



White Paper

2018

A new music industry
Economy



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PurpleThrone's vision

PurpleThrone is the fastest, coolest and most enjoyable way to stream trending NEW music videos. We created PurpleThrone to revolutionize the way modern society consumes, shares and discovers new music. We believe we solved two poignant discrepancies in the music industry today:

- i. The extreme difficulty for independent artists to monetize their brand.
- ii. The limited options for music lovers to discover new artists in a fun and engaging way.

The PurpleThrone App solves both problems at once by paying artists lucratively and giving users an interactive experience to discover new favorites.

To stimulate an ecosystem that is more riveting than its traditional counterpart, PurpleThrone must transition into a decentralized business model that is both tested and measured. The subsequent sections of this paper, outline our strategy for launching an entirely new business model: ***the PurpleCoin Ecosystem.***

Through this vision, PurpleCoin will usher in a new era of community AND decentralized ownership, bringing to life a vibrant ecosystem of digital services that impacts our everyday life.

MOTIVATION

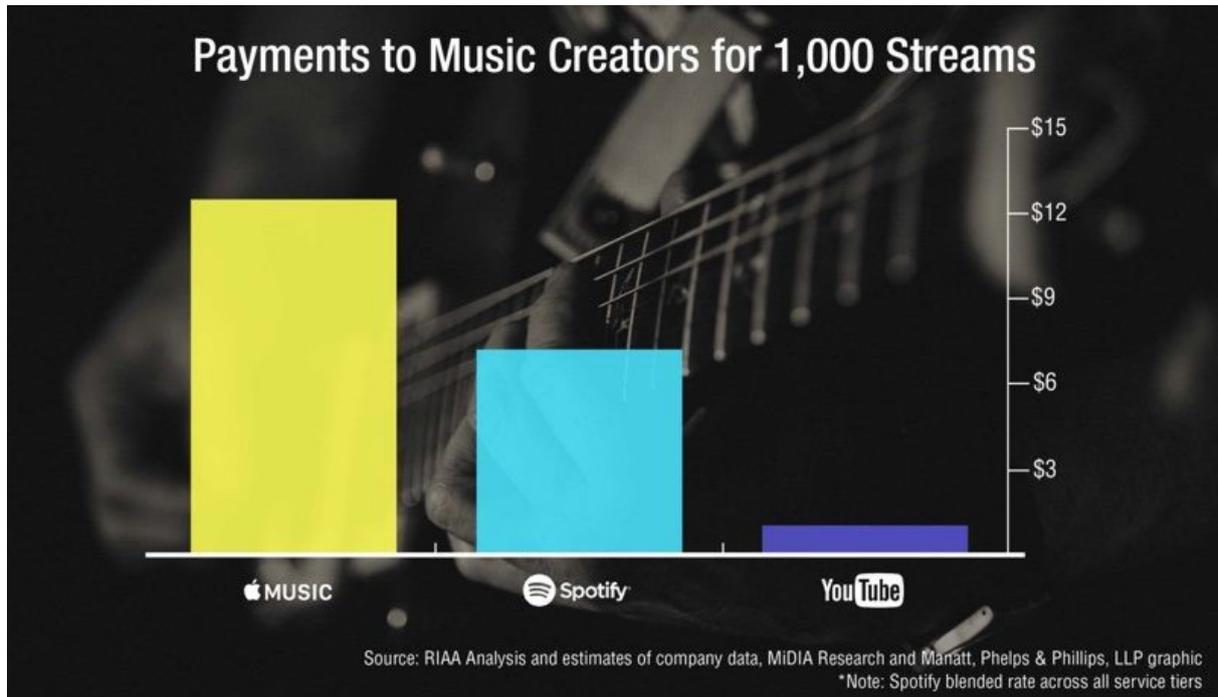
Abstract: The vast majority of people in modern society, consume music for an array of different functions. The demand for music consumption and music production has accelerated to record breaking levels. The Internet and contemporary software have democratized the production and consumption of music; turning music into an easily assessable commodity. Below are two case studies that elucidate two poignant voids as a result of the current music industry climate.

Case Study One

Mr. Doe is a 21 year old Hip Hop artist from the Bronx, NY. He began his career at the age of 16, while still in high school. He has worked diligently for the past five years to build his catalog and fan base. He has 20,000 followers on Instagram, an average of 8,000 plays on soundcloud and 10,000 subscribers on YouTube. He has published 30 music videos on Vevo, Instagram and YouTube. Mr. Doe has invested nearly \$50,000 into his music career.

In order for Mr. Doe to monetize this investment and earn a living, he has to book LIVE performances. When Mr. Doe is booked by a booking agent, he is usually asked to sell twenty - \$20 tickets as a stipulation to perform; If he does not sell the tickets, he does not get to perform. So Mr. Doe announces to all his social media followers to contact him for tickets to his show. About 45 fans purchase tickets, but those are just his neighborhood friends and close family members. Mr. Doe raises \$900 for the promoter and \$200 for himself. Without the cash advance money of a major record label contract. Without being promoted over the mainstream radio airwaves. Without a movie or T.V. licensing deal. How can Mr. Doe make a suitable salary to pay his NYC rent and earn a decent living?

He hopes to earn a royalty check from all his views on YouTube, but as you can see from the graph below, YouTube pays barely enough to purchase dinner after the show.



Case Study Two

Emma is a 16 year old high school girl from Brooklyn. She commutes to Madison High School every morning by public transportation. Emma loves listening to music during her commute, but prefers to be on the cutting edge of what's new and popular.

Emma searches on musical.ly and Instagram to see what her friends are dancing to, but she continuously feels like she is the last one to the party. Emma prefers not to be dependent on her friends to stay in the loop of hot new music. Emma loves watching videos on YouTube, but most of the time, YouTube recommendations aren't new releases and at times the videos have nothing to do with music. Emma opens up her Spotify app and tries new music Friday, but those songs never catch on with her friends. Intuitively, Emma opens up her playlist on Apple Music and enjoys her incumbent playlist. If there was only a way Emma could be on the new wave of trending songs that her friends also think are catchy.

PurpleThrone is the solution.

MARKET REVIEW AND ANALOGIES

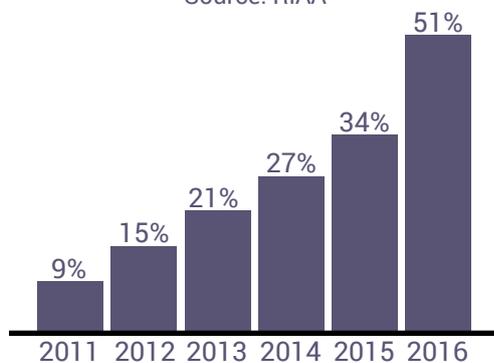
The U.S. music industry generated more than \$2 billion dollars in paid streaming services in 2016, according to the Recording Industry Association of America (RIAA)...

<http://variety.com/t/riaa/>

Furthermore, according to RIAA, music streaming Ad revenues (subscription, ad-supported on-demand, and SoundExchange distributions), grew 29% to \$2.4 billion in 2016.

Proportion of Total U.S. Music Revenues From Streaming

Source: RIAA



In 2016, global streaming revenues have increased to 51% of market share and have grown four-fold over the previous five years.

This is due in most part to the ubiquity of smartphones and connectivity of fans to licensed music services.

Source: ifpi.org, RIAA

Streaming has vividly changed the music industry. We are in a conversion phase where consumers are swapping spending for free access. This free access has propelled a demand for curated charts.

Charts are critical to filtering content for consumption. Traditionally charts served the following purposes:

- **Driving sales:** landing a high 1st week chart placement dramatically increased the chances of higher record sales because it unlocked additional promotional opportunities. i.e. T.V. coverage & extended radio play.
- **Measuring popularity:** charts give a micro sample of what's popular amongst music fans.
- **Driving awareness:** People love chart toppers. chart success begets chart success.

PurpleThrone's core values are entrenched in research, testing and measuring; and it is only by this data that we make company decisions. Since the release of PurpleThrone in the app store in March, Our testing data confirms the viability of charts. Our charts are the #1 destination for our user community.

CLOSEST COMPETITOR

Tidal is a subscription-based music streaming service that combines high-definition music videos with exclusive content from the major label stars.

Think of PurpleThrone as the *Tidal* for independent musicians except free to subscribe and free to upload. We give independent musicians the platform they need to gain exposure, while getting fairly compensated for their success on our platform.

On January 23rd, 2017, Sprint took a 33% stake in *Tidal*
According to Music Business Worldwide,

(www.musicbusinessworldwide.com/tidal-sells-33-stake-for-200m-to-softbank-owned-us-telco-sprint/);

The value of Sprint's stake in *Tidal*, \$200 million, propels *Tidal's* valuation to \$600 million. Unfortunately, *Tidal* does not have a free tier of service. Its basic service costs \$9.99 per month and its advanced service costs \$19.99 per month.

Another close competitor, *Pindify*, also offers access to an entertainment based market place, for a subscription using their own cryptocurrency token. PurpleThrone intends to lower the barriers of entry by offering artists free submissions and fans free subscriptions.

Tidal is promoted as being an artist-owned streaming service that will return value proposition back to music by paying artists a higher royalty; But in order to be apart of *Tidal*, you have to sign ownership contracts with the company. *Tidal* has already been under major scrutiny by not honoring their royalty payment agreements with some of their big name artists.

Some critics agree with this premise, others believe this will culminate into advanced levels of piracy. Whichever side you fall on, the data suggests that *Tidal's* "no free service" model, neglects a vast market opportunity. *Tidal's* business model has consistently lagged behind its direct competitors, since inception. According to *Apptopia*:

Worldwide

App Name	Downloads	Average MAU (monthly active users)
Pandora - Free Music & Radio	10,190,937	106,148,693
Spotify Music	32,135,782	93,776,787
TIDAL	2,175,319	6,079,389

USA

App Name	Downloads	Average MAU (monthly active users)
Pandora - Free Music & Radio	9,188,791	101,990,969
Spotify Music	16,886,550	34,088,749
TIDAL	1,333,203	1,684,164

Many subscribers who pay for high quality sound, are not strictly interested in major label star's content. Paying subscribers want access to a variety of niche and sub-niche genre categories; i.e. country, jazz, classical, afro punk, jazzy soulful, etc.

The PurpleCoin eco-system

PurpleThrone application is available NOW on iOS in the app store.

(https://appsto.re/us/_zD-gb.i)

Part of the money raised in ICO will go towards decentralizing Purplethrone infrastructure, decentralized applications (DApps) are unstoppable applications in the sense that there are no middlemen like apple store or android play store giving more power to end users.

DApps

Ethereum is unique in that it attempts to wield the blockchain as a way to correct what its designers believe is a problematic part of the internet's design.

It's like a "decentralized appstore" where anyone can publish their unstoppable apps (DApps), which unlike today's apps (think Gmail or Uber) don't require a middleman to function or to manage a user's information.

DApps connect users and providers directly. They are more flexible, transparent, distributed, resilient, and have a better incentivized structure than current software models.

Once a DApp is pushed to the network it will stay there forever, anyone can use it's services and trust that it will remain there. The big advantage here for DApps is the trust that services will not shut down – there have been countless times where online services have been discontinued to the frustration of their users.

The ability to store and move value inside self managed applications can also lead to some fascinating economic models. We propose PurpleCoin as a solution for incentivizing artists on our decentralized platform.

An earnable currency

PurpleCoin: digital money within the eco-system. One of the most fascinating features of our platform is that artists can earn PurpleCoin by simply submitting their latest music videos and promoting it to their friends, fans and family.

Then our users cast their vote on their favorite songs by simply swiping left for 🤔, right for 🔥 or up to .

Artists who receive the most PurpleCoin can spend their money on a number of PurpleThrone's career-making services. We offer personal styling, high-end photo-shoots, personal training, diet coaching, exclusive interviews, performance opportunities, sponsorship opportunities, wardrobe makeovers, T.V. advertisements, and a wide array of video & music production services.

Our artist and development department supports artists in a plethora of ways; from branding and imaging to booking and performing.

This is a radical shift from the traditional "freemium" revenue model. Instead of enticing artists with future royalties from ad subscriptions, we eliminate the dependence on ad revenue to cover our expenses and pay artists royalties based on numbers of views.

As our coin gains in popularity with our artists, we attract more artists, thus increasing the demand for our coin. Appreciating coin value creates wealth for early investors, artists, and users alike.

Want more value?

With our users having a combined \$250 billion in buying power, we have the clout to request from our sponsors and advertisers to be paid exclusively with PurpleCoin currency ₪.

In fact we will only accept PurpleCoin ₪ at all concerts and festivals, as well as to purchase merchandise, in-app services and music.

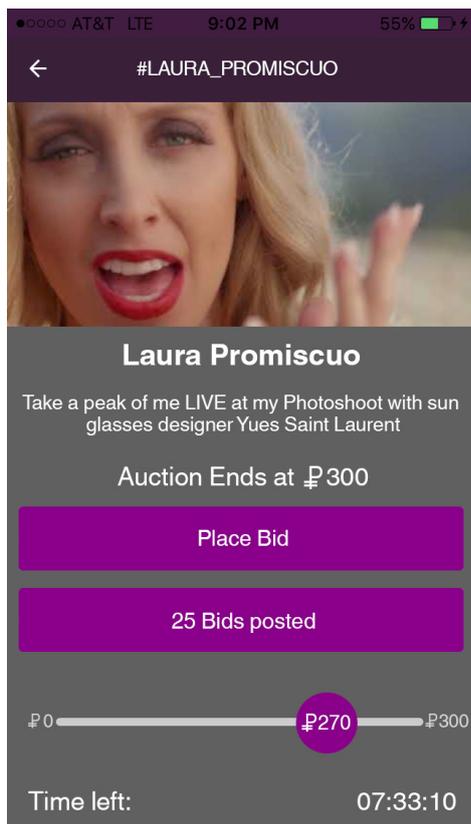
Is that all?

Nope. Artists also have the option to purchase our services with their PurpleCoin ₪, even if they do not make our top 20 charts.

These *blockchain-based networks* offer an open source model in which new digital ecosystems may thrive. It is in this kind of ecosystem, that consumers can trade currency for goods and services provided by producers, musicians, song writers, creators, influencers, merchandiser, vendors and developers.

PurpleThrone will sit at the heart of a new digital economy, invoking demand and intrinsic value for the PurpleCoin cryptocurrency. It is within this system, a decentralized ecosystem, that real economic value is distributed amongst all participants, ensuring everyone a fair compensation for their labor.

V.I.P access for fans



This is an illustration of how top charting artists can earn additional money on the PurpleThrone platform. This example shows an excited fan deciding how much he or she would like to bid for the chance to join Laura Pro's private room, which is limited to 40 People.

Artists have the autonomy to moderate the discussion and set the rules that they so desire. VIP access to popular charting artists requires a paid entrance fee.

The New Music Industry

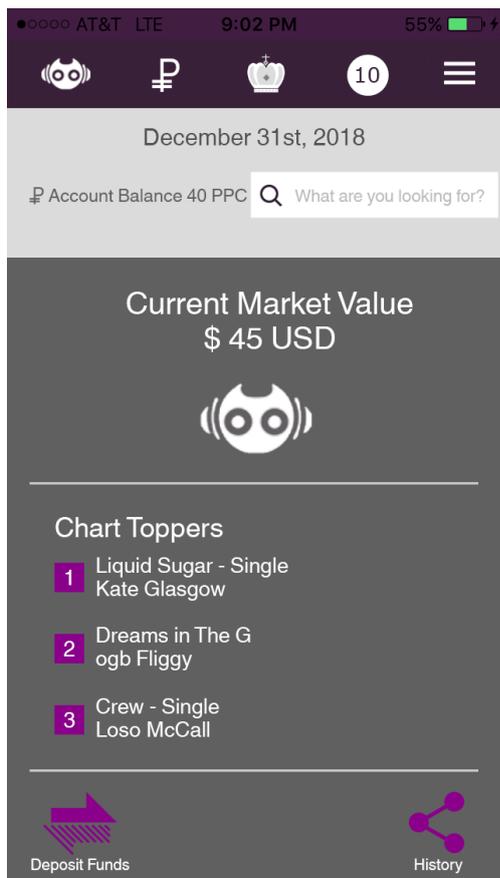
PurpleThrone has been a close observer of the increasing momentum of decentralized technologies such as Bitcoin and Ethereum. It is fair to say that we are approximately halfway through a drastic shift in the music industry's revenue model. The realignment of revenue is merely a harbinger of a new business model that will capitalize on blockchain technology. It is in this next phase that the real 'fun' begins. Our model will change every traditional core element of the music industry. There is no doubt that PurpleThrone will set the standard for exponential profits during the digital age for generations to come.

PurpleCoin ₪

PurpleThrone is introducing an ERC20 token, entitled PurpleCoin ₪. PurpleCoin ₪ is fractionally divisible and of fixed supply. PurpleCoin ₪ is a standard ERC20 Token. Thanks to the Ethereum blockchain's smart contract technology, PurpleCoin ₪ will be secure, easy to use and transferrable between peers.

ERC-20 is a standard that encapsulates six different functions which define the behavior of tokens. These are basic functionalities on how tokens are transferred and how users can access data about a token. ERC-20 also prescribes two different signals that each token takes on and which other tokens are attuned to.

Smart contracts are a piece of code deployed on Ethereum virtual machine (EVM) with the terms of the agreement between buyer and seller being directly written into lines of code. The code and the agreements contained therein exist across a distributed, decentralized blockchain network. Smart contracts permit trusted transactions and agreements to be carried out among disparate, anonymous parties without the need for a central authority, legal system, or external enforcement mechanism. They render transactions traceable, transparent, and irreversible.



Above is an example of a future PurpleCoin artist wallet. The wallet shows options such as account balance, purchase history, deposit funds, chart toppers, PurpleCoin's current market value, as well as additional service recommendations.

Why do we need a PurpleCoin ₪ wallet?

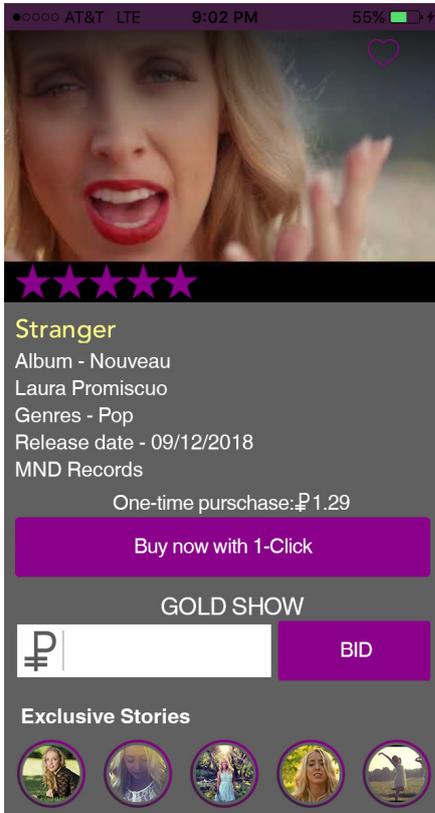
The issuing of private keys, transaction fees, and holding cryptocurrency in the first place in order to partake in the system is a major problem for onboarding mainstream users.

Understanding the complexity of educating and transferring artists into our world of "digital money," we have to streamline the onboarding process to a rudimentary level.

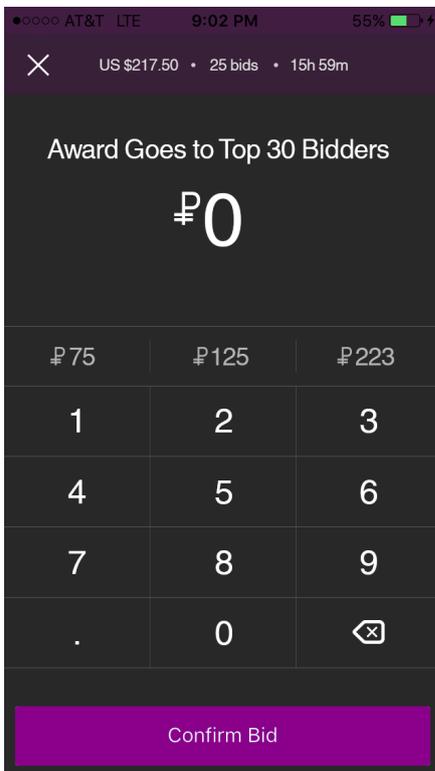
PurpleThrone R&D teams work extraordinarily hard to find solutions to these barricades. One solution is to implement a hybrid of an off-chain and on-chain transaction network database.

By presenting cool icons and minimizing harsh text, artists will not need any technical background to enjoy our platform.

This significantly simplifies purchasing goods and services from PurpleThrone.



This illustration demonstrates how users can purchase Laura’s music with just “1-click”. You can also find additional information about Laura Pro’s album, genre, record label and the date her record was published. Fans can tip Laura Pro additional PurpleCoin or place a bid in hopes of gaining access to her LIVE show. When users scroll down to the “Exclusive Stories” segment, they will find high definition news stories, interviews, announcements and behind-the-scenes footage of Laura Pro.



This is a diagram that demonstrates how fans enter their “blind” auction bid. The hosting artist sets the limit on how many fans they will allow in their room for the LIVE show. The hosting artist also sets the financial goal. The current users cannot see what others are bidding. However, the hosting artist can see all bids being offered. The current users only hope is to make their initial offer, their best offer. If the hosting artist sets the room limit at 40, **ONLY** the top 40 bidders will be granted access after the financial goal has been met. All losing bidders will receive a refund.

INITIAL COIN OFFERING (ICO)

(DATES:)

January 22nd, 2018 - Pre-ICO

February 26th, 2018 – Crowdsale begins

April 27th, 2018 – Crowdsale ends

PurpleCoin ₪ (PPC) release schedule POST ICO:

We accept Ethereum (ETH) & BitCoin (BTC) during the ICO using the basic exchange rate as below:

ETH and PPC is 1 ETH = 1,000.00 PPC

BTC and PPC is 1 BTC = 30,000.00 PPC

(Delineations of ETH & BTC as used in the schedule are subject to change dependent on market fluctuations.)

Example: Emma purchases 1,000 PPC with 1 ETH.

A portion of her tokens are subject to holding for Three (3) years (36) months and fulfill the KYC requirement. Emma will receive 325 PPC (30%) post ICO, and the remaining balance of 758.84 PPC (70%) will be released based on a (3) three year (36 month) vesting schedule.

Here's the calculation:

If 35,000,000 tokens are created, Emma contributes 1 ETH, she will then be entitled to 1,000 PPC. She will receive 350 PPC at the time she pledges (within 30 days after ICO ends) and the remaining 750 PPC will be released over the next (36) thirty-six months.

On the 1st day of the 6th month post ICO she will receive 22.5% of her emaining 750;
 $(350 + 168.75) = 518.75$,

On the 1st day of the 10th month post ICO she will receive 21.5% of her remaining 418.75;
 $(518.75 + 90.03125) = 608.78125$,

On the 1st day of the 16th month post ICO she will receive 22% of her remaining 391;
 $(608.78125 + 86.02) = 694.80125$,

On the 1st day of the 24th month post ICO she will receive 20% of her remaining 305.19875;
 $(694.80125 + 61.03975) = 755.841$,

On the 1st day of the 36th month post ICO she will receive her remaining tokens making it 1000 tokens in total.

** The exactly monthly PurpleCoin token distribution schedule will be released POST ICO.*

RELEASE SCHEDULE IMPLEMENTATION

From the 1st to 10th of every month, token holders can execute the smart contract in any ERC20 supported wallet to check on their exact PPC token balance from the previous month.

Execution instructions:

- A. User executes smart contract in an ERC20 wallet and fill in the KYC form on the official website;
- B. Smart contracts determine the number of tokens in an address from the previous month. Tokens unclaimed for more than six (6) months will be forfeited. Each time a smart contract is executed, the maximum release tokens are for a maximum of six (6) six months;
- C. On the last day of each month, PurpleCoin ₪ will activate a smart contract to calculate unclaimed bonus tokens over the previous six months; unclaimed bonus tokens will be announced and kept for further usage;
- D. All times are GMT+8.
- E. This ICO is **NOT** for U.S. citizens.

THE PURPLECoin ₪ FOUNDATION

In 2019, PurpleThrone will register and form the PurpleCoin ₪ Foundation. The PurpleCoin ₪ foundation is intended to be the neutral, not for profit, democratic governance for the participating members of this ecosystem.

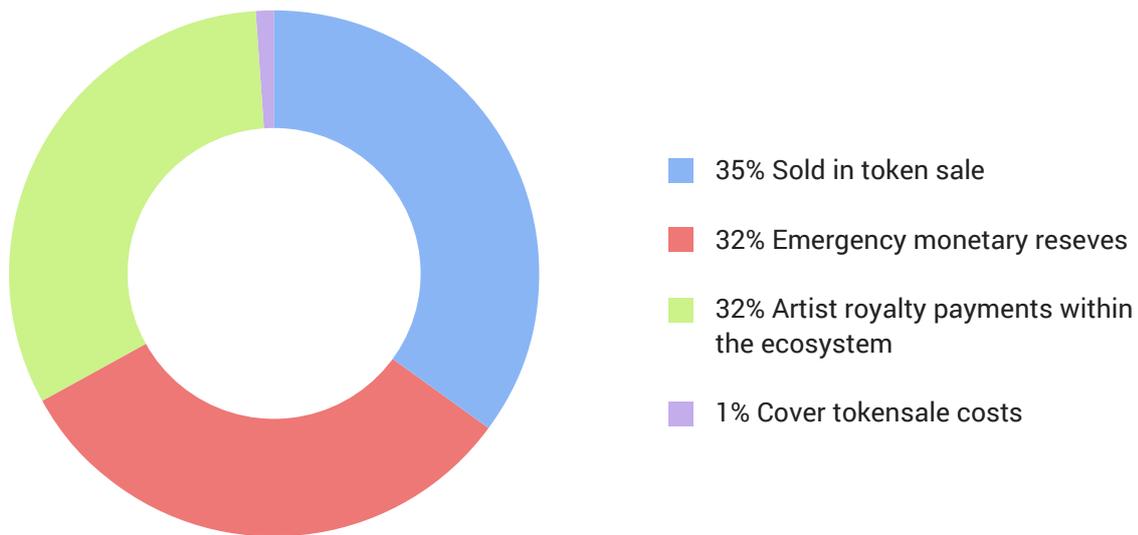
Its primary objective is to:

1. Ensure productive growth and PurpleCoin ₪ security.
2. Protect the integrity, viability and long-term health of the ecosystem.
3. Maintain compliance with rules and regulations.
4. Address legal matters and guidelines.
5. Guarantee the security of the PurpleCoin ₪ reserves.
6. Guarantee the transparency of the PurpleCoin ₪ ledger.
7. Enable system engineers to research, innovate, iterate and maintain a sustainable & lasting ecosystem.

In the immediate future, the PurpleCoin ₪ foundation will administer a centralized ledger and execute on its regulations and policies in an automated but unambiguous way, while working to build a completely decentralized structure.

TOTAL TOKEN SUPPLY ALLOCATION

100 Million (100,000,000) Tokens Issued:



PurpleThrone TOKEN SALE TERMS

- **Opening sale price of: \$.74 per token (PPC)~**
 - **20M** allocated for **tokensale**.
 - | **5M** Incumbent shareholders.
 - | **2M** Operational cost/ RENT/ payroll (1st year).
 - | **4M** Software engineers.
 - | **5M** Investments in top charting artists.
 - | **1M** Legal & accounting fees.
 - | **1M** Brand promotions.
 - | **1M** Back end infrastructure.
 - | **1M** Freelance Journalist & host.
 - **18M** to be reserved for **The PurpleCoin Foundation**.
 - | **10M** startup resources, technology and a covenant to integrate with the PurpleCoin cryptocurrency and brand.
 - **18M** to be reserved for **emergency** purposes only.
 - | **9M** locked by smart contract for 12 months,
 - | **9M** locked by smart contract for 24 months,
 - **1M** allocated for **artist royalty payments** within the system.
 - | **500K** available now,
 - | **500K** locked by smart contract for up to 1 year.
- **Purchase methods accepted: BTC and ETH.**
- **Notable Dates:**
 - Public Crowdsale begins **February 26th, 2018**
 - And ends **April 27th, 2018**

Sale terms include the following

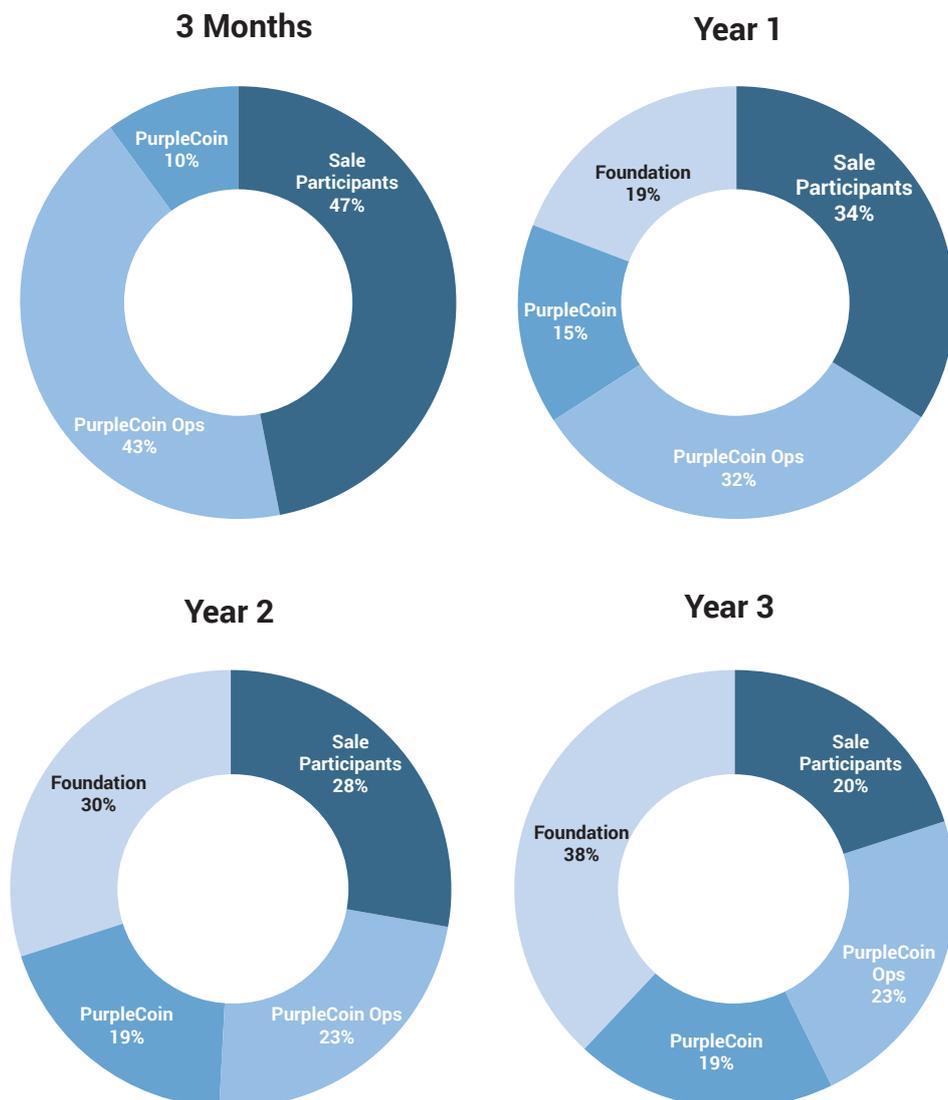
The sale will run for no more than 90 days.

There is a “hidden cap” for the amount of funds to be allowed in, which will be revealed when funds have reached 80% of the cap.

During the first hour, called the “minimum time”, all funds will be allowed in, even if above the “hidden cap”. If the sale goes over the “hidden cap” during the first hour, it would stop immediately at the end of that first hour. Otherwise, it will continue until it reaches the “hidden cap”.

TIME SERIES

Projection for token allocation circulation over the next 3 years.



TECHNICAL LIMITATIONS

1) As of **January 19th, 2018**, the current average confirmation time or “block time” is approximately 23 seconds.

<https://etherscan.io/chart/blocktime>

This issue of significant delayed confirmation response time, creates an optimization impediment for the average user.

2) The second issue being the fees required from the Ethereum blockchain for every transaction.

Given these frictions, PurpleCoin ₪ will implement a semi-centralized system that is a fusion between **on-chain** and **off-chain** public networks. This allows for highly scalable confirmations with the PurpleCoin cryptocurrency. The PurpleCoin transactions will be reconciled on the Ethereum blockchain network.

However, the PurpleCoin ₪ foundation will host a centralized off-chain ledger. This will (1) improve user experience due to lengthy confirmation times, (2) avoid Ethereum network transaction fees between users, and (3) circumvent stress on the public network because of the large volume of transactions.

<https://ethereum.stackexchange.com/questions/1034/how-many-transactions-can-the-network-handle>

Our community will be able to enjoy a convenient & user-friendly interface, without the hassle and complexity of blockchain systems.

This is merely a temporary solution. The PurpleCoin ₪ Foundation will work vigorously to advance the blockchain technology to alleviate these barriers to entry.