FORWARDING and the RECEPTION. There's nothing easier than that.

Since forever in human life, the bottleneck of these three instances was the second one – storage and forwarding, as it caused the most difficulties. How to save information? How to pass on a message? Wall paintings and text in stone came first. Then papyrus, paper, printing technologies. Every technology still involved significant costs. The radio and television broadcasts were cheap and effective and reached the masses but strongly restricted the amount of content to be broadcast, and the circle of persons who were allowed to transmit.

Thanks to internet technology, communication has finally lost any kind of barriers when it comes to storage and forwarding. Messages spread immediately across the globe in a democratic way. Everyone can create content, store and send it at hardly any cost,. Even language barriers tend to disappear.

For centuries the focus was on how to surmount the obstacles regarding storage and forwarding. It seemed that the internet finally resolved all existing communication problems. But we left out the fact, that there are two more instances of human communication – creation and reception (or a list of at least 10 more instances of the Dell Hymes communication model). And we all know that when one bottleneck is resolved, usually another one immediately pops up.

This refers to the relation between the one who has something to say and the one who listens. At the very beginning communication was mostly about direct contact. In the ancient times people knew each other and looked each other in the eyes when they met in the forum. Many centuries later with the development of the mass media like the television, newspapers or magazines a strong link between a medium and its users was established. It replaced the ancient direct link with dedicated content for dedicated clusters of recipients.

Today the internet has created a new bottleneck which is hard to recognize but basic in social and ethnographic terms and in terms of our future. We call it the 'identity gap'.

One simple test is of passive perception: we may feel something is missing when using the internet, although from an objective point of view the everyday

information flow becomes wider and better. The information to be found in social networks like Facebook just feels better, although we know that there are a lot of trivialities, junk and fake news. This is because the social and ethnographic context, which a group of persons cultivate on a platform like Facebook, closes the identity gap. My friend is familiar with this content – so should I. The quality of the content is not that important. The familiarity plays a greater role. Knowing that we share the same opinions, posts, etc. as our fb-friends makes us feel better. This way we are more open to the shared content, because the micro-space created with family and friends on Facebook represents a strong identity.

We, the internet users, tend to have a strictly defined set of interests, but not the increasing amount of *time and attention* required to satisfy our needs in the evolving internet. The shell of predominant internet and mobile apps increasingly reduce internet activity to a few dominating schedules, like social network, games, e-commerce, advertising, simple or random content. Most of the internet content available is left out consciously.

This is a result of the separation of content from identity which has been taking place.

Media Identity

It is not so log ago, when people used to buy a certain newspaper or magazine,which guaranteed not only the accumulation of certain content, but also a particular set of values and an image of the press product – in other words ***a media identity.*** It happened very often that people bought a publication and did not even read or consume it but still felt happy about acquiring it. Or they let their favorite TV news channel running the whole day long without actually watching it. In addition, people were not left alone with negative aspects and bad news. The identity of the medium created a psychological „safe harbor".

- The mass media of the last century used to create a strong accessory value – identity.

- Bloggers and YouTube stars create a strong accessory value – identity.

- A few applications like Facebook create a strong accessory value – identity.

With blockchain technology, the identity gap may be closed on a wider and more customer-oriented basis. The problem is, that identity binds the attention of the user, whereas the leading business concept of internet companies is advertising based on simple user attention. One thing does not fit to the other – they rather exclude each other. It could turn out that Youtube stars are only welcome on Youtube as long as

they are replaceable and not becoming too popular. It may be a threat. If the stars left from one day to another, a meltdown of the platform could begin.

Let us elaborate the concept of media identity further. The concept of media identity is an abstract one. There are three elements which constitute a media identity. First, there is a *Synchronizing Event* – elements which addresses the potential user in a sociology-ethnical manner and creates a link between the the sender/media identity and the user. The stronger this works, the better. A synchronizing event can also be just a certain topic or special category of content, which catches the interest or background of the user. The second element is the *Message Event (or "Massage Event")*. This comprises the whole set of ideas, values, ideologies or point of views of the creator. Strong media identities do not allow for discussion regarding their Message Event. The users usually have to take it or leave it. We can learn a lot from a variety of scientific publications on the Message Event, like the famous book "the medium is the massage" written by Marshall Mc Luhan. It is important to note that content and information are adjunct to the Message Event. But they can be well used to establish the Message Event.

The third element of a media identity is the *Materializing Event or Action Event*. A media identity is an abstract concept, it cannot be touched or taken in hand. It is not that easy for people to accept immaterial products and trust them. The easiest way to handle this is to add something of very material kind which is linked to the non-material product. Former media identities were highly elaborated in terms of what quality of paper a newspaper was printed on, which size/format, how it felt keeping it in hand, etc. For a media identity on the internet, there remains only the layout like a pseudo-materialization. But materialization also involves action. The users have to start an own activity. Such user-triggered activity invokes also a confirmation, that the user has accepted the Message Event. The recipient may not be fully aware of it, but that is the way it works. It is crucial for the sender, as the smallest Action Event basically generates a certain attitude of acceptance towards the entire media identity. Acceptance of the Message Event is also the basis for trust and a psychological 'save harbour', so the user feels good with it and sees advantages. It can be a follow button, a subscription, a request for newsletter, a quiz, a survey, a gift, content to be send by email, etc. No need to say what happens if such unconscious acceptance and trust mechanism is abused.

Each of these three elements of a media identity, the Synchronizing Event, the Message Event and the Action Event has a constituting character and cannot be left out. Content is then the 'commodity' which is transported on a media identity. A strong media identity as such upgrades the value of the content, as well as the

perception of it. As the link between recipient and media identity shall not be weakened, there is a requirement to offer only content of a respective value, which 'fits' to the media identity.

It is also important to note, that advertising usually is constructed in the same way, as a media identity. It is very easy to identity the three elements of a media identity in any advertising. Creating media identity for a channel with content is much more complicated and requires a lot of work, structuring and effort.

Let us now take all what we have learned about the ethnography of human communication and the concept of media identity – and look at the internet channels of most popular publishing houses. Yes, it is a drama. It starts with the fact that simple tech app startup already require a login-account from their users just to see anything more than the basic information.

We can rather expect new startup publishers to take the first steps in blockchain-based channel publishing.

Following this new approach, a successful publisher, first of all, constructs a channel offering the recipient or user a well-elaborated media identity with all given values, messages and information. Then, he/she can work on reaching the users, who may be caught by this media identity. Then he works on binding the users strongly to his media identity. This is when people value the offered content the most. Secondly, a publisher may also want to check who synchronizes with what kind of content, who perceives particular content as an added-value or a benefit. He starts scaling the media identity and reach a mass market. After all, he addresses those advertizers who probably can place the most efficient advertising on such kind of media identity (they won't rather show up from themselves).

Just to emphasize, creating an identity does not mean to address as many people as possible in a matter they can identify with. A media identity is a single set - subject to be taken and accepted, or not. A particular blog identity can be accepted by 10 or 10 million internet users. A media identity with 10 users can also be profitable! Today's internet sanctions everything under the aspect of attention leading to a mono-culture as a result. However, creating a variety of successful media identities is a result of the unbundling content from type/place/price and the disruptive element of the blockchain technology. As internet users we know what we want to gain using the web and we do not want tech corps to feed us with crap.

As a result, a media identity driven internet of content may create new offer, demand and financial turnover - a huge new market which is today not exisiting, but overtrumping the size of the current (already huge) internet advertising market.

This is because users will start to spend own money for value content and identity they get.

Established press publishers reacted to the challenge of internet by creating news portals. What we can see is that in the original printed product a stronger identity is created, whereas the internet version of the respective product is mostly attention-oriented, aimed at attracting as many users as possible, like conservative channels publishing very leftist opinions, and various sorts of random content which it far away from their media identity.

Maybe this a result of the fact that it is easier to push something out in the internet, whereas printing something on real paper is expensive - and you have to think twice on what is pushed out there. A dangerous trap.

When a publisher presents content via an internet channel, his/her main task is not to make noise and get attention, nor is it to receive payment. The basic point is first of all to overcome the identity gap by creating a sustainable value. This may later be subject to growth in terms of 'valuable' attention and a financial reward.

Following this strategy, a publishing house could try to create different channels with a specific and strong media identity. It could incorporate content from other identities and different media, blogs, YouTube channels, Facebook and so on. When magazines were printed before, there were media houses publishing 400-700 different titles in only one country. It seems that a few publishing houses, e.g. in Germany nowadays slowly understand their real strengths: The ability to create strong media identities, which can be translated into internet technology.

Access to this technology is also democratic. It must not be a publishing company. A private person, single journalist or any group of people can be very successful creating new channels, media identities and wealth on their own.

The financial reward may be in the form of micro-payment, but not just that. It may also be achieved due to advertising, but not one based on attention-structured web 2.0 apps or external parties. Such advertising is supposed to be much more valuable, stronger, as it goes directly to the 'heart', the identity that the publishers' audience has consciously chosen. *Advertising can be precise, strong and dedicated, but most of all it can be respective of the privacy of internet users as no spying is needed to advertise efficiently within an established media identity with their users well-known.*

The existing barriers for effective micropayment, or the 'micropayment gap' have attracted a lot of attention and led to several approaches, also in the blockchain community. Enabling micropayment by blockchain is an important part of the future, but in our view it cannot be a single basis for new businesses or startups.

Micropayment is a basic feature of blockchain and it is to be realised by the common use of a cryptocurrency. Incumbent payment operators will also handle it in future for reasonable fees.

Peer-to-peer applications are also a solution which can be empowered by blockchain structures, but since the Skype communicator this technology is nothing new or revolutionary anymore. Skype did not enter the publishing sphere, for the reasons laid out here (no channel and media identity is being created), and blockchain will not trigger the use of such user-to-user applications in publishing either (apart from some forum activity).

In web 2.0 we see apps like Blendle, which try to overcome the micropayment problem in giving overall access to a variety of established publishing houses. Apart from the fact that millions of small and medium-sized publishers stay outside, such approaches seem to ignore the identity gap. Grand publishing houses – seemingly clutching at straws – become a part of this simple open system undermining their last remaining core asset – established media identity. However, there is an element creating identity on Blendle: you may become a follower of some of the leaders and editors, follow their picks. This is media identity. It seems that Blendle enforces this element. Hence, with the help of blockchain, Blendle also could become a much more powerful publishing platform.

We believe that internet publishing can be totally different from what we see today. The solution is not simply new technology, like peer-to-peer, blockchain or micropayment. *The solution is effort and organization in combination with new blockchain technologies to overcome the identity gap. The method is to unbundle content from a particular type, place and price in order to re-bundle content to new media identities in an unrestricted manner.*

The Compliance Gap

The internet has created a large gap when it comes to executing copyrights. Everything may be copied, pasted or repeated. In case of high value content, like movies, it is worth to go to a lot of trouble in order to protect the copyrights. But in the case of content of lower value, today's internet is set to ignore copyrights on purpose. Search machines and social networks run business models based on content to be copied for free. There are even popular applications which are based on reposting third party content without the permission of the copyright owner taking advantage of juristic safe harbor regulations. E.g. on pininterest or tumbl, users re-blog a lot of content from third party internet sites.

Blockchain allows to create a cost effective system of encryption, decryption and copyright protection of digital content. As such a technology evolves, a creator of content will be urged to claim from the beginning, if his content shall be published under free or protected access. Set a price, be it zero. Let the market economy and not a pirating tech industry decide, what is for free and what is not. In addition, free content may be eliminated in technical terms. Blockchain allows the sale of a piece of content for 0.00000001 cents, which may be seen as for free by the users, but in strict terms there is a sale of an users' license.

New regulations regarding taxation and governance also tend to create additional barriers for free publishing. A publisher must comply with a sophisticated EU VAT system, which is difficult to overcome even for medium sized publishers. Regulations directed to fight fake news may arise soon, triggering doubts about their real intentions – will they also be aimed at restricting free speech?

A solution evolving from blockchain technology is supposed to raise and resolve these issues as far as possible. Otherwise, a blockchain solution may fail and leave the battlefield to regulators, large re-sellers or marketplaces.

The internet used to pirate not only copyrights, but also other legal compliance, like taxes and national publisher laws, leaving any compliant player as a looser.

Here, a specified token in combination with trustful blockchain smart contracts can create a new system, which is free and democratic but also allows for legal compliance. A space free from regulation must exist, but it must not continue to be the main stream.

SECTION B

THE READCOIN TOKEN FUNCTION

Important note: The following two chapters describe a vision, the usage and outcome of Readcoins may completely differ from this layout, and Readcoin is not an investment of any kind and it does not impose any duties on anyone.

This blockchain platform enables the placing, unbundling and re-bundling of content in a totally open and free way. When a user has a specific interest or need for a dedicated piece of information, it can be reached directly without intermediaries or other institutions involved.

A free circulation of content can be based on one of the following solutions: peer-to-peer, application or any channel. Blockchain allows any type of content to show up everywhere and use any channel and at any price. That means unbundling content from its type, place and price.

The other aspect is the free re-bundling. Blockchain allows the aggregation, collection and presentation of content in any constellation of type, place and price. There are no instances or intermediaries controlling it. This is the part of free re-bundling.

As this was not feasible before in technical and economic terms, only such a set of conditions creates a disruptive instance to overcome the trust gap, the identity gap as well as the compliance gap described at the beginning of this white paper.

Blockchain has created a variety of media tokens with similar approaches. They are about raising money. What we are lacking here is an even more basic approach or a suitable plan on how the creators of such media coins will convince thousands of publishers and millions of recipients of content to use such their coins.

The only target of Readcoin is to achieve success – to be used and become established in the industry. This is the core. Every other aspect is secondary.

Industry Solution on Dedicated Blockchain

Open source blockchain projects are the driving factor for the evolution of this technology. Still there are disadvantages which may put undertakings such as Readcoin under high risk. When a blockchain is mined by completely independent entities, mining rules may create inefficiencies and lead to long lasting transactions and high transaction costs. As usually one coin underlies a blockchain, speculation and hacking may lead to losses or say, exorbitant coin prices, whereas functions like micropayment may from one month to the other become too expensive to process.

Miners may suddenly resign and leave a coin and turn to another one, so the conditions for using a specific blockchain may change very fast.

Readcoin instead needs a blockchain which is highly stable, especially in terms of transaction costs counted in fiat currency.

One solution can be, that the many publishers who use Readcoin also run a separate, industry specific blockchain on their servers, enabling the cheapest and safest transactions. A Hyperledger solution could be the basis. Such a blockchain could handle certain transactions in a closed system, a Readcoin Publisher Exchange, consolidating e.g. all transactions which are legally compliant (copyrights, EU Vat, etc.). Such a blockchain could be additionally safeguarded by Ethereum smart contracts or external miners under stable financial conditions. Readcoins can then be transferred there and back to the Ethereum blockchain.

Ethereum or related projects may also evolve in such a way that transaction prices are stable.

A No-Risk Setup

The coin/token shall serve as a resource for the publishers and their audience, and not as a measure to finance a single project, application or software.

The Initial Readcoins are given out for free.

At first, we want to create chances/opportunities? and commitment. For every publisher, the decision to join this project and start using Readcoin shall be an easy one, not dependent on fees or investments. Ideally, the other way round – a participant joining the initiative shall take profit instead, creating a win-win solution.

As a side effect, this also resolves regulatory issues of token ICOs and leaves no doubt that this coin is to be seen as a blockchain technology resource and not a financial security or any other kind of investment (Most ICOs can be seen as securities under U.S. Security laws, as rights are sold creating expectations for financial returns and tokens, that are only created for the venture). This allows related projects and publishers to conduct crowdfunding at limited regulatory risk. Through a crowdfunding, a project may sell the coins it received before for free. As such project promotes the further success of the Readcoin, the overall benefit from the coin also rises. The crowdfunding for the next project may then need less Readcoins for the same funding target.

It is the same effect the Ethereum went through. With increasing usage and application, the value of Ethereum rose.

Publishers' commitment

Readcoin only succeeds when the identity gap is closed. The basic function of re-bundling content of different type, place and price involves a channel activity. The existing publishers including bloggers etc., today already create channels and identities. Readcoin empowers them and triggers new opportunities. Every existing publisher can decide to join as a signatory of Readcoin, and thus a commitment to the usage of Readcoin shall be made. Publishers are also multiplicators. This relates to their audience as well – these internet users may be inspired to join this new system and take advantage.

Today a publisher of content does not have too many options, and the barrier to join Readcoin as a signatory is low. Apart from commitment, it does not create significant additional costs. Moreover Readcoin is created to promote only itself – Readcoin – and the publishers. There is no investor expecting to monetize one day on this initiative. The more publishers in turn are signatories of the project, the lower the stake for others to join, multiplying the support and usage of the token.

We propose that in future Readoin shall represent a value. It refers to the value and capitalization of available content. Investors instead may rather see one day an upcoming cyber resource. They could then invest in this contruct if they believe in general developments and technologies, instead of specific media or dedicated blockchain projects. They may still consume content with their readcoins or sell / exchange them. They then run the typical risk of any investment in a resource, as any resource may not get established or become replaced.

As the initial value of Readcoin is zero, initially there is no risk . Everything that happens from this point, may be seen rather as a chance for changing the value of Readcoin.

The more successful Readcoin is, the more funds may be raised by the projects and publishers, as they receive tokens for free and can sell them for crowdfunding – in order to create and introduce further Readcoin applications and ideas for usage.

Those publishers who decide early to come on board may have advantages, needless to say that today there are not many options left for publishers, as advertising revenues decrease.

Joining Readcoin involves no additional costs for publishers, but a commitment will be definitely required and executed.

Attention is given to ensure no Ponzi scheme element is present as well as to prevent Readcoin from becoming a subject of destructive speculation or unsustainable distortion of value. Every publisher must be aware, that there are Readcoins already in circulation and they may be used in exchange for the content which they offer. A

publisher can allow that, as he sees a specific value of Readcoin. There is always a risk of Readcoin crashing. But the marginal cost of giving out an additional digital copy of his content is at zero for the publisher. Hence, it may seem better to take this risk than to continue to publish content for free or jump like a monkey to get internet attention.

Get Millions of Users to Use the Coin

The aim is to get as many internet users as possible to open a Readcoin wallet.

Blockchain technology is unknown, new and it must be easy and bring advantages, for an internet user to start using it.

Ideally, a user opens a wallet when he or she makes the first micropayment buying content on the webpage of his or her favorite publisher who then hosts the wallet. It requires no major undertakings on the part of the user. The publisher can then guarantee the usage of the wallet Readcoins on a fixed rate towards fiat currency – at least for the own content, as no cash losses will be generated if the Readcoins loses value. Alternatively, the user can use the wallet to buy content from another publisher, where certain rules apply among publishers on how to intercharge. The other option is that the user 'exports' his or her wallet of Readcoins at given publisher to an address outside the signatory system.

Creating Incentives

A publisher who creates identity, like a dedicated set of information, or through his content establishes a strong link to his followers, needs an incentive to do so. such Every publisher or blogger who offers attractive content, which the users perceive as content worth paying for, should be rewarded. Because it was his or her content that persuaded the users to open a Readcoin wallet on the publisher's website. The publisher hosting his clients' Readcoin wallets could receive a reward in the form of a provision from other publishers who sell content to his clients.

Such a Publisher Exchange may set out powerful incentives. For example, when a user opens a wallet worth 10 USD, and the publisher who gained this client could immediately book e.g. 15% of the wallet value as provision plus the price of the content. Let's say a travel blogger creates a dedicated travel information and offers it for 25 cents, he books additional 1,5 USD provision from the newly created wallet, which totals 1,75 USD as immediate cash-in. Is it justified? Yes, because this travel blogger created such a strong media identity and useful content, that people are willing to pay for the content. Credit card fees are also to be subtracted by the

publisher opening the wallet for his client. Furthermore, any further payment to this new wallet will create provision for this travel blogger. And in case the user migrates to other media identities, he can transfer his coins there.

Any publisher who established a customer base, or who creates media identity that somehow sells and brings to the customer the content the customer appreciates, may count with substantial financial rewards.

As a result, not only the creation of value content is rewarded, but also the creation of media identity as well as the creation of trust and legal compliance.

As a triggering effect, the accumulation of user wallets creates substantial buying power and incentive for other publishers, to create more and more valuable online content and to improve their media identity further, or to invent new media identities. Readcoin can also serve as an incentive system for non-content related transactions, as e.g. people may want to transfer their airline miles into Readcoins or retailers may offer Readcoins as reward for buying goods.

Every additional usage of Readcoin is supposed to trigger the value of the Readcoins, and with that more and more media identities.

It is foreseen that publishers who early introduce Readcoin receive free Initial Readcoins, which these Publishers may use for promotions towards their customers. It is crucial to note here, that such practices shall be controlled strictly that they do

Stable System

Stability and safety is a basic success factor for the implementation of a Readcoin Publisher Exchange. Readcoin shall be a free resource, but a Publisher Exchange must safeguard reliable economic and legal terms.

SECTION C

TOKEN ICO REFERENCE

800.000.000 Readcoins have been created on an ERC20 Ethereum contract. No inflation, mining or minting function exists. The Initial Coin Outlet (ICO) shall distribute up to 0.15 % of the total coins. Every one can choose among three ways to receive the coins for free: Just ask for them, publish something about the Readcoin initiative, or make a donation through a crowdfunding mechanism. The ICO is for people interested in this for any reason excluding investment, as you can get the token for free. Additional coins may be given out in case publishing and donations are in higher proportion. Such sort of crowdfunding may push the project vision, foster perspectives and be seen as a first sign of approval for Readcoin.

The remaining Initial Readcoins will be handed over for free to startups and organizations. Such decision are taken solely under the discretion of the Token Creator. No rights to receive them are constituted.

This closes the terms of this ICO / white paper.

Disclaimer: As said, the single term of this ICO and respective publications is the creation of the ERC20 Readcoin cybertoken. Everything in addition mentioned here has a visionary character. As in future, other persons, an open organization, or even leaders representing a foundation with democratic grounds, governments, or other circumstances may inflict, there is no guarantee for what will happen with the coin, or that and rights of token holders will not be inflicted or restricted. As this is a pure private, non-commercial project - and not an institution or commercial venture - no initiator or person involved may bear any responsibility for action of other parties, and any execution or liability for a future outcome regarding any aspect raised in this vision. Initial Readcoins can be received for free, no value of the coin shall be expected. Any publication or monetary support redirected by a receiver of free Readcoin in respect with this Initial Coin Outlet can only be realized and seen as a totally voluntary and unconditional donation for the related vision.

Token Creator and responsible unit: Paul A. Wolters, Ul Biedronki 50a, 02946 Warsaw Poland.

References

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