



Gala Music Whitepaper

Last Updated: Oct 2nd, 2024
Version 3.0



Disclaimer

The purchase or sale of any token or digital asset involves risk. The information in this Whitepaper is provided for informational purposes only, and we urge you to read this material carefully and ask us any follow-up questions that you may have before joining the Gala Music platform. You should also consult with your legal, accounting, or tax advisors regarding any applicable laws, rules or regulations that might govern your purchase of the digital assets discussed in this Whitepaper or your participation in the Gala Music platform, and regarding the tax or other financial implications of any purchase or sale. By your purchase or sale of any digital assets or tokens offered by Gala Music, you agree to assume the risks of such participation, and Gala Music disclaims any liability thereof.

This paper outlines a vision and a set of goals that guide our journey, yet it's important to acknowledge that the details are subject to change in response to shifting regulatory requirements and the practicalities of managing a decentralized ecosystem. While the landscape in which we operate may evolve, adaptability is key and the aspirations detailed here represent the heart of what we are striving to achieve together. This document should therefore be viewed as a reflection of our ambitions and a roadmap for our collective effort, albeit one that may adjust its course as necessary to navigate the ever-changing terrain of the blockchain world.

To get the most up-to date version of this document, please visit: https://music.gala.com/Gala_Music_Whitepaper.pdf



Discover new talent
Elevate Artists
Gain exclusive access with \$MUSIC

Summary

Blockchain based music has the potential to disrupt the entire music industry by providing accountability and direct access to fans and artists. We believe that there is an absolute possibility for a creative revolution as those that make music and those who enjoy it begin to connect and take control of their experiences, together.

Gala Music is a free-to-listen platform for music lovers. Through supporting artists and engaging with their content, users can receive rewards and perks such as digital track collectibles, concert passes, branded merchandise, artist access (such as meet and greets, video messages, VIP tickets, etc.), digital goods and physical memorabilia.

Those who choose to buy music 'Tracks' and/or operate 'Gala Music Jukebox Nodes' (nodes that host music on the platform), can also collect the platform's core token: \$MUSIC. \$MUSIC is a utility token, the emission of which is governed by a bonding curve designed to balance supply with the overall token's utility and level of demand.

A test version of the Gala Music platform was launched March 28, 2023. The full version, with its token, \$MUSIC, was released December, 2023.

During its test phase, Gala Music attracted more than 88 artists, 6.8M streams, 162K account holders, 94K 'test' token holders, 13K+ track owners and more than 11K active Gala Music Jukebox Node Operators (hosts). There are over 25K Gala Music Jukebox Nodes currently in the Gala Music ecosystem. Gala Music also delivered early versions of its live mobile music companion app, as well as the platform's 'All Access' store. The early version of the store saw 1.2K+ items and experiences redeemed, with over a million of the platform's test token 'BEAMS' being burned in the process.

All of this is part of the broader ecosystem utility centering around the Gala Music Jukebox ecosystem, the \$MUSIC token, and the mechanisms to drive engagement for artists and music fans worldwide. Whether you are using \$MUSIC to get closer to your favorite artists or helping break talent into new heights, your participation in the Gala Music ecosystem can help usher in a new era of growth for decentralized music.

1.0. Introduction

There's more to Music

Gala Music is changing the world. John Lennon said that "Music is everybody's possession. It's only publishers who think that people own it." This is why Gala Music exists - to set the music free.

The existing music industry has been built on the backs of musicians for decades. To this day, nothing has set them free from the industry that - though often well-meaning - locks artists into restrictive contracts, builds walls between artists and their fans, and stifles the free growth of creative expression in so many ways.

At Gala Music, we strive for a future where artists and their fans are in control.

Music is, and always has been, the heart and soul of the people. Our role, as the builders of the world's first decentralized ecosystem platform capable of handling the requirements of all entertainment, is to provide the opportunity for artists to grow.

The lifeblood of this system is the \$MUSIC token. It is a utility token which can be spent in the Gala Music store, locked towards musicians to help them reach new heights in their careers, used to incentivize ecosystem growth and even to vote on major decisions within the Gala Music ecosystem. \$MUSIC can be spent on concerts, experiences, merchandise, collectibles and music, or used to take your favorite artists to the next level in their music making journey.

Everyone - all 8.1 billion people and counting - listen to music and experts believe that the Music NFT market could grow to \$15bn by 2031. This presents a golden opportunity to bring a mainstream audience into the world of collecting and creating music while supporting artists on their journey.

Join us at Gala Music as we break down the walls holding musicians back to enable seamless connection and interactivity, empowering artists to become the musicians they have always wanted to be.

2.0. Audience

MUSIC is for everyone

In exploring the dynamic landscape of the music industry, it's essential to understand the total addressable market encompassing five key segments: Listeners, Fans, Owners, Hosts, and Artists. Each group plays a pivotal role in the ecosystem, contributing to the industry's vibrancy and economic potential.

Artists

Gala Music is an artist-first platform, providing each artist with on-chain data around their sales, streams and 'All Access' items and experiences. The release of tracks is the primary revenue stream for an artist and is supported by residual income from secondary market sales, as well as other platform incentives (gifts, tracks and \$MUSIC), which are obtained based on listens, fan and artist engagement.

Listeners

Listeners will find an increasing catalog of artists on the Gala Music platform, with high quality sound and a mobile optimized experience alongside concert and video features. Users can access curated playlists, new music and exclusive tracks. Unique plays on the platform are tracked so that the most popular songs can be ranked, and the owners of tracks related to those songs, rewarded.

Gala Music's mobile app is designed for fans to listen to music on the go, and experience live and authentic moments with performers, in addition to an optimized experience comparable to most popular music streaming services. Plays within the app also support the ecosystem through artist and track owner rewards, and other incentives including gifts, competitions and giveaways within the app.

Fans

Traditionally, the people who buy albums, stream songs or purchase tickets to shows, are largely invisible to an artist. With Gala Music, emerging talents and established names can see who their top supporters are, giving them not just a unique insight into their fan base but also a real chance to interact with them. For a fan, Gala Music provides an opportunity to engage, interact and be recognized by an artist like never before.

Bringing existing 'fandoms' into the ecosystem and incentivizing listening through recognition, also supports new musicians. For example, fans of one artist can be rewarded by discovering an emerging talent, with the platform proactively exposing established artists' fan bases to new tracks and names - creating new opportunities for both.

Owners

Those buying music tracks are able to activate their tracks to have them hosted on Gala Music Jukebox Nodes. Track Owners can then receive \$MUSIC based on how well the song is performing. Song performance is captured by the 'Popularity Algorithm' registering the number of listens a song has on the Gala Music platform.

Hosts

Known as Gala Music Jukebox Operators, those who host music tracks get a share in the daily distribution of rewards. Jukebox Nodes comprise the Gala Music ecosystem's Decentralized Physical Infrastructure Network (DePIN), rewarding users in \$MUSIC for supporting the ecosystem by running their nodes and providing computational power. These nodes host music, which is erasure-encoded and fragmented across multiple storage volumes for efficient distribution. Tokens are generated in response to verifiable proofs of storage and retrieval.

3.0. \$MUSIC

Supply and Schedule

3.1. Token Specification

3.1.1.

Max Supply: 1 billion.

3.1.2.

Token standards: GalaChain token, bridgeable to the Ethereum chain as an ERC20 token.

3.1.3.

Emission type: Dynamic.

3.2. Initial Supply

3.2.1.

In Beta, a test token called "BEAMS" was given out to participants in the platform. BEAMS were converted to \$MUSIC (at a 1/1 ratio). This conversion resulted in 75 million \$MUSIC minted and granted to ecosystem participants and users.

3.2.2.

75 million \$MUSIC tokens were also minted and granted to the ecosystem operator for ecosystem partners and platform engagement activities, including development of the platform, its features and related products. This resulted in an initial supply of 150m \$MUSIC minted.

3.3. Supply recipients

\$MUSIC is distributed across five groups:

Curatorial Entity (Gala Music)

Gala Music receives a portion of the distribution for its role in curating and maintaining the platform in

these early stages. The ultimate goal is to transition the platform into a fully decentralized ecosystem and initial preparations are being made in this area.

Hosts

Upon meeting qualification criteria (minimum uptime of 20 hours), Gala Music Jukebox Node Operators are able to share in the distribution rewards as a reward for providing the computing resources used to host content on Gala Music.

Owners

Anyone can own music tracks and receive \$MUSIC rewards. The more listens a track gets, the larger the share in the daily distribution that track will receive - incentivizing track owners to promote Gala Music and their owned tracks.

Artists

As the heart and soul of the Gala Music ecosystem, artists receive both primary sales of their tracks, as well as a portion of the distribution based on their track's popularity as determined by the popularity algorithm.

Advocates

Listeners who actively promote the platform, engage in a number of promotional activities and actively bring in new listeners also receive distribution of \$MUSIC, based on the efficacy of their promotional activities. This portion of the distribution is governed by the list of Ecosystem Supporting Activities in Section 4.7.

This upcoming section delves into more technical aspects. Understanding these finer details is key to fully appreciating the intricacies and potential of Web3 technologies and their impact on digital interactions.

3.4. Supply & Schedule

Instead of a premin of the total supply, \$MUSIC tokens will be emitted daily via an algorithm that takes into account user engagement, node operation and positive network activity.

The daily maximum limit of \$MUSIC tokens that can be distributed is approximately 0.05% of the remaining tokens needed to reach the softcap—the target maximum total supply.

Our algorithm evaluates platform activity to determine how many tokens are distributed each day, up to this daily maximum. The daily maximum emission rate signifies an exceptionally high level of platform demand and engagement, making it unlikely to be reached on most days. The minimum amount of \$MUSIC tokens that can be distributed in a day is 20% of the daily maximum emission rate, ensuring consistent incentives for user participation. In short, the Daily Max Emission can be represented like this:

$$\text{Daily Max Emission} = (\text{Softcap} - \text{Total Supply}) \times 0.0005$$

3.4.1.

The \$MUSIC token will adhere to a dynamic supply schedule governed by a mathematical formula akin to a bonding curve. This formula relies on ecosystem activity parameters as an input; it has been designed to ensure that the supply of \$MUSIC scales with platform growth and positive network activity. This approach will mitigate issues of oversupply and undersupply that can be found in fixed supply schedules. Specifically, the ecosystem parameter aligns to the level of overall Ecosystem Supporting Activities listed in Section 4.2,4 including creation (minting) of new music on track purchases, sharing of music, network growth and more.

3.4.2.

The bonding curve calculates the amount of daily \$MUSIC allowance created as a result of Ecosystem Supporting Activities, based on the average of the previous 7 days of activity.

3.4.3.

\$MUSIC is burned via token utilities (listed in Section 10) through activities such as Artist Boosts and purchases made via the All Access store. When this type of activity increases, the \$MUSIC allowance derived from the ecosystem activity is increased. This ensures the ecosystem's sustainable operation

3.5. Distribution Types

At the Token Generation Event (TGE), 150 million tokens were allocated to the existing ecosystem participants. After the TGE, \$MUSIC tokens are minted and distributed to the active participants on a daily basis. The distribution follows the fixed ratio as described in the table below. The amount of daily distribution is regulated by the bonding curve and the distribution mechanism outlined above.

3.6. GAS Token and L1 Chain

GalaChain, as Gala Music's L1 blockchain, leverages the power of \$GALA as its designated gas fee token for seamless bridging in and out of the platform. This approach ensures efficient operations. GalaChain enhances the ecosystem without diminishing the value and purpose of the \$MUSIC token.

3.7. Key Features of GalaChain

- Near-real time settlement with low gas fees and sub-second latency
- Semi-permissioned L1 (GalaChain) to allow for tailoring and improved security
- Easy channel management - contracts and tokens are created using TypeScript
- Efficient blocks without the need for a high carbon footprint

3.8. \$MUSIC Audit

Certik has provided the audit of ERC-20 compliance for \$MUSIC. They verified properties of the public interface of the token contract that implement the ERC20 interface, including:

- Functions 'transfer' and 'transferFrom' that are widely used for token transfers,
- Functions 'approve' and 'allowance' that enable the owner of an account to delegate a certain subset of tokens to another account (i.e. to grant an allowance), and;

- The functions 'balanceOf' and 'totalSupply', which are verified to correctly reflect the internal state of the contract.

4.0. Ecosystem

Reward Allocations and Pools

The daily token mint will be distributed to ecosystem participants who contribute positively to the project and platform, incentivizing their beneficial actions.

4.1.1. Music Platform Allocation (50%)

50% of the daily mint is allocated to operational needs. Curating Entity (Gala Music) has the flexibility to distribute these tokens as required to support ongoing operations. Common categories that will be funded from this allocation will include:

- Development Costs
- Marketing
- Physical Events
- Partnerships and Licensing

4.2.2. Gala Music Jukebox Node Operators (17.5%)

The ecosystem relies on Gala Music Jukebox Node operators to provide its music streaming service infrastructure so that fans can discover, stream, support and interact with artists. The operators of Gala Music's Decentralized Physical Infrastructure (DePIN) receive 17.5% of the daily distribution for operating their nodes and contributing their computing resources to the ecosystem.

4.2.3. Track Owners (15%)

Token allocation for a track is calculated using Gala Music's proprietary Popularity Algorithm, with the daily \$MUSIC issuance amount being derived from the \$MUSIC allowance pool. 15% of the distribution is distributed to track owners whose tracks are activated with Gala Music Jukebox Nodes.

4.2.2. Founder's Nodes (2.5%)

Founders Nodes are the backbone of the entire Gala Ecosystem, integral to the functioning of GalaChain and contributing to various essential tasks such as securing the network and storing data. 2.5% of the daily distribution is distributed to operators of the Founder's Nodes for their support of the ecosystem as a whole.

4.2.3. Artists (5%)

5% of the daily is allocated to artists based on the popularity of their tracks, as determined by the Popularity Algorithm.

Alongside the \$MUSIC distribution reward an artist can receive , they also benefit from:

- Sales of their music via tracks
- Experience and merchandise related revenues from the All Access store
- Gifting through 'live party' music streams/performances on mobile app by viewers and fans
- Actions and hosting of their own content
- Referring users to the Gala Music platform

4.2.4. Supportive Ecosystem Actors (10%, Keystone)

In addition to the previously named ecosystem participants, there is a segment of the daily distribution specifically focused on growing the ecosystem. This is similar to the early Founder's Node referral reward model but instead of focusing only on sales/node operation, it also allocates rewards based on actual involvement with the ecosystem, rather than just referred sales.

To encourage the spread of content and attract new users, Gala Music will distribute tokens based on what we deem to be positive ecosystem supporting actions.

There are many actions which could potentially qualify as ecosystem supporting behaviors. The list of these actions will eventually be published and users will be able to see which actions result in the greatest reward within any given distribution cycle.

Examples of these actions may include but are not limited to:

- Listening to Music
- Initializing a Jukebox Node for the first time
- Assembling a Collection (Mixtapes)
- Activating a reward enabled track
- Gifting \$MUSIC to an artist
- Opening a Mystery Box
- Referring a friend (who completes certain actions such as initializing nodes, operating nodes, and activates a track)

The key to this distribution is that all actions which qualify as "Ecosystem Supporting Actions" must be publicly visible and verifiable. This means that they either need to be written to chain or available in public in a way that the data surrounding them can be pulled via API and integrated into a distribution formula that is independently verifiable and transparent.

5.0. Popularity Algorithm

Rewarding Success

Every day, \$MUSIC is distributed to qualifying track owners based on the related song's popularity. Fans are also incentivized to support artists' tracks - those making referrals are able to collect bonuses and those actively promoting songs can also qualify for rewards. While the details of the popularity calculation will remain confidential to ensure fairness - the following factors are considered in the calculation:

- On-platform stream count
- Number of unique listeners
- Exclusivity status on the Gala Music platform
- Track Virality on Social Platforms relating to Gala Music

6.0. Reward Eligibility Ecosystem Participation

In order to be eligible for daily \$MUSIC distribution rewards, ecosystem participants will need to meet the following criteria:

Gala Music Jukebox Node Operators:

- 20 Hours (daily) uptime

Track Owners:

- A valid track activation to an online Jukebox Node
- Top 80% of listens based on song popularity
- At least 30 monthly 'listens' (logged in state)

Artists:

- A qualifying track hosted in the ecosystem. This is a track that has been submitted via the artist portal and minted on the platform.

7.0. Ecosystem Boosts

In keeping the promises made to the community and the ecosystem, if a user's wallet contains a BT Orb (Limited Edition), their daily distribution will receive a .0125% bonus. This bonus stacks and is cumulative for each BT Orb (Limited Edition) and is unlimited. The Open Edition of BT Orbs also receives a bonus, but one which is 10% of the Limited Edition BT Orbs.

8.0. Token Utilities

8.1. All Access

All Access is the exclusive experience and merchandise marketplace of the ecosystem, where \$MUSIC is the exclusive currency. Launched as a store during Gala Music's test phase, All Access is a key basis for the \$MUSIC token, with the utility of \$MUSIC scaling with the increasing size of the platform's artist portfolio, as well as the independent scale of the All Access store, which is designed as a self-serve fan store for artists.

8.2. Exclusive Access

Artists can grant exclusive access to their All Access products to fans based on the size and duration of the amount of \$MUSIC held in support of them.

8.3. Non-Exclusivity

It is planned that the All Access store will be a home for all artists, even those not releasing tracks on Gala Music. It will also be opened up as a marketplace for wider brand partnerships and entertainment related content. During the platform test phase, Gala Music began to build out the supplier base and operational model for All Access, so that in the future those wishing to feature and sell items in store can do so through self-service, with complete visibility and more creative control.

9.0. Decentralization Artist and Host Control

As mentioned there will be self-service capabilities for content creators and partners on the All Access store. There will also be open onboarding to all artists through the 'Entry' tier - which is governed solely by audience/fan engagement and tracked via the Popularity Algorithm.

Alongside these features, Gala Music will also share control and influence with those hosting the network (Gala Music Jukebox Node operators) and with those providing content for the network to host (owners and artists).

Curation

Gala Music Jukebox Node Operators will be able to create and then vote on monthly playlists which will feature on the Gala Music platform

Events

Gala Music Jukebox Node Operators will be able to vote on some physical activations. This might take the form of the activation itself (with them selecting their preference), or be in reference to its execution (i.e. the location, date and/or line-up of the activation).

Moderation

Gala Music Jukebox Node Operators can vote to have content (and/or artists) deemed inappropriate and removed from the Gala Music platform.

Voting

Major platform changes, such as artist and track curation will sometimes be put to a Gala Music Jukebox Node vote

Promotion

Artists who participate live on mobile app will be able to curate their own set of tracks. These will be featured on the platform - the set must contain a minimum number of 6 artists

Conclusion

In conclusion, Gala Music represents a bold and transformative vision for the future of the music industry. We've journeyed from recognizing the constraints faced by artists in the traditional music industry to forging a new path with the \$MUSIC token - a tool that empowers artists and fans alike. Our mission goes beyond merely reshaping how music is distributed and experienced; it's about revolutionizing the very essence of the music industry. With a focus on community, creativity, connectivity and artist growth, Gala Music is not just a platform but a revolution, inviting everyone to participate in a more equitable, dynamic and vibrant musical world.

As we move forward, our commitment remains steadfast: To break down barriers, foster direct artist-fan interactions and ensure artists have the freedom and support they need to thrive. By joining Gala Music, you're not just witnessing a revolution; you're becoming an integral part of it. Let's continue this journey, setting music free and celebrating its true spirit, one note, one artist, and one fan at a time.

Change Log

December 18th, 2023

Version 2.7

- Added the Change Log feature to track ongoing changes
- Changing track pricing to reflect the self-service model to allow artists to set their own prices
- Expanded the Artist Daily segment to 10% of the non-curatorial entity distribution and removed the 5% monthly pool

February 27nd, 2024

Version 2.8

- Updated Gala Music Whitepaper design

Oct 1st, 2024

Version 3.0

- Removal of Track Rarities/Track Upgradability
- Adjustment to Distribution Allocation, increasing Track Owners share by 2.5% from Ecosystem Actions
- Adjustment to emissions formula and supply schedule, making distribution based on overall Ecosystem Supporting Activity
- Removal of section "Mint Allowance Pool"
- Standardized Jukebox Node Rewards based on computing resources provided and uptime
- Introduction of \$MUSIC Governance