

WHITEPAPER

Global Entertainment Platform



Vers. 0.9.1 EN | Oct 2018

이 백서는 KUKY STAR COIN을 설명하기 위해 만들어 졌으며, 이 백서의 업데이트된 버전은 즉시 공지 되고 본 버전의 백서를 대체합니다.
한글과 영문버전의 불일치 되는 내용이 있을 경우에는 한글 버전의 백서가 우선되어 적용됩니다.

CONTENTS

1. Introduction	4
2. Social Background ISSUE	7
3. Market Needs	9
4. KUKY STAR Blockchain	10
4-1. KUKY STAR Ecosystem	11
4-2. Private Channel	12
4-3. Public Blockchain / Proof-of-Stake	12
4-4. Contributor Checking Client	13
4-5. Service Plarform	14
4-6. Network	14
4-7. Reward	15
4-8. Coin Distribution	16
5. Examples of applied Service	17
5-1. KUKY STAR Card	17
5-2. Private Channel	18
5-3. Public Blockchain / Proof-of-Stake	18
5-4. Private Channel	19
5-5. Public Blockchain / Proof-of-Stake	20
6. Conclusion	21
6. Roadmap & Development	22
7. Staff	23

ABSTRACT

Receiving attention from Bitcoin, the Blockchain technology has demonstrated the potential of a new financial market due to the decentralization that Bitcoin has shown to the market, and this has confirmed the existence of new values.

Successful cases of decentralization as the core value of Blockchain have already been identified through the market activities of many coins including Bitcoin, Ethereum and others, and there have been many attempts to create this new ecosystem. However, there are still many problems to solve in the transition represented with the growth of Blockchain technology.

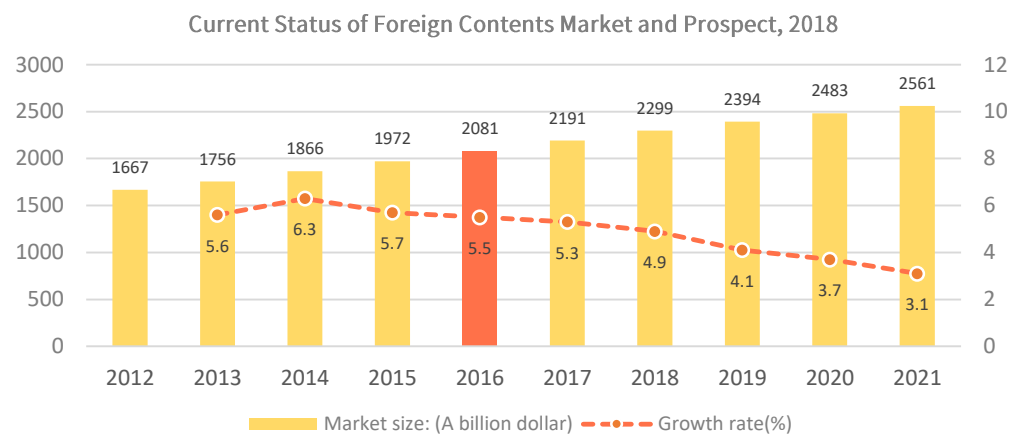
As it was feasible to identify values we seek for through the decentralization suggested by the Bitcoin in the financial market, it is intended to discuss new markets and values that can be given to the entertainment market through Blockchain in this paper.

Kuky Coin is developed to be used as a basic coin that can be utilized for the entire entertainment market in a range from decentralized resources as the core value of Blockchain to production and distribution of cultural contents. The purpose of this is to provide broader diversity to the biased cultural contents market leading only to the development of the commercial culture that has been overemphasized predominantly due to the centralized market.

Contents Creator, Investor, Distributor, Media, User (Fan) and Payment Gateway are main factors in the diffusion of cultural contents. Seen in this perspective, it is our intention to demonstrate how it is possible to change these elements through 'decentralized' solutions and Kuky Coin in this entertainment market and contribute to the market through the changed distribution process.

INTRODUCTION

According to statistics collected in 2017, about 48% of the world content market was occupied by the advertising and knowledge information market that grew more than 6% in 2016 recording the 2.81 trillion dollar that increased by 5.5% compared to the last year. In the future, the world contents market is expected to represent an increasing trend in all the industries except publication and comics where the printing sector is continuing to decline. In particular, the game market is expected to grow at a CAGR of over 10% until 2021. The global content market is expected to grow at an average annual rate of 4.2% over the next five years and will reach 2.561 trillion dollar.



At the center of such a huge market, there is the rapid spread of digital contents and the production of cultural contents that incorporate rapidly developing IT technologies. However, consumers are able to consume contents only through limited media because of the centralized social system. Furthermore, many of the IT producers are not able to secure resources due to the IT technologies that are easy to copy and distribute. In addition, technological advances made the market size increase, but the growth rate of the entertainment industry ecosystem has not changed making it not unavailable to predict explosive growth rate.

[Source : PwC: Global entertainment and media outlook 2017-2021]

However, the trend of global contents market has recently been changing. Compared to how the creator or artist was at the center of the industry in the past, the content market is gradually changing as a fan-based industry. This is caused by changes in the media environment and the content consumption environment, and the importance of them is gradually increasing.

In the content industry, fans have been recognized as an important factor in the success of content, artists, and producers based on the music market in the past. Due to the recent media environment and the development of business model, the meaning of fans has become an essential element in most of the content areas beyond the music market.

Many of the factors have complexly influenced on how the meaning of fans was highlighted in the contents industry. Among them, changes in media environment are of the top priority. Unlike the situation where there was only a limited amount of available channels for contents, users' choice has now become important factor as contents could be utilized through various channels. In addition, the absolute amount of content has increased with the diversification of channels, and the importance of marketing for receiving user's choice has increased.

Fans of specific artists, producers, and content are not only highly loyal to their favorite subjects but also play an important role in terms of revenue such as content consumption and purchase of additional products. Fans also play a role of voluntarily promoting their favorite contents making marketing strategy targeted on fans increase.

One of the reasons for the reorganization of the content industry oriented towards the fan-based industry is the 'longtail trend' of the content industry. The content industry basically has an industrial nature to score high profit in the compensation of high risk. As a result, content that earns huge profits through successes accounted for the majority of the market, and it became the main background of concern about the tendency of the content industry to exclusively win the competition. However, not only contents that constitute major part of the market due to the emergence of new types of content and business models but also other types contents are attracting attention from the public.

The phenomenon called longtail principles is to focus on the remaining 80% over the top 20% of the hits. In the content industry, the diffusion of content targeting the distinct group of users in the niche market over an unspecified number of the general public is now leading such a phenomenon. Competition within the industry has been intensified due to the increase of channel and content that users can select, thereby increasing the likelihood of success by targeting specific users on relevant content genres and characteristics over an unspecified number of the general public.

As it is a niche market that might be in a smaller scale compared to the markets that target the entire users, such contents are combined representing a new possibility. Many of the fields such as broadcasting, game, fashion, and advertisement are adopting such strategies, and this has created an environment to focus on fans in the contents industry.

Therefore, we intend to examine what kind of changes are expected to existing entertainment & contents industry ecosystem through the blockchain as a time-specific and technical outcome, and fan-based culture, and to evaluate whether it is feasible to create more diverse industrial ecosystem .

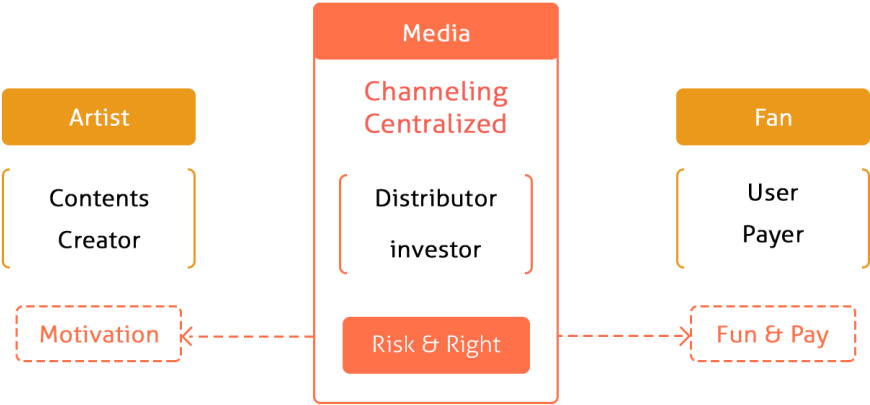
[Source: 2017 Investigation of the trend of foreign contents market Kocca 2018.01]

SOCIAL BACKGROUND AND ISSUE

At the heart of the rapidly growing world content market, there is the development of technology by IT technologies as well as distribution technology. However, there are disadvantages as well as advantages of these IT technologies, and various measures have been attempted to overcome these disadvantages.

However, a small number of traditional media or agencies are at the center of enormous wealth and rights holding the "risk" as a fundamental issue in the current ecosystem, in other words; "rights" of content granted in exchange for a huge amount of investment and distribution.

○ Traditional Entertainment Ecosystem



[Fig.1] Current Entertainment Ecosystem

Issues pointed out as weakening factors for hindering the market development are as follows. .

1. Establish poor environment for the resources
2. Unfair contract concluded by content manufacturers and investors or non-implementation of the contract

[Fig.1] Current Entertainment Ecosystem

3. Poor communication with customers
4. Illegal copy or distribution of contents
5. Non-payment of copyright fees due to an issue of illegal distribution and embezzlement of distributors

These problems have created a 'centralized' ecosystem through a small number of large agencies or Media, and this has resulted in an environment where even the most competent producers are not given equal opportunities. This is because there is a 'risk' requiring a great deal of resources to create contents while depending on the competitive ecosystem of large corporations without capability of dealing with such high 'risk'. In addition, Traditional Media companies have confirmed the existence of the Individual Market due to the personal devices that have been spread through IT technology innovation, and have produced many content programs such as 'American Idol' in the background of these social issues receiving much attention from the society. At the same time, media in all over the world are producing similar programs.

FAN

On the other hand, 'Blockchain' in the field of IT has recently caused a new resonance in society. At the heart of Blockchain, there is the technological implication of the core function in the name of decentralization, and this proves that the system itself can create 'trust' rather than 'centralized control'.

Finally, it is our intention to mention the most important elements in this environment. The most important factor in the Entertainment & Contents market has been the 'customer' or 'fans' who enjoy and support these contents so far. However, there is no system centered on the role of these 'fans' in any social system to date, and there are cases where some of the fans are regarded as an illegal distributor in some of the 'centralized' societies. This is an issue requiring us to re-consider if there has not been a system to lead correct 'fan' activities in our society.

In addition, personal broadcasting through media such as Youtube, namely; the MCN industry, is spreading throughout the society, making the activity area of the artists expand. At the same time, the activities of the fans have been increasing through this one-person media along with an increasing role of them. Fans act as the most important consumers of their favorite artists, but they tend to become as new artists through the use of the works of the artists, and these secondary works also contribute to the active promotion of the original works of artists. In this phenomenon, there is something we need to pay attention to. There is a need to consider whether all the resources created while fans enjoy their favorite contents and voluntarily participate in advertisement have created an ecosystem to contribute to activities producers and also fans who maintain close relationship with them.

MARKET NEEDS

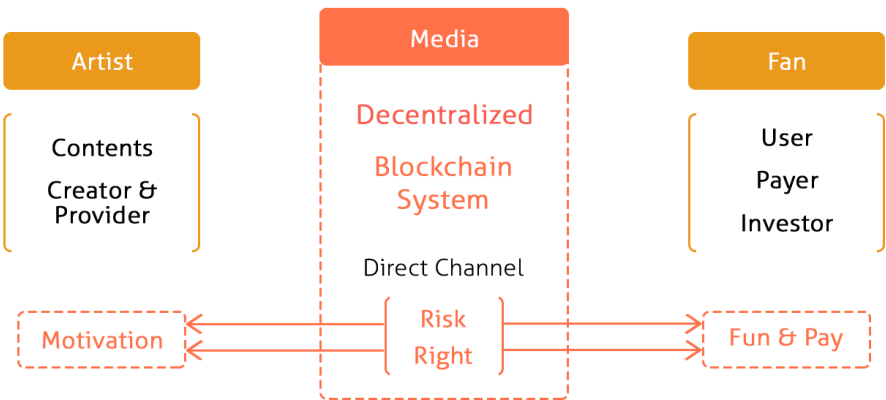
According to the problems in the Entertainment & Contents market mentioned above, it is difficult to create a fair circulation ecosystem for anyone with a competent capacity due to poor resource creation environment and illegal circulation of contents. However, through Traditional Media, we were able to identify a number of competent entertainers through traditional media, and were touched and enthusiastic about them with their capabilities and reacted with them. Therefore, followings are what we identified to be needed in the current market.

1. Create manufacturing resource environment that is equal to everyone
2. Fair system for the contract payment and implementation
3. Quantifying system to promote and cultivate activities of fans
4. Restrictive system on illegal distribution
5. Protection of copyright

Based on these factors, there have recently been more attempts to change the market through the Blockchain System based on securing 'reliability'.

Kuky Star is intended to use this blockchain technology to present a new ecosystem based on 'trust' to both 'fan' and 'creator'.

Blockchain Ecosystem for Entertainment

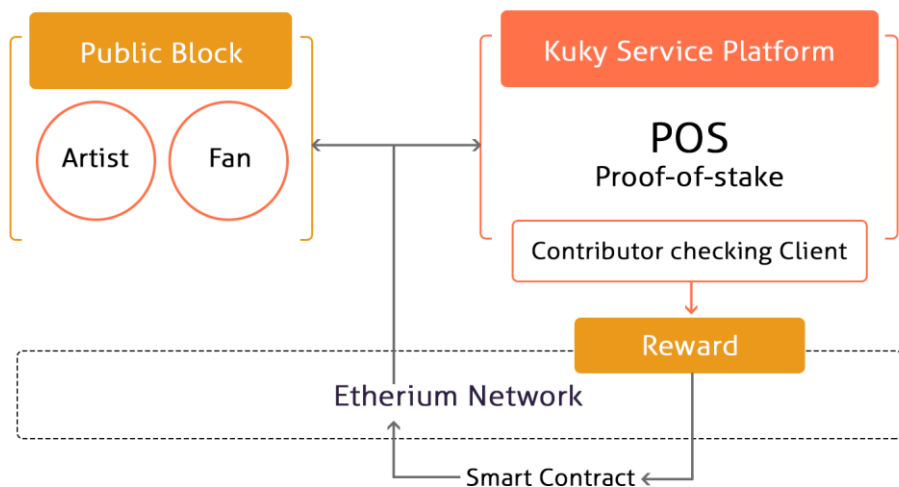
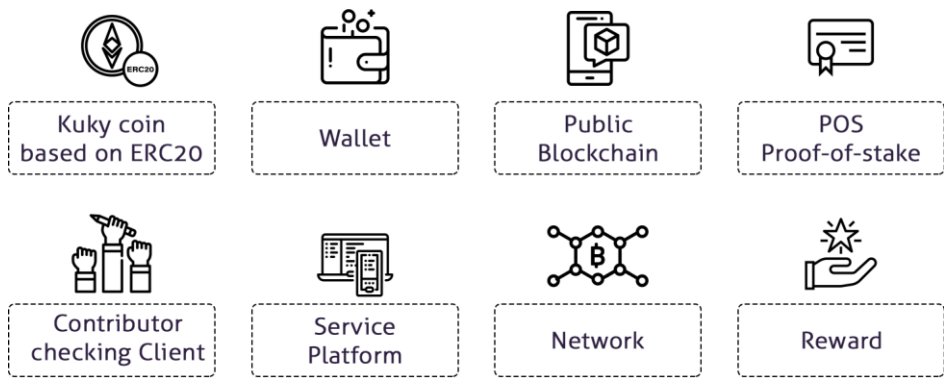


[Fig. 2] Blockchain entertainment ecosystem

[Fig. 2] Blockchain entertainment ecosystem

KUKY STAR BLOCKCHAIN

The ERC20-based Kuky Star Blockchain is centered on converting all Entertainment & Contents market activities into quantitative activities and using the resulting coins as a tool for virtuous cycle in the market. This implies not only 'content creation activities' that have been limited to the rights of content creators but also the activities of all direct and indirect participants in the ecosystem such as 'fan activities' and contents derived from them. The total amount of Kuky Star Coin issued is 1 billion based on the following system configuration.



[Fig 3. KUKY STAR COIN System Configuration]

KUKY STAR ECOSYSTEM

1. SELECT TO PARTICIPATE IN THE ECOSYSTEM



[Fig 4. KUKY STAR PLATFORM]

- Creator: Disclose the content planning intent to be produced to the Kuky Star Service Platform and start Crowd Funding within a certain period. At this time, the creator informs the producing schedules, funding amount, and consumer benefits from the amount and setup the grade accordingly.

Ex) Grade1: Readable in Private Channel / Grade2: Readable / Writable in Private Channel / Grade3: Free of viewing the produced content.

- Fans: Own a Private Account to sponsor the producer and enter the Private Channel, and set the scope of activities according to the grade. At the same time, they are entitled to participate in the rewards program for all activities that occur after entering the Private Channel.

[Fig 4. KUKY STAR PLATFORM]

2. PRIVATE CHANNEL



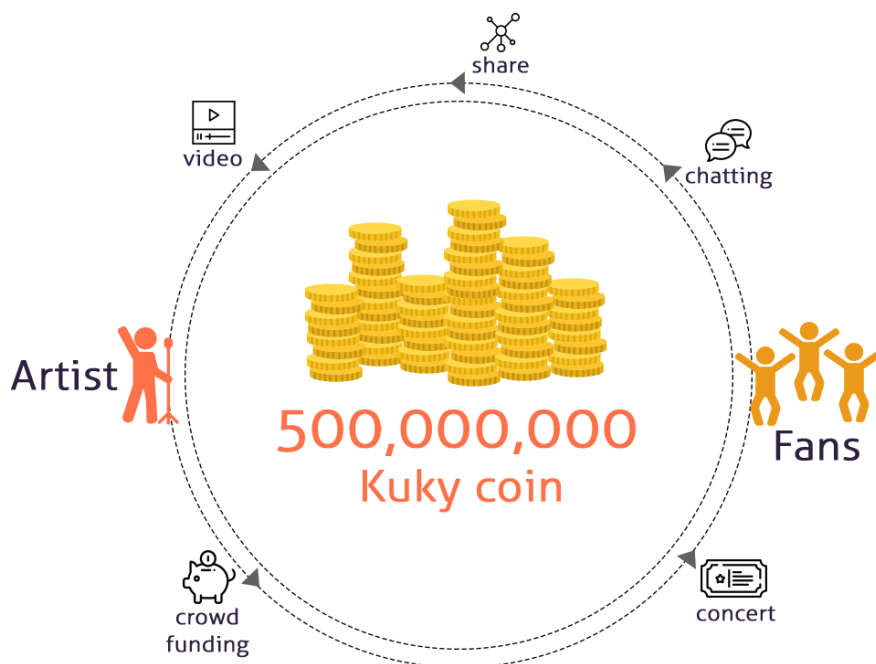
[Fig 5. Private Channel]

- Only the creators and fans are eligible to enter the private channel, and the fans are allowed to pay resources according to the production schedule. This is implemented in the Service Platform to quantify the mining behavior, or interaction, for Reward.
- Quantify bi-directional communication between creators and fans or between fans or specific activities as contributions. Communication or activities that are not bi-directional are not considered with contributions

3. PUBLIC BLOCKCHAIN / PROOF-OF-STAKE

- The Entertainment & Contents ecosystem based on Kuky Star Blockchain is created by all creators and consumers, and everyone can participate in them.
- Quantify the contribution by Interaction according to the rule set in the Client and authenticate them in the system.
- 50% of the Kuky Star Coin, or 500 million coins, are considered to be mined and distributed to Reward according to the contribution of all participants in the ecosystem.
- Reward is distributed according to the activity of the ecosystem participants based on the rate set by the client, and the distribution rate and policy are subject to the platform service policy in the future.

[Fig 5. Private Channel]



[Fig 6. Proof-of-Stake]

4. CONTRIBUTOR CHECKING CLIENT

- Contribution serves as a role of quantifying interactions between participants in the Kuky Star ecosystem into numerical values. (Example of behavior and calculation method therefor)
- Quantification of contribution and interaction is defined by the Client, while gradually recognizing the wider activities with update
- Abolition of abusing actions such as repetitive acts or repetitive acts with the same person is automatically excluded from the Client.
- Example of interaction action
 - a. Sponsorship of creators
 - b. Communication between producers and consumers or consumers and consumers
 - c. Promote content among consumers and participate in ecosystem

[Fig 6. Proof-of-Stake]

5. SERVICE PLATFORM

- It is a platform to provide and operate a platform that can disclose and share information among ecosystem participants and actually participate in content creation and consumption activities.



[Fig 7. KUKY STAR MOBILE]

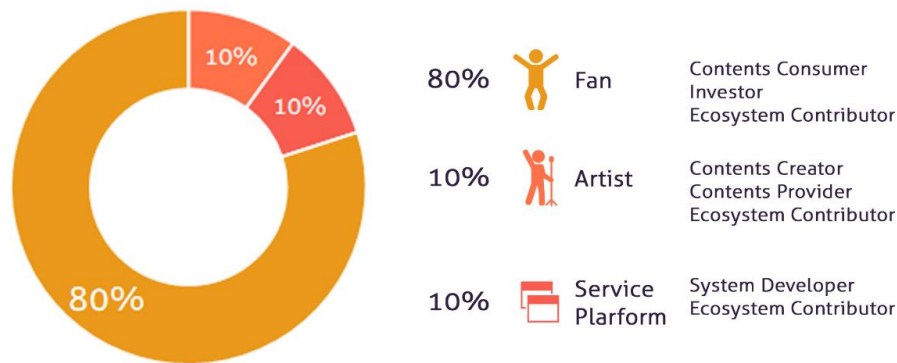
6. NETWORK

- Notify all nodes of new transaction history (including compensation for content purchase and interaction)
- All nodes record new transactions on the block
- Send records of successful nodes to all nodes

[Fig 7. KUKY STAR MOBILE]

7. REWARD

- 50% of the total 1 billion coins are compensated by activities of ecosystem participants, in other words; mining activities.
- Contribution is quantified by interactions among contributors participating in all ecosystems, including creators, and coins are distributed at a certain rate among creators, platforms, and fans.
- Ratio is subject to according to specific conditions, but basically is jointly owned or distributed as 10% for creators in the private channel: 10% for Platform Service: 80% of the consumers.
- Therefore, the more creators interact with many fans, the more coins they receive. At the same time, fans participating in the ecosystem are compensated on all the activities sponsoring creators.

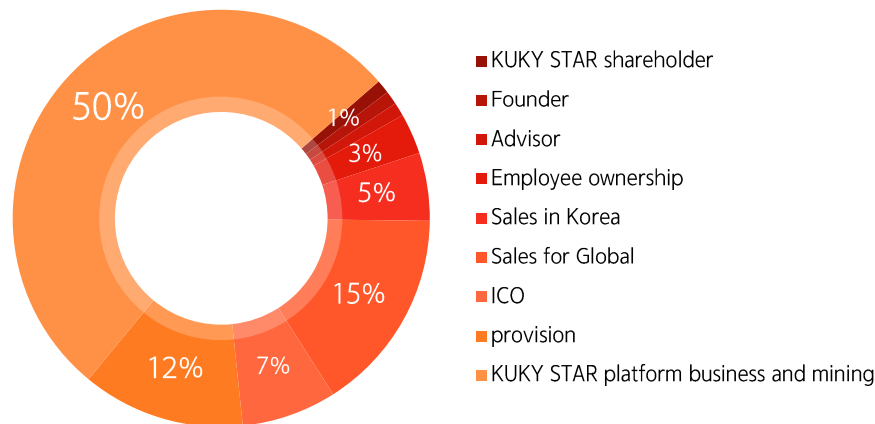


[Fig 8. KUKY STAR REWARD]

[Fig 8. KUKY STAR REWARD]

8. COIN DISTRIBUTION

- The total issue volume of Kuky Coin is 1 billion, and it is used by the ratio given below.
- 1% for KUKY STAR shareholder
- 1% for founder
- 1% for advisor
- 3% for employee ownership
- 5% for sales in Korea
- 15% for sales for Global
- 7% for ICO
- 12% for provision
- 50% for KUKY STAR platform business and mining



[Fig 9. KUKY STAR COIN Distribution]

[Fig 9. KUKY STAR COIN Distribution]

EXAMPLES OF APPLIED SERVICE

KUKY STAR SERVICE

1. KUKY STAR CARD

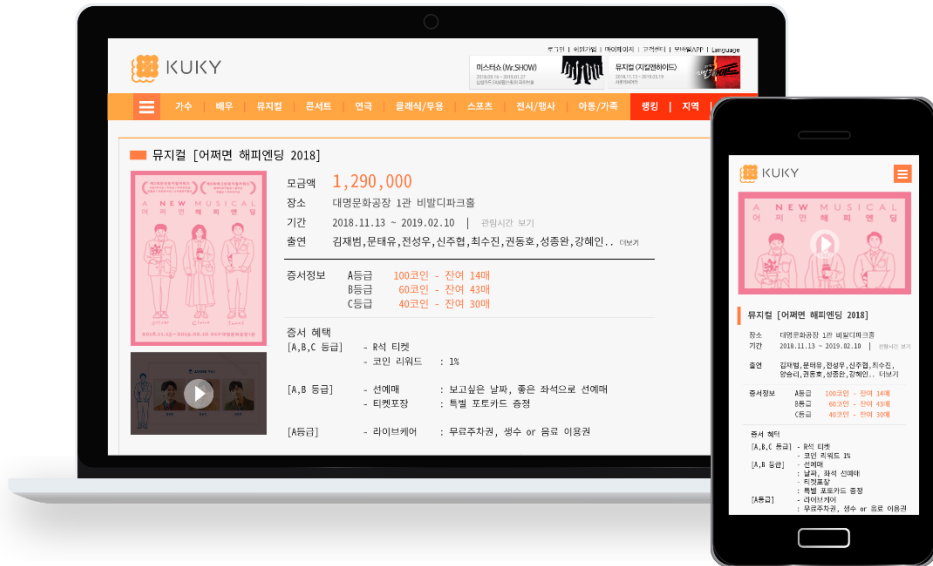


[Fig 10. KUKY STAR CARD]

- Blockchain technology is applied on a photo of celebrities that the photo becomes an asset as a registration certificate or membership.

[Fig 3. KUKY STAR CARD]

2. KUKY STAR COMMUNITY



[Fig 4 . KUKY STAR PLATFORM]

- Provide communicate with their own celebrities and interact with them in it

3. KUKY STAR CONTENTS



[Fig 7. KUKY STAR MOBILE]



[Fig 11. KUKY STAR MEMBERSHIP]

[Fig 4. KUKY STAR PLATFORM]
[Fig 7. KUKY STAR MOBILE]
[Fig 11. KUKY STAR MEMBERSHIP]

- Premium membership
- Crowd Funding / Sponsorship / Donation
- Ticket / coupon / fan meeting invitation ticket
- Unpublished pictorial / video / audio ticket voucher
- Planning service for producers & fans only
- Available to register various services through the service area at the bottom
- Verify all service usage authentication by Kuky Blockchain

4. KUKY STAR CONCERTS



[Fig 12 . Peace Concert for denuclearization of the Korean Peninsula]

- Cultivate high quality contents from profit of Kuky Star
- Cultivate talents through donation for Kuky Star

[Fig 12 . Peace Concert for denuclearization of the Korean Peninsula]

5. KUKY STAR GOODS



[Fig 13 . KUKY STAR GOODS]

- Sell Kuky Star Goods
- Produce and sponsor goods only for Artist & Fans

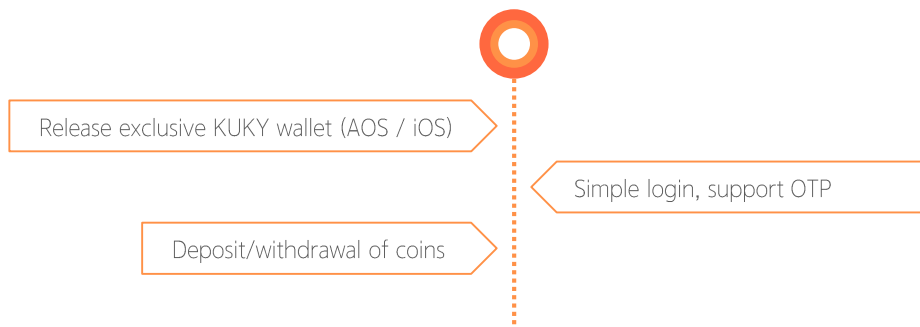
[Fig 13 . KUKY STAR GOODS]

CONCLUSION

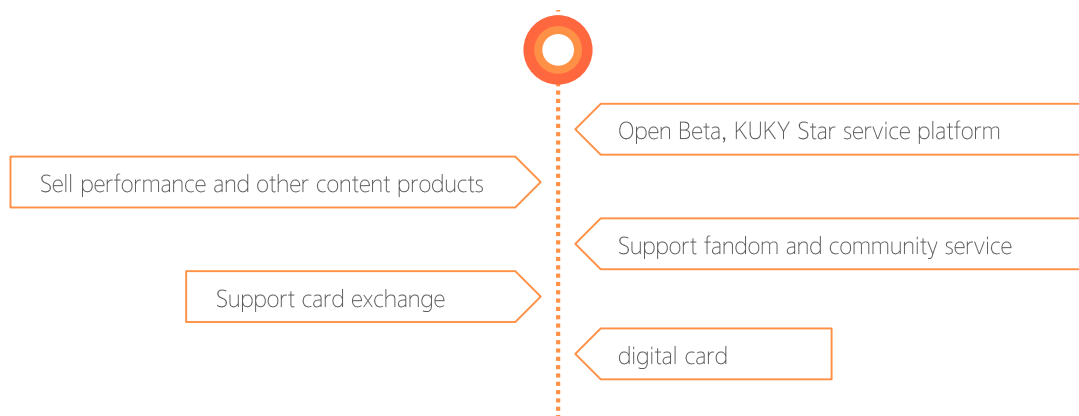
Many creators in the world are still making an effort to present their work, and among them, there are many of the talented creators. However, the only option as of now for a small number of traditional media is to selectively adopt them. Kuky Star is intended to create a new ecosystem that allows them to create fair opportunities for all the creators in the world and participants, in other words; fans, who support and sponsor them through harmonization and establish a new ecosystem to promote their activities. Since such an ecosystem shall not be 'centralized' by a third party,' it is our intention to build the ecosystem with Blockchain technology exclusively owned by Kuky Star as a system that secures 'trust'.

ROADMAP & DEVELOPMENT

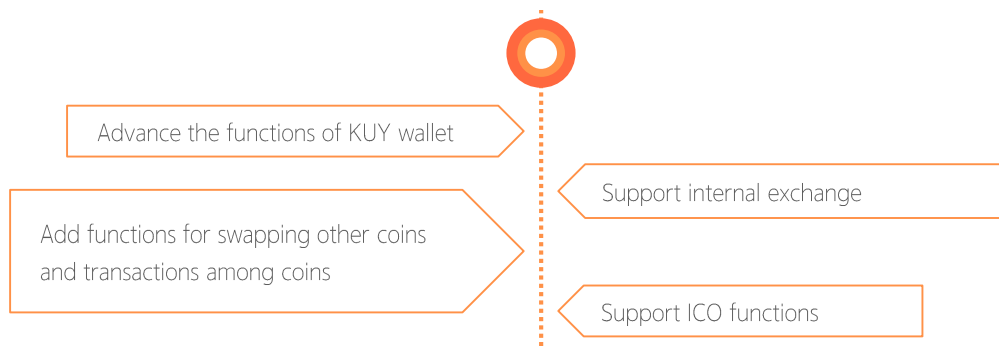
STEP 01 : 2018. Nov



STEP 02 : 2019. 1Q



STEP 03 : 2019. 4Q



STAFF

FOUNDER



Lim Sung-Woo
KUKYSTAR Co., CEO

- KUKY STAR co., Ltd CEO
- IKEF Executive Director of the World Korea IKEF
- Adjunct professor at Sahmyook Univ
- Adjunct professor at Myongji college
- Limver representative of content development company



Lim Ricky Seong-Jun
KUKYSTAR Co., COO

- KUKY STAR co., Ltd COO
- Director of Kwangrim Art Center



Kim Yong-Sun
Nol-Works Co., CEO

- Knowledge Worker's Group co., Ltd CEO
- Korea Blockchain Contents Association President
- Edra Korea COO
- CEO, WIZ-Tech Korea (Information Security)
- VR Plus Inc. Head of Strategic Business Division (VR)
- Head of Strategic Business, HanYoo Korea(Mobile game)



Seo Hyun-Chul
Nol-Works Co., CTO

- Knowledge Worker's Group co., COO/CTO
- Vice President, NOLWORKS Corporation COO / CTO
- Former Samsung Electronics wireless division
- Service Development Group (20 years of service)
- Former 5B2U CEO
- Previous Edra Korea CTO

ADVISOR



Park Hyun-Joon
Art Director

- Director of Sangam World Cup Stadium World Cup 1st Anniversary Opera 'Turandot'
- Co-Chairman, Korea Opera Festival
- Director of Peace Concert for denuclearization of the Korean Peninsula
- Prof. of Hanshin Univ.



Kim Ji-Hoon
Professor

- Professor of Dongduk Women's Univ.
- Director of Seoul Music Society
- Standing conductor in Yangzhou



Park Michael Yongho
Musical Producer

- Musical haven representative
- Samsung Video Network, Samsung Networks
- Musical Finding Jungwook Kim, Thriller, Meno Pose, Wedding Singer, Spring Awakening, Ophthalmology, Bungee Jump, Uncle Kidari, Next Normal, Sweeney Todd etc.



Kim Sun-Mi
Producer

- M musical art representative
- Musical Iron Mask, Three Musketeers, Jack the Ripper, Dogfite, Barnum - Great Showman, Bonnie and Clyde, Catch Meife Yusen, Rock of Age, Cinderella, Zoro

STAFF

ADVISOR



Hwang Sung-Ick
President, Korea Mobile
Game Association

- Chairman of Busan Indie Connect Festival Executive Committee
- Director, Innovation Economy
- Advisor to the Korea VR Industry Association
- President, Korea Block Chain Contents Association



Jang Hang-Bae
Professor

- Professor, Department of Industrial Security, Chung-Ang Univ.
- Director, Center for Block Chain Services Research (ITRC), Ministry of Science and Technology
- Present President, Korea Association for Convergence Security
- Present Vice President, Korea IT Services Society



Kim John Hyung-Jong
Professor

- Professor, Department of Information Security, Seoul Women's Univ.
- Director, AMCN Security Lab.
- Director, Editorial Vice President, Korea Information Security Society, Korea Simulation Society
- Former Research Fellow, Korea Internet Development Agency



Jeong Se-Woong
SNC Director

- JirangjiGyo SNC Director
- ISMS / PIMS Certification Auditor
- ISO27001 international auditor
- Development of security policy management MISO solution
- System Vulnerability Checking Solution VADA Development



Kim Wan-Sik
Musical Production
Director

- Producer and director of Iron Mask, Angels, Barnum - Great Showman, Jack Reaper, Broadway 42nd Street, Greece, Ladies and Ghouls, Cats, Chorus Line



Park Jun
Performance video
designer

- MOCA Studio
- Musical Iron Mask, Dogfite, Finding Kim Jongwook, Moon in the Sun, Dreamgirls, Dorian Gray, Napoleon, Sherlock Holmes, Morley Clock, Gwanghwamun Sonata



Kim Chun-Yong
Photographer

- CEO of D.I.N Studio
- Awarded silver prize in Korean photo exhibition
- Publishing Photo Album LALO



Seong Min-Woo
Artist

- The 2nd Yeosu Jeonnam national contest winner of the Ministry of Culture Prize
- The 4th Korea Music Festival Grand Prize
- Award for composition of Korean classical music in 2014

STAFF

DEVELOPMENT TEAM



Park Chang-Hyun
CMO
Business Strategy



Andy Son
CFO
Management Support



Kim Kyung-Ho
CIO
Blockchain R&D



Lim Jae-Hong
Chief Director
Development Planning



Kim Kwi-Hyun
Chief Director
KUKY Marketer



Ko Kyung-Rok
Developer
Core Development



Jo Ha-Ni
Designer
Business Strategy



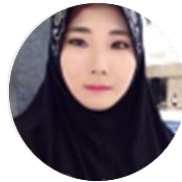
Lee Sang-Kuk
Developer
Core Development



Lee Ju-Young
Developer
Core Development



Lee Ho-Sung
Developer
Service Development



Chloe Yu
Planner
Development Planning



Lee Song-I
Designer
Service Development



Lim Jung-Min
Designer
KUKY STAR Marketer