



SpotStar

Talent Shows on the Blockchain

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EXECUTIVE SUMMARY

SpotStar leverages blockchain to create a fan-based reward system for rising talent through fun, online interactive competitions. The SpotStar platform runs online talent contests in which fans vote for their favorite songs and artists, and artists are immediately rewarded with tokens based on the results. Unlike in today's television talent shows, the rewards are not hoarded by the production companies, record labels or telecom operators. Instead, the rewards are fully trackable through the blockchain, and the artists can directly benefit from the rewards they receive in SpotStar tokens in proportion to their fan base. SpotStar puts control back into the hands of the artists rather than the record labels.

Several essential operations within the music industry have gone largely unchanged. Record label contracts are convoluted and complex, with artists sometimes waiting up to six months for royalty reimbursement. On average, most artists are paid a meager 10- 15% royalty for their songs. Even worse, most of the



contestants in television talent shows never end up signing recording contracts or getting anywhere in their music careers—mainly because these contestants are performers and are limited to doing covers of other artists' music.

Natural talent—people who are actually musicians, writing songs and creating original music—have almost no outlet in this type of competition. These limitations can all be traced to the mode of operation among the several intermediaries that oversee the discovery, production, and sales of songs in the music industry.

This paper is an exploration into these shortcomings. More importantly, this paper presents SpotStar. SpotStar provides an operational alternative for talent discovery by fans and record labels through a transparent, reward-based talent show platform built on a decentralized blockchain network. The SpotStar model removes significant barriers to entry for prospective talent in the music industry.

With talent shows on SpotStar, the fans get to choose who their star is, voting for their favorite acts using publicly traded SpotStar tokens, native to our platform.

With this model, the artist gets rewarded instantly from every vote. No judges, no company interference, no opaque vote counting, no production teams. Every operation is automated and executed by the SpotStar smart contract codes.

From virtual auditions to the grand finals, every transaction is saved in real-time as an immutable record accessible on the Solana network.

The SpotStar team is on a mission to change the way artists are discovered, nurtured and treated through the power of the blockchain. Utilizing the Solana blockchain network's speed and low transaction fee, SpotStar will allow anyone to participate in any of the SpotStar talent shows, either through their mobile app or web browsers. On the other hand, users will vote for their favorite contestants with the SpotStar token, funding them simultaneously.

All selections—from auditions to final contests—will be decided through votes by the SpotStar community, so any talent on the platform has a fair chance at a record deal. SpotStar will reward talent for improving their performances or making special videos to attract record labels. Record labels on the SpotStar platform will use the smart contract capabilities to create a binding royalties agreement with guaranteed payouts and transparent distribution of income from the outset.

Setting a new standard for transparency and efficiency in the music industry, all SpotStar contract terms will be accessible for audits on the blockchain.

INTRODUCTION

Talent shows have always existed as a form of entertainment for people to share and showcase their skills. Contests and reward-based shows have been broadcast since the dawn of radio and television, but they have gained tremendous traction in the last [two decades](#).

Talent shows like Idol, The Voice, The X Factor, and Got Talent have dominated television while raking in billions of dollars. While these shows have resulted in a few record deals and some exposure for new artists, stakeholders are much more focused on ratings than actually promoting artists. Original material from real singer-songwriters is not very much a part of the most popular shows—contestants are encouraged to perform covers of songs written by known artists. Even when original artists do end up on a talent show contest, the contracts they are forced to sign in order to participate dictate the final terms of any record deal, biasing the system against the artists themselves. As with most recording artists, these singers find themselves in deals where 90% of the revenues go to production and recording companies.

Social media has also emerged as a tool for talent discovery; however, there are still several limitations due to the design priorities of these platforms.



The limitations of the talent show industry include:

- Too much judge control; fan votes are not predominant and can be gamed.
- Monopoly by big production companies and TV stations.
- Artists are discouraged from using their own original music and lyrics. Real songwriters have no chance in these contests.
- Scripted features are sometimes inserted into these shows to spice things up.
- At the end of these shows, artists who get record deals do not get to decide the terms of their contracts because they have already signed the contract. (This problem is rampant across the entertainment industry more generally.)
- The COVID-19 pandemic has generally slowed show business, affecting tours and live talent shows the most.

All of these problems demonstrate the opportunity to provide a better operational alternative for the music industry in general, although the focus of this paper is talent discovery.

The dominance of intermediaries often means that artists are not properly compensated. Throughout the music industry, the problem of intermediaries is a plague that has left even the top artists struggling to get by. One of the reasons touring was so crucial before the pandemic is that recording artists can no longer make a living from the royalties left after the recording companies have taken their share.

Blockchain technology is an enabling technology that can potentially replace intermediaries. Blockchain provides an opportunity for fans to develop direct relationships with artists, removing expensive intermediaries and ensuring that artists get a fair share of the revenue generated from their labor.

TALENT SHOW AND MARKET SIZE

The Idol was reported to have captured over 50% of TV viewership in its early days. Also, according to Nielsen's rating, it was, occasionally, the most-watched TV series. At the height of the show's success, The Idol reeled in \$2.3 billion in revenue. Other TV talent shows like The Voice and Got Talent have reached similar numbers.

CHALLENGES IN THE TALENT SHOW INDUSTRY

Talent Shows and Artist Discovery



According to a Got Talent dance instructor: *"In this industry, it is very very hard to be seen. So many thousands of us are so talented and it is hard to get a job nowadays ... I mean Unity that we support tonight, they have had so many rehearsals to just get to the finals."*

Very few of the artists who come out of talent shows actually end up with a music career or successful album sales. Britain's Got Talent act Susan Boyle is one of those exceptions. Following her stardom in the show, her album sold 701,000 copies in its first week, making it the best sales week for an album in the U.S. that year.

Other stars who came from talent shows include Carrie Underwood, Da Band, One Direction, and Adam Lambert.

However, most talent show alumni never end up with a recording deal or music career. In fact, many artists who were booted from talent shows later rose to fame somehow. For example, Beyonce, Britney Spears, Elvis Presley, Frank Sinatra, Usher, Aaliyah and Rihanna all participated in competitions and talent shows which did not lead to their fame.

This illustrates the ineffectiveness of these talent shows as a doorway for talented artists to rise and for fans to discover those artists.

Talent Discovery Beyond Talent Shows



Media platforms like Instagram, Facebook, YouTube, Pandora and the now defunct Vine have offered a new mode of discovery for many talented artists, allowing direct delivery of music to fans who can spread the word without any intermediary. However, the reward system is based on advertising, so payment to musicians is minimal on these platforms. People simply expect to get their music for free.

Justin Bieber was discovered on his YouTube channel. Shawn Mendes got spotted by a record label via his acoustic guitar covers on Vine. Calvin Harris rose to fame via his solo recordings on Myspace. The algorithmic adaptation for content recommendations makes social media an effective tool for media outreach. However, the recommendation engines make it hard to get initial traction, because the system recommends similar music to what people already listen to. New and emerging artists have to gain that initial traction before any algorithm will pick up on them.

New artists often emerge from new social media platforms—but as the platform becomes entrenched, so do the matching algorithms. The barrier to entry is higher than it seems when it comes to making a breakthrough on social media.

Artist Discovery in the Age of Talent Shows and Social Media

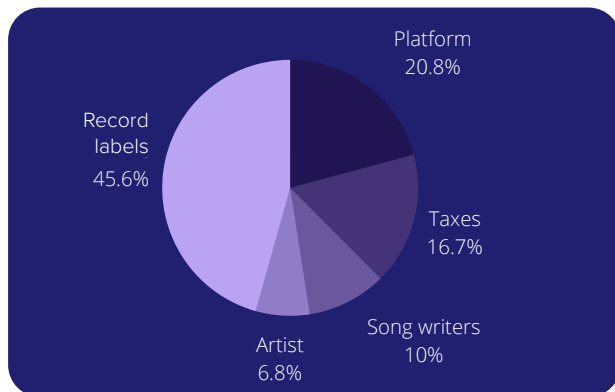


With production companies in control, participants in TV talent shows get very little compensation. Contestants in *The Voice* get a basic living stipend but no compensation whatsoever for their time. The winner receives only \$100,000—compared to as much as \$13,000,000 paid to the judges. The promise of fame and the potential rewards make it almost impossible to refuse a role on a prime-time talent show—if an artist doesn't sign the agreement, there are dozens online who will. Therefore, the artists work for months with no pay whatsoever, just for a possible chance at fame.

According to a 2012 *Forbes* publication, *American Idol* pulled in as much as \$531 million, and *The X factor*, another highly demanded talent show, did \$321.9 million.

Sadly, the contestants providing the actual entertainment value are not paid beyond a small stipend for their living expenses.

Even if they get a recording deal, they can expect a royalties agreement that offers them, at most, a paltry 10%.



Promoters, producers, record labels, agents, and managers all earn a share for their contribution in making the work a success. While all of these participants deserve their cut, the payment of \$13 million per judge illustrates that there is plenty of money to go around—however, the balance of power allows the artists to end up with nothing.

Limited Access



Broadcast talent shows can only handle a certain number of participants and focus only on the most popular music genres. Online, any number of people can compete and be ranked in different categories and music genres, with multiple simultaneous tracks. Using a distributed screening system where anyone can judge the talent, there is no limitation online to how many talented artists can enter a competition.

Location Limitations in the Age of Covid-19



For several shows, many contestants travel from across the world to audition at a physical location every season. However, there are many who are limited by factors like flight cost and several travel limitations.

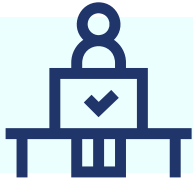
The rise of the Covid-19 pandemic has worsened travel and location limitations, making the need for a virtual alternative obvious. Online formats for all types of entertainment are on the rise, and now is the time to take advantage of this opportunity.

Talent Shows Are Not Optimized for Talent Discovery



Television talent shows have never really been about talent discovery. The shows themselves rake in cash—but it's not about the talent or the recording contracts. The producers make nothing from discovering original talent—their money comes from the entertainment value of the show itself and the voters.

Judges Control the Show



In the 2015 New Zealand X Factor edition, Kills, a judge, was quoted telling a contestant these [words](#):

"I am disgusted at how much you have copied my husband. From the hair to the suit. You're a laughing stock... It's disgusting. I am embarrassed. It's disgusting. You make me sick."

Unfair and Complex Record Deal Contracts



For those few artists who are asked to sign with a record company, the terms are often confusing and unfair to upcoming artists. Some artists report entering the deal without fully understanding what they are signing.

Deals can include "perpetuity clauses," which indicate that the duration of the record deal is endless. Other times, record labels have exclusivity terms subtly laced into the contract, which states that the deal includes all of an artist's recordings, both past and future.



BLOCKCHAIN & TALENT SHOWS



The 2009 Bitcoin experiment, intended as a permissionless replacement for digital payments, proved that it was indeed possible to create a digital monetary system independent of a bank's or any financial service intermediation.

For the first time, this allowed individuals to transact with each other without needing a bank, remittance service, payment gateway technology or government-issued money for the transaction. This successful leap in permissionless digital transactions sparked the flame for the revolution on all-things third-party and intermediaries across all industrial verticals where third parties are required.

In 2014, Ethereum was launched as a shared supercomputer, which allowed developers to replicate the Bitcoin model across every industry in which third-party

control results in uneven distribution of cash-flow amongst players, high expense in cost, a lack of transparency, and overall operational inefficiency—similar to what we have seen with the music industry.

With Ethereum's smart contract system, more than 3,000 active decentralized apps have demonstrated the capabilities of blockchain to disintermediate a wide range of industries. Ethereum has demonstrated explosive success in the music industry. The recent release of Non-Fungible Tokens (NFTs) for limited edition works is one good example. However, proof-of-work blockchains, such as Ethereum, are proving slow and expensive.

Issues with transaction fees and network speeds have spurred the development of more advanced blockchain technologies, including Solana, one of the latest technologies in the Distributed Ledger Technology (DLT) space.

A NEW APPROACH

In this paper, SpotStar introduces the first blockchain-based proposition designed to change the way talent discovery operates, using blockchain for seamless and decentralized operations.

More precisely, SpotStar addresses the following problems with talent discovery:

- Limitations of talented artists from anywhere in the world to compete
- Voting transparency
- Location limitations for contestants

THE SPOTSTAR SOLUTION



SpotStar is a blockchain platform that revolutionizes the music talent show market, allowing anyone with musical talent to compete in wide-broadcast talent shows. Fans vote directly for the artists and songs they love, and the artists receive compensation immediately based on those votes. No matter how many or few fans are excited about the artist, the artist is paid in proportion to their content contribution to the platform. Our model is designed to enable record labels and talent hunters in a wide variety of categories to find the best talent based on fan base, talent, and showmanship.

This talent discovery process gives the audience the power to select their favorite acts through a blockchain-based, permissionless voting model powered by the SpotStar smart contract protocol built on Solana.

By implication, anyone can verify the validity of every vote made during a competition. This requires the use of SpotStar voting tokens, which are generated and tied to the SpotStar smart contract.

Hence, every participating artist gets a fraction of the SpotStar token for every vote. Technically, the contestant with the highest vote gets the most tokens for each contest. Every reward owed to an artist is automatically sent to that artist's wallet. These operations are all embedded in the SpotStar smart contract.

HOW THE PLATFORM WORKS

The SpotStar platform allows any performing artist to participate in the SpotStar talent shows and any fan to support their favorite songs and artists on the platform through voting. Instead of the

votes going to the telecom operator and the talent show producer, participants in the SpotStar network know that when they pay to vote, the bulk of that money goes to the artist, not to middlemen along the way.



- 1 Artists submit their work for auditions. The auditions are monitored by fans who are randomly chosen based on their participation and the genres they love.
- 2 If the artist passes the audition, they enter a Talent Show. Contests run for three months with different Talent Shows running for different genres and categories. Multiple shows may run simultaneously.
- 3 Fans purchase SpotStar tokens from the SpotStar reserve or on a cryptocurrency exchange.
- 4 Fans vote with their tokens for the artists they want to move on to the next round. Each round, they can send any amount from \$0.50 to a maximum of \$50 per song as their vote, so that voters cannot skew the votes too much. SpotStar takes 20% of the tokens back into the reserve as its operating cost.
- 5 A “vault” of 30% of the tokens is held in escrow for the artists. By accepting “missions” from the fans, artists can earn more tokens. For example, the fans might ask for an acoustic recording, better video quality, a beach backdrop, etc. These fan tips serve to increase the artists’ income and give the artists an opportunity to improve their acts based on what fans want.
- 6 Artists and fans have access to the rankings for all of the artists.
- 7 At the end of each round, the top artists move up, and all artists can collect 50% of the tokens voted to them. The tokens can be cashed in on an open exchange. Artists who do not continue on to the next round can keep their coins in the vault to use if they want to enter another Talent Show or withdraw 50% of the remaining amount. If they empty their vault, the remainder of the tokens are burned, reducing the token supply.
- 8 The finalists of every round are sent to record label executives. Record labels can choose any artist at any level, but the top artists receive additional exposure.
- 9 If a record label signs the artist, any SpotStar tokens remaining in the vault are awarded to the artist.

SHOWS

Talent shows take place over the course of 12 weeks, with each round spanning 3 weeks.



Round 1

All contestants who have passed the audition participate in this round



Round 2

Top 40 contestants from the previous round participate



Round 3

Top 10 contestants participate



Round 4

Final 3 artists participate

In each round, the artists can submit new music or use one of their videos from the previous round. Artists can use original music or cover songs for their musical entries.

QUALIFYING FOR THE VIRTUAL AUDITIONS

SpotStar is committed to providing quality talent shows. In the primary auditions for talent shows, usually anyone can join—and sometimes people join who have no talent. While this can be entertaining, and the television talent shows do broadcast some of the flops, it's highly produced and regulated. SpotStar, however, will limit these kinds of flops in the auditions—as well as protect against trolls and fake entries.

In order to ensure quality, SpotStar has created three pathways to qualifying the audition. In order to get to the Virtual Audition stage, an artist must meet at least one of the following requirements:

1. Bring at least 100 fans into the platform. Any performing artist who brings at least 100 fans to the platform qualifies as good enough to make the audition. The artist benefits by having more voters for their work, and—unlike other social media platforms—SpotStar will make the fan email list available to artists.
2. Pay an up-front entry fee that will be calculated based on the person's country of origin. The fee will be significant enough (5-10X minimum hourly wage) that it will deter fakes, but achievable enough for anyone to enter this way.
3. Pass a pre-screening audition, as described below.

PRE-SCREENING AUDITIONS

SpotStar creates a fully decentralized system, so there are no regular judges. At the same time, it's important to maintain the integrity of the system and ensure that people do not submit junk, profanity, trolling videos, etc. to the talent shows.

With the first screening, the idea is to make the audition process seamless and also to create an auditable and transparent point for auditions.

Anyone can audition for a show on SpotStar after being validated on the platform. Artists submit their music and fill out a few identification fields to categorize the music they have uploaded.

As in later rounds, the fans are the judges. In the audition round, a random group of 20 fans is chosen for each artist. Anyone who is an active participant in the voting platform can be chosen. The participants listen to the recording and give a thumbs up or thumbs down for the audition. The artist must get 15 of 20 votes as proof that their musical talent is good enough to enter the contest. If a selected judge gives a thumbs down, they can also give constructive feedback on how the artist might improve to pass next time. Any judge who uses inappropriate or abusive language in their feedback will be banned from being a judge again.

Every judge receives \$2 in SpotStar tokens for participating in the judging process, so they can use the tokens for voting in the next round of the talent show. Judges do not see the votes of other judges, so they cannot be swayed by other opinions. At the end of the voting round, all judges get to see the results, but they do not see who the other judges are.

VIRTUAL AUDITIONS

For videos that make it through the first screening, SpotStar will hold live streaming auditions. The final format for auditions will depend on the type of contest that the artists are auditioning to join. Auditions could be full live streaming, pre-recorded video with live stream, or other formats. In order to enable artists from all over the world to enter the contest, it may be necessary to allow pre-recorded videos, particularly from areas of the world where fast uploads are unavailable. However, to make the contests fair, all contestants in any given audition or talent show will be subject to the same conditions. If it's live, then only live artists can participate.

SpotStar will experiment with different types of criteria for passing the auditions. There may be a minimum threshold or a ranking system in place. As the system evolves, additional screening processes can be tried to find the best ways to make auditions work online without live judging systems.

TALENT SHOW ON SPOTSTAR

Talent shows are designed to be streamed live. Artists perform live in slots that are pre-allocated and announced to each artist. Because of the distributed nature of the system, all artists need to show up for their slot on time, or a substitute artist will get a chance to take the slot. Some contests will allow pre-recorded videos but will be streamed live. As mentioned, SpotStar will

be trying a variety of formats that were never possible through television broadcast, allowing different audiences to determine which formats they prefer.

Likewise, fans who are not able to tune in to the live stream because of time zone differences can see the video playbacks and vote within a specific time window, usually 24 hours following the stream.

SHOW GUIDELINES AND REQUIREMENTS

- Each SpotStar season lasts for 3 months.
- To participate in the shows, an artist is required to undergo a one-time identity verification.
- Each artist can only perform with one verified SpotStar account in any contest.
- Every show begins with virtual auditions for 1 month prior to the contest.
- Auditions will consist of a maximum 5-minute video stream in which each artist performs their song.
- Each show will have its own unique set of rules.
- Registered record labels on SpotStar will select their favorite artist for a record deal. Record deal contracts are backed by the Vault of the artist based on the votes collected during the Talent Show.

POSSIBLE CONTEST CATEGORIES

As an online platform, multiple talent shows can run simultaneously.

Different categories draw different artists, different fans and different record labels.

Categories can include any genres that have demand, such as:

- Original singer/songwriter music
- Pop music
- Country music
- International sounds
- Jazz and blues
- Lip sync
- Cover contest

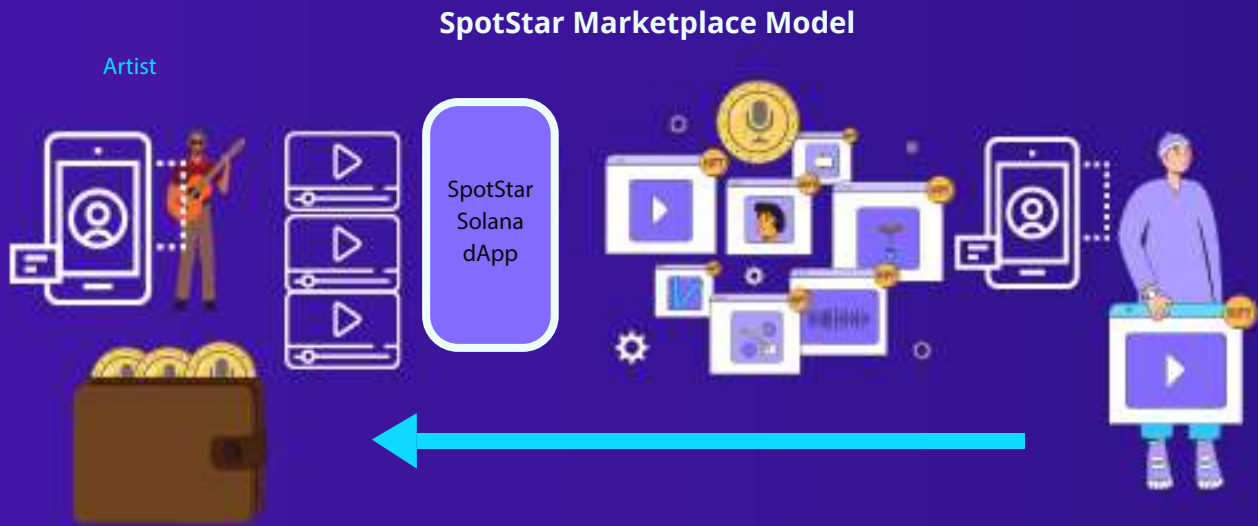
Similarly, different rounds could have themes such as:

- Home recording
- Studio recording
- Outdoor/public performance
- Dance and sing

The list will evolve based on community suggestions and what the SpotStar team finds realistic to execute.

THE SPOTSTAR MARKETPLACE

Artists can sell their streamed audition videos as NFTs on the SpotStar marketplace. This will allow artists a separate source of revenue beyond votes.



FANS ON SPOTSTAR

Voting on SpotStar

Fans vote directly on SpotStar for the songs that they want to move up in every round, and there are no other judges or ways to win points—fans have total control. All voting is on-chain so that no votes can be faked or gamed.

To vote in any SpotStar contest, fans need to log in and prove their identity through a KYC process, so that they cannot use duplicate identities to game the system. Fans log in and can purchase SpotStar tokens through the SpotStar platform, either on exchanges or directly from the SpotStar reserve held with the SpotStar company.



Artist streams performance via the SpotStar streaming app



All votes are sent on-chain based on the videos the fans find entertaining



Smart contract responsible for vote reward split.

Due to the international nature of online broadcast, voting will take place for 24 hours after the stream of any given video, and viewers in different time zones can watch replays of the streamed video. The 24-hour window allows fans anywhere in the world to see all the entries in any talent show, even if the broadcast takes place while they are asleep. It also provides the potential for simultaneous shows of different genres. Fans can choose different ways to allocate their points. For example, someone might want to watch all the performances before allocating their votes. Others might prefer to vote in real-time to signal to others the popularity of an artist, with the desire to sway the vote towards the artists and increase their chances of winning.

The SpotStar dApp is built on the Solana open blockchain. Solana allows for high-speed vote executions. Solana's 50,000 transactions per second speed allows as many as 15 million votes per contest. Solana processes over 3 million transactions per minute, making it perfect for real-time on-chain votes on SpotStar.

All votes are submitted using the SpotStar smart contract, with all records open for public audit and recorded in real-time. With the SpotStar reward model, intermediation is replaced with self-executing smart contracts. Votes are stored in a vault for each artist.

At the end of each round, the artist receives 50% of the voting tokens. 20% of the tokens are paid to SpotStar for the hosting and operations. The last 30% of the tokens are kept in the vault and the fans can make requests to the artist, for example to do a different version of their song, to wear an upgraded outfit for the song, etc.

Artists who have been eliminated can keep their tokens in the vault for the next talent show or empty their vault to receive 50% of the tokens left in the vault. Any remaining tokens are burned, reducing token supply and increasing the scarcity of the SpotStar token.

ROBUST SOCIAL FEATURES

The platform will allow fans and artists to interact directly. Unlike other social media platforms, SpotStar will provide tools for artists to export fan lists on an opt-in basis for fans who want to be added to the artist's mailing list and fan base. The fans can interact with one another and with the artist using the online chat capabilities. Other features include emojis and reactions that can be used in real-time as well as on video replays, like cheering, thumbs up, and more.

RECORD DEALS

To have a successful recording artist contract, the record labels must finance the artist for approximately one million dollars up front. The deals usually stipulate that the artist needs to first earn back that money for the record label before they see any royalties at all. This exposes the record label to significant financial risk and puts the artist in a compromising position. With this in mind, the winner of any SpotStar contest has a vault of 30% of the token value of the votes that they acquired as a starting point. This money can be put towards their income until they begin making money through their record deal. If the Vault has enough tokens, the artist might have the money to set some of their own contract conditions or stake it towards the initial investment. The artist is in a much less vulnerable position, because they have the reserve in SpotStar tokens to support themselves.

In other words, this decentralized infrastructure affords artists the opportunity to earn enough funds to finance their record deals, without needing a loan from the record label.

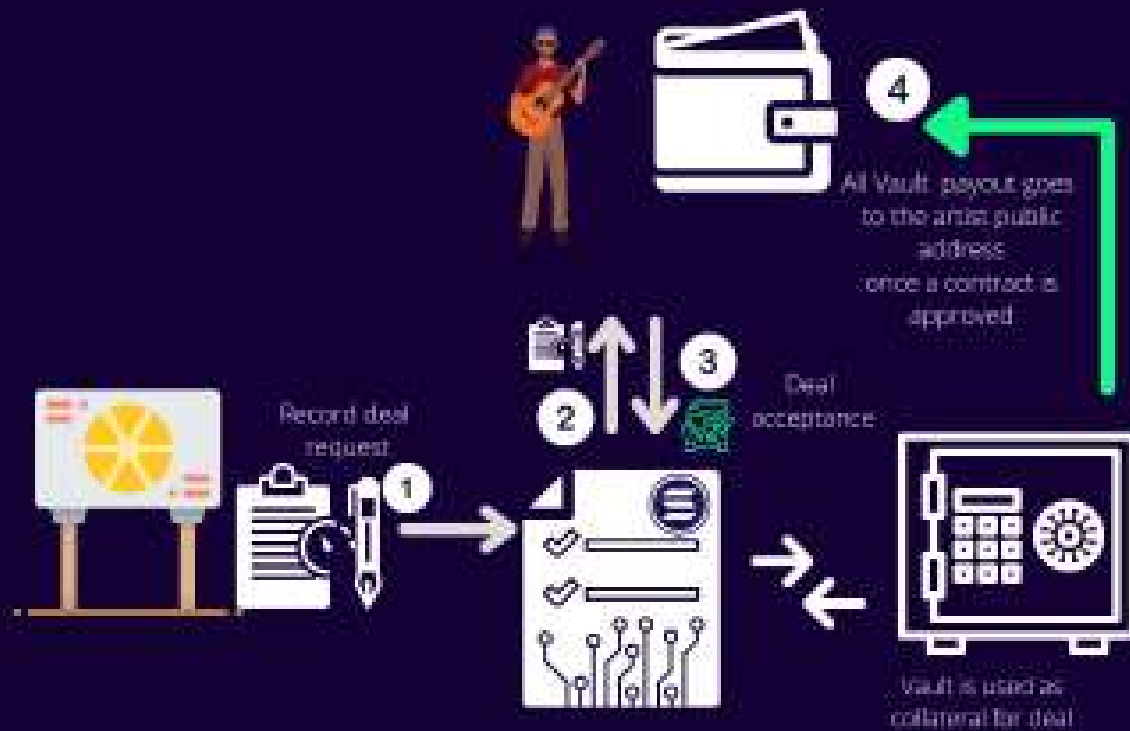
SpotStar also eliminates many of the complexities of a record deal, since all contractual interactions between the artist and the record label are executed with time- stamp protocols powered by the open Solana blockchain.

With the rise of blockchain-based streaming platforms like Audius, streaming revenues will all be relayed and synched on the blockchain. Additionally, tour revenues will be deployed using on-chain ticketing platforms like Guts, for example.

Record contracts can be set up as smart contracts on the Solana network. In this way, all income distribution and royalties can be automatically and transparently executed. This saves time and overhead for the record labels and ensures that the artists get their share of the royalties in a timely and fair manner, with no tampering possible.



SPOTSTAR SMART CONTRACT EXECUTING A RECORD DEAL



COLLATERAL FOR DEAL ON-CHAIN REVENUE SPLIT BASED ON RECORD DEAL



ARTISTS ON SPOTSTAR

Acts from Across the World

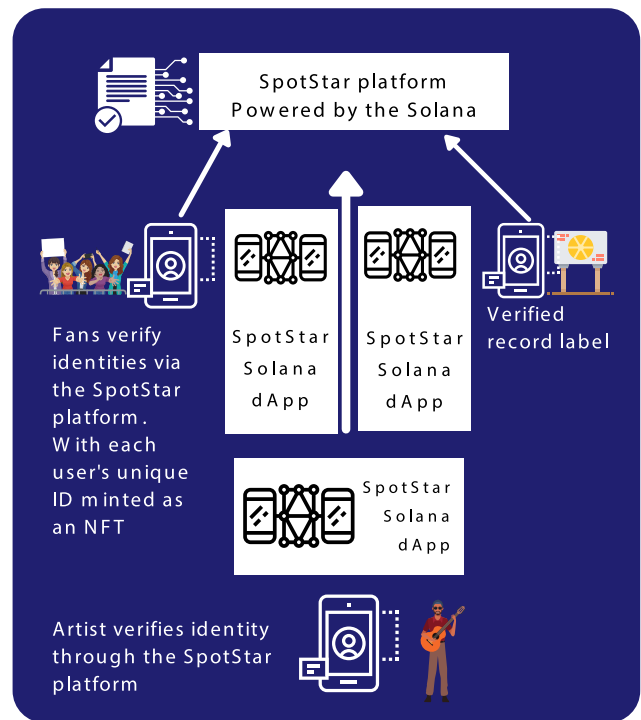
To make talent show auditions truly open to everyone who wants to perform, SpotStar auditions and performances will be streamed live via the spotstar.live website. This website will contain user and performer dashboards for seamless votes, token purchases and streams, as well as other features. Streaming can be combined with asynchronous content for adaptation to different time zones and for different types and configurations of talent shows.

Identity Verification and Security

To avoid any type of gaming of the system, all artists and fans will be fully verified. This enforces compliance with regulatory requirements and avoids the possibility of fraudulent voting.

Depending on someone's activity on the system, there will be different tiers of identification, subject to regulation and local regulation.

- Anyone can create a viewer login on the system with any name and password. No identification required.



To vote in the system or submit a video to the talent show, users must acquire SpotStar tokens, therefore they will need to self-identify with an email address and compatible cryptocurrency wallet or pass the basic KYC regulations of the system.

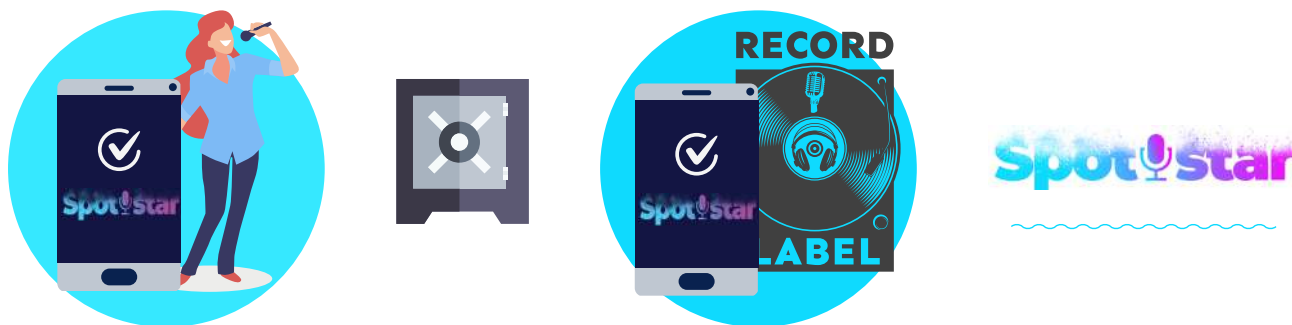
- To collect their winnings from any of the contests and shows, artists need to provide full KYC validation and tax information required in their location for the acquisition of SpotStar tokens, defined as utility tokens, under the relevant regulation.
- SpotStar maintains a standard verification system by which users are selected. This process begins with standard KYC protocol and after each verification is complete each user's data is minted as an avatar NFT.

VOTE REVENUE SPLIT

There are two ways an artist's accumulated vote revenue can be split: with and without a record deal.

Vote Fund Split with a Record Deal

All record deals can be funded from the artist's vault. That said, not every artist will get a deal, since there is usually a minimum cost to finance a deal, and so record labels will have to find the most promising artist. Also, an artist has the right to decline a deal. In that case, half of the vault is given to the artist directly, and the other half of the tokens are burned.

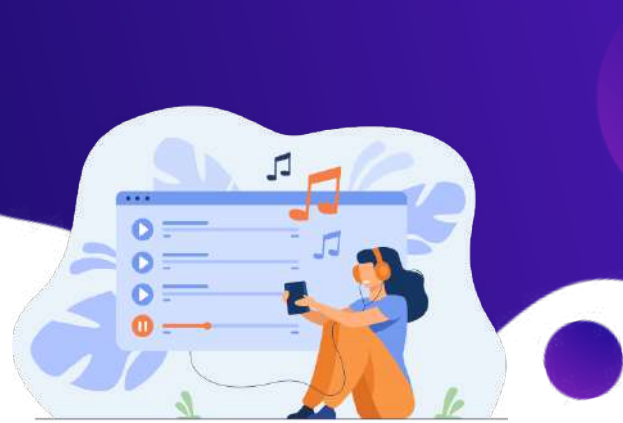


Vote Fund Split Without a Record Deal Contract

Every artist has the right to liquidate their record deal investment funds prematurely as “no-contract splits.”

Artists that do not get a record deal within 3 months of a show's end will have their funds split as “no-contract splits.” This however only gives an artist 50% of their vote funds.

BENEFITS: WHY SPOTSTAR



BENEFITS FOR FANS:

- Talent shows per category and for every genre
- Real support for the artists you love
- See your favorite artists succeed in real-time
- Asynchronous video: watch and participate any time
- Social interactions with other fans and with artists
- Verifiable voting, verifiably fraud-free
- Using a cryptocurrency for a useful utility function
- Ability to become a judge for auditions
- No advertising or blockers

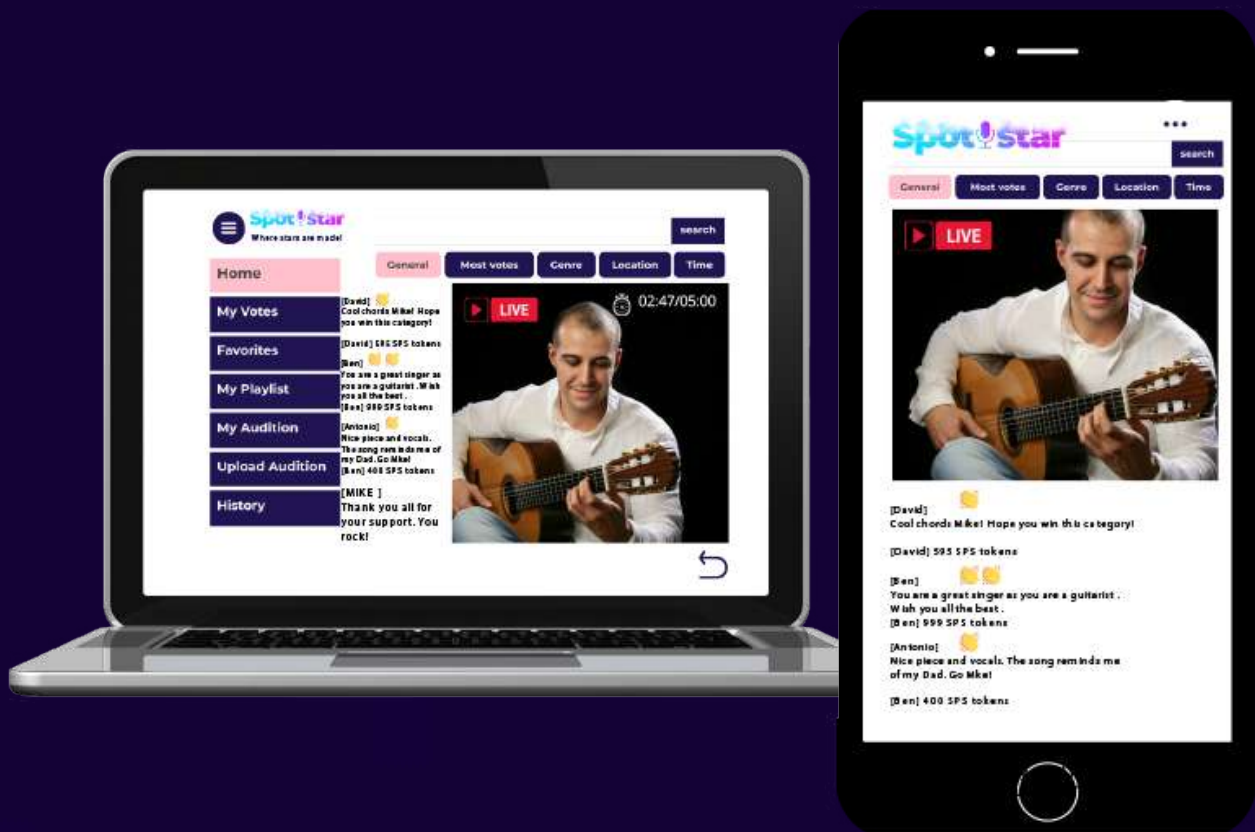
BENEFITS FOR RECORD LABELS

- Exposure to artists that real fans want to hear
- Multiple genres
- Ability to identify original songwriters as well as performers
- Smart-contract enabled recording deals for easy execution and distribution of funds
- Transparency in all processes
- Verifiable blockchain-based results: no vote-rigging

BENEFITS FOR ARTISTS

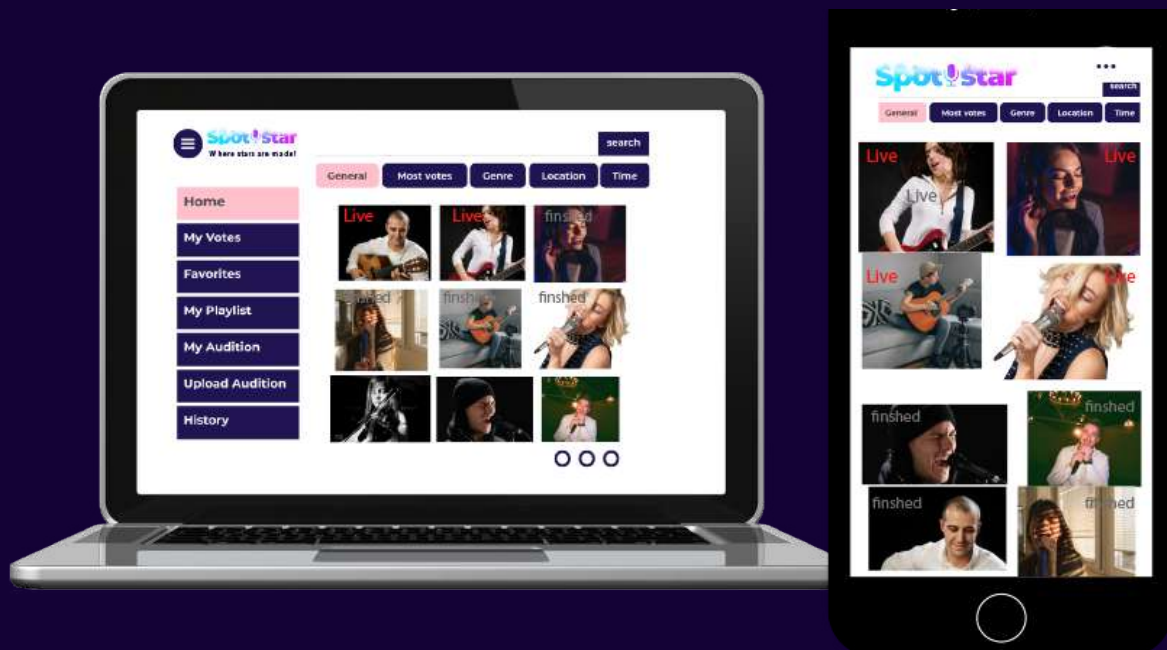
- Exposure to real fans worldwide
- Fair global competition: no rigged results
- Ability to perform original songs as well as covers
- Direct payment correlating to fan participation
- Recording deals that are fair and transparent
- Ability to participate even for alternative genres
- No judges, no abuse by “superior” authorities
- Direct contact with fans, without a middleman
- Tips for improvement and constructive feedback
- Ability to interact with a cryptocurrency.
- Bonus pot for signing with a recording label

SPOTSTAR UI DESIGN MODEL SHOWING SINGLE LIVE PERFORMANCE

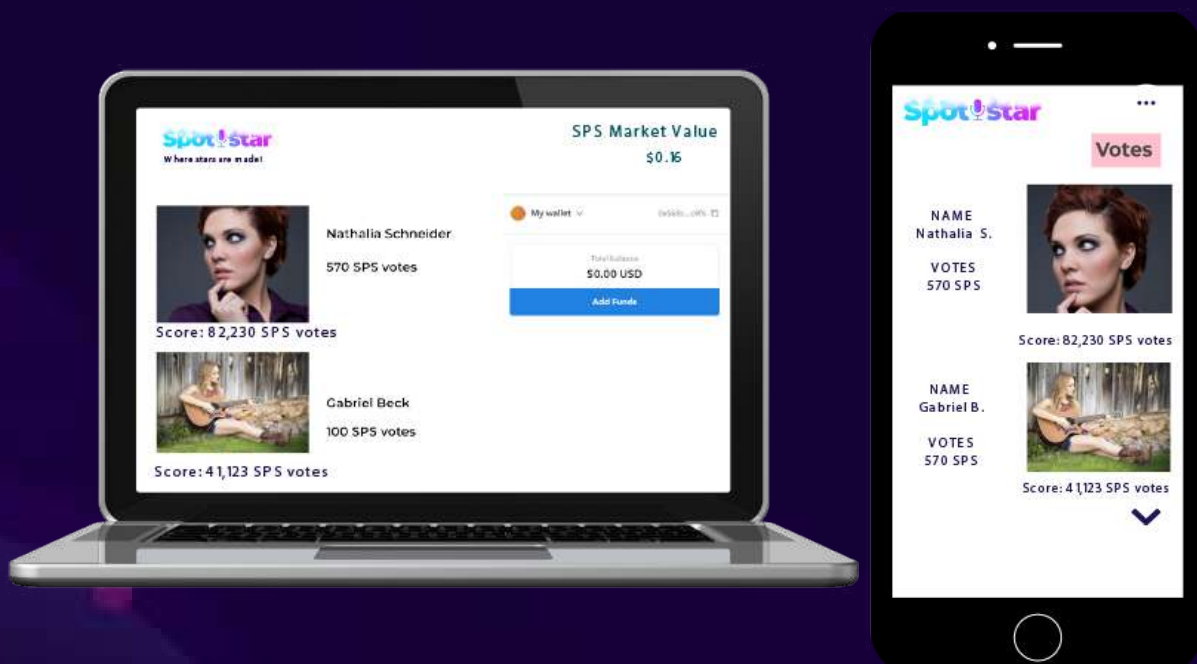


SpotStar

SPOTSTAR UI DESIGN MODEL SHOWING LIVE PERFORMANCE



SPOTSTAR UI DESIGN MODEL SHOWING FANS' VOTES



Spot!star

MARKETING

The SpotStar team includes several founders who are well-known in the music business and can garner audiences—as well as buy-in from record labels and artists. Marketing for the project includes bringing in record labels, artists and fans.



RECORD



RECORDS

The Record labels are a major attractor for artists, because once a record label pays attention to the SpotStar talent show, the talent know that they have an opportunity to land a record deal. Founder Mark Walton has direct connections to the upper management of major record labels. Our initial interviews with the labels indicate that they are excited about the opportunity to reduce overhead for royalties payments and to find better ways to scout talent. The initial opportunity has only upsides for the record labels. There is no up-front commitment; they sign only those artists that they want, and there is no obligation to be active on the platform in any way. From the record label's perspective, participation is straightforward.

ARTISTS



Artists will come on board in a number of ways. First, the record labels involved can use their clout with their artists and social media followings to announce the talent shows and SpotStar opportunities. Furthermore, the founder team includes RedOne and Mark Walton, who are able to partner directly with top artists to have them promote SpotStar on their Twitter, Instagram and other social feeds. RedOne has written for some of the greatest celebrities, so SpotStar is bringing on major celebrity power to attract artists and fans alike. Many blockchain projects have successfully promoted themselves through celebrity marketing—even without the appeal that SpotStar has of providing superb entertainment.

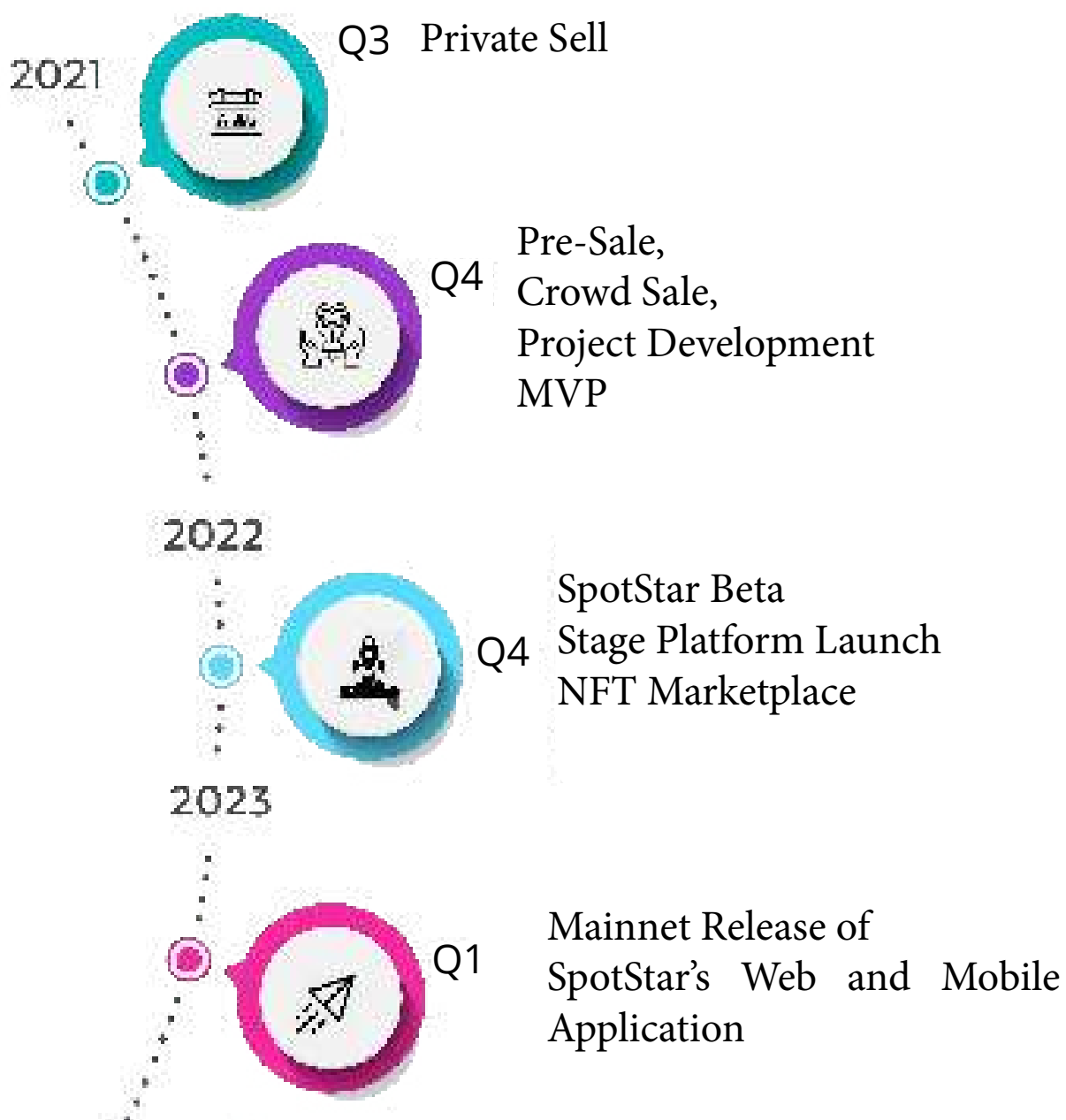


FANS

Fans will come in through a multitude of channels, as indicated by the bullets below:

- Celebrity publicity, as noted above, will bring in both artists and fans to the platforms.
- Each artist who joins will bring fans of their own, both for qualification in the system and so that they can get upvoted.
- Music discovery is a naturally social activity. We expect fans, artists, record labels and viewers to publish the artists they love on their feeds. The SpotStar platform will include short clips that people can post, but to see the full video, new viewers will need to sign into the platform.

ROADMAP



TOKEN METRICS



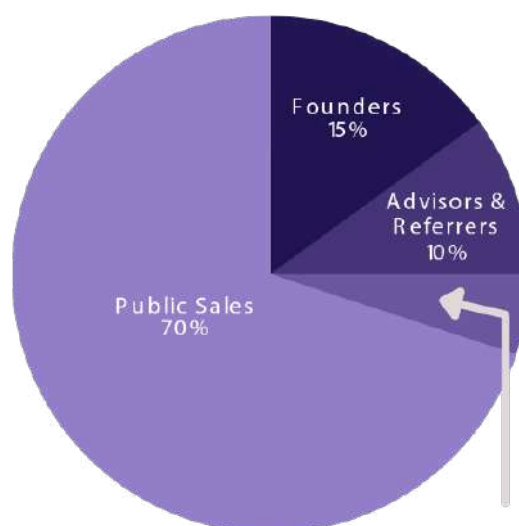
TOKEN DISTRIBUTION PLAN BY PERCENTAGE

TOKEN DESCRIPTION	
Token name	SpotStar
Token ticker symbol	RedOne
Token protocol	ERC-20/Solana*
Total token supply	200 million

Identity Verification and Security

Team (consisting of founders, advisors, and referrers) will have their funds vested, to be released over the course of 24 months in five installments.

Token Allocation Chart



Project Development
& Marketing 5%

Vested token release timeline	Vested token release plan
1/25/2022 (expected exchange listing date)	25%
02/05/2022	25%
10/05/2022	25%
05/01/2023	13%
10/01/2023	12%

* RedOne token is listed on Ethereum network as ERC-20: <https://etherscan.io/token/0x810bdba1eb5c70c4dc0dbe3bbaf18fffd31c01d1>
The distribution of the RedOne tokens owned by our investors will be executed at the end of the ICO.
Along our dApp development, SpotStar will provide a wormhole bridge (www.solana.com/wormhole) to move RedOne tokens between the Ethereum and Solana networks to use in our dApp.

TOKEN SALES PLAN			
Sale Rounds	Selling Prices (\$)	Sales Plan for 140 million	Value at Sales (\$)
Private Sales	0.05	35 million	1.75 million
Pre-Sale	0.15	21 million	3.15 million
First Round of Crowd Sale	0.25	42 million	10.5 million
Second Round of Crowd Sale	0.40	42 million	16.8 million
		140 million	32.2 million

Seed-Fund Usage Plan



TEAM



Mark Walton | *Co-Founder and CEO*

Mark has more than 32 years experience in the music industry, founding and managing several multi-million dollar bands. Some of his experience includes working with Boyzone, Blue and global platinum selling artists.

He also manages top global producer RedOne and was the first western judge in Asian Pop Idol.



Nadir Khayat (RedOne) | *Co-Founder and Creative Director*

With over 15 years in the music industry, RedOne has emerged as an elite hitmaking producer. Having worked with artists like Lady Gaga, Jennifer Lopez, One Direction, Shakira, Enrique Iglesias, Marc Anthony, Jason Derulo and Nicki Minaj, RedOne has co-written and produced top chart-rating songs.

Most notably is his collaborations with Lady Gaga, producing six songs on her 2008 debut album and that of 2009. Both albums sold over 15m units worldwide, making it the 9th best-selling album of the millenium.

TEAM



David Avital | *Co-Founder and CTO*

David has over 18 years experience of working with multiple technology companies including enterprise consumer and mobile device manufacturers, and also has patent rights to a plug Computer device.

Avital is a serial entrepreneur in the e-commerce and blockchain space, he is the founder of kosherwhere.com and served as Director at NASDAQ:MRVL.



Jordan Chanofsky | *Head of Marketing*

Jordan is the Head of Marketing for SpotStar's Executive Advisory Group. He is the founder and CEO of FusionPR, a leading tech marketing firm with services including strategic consulting, content, PR and digital. He and his teams have guided more than 300 companies, including Fortune500s and many exciting startups, a portion of which he helped exit with valuations amounting to more than \$12 billion. Prior to Fusion, Jordan was a partner with Technology Solutions, one of the world's largest independent techPR firms, acquired by McCann Worldgroup. He was also a founding partner at tech startup PCS, an electronic card fintech company.

Jordan holds degrees in electrical engineering, physics and an MBA. He began his career in various positions with IBM including the Applied Physics Department of their Advanced Research Center, Large Scale Computing Division and others. He is a member of PRSA, IEEE and has been quoted in the Wall Street, on CNN and in other top media venues.