

# **Patent Application**

**Name of Invention:  
Symbiotic Media Exchange**

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# 1 Preamble

This patent application provides means and methods to improve the systems as described in previously filed patent applications (by this same author) that disclosed a media-focused exchange established to “list” equity components from discrete media assets by way of a hybrid exchange and then allow for the buying and selling of these equity components over such a hybrid exchange.

The term “hybrid exchange” was used in the original patent filings to draw focus to the combination of media assets (which are technically “securities”) listed on a “futures” exchange in such a way that they act as commodities (with product delivery to buyers who hold contracts until settlement). It is this delivery function (of media assets) that requires a unique exchange mechanism as otherwise, the underlying assets would simply be considered derivatives.

In creating such a **hybrid exchange**, fractional equity components of media titles can be bought and sold by exchange traders with a final settlement and delivery process that is commonly found with commodities such as corn, wheat, crude oil and others.

Note: The global media business is a “futures” oriented business and a futures exchange would certainly be a powerful tool for producers and content owners in the same way that the Chicago Mercantile Exchange provides powerful tools for American farmers. (Media assets almost always act as bubbles – here today and gone tomorrow – similar to pork bellies.) Experts may argue that media assets have a long tail, however such a long tail is often too small to matter with notable exceptions being large franchises such as “Friends”, “Star Wars”, “Seinfeld”, etc.

And here’s more: At a high level, the executive producer of a movie is strikingly similar to a farmer who needs to produce and then deliver the designated crop to a certain place, on a certain date in the future. Therefore, a mechanism must be created to list securities on an exchange that will ultimately settle (based on a calendar date) and deliver its end product.

As for this patent application, the new and improved exchange functionality can be described (at a high level) as follows:

1. A hybrid exchange that can “list” equity components (securities) on a “futures-style” exchange;
2. A hybrid exchange model that can “list” media derivatives (such as future revenue streams);
3. A traditional “securities” exchange model that can “list” media assets and/or derivatives as “shares” of stock;
4. A traditional “securities” exchange model that can also “list” media assets and/or derivatives as bond “units”;
5. A bond exchange (or marketplace) that trades both bonds and insured bonds; more about insured provided later in this disclosure;
6. Connections to external networks and systems facilitated by way of artificial intelligence (AI);
7. And finally, other models that can facilitate the trading of shares, units, assets, commodities and/or other derivative instruments.

Only time will tell which exchange model is superior, however it won't be long for media assets to be listed on regulated global exchanges that will allow the liquidity that is needed to provide risk management tools that can be leveraged by stakeholders within the greater media industry.

The promise of an exchange that allows media distributors to buy a sufficient number of media assets (over an exchange) that simultaneously allows for territorial licenses for the same media assets and then have the media assets delivered to such distributors is certainly attractive, however other industry-related issues arise such as the participation of talent and their agencies/associations (who could be adversarial to such a model (for their own personal, business and/or political reasons). This patent application, therefore, intends to disclose the means and methodologies of creating such an exchange so all stakeholders can benefit; putting ancillary political issues aside.

For reasons disclosed below, assets listed on the Media Exchange will be denominated in "units" of bonds rather than "shares" of stock, although "shares" are perfectly relevant within the full disclosure. The reason for focusing on bond "units" (rather than "shares" of stock) is as follows:

1. Bonds represent the sharing of revenues where stocks represent equity ownership.
2. Content owners are loath to part with equity, however highly motivated to share revenues (for either a defined time period or in perpetuity).
3. Bonds can be insured in such a way as to allow for non-accredited investors to participate.

Within a preferred embodiment, fractional equity ownership, future revenue potential and combinations thereof can become the basic materials used to list media assets on this Media Exchange. Media distributors can then purchase "units" of these assets in order to profit from financially successful media productions. It is anticipated that the profits generated by way of these trades will help such media distributors lower their overall cost of content licensing, which is often their single biggest concern.

Note 1: The definition of media in this patent application is movies, television, video games and other audio/video assets.

Note 2: For the purposes of this patent application, the exchange-related systems, networks, apps, functions, processes, components, means, methodologies, and otherwise are referred to collectively as the **Media Exchange**. Alternatively, the name **Symbiotic Media Exchange** is used to highlight the symbiosis between producers and their distribution partners (using the same apparatus).

The biggest of concerns expressed by media producers revolves around access to investment capital. The biggest concern for distribution partners is the high cost of content licensing. By way of the Media Exchange, both concerns are addressed. Therefore, the name: Symbiotic Media Exchange is appropriate.

Furthermore, if media distributors buy a pre-determined *minimum number* of "units" and hold these "units" until settlement, they may be able to receive some or all of the benefits below:

1. Distribution Rights within discrete territories (exclusive or non-Exclusive depending on the number of “units” purchased);
2. “Backend” equity (sometimes referred to as “Backend Participation”);
3. Valuable Risk Management means, methods and tools;
4. Visibility into media projects in development;
5. Opportunities to participate in select media projects;
6. Other benefits.

In addition, the discrete media assets themselves can be securely delivered to various content distribution networks like wheat is delivered to a large-scale manufacturers of bread (as an example).

As for producers who list their media assets on the Media Exchange, they may be able to receive some or all of the benefits below:

1. Development Financing;
2. Production Financing;
3. Global territorial license revenues;
4. Valuable Ad “Avails” as provided by various distribution partners (cable, satellite, IPTV, internet, OTT, mobile, social media, etc.); these Ad “Avails” used to promote these same media assets during future P&A campaigns;
5. Other benefits.

Although such a media exchange model may appear to be only a modest advance over present-day processes, it has the potential to change the media industry as financing and distribution functions can be linked by way of an on-line exchange, with the resulting efficiencies saving as much as 20% of the costs associated with the financing and distribution processes (with today’s required middlemen).

Additionally, as a Media Exchange can express no influence over an industry (by law) and has no ability to express favoritism (as an exchange at its core can only match buyers with sellers and performs the necessary clearing functions), this means the apparatus is fair and equitable and can be trusted as compared to industry organizations looking to exploit the supply chain for their own benefit.

**[001]** Furthermore, the Media Exchange is an apparatus that will accommodate trading strategies (by virtue of its ability to take “long” *and* “short” positions), which leads to more sophisticated trading strategies and eventually Artificial Intelligence (AI), which is known to be the future of exchange trading. All other models either express favoritism in their fundamental form (such as a studio financing models) or does not allow “short” positions of any kind (such as crowd funding models). All other models either express favoritism in their fundamental form (such as a studio financing models) or do accommodate “short” positions of any kind (such as



crowd funding models). Therefore, hedging strategies are not readily available leaving Artificial Intelligence methodologies little to work with; possibly not enough to work with.

Note: At the time of this writing, there is no known mechanism to take a “short” position on a given media title’s performance in the marketplace. Therefore, no true hedging can occur (other than to take no position whatsoever). The options of going “long” or doing nothing is insufficient for high-power AI systems and technologies.

Other efficiencies provided by way of the Media Exchange will naturally present themselves over time as producers are permitted to “List” media projects on such an exchange (using the internet) allowing market makers to purchase “units” in order to provide production financing within a few hours to a few days. On the other end of the supply chain, distributors of media titles can use such an exchange to license valuable media titles and alternatively participate in each title’s potential to generate profits. In addition, more ordinary business activities can be performed on-line with less dependence on phone calls, Zoom meetings, face-to-face meetings, trade shows and other effective forms of communication.

## 2 Background

The time is right to design, create, patent and launch a Media Exchange for the trading of high-value media assets. If someone were to ask what the difference is between a media Media Exchange and crowd funding, one quick answer is, a trader can take long and short positions with a given media title. This is virtually impossible with crowd funding platforms (and other forms of media financing) as media titles are well known for suffering losses. This is, yet again, another reason to consider media titles as having performance “arcs” that are closer to commodities than traditional securities.

But traditional media financing in virtually all cases forces financial partners to take “long” positions with risk management strategies being: ***Invest in a lot of media projects.***

If someone were to ask why is it important that a trader be able to take a “short” position, the answer is: to allow trading strategies to be executed with examples being hedges, straddles, strangles, calendar trades and others that require traders to take multiple positions with some positions being “short”. In addition, all of this is necessary in a day when AI is becoming a bulwark of exchange networks and will someday initiate the majority of global trades. Therefore, if a media trading platform has no ability to provide a trader with opportunities to go “short”, then such a platform cannot take full advantage of AI. And if AI cannot be properly implemented, then such an exchange would be rendered useless as trading volumes would be too small.

as trading volumes are too small to provide the desired outcomes.

But as mentioned in the original patent filings, such a media exchange will provide the following at a minimum:

- New Sources of Development and Production Financing;
- Lower Costs of Media licensing (by allowing for the flow of media profits to distributors);
- Larger Promotional Campaigns (by way of using Ad “Avails” as a form of currency);
- Valuable Risk Management Tools and Resources for both sides of the supply chain (producers and distributors).

In this patent application, important links to Social Media platforms are provided as such Social forums are perfectly suited to target potential (retail) traders around the world which tends to encourage retail trading, resulting in higher levels of liquidity (and overall interest) leading to greater financial success.

Foreign language projects are also finding new opportunities to exploit. By way of today’s dubbing and closed-caption technologies, projects from virtually any place on the earth can find a home on virtually anyone else’s television set.

The failure of theaters around the world during the pandemic (understandable so) also plays into this dynamic. The \$50 to \$100 million that should be expected from a global theatrical release can no longer be counted on.

All of these issues (and others) speak to the same set of challenges. Media asset values (for low-budget projects) must rise while costs must fall. Efficiencies must be found within the supply chain and then fully exploited. It's for these reasons that a fully functional (global) media exchange must be launched that provides all necessary functions and operations for sophisticated participants to exploit.

Note: It is envisioned that high levels of sophistication will be provided by Artificial Intelligence (AI) means and methodologies rather than human effort. More about the Symbiotic Media Exchange powered by AI found later in this disclosure.

Regarding big-budget projects, changes must take place including (but not limited) to the following:

1. Higher Levels of automation;
2. Better On-Line access;
3. More financial transparency (Blockchain or otherwise);
4. Access to Big Data;
5. Access to "Short" positions (for hedging);
6. Artificial Intelligence systems and networks;
7. Social Media and links to Celebrities, Influencers and Fans;
8. Exchange networks that maintain a "Disinterested" status (wielding zero influence whatsoever);
9. Web 3.0, Blockchain, cryptocurrencies, NFTs as well as access and relevance to the emerging Metaverse.

For these changes to take place, an apparatus must be positioned at the heart of the media distribution paradigm.

Note: NFTs referring to Non-Fungible Tokens.

## **2.1 Types of Exchanges**

Although this patent application refers to the underlying exchange mechanism being a Media Exchange, in an alternative embodiment, the underlying exchange mechanism can be a securities exchange or a bond exchange (or marketplace). Therefore, a securities exchange such as the NASDAQ (stocks) is considered to be synonymous with a Media Exchange as much as the Inter-Bank Auction System (bonds) is likewise synonymous with a Media Exchange within this patent application.

Also, some of the new and innovative media exchanges can be used such as the "Entertainment Stock Exchange" that was built from the older Hollywood Stock Exchange by groups such as Cantor Fitzgerald and others.

When bonds are being traded over the Media Exchange, they may be Revenue Participation (REVPAC) Bonds (as disclosed in Chapter 3 – Prior Art), however an alternative name for REVPAC Bonds is "iBonds" (that refer to 'insured' bonds) with more detailed description regarding how these function below.

## **2.2 Common Industry Paradox**

People within the greater media industry know that projects either make ***a great deal of money*** or ***not enough money***. This has been the pattern for the last 100 years. But since these fluctuations exist, it's possible to hedge projects in such a way as to flatten-out revenue streams in such a way as to reduce risks and operate more stable business models – a primary reason for an exchange.

In other industries, such “feast or famine” scenarios are often resolved by exchanges that allow for hedging, options trading, trading strategies, etc. Given these tools, savvy insiders can manage potential (future) scenarios in such a way as to reduce downside exposure in an effort to provide a more stable business environment for all stakeholders.

The disclosure in this patent application will provide the networks, systems and tools that will allow for such management of media assets over an exchange in order to properly hedge common business risks found within the larger industry.

### 3 Prior Art

This section of the patent application discloses relevant inventions also patented by the same inventor. The five patent applications presented below are related and provide much of the PRIOR ART for the Symbiotic Media Exchange. These five patent applications are identified as follows:

1. A disclosure referred to as “**SYSTEM AND METHOD FOR MANAGING MEDIA CONSUMPTION**” **Application Number: 17308036, EFS ID: 42638694, Confirmation Number: 8326** that provides service that subscribes and cancels television platform services (Streaming, Mobile, Cable, Satellite and IPTV) on a just-in-time basis, leveraging artificial intelligence (AI) means and methodologies allowing consumers the ability to un-tether themselves from popular subscription services (such as Netflix) while still enjoying these services when they are needed; reducing subscription fees during a given year as un-wanted services are automatically cancelled until they are otherwise needed.
2. A disclosure referred to as “**APPARATUS AND METHOD FOR MULTI-CAST STREAMING**” **Application Number: 17319048, EFS ID: 42710324, Confirmation Number: 7753** allows global mobile carriers to distribute early-release media titles by way of Multicast “Pre-Positioning” whenever possible to reduce distribution (data) charges while keeping the resolutions and quality-of-service as high as possible (over often-congested international mobile networks).
3. Provisional **Application Number: 63082069, EFS ID: 40643232** provides disclosure and claims for the **REVPAC Bond** Network, Management System and App and its utility for facilitating numerous financing scenarios (such as financing for media development, production, distribution and promotion). This disclosure is referred to as “**The REVPAC Bond**”
4. Provisional **Application Number: 63040691, EFS ID: 39759511** provides for an advertising loyalty network, management system and app named **Wiggle Room**.
5. Provisional **Application Number: 63082003, EFS ID: 40641090** titled Multi-Language Media Versioning Network and Process Flow that discloses methodologies for providing shared resources to international producers looking for create local productions with higher production values at lower costs. **This disclosure is referred to as Multi-Language Versioning or MLV.**

## **4 More Prior Art - Exchange Models from the Past**

In the 2007 to 2010 timeframe, two companies in the United States spent a great deal of time, money and resources launching on-line exchanges that would effectively “game” box office results for Hollywood movies. One such company was referred to under two names, “Media Derivatives” and “The Trend Exchange”. The other company was launched by Cantor-Fitzgerald’s with the name “The Hollywood Exchange”. Since such box office “gaming” models brought no direct benefit to the motion picture industry, and could potentially expose risks by way of insider manipulation, these proposed “Derivative Box Office” models were officially banned (in the United States) by the U.S. federal government within the Dodd-Frank Finance Reform Bill (2010) with the Motion Picture Association providing support.

Neither of these two trading platforms provided access to production financing and neither model integrated systems and processes in coordination with global distribution partners (facilitating symbiosis as described in this patent application). The means and methods presented in this disclosure are not only different but vastly superior to these box office-based “gaming” models as the present invention provides numerous constructive benefits to the industry with the primary benefit being the ability to finance media productions by accessing resources provided by distribution partners and likewise, the ability to reduce the cost of media licensing by accessing resources provided by producers.

## 5 Overview

The **Symbiotic Media Exchange** as described in this patent application provides the systems and network that facilitates buying and selling of “shares” or “units” of given media assets over an exchange, and then delivers the finished media productions to distributors/buyers in a format that can be ingested into modern-day content distribution networks (CDNs). Once the media assets are ingested into these CDNs, it is anticipated that these same media assets will be further distributed to downstream subscribers (or otherwise authorized viewers) within the footprint of the distributor/buyer’s network (cable, satellite, on-line, OTT, IPTV, streaming, mobile or other distribution means and/or methodologies).

### 5.1 **Trading Advisor**

In a preferred embodiment, a person or team of people are needed to assist producers with the preparation and listing of their media projects on the Symbiotic Media Exchange. Such a person or team of people are referred to in this patent application as a **TRADING ADVISOR**. The function of such a Trading Advisor is to manage projects from their earliest stages of development to eventual distribution and revenue generation (if any). The Trading Advisor receives compensation for work performed (on a fee basis, the sharing equity, the sharing revenue streams, combinations of equity and revenue sharing, or otherwise as negotiated). Many of the important functions performed by the Trading Advisor are described throughout this patent application.

### 5.2 **High-Level System Flowchart**

Referring now to **FIG. 1** that depicts a high-level system flow diagram for a **movie project** with the various steps defined in the order they occur.

Note: The Flowchart in **FIG. 1** is for a movie. Flowcharts for TV shows, video games and “live” events are less complex.

The process starts when the Trading Advisor 7.2 (a person or company) evaluates a given media project and decides if such a project should be listed on the Symbiotic Media Exchange. Considerations include (but are not limited to):

- Screenplay
- Business Plan
- Talent (attached or soon to be attached)
- Performas
- Financing Partners (if any)
- And other considerations

In addition, negotiations will take place regarding financing, production and distribution strategies not to mention discussions about fees that need to be paid for the services of the Symbiotic Media Exchange (referred to as either “service fees” and/or “listing fees”).

The Symbiotic Media Exchange additionally provides a feature that allows for the proper vetting (evaluation) of projects for potential future listings. In a preferred embodiment, a bonding process will take place by an external Bonding Company (5.1) tasked with creating a bond that will ensure the project meets industry standards and is marketable to the point where it will at least make its money back upon the media project's initial release (allowing profits to be generated over time).

Such a Bonding Company (5.1) will need time and resources to carry out this process of creating a bond instrument for candidate projects, however it's a crucial step as many media projects will never recover their production costs as numerous reasons including but not limited to meeting professional standards.

Once such a bond is issued, the various participants and stakeholders within the Symbiotic Media Exchange system and network will have the confidence they need to place trades knowing each media project is likely to succeed given the market dynamics at the time.

If no bond can be issued for any reason, then the Trading Advisor (7.2) has the option to continue working with the project's producers to increase its potential for market success or drop the project entirely.

The Bonding Company (5.1) will have a Website (5.2) that allows producers and otherwise content creators to prepare projects for Trading Advisor's (7.2) evaluation and to formally register projects for the Symbiotic Media Exchange.

In a preferred embodiment, the Bonding Company (5.1) and the Website (5.2) will be that of the iBond patent disclosure as presented in the Prior Art Section of this patent application.

Once the bonding process is successfully completed, the Trading Advisor (7.2) will conduct a world-wide auction of the media asset.

Note 1: The Trading Advisor (7.2) must not only "package" the media asset in such a way as to be attractive to potential buyers, but conduct the auction as well.

Note 2: The funds needed for such "packaging" and to conduct such an auction to be paid either by the Trading Advisor (7.2) or the producers (or content owners) or both.

The "packaging" processes are defined in the step labeled 5.3 in **FIG 1**. If this process of "packaging" is in any way unsuccessful, for example, if problems are found with authorship, ownership, or otherwise with the project's chain-of-custody, then the project may be terminated at that time with any remaining funds returned to those who previously provided cash for the project.

Once the media project is properly "packaged" and the preparation for upcoming auctions has commenced (5.3), then such an auction is initiated (5.4) with the goal of selling a World-Wide Exclusive license to a potential buyer with adequate resources, capacity and know-how to produce and distribute and ultimately monetize the media project at an acceptable level (to a large if not a global audience).



Note: Auctions can be conducted in many ways including individual meetings with potential buyers, or by way of licensed auction houses, or by way of the internet and alternatively telephonic means. Potential buyers today could be one of the large distribution platforms such as Netflix, Hulu or Amazon, however many more such platforms are expected to enter the market soon and there are hundreds of smaller platforms serving more localized audiences around the world.

Such an auction (5.4) is then initiated allowing for the purchase of a given media asset with profits to be split among the project's producers and the Trading Advisor (7.2) receiving its fee. If the media asset is purchased at this point, then the media project comes to an end for both the producers and for the Trading Advisor (7.2) as long as all stakeholders are in agreement.

If no buyer for the media asset emerges from an auction (or no auction is conducted for any of a number of reasons), then a social media campaign (5.5) will be launched – as the media project is now properly packaged (but has no early buyers).

Note: It is not the intention of this social media campaign (5.5) to raise the funds that are necessary to produce the media title as such costs are well beyond any amounts that could reasonably be raised by effective Social Media campaigns at the time of this writing. Rather, such a social media campaign (5.5) will be carefully crafted to raise the relatively small amount of money required to “list” the media assets on the Symbiotic Media Exchange. In addition, all Social Media campaigns will be crafted to “go viral” if possible. If this happens, many positive things can happen such as increases in the levels of interest in the project and potentially more exposure to professional investors. In addition, incentives can be provided to investors who learn of one or more media projects by way of social media.

If the results of the social media campaign(s) are disappointing in any way (especially in regards to money raised or interest generated), then the project may come to an end with current investors getting their money back, and any loans repaid to the Trading Advisor (7.2) with little or no interest should there be any money left (from auctions or similar sources) at this point in time.

If the social media campaigns are successful at the level needed to move forward, then a territorial auction (5.6) will be initiated. In the beginning, these territories will most likely be large (such as Southeast Asia), however over time, these territories can become more granular (with Thailand, Cambodia and Vietnam being individual territories).

Note: Of course, the media project's producers and investors must approve any such auctions or similar initiatives whether they be world-wide, regional, local, or exclusive / non-exclusive. Without their express approval, the process cannot move from that point to step 5.7.

The next step in the process (5.7) is to open escrow accounts where funds received up until this point are transferred to the project's production account(s). In addition, one or more LLCs (Limited Liability Corporations - 5.7) can then be established for the active participants of the media project. Funds raised either prior to this step or any time after this step will be transferred into these escrow account(s) except for any reasonable expenses or debts incurred by the Trading Advisor (7.2).

In the next step, a media project is then **prepared** to be listed on the Symbiotic Media Exchange (5.8). Every effort will be made to encourage market makers and otherwise early buyers to purchase all units that become available immediately after they are listed on the Media Exchange. This means all information about the media project must be made available on the exchange (by way of associated web sites and apps), including trailers (videos - promotional or otherwise), and all other relevant information about the project including but not limited to:

- Name of Title
- Trading Symbol
- Media Type (movie, TV show, game, documentary, other)
- Genre
- Story Summary
- Production Status (development, pre-production, production, post-production, finished)
- Anticipated Ratings (MPAA and others)
- Executive Producer
- Budget
- Director:
- Lead Actors
- Languages
- Length (hours and minutes)
- News Articles / Press Releases
- Distribution Release Date
- Comparable Projects (Comps)
- Target Territories

The next step is to invite analysts to make predictions (5.9) regarding the media project's prospects for financial success. Such analysts can then be scored over time using empirical data collected from the media project's actual performance (referred to as a feedback loop). This would be similar to sports gambling sites where experts and analysts provide odds to potential gamblers, and they are scored based on their success over time. In a preferred embodiment, there will be as many as ten to twenty such analysts to comment on media projects that will be listed on the Media Exchange.

In the next step, all final price discovery methods and means (5.10) will be used to determine the opening price for the "listing" of the media title on the Media Exchange. "Comps" (comparables) and analyst information (from step 5.9) will be used in addition to other more general information used to predict the best possible listing price with the possibility of discounting the price to a certain degree in order to make the "units" attractive to early buyers (and/or market makers). Information gathered from the various auctions (world-wide or regional) will also be used in an effort to determine the appropriate opening "unit" price (assuming one or more auctions had taken place by now).

Note 1: In the case of the REVPAC Bond (or iBond), the opening "unit" price is always \$5. Therefore, it is not the "unit" price that needs to be adjusted as much as the **number of "units" to be listed**.

It is at this step (5.10) that a problem, error, mis-information, evidence of fraud or any other potentially damaging evidence could allow the Trading Advisor (7.2) to stop the project, return any money collect up to this point, and require the producers (or other responsible parties) to either resolve the problem(s) so the process in **FIG 1**. can start over from the beginning, or use different means to raise the money for the media project.

The next step (5.10.5) is the process of obtaining a bond that guarantees all important steps have taken place and all important contracts (or otherwise agreements) have been signed. The bonding company will then be responsible if a serious error occurs that may negatively impact producers, investors or otherwise stakeholders.

The next step (5.11) is the sale of any Non-Fungible Tokens (or NFTs). The project may be produced in such a way as there may be buyers (or otherwise investors) for NFTs associated with assets within the motion picture (such as a primary character or prop).

From this point on, however, there is no stopping the “listing” of the media project on the Symbiotic Media Exchange.

In the next step (5.12), the actual listing of the media asset takes place (with discrete “shares”, “units”, NFTs or other tradable currencies).

In the next step (5.13), the cash that is collected from the sale of “shares”, “units” or NFTs (to the early buyers and market makers) is transferred to a production escrow account (5.7) that was previously established for this purpose with the Trading Advisor (7.2) optionally taking a **listing fee** for services rendered up to that point.

In the next step, the actual production process can begin (5.14) using part or all of the money that was collected in the prior step (5.13).

Many months may go by before the next step is performed as the production processes take time to complete. In some cases, the pre-production, production and post-production processes require 12 to 18 months. At an appropriate time, P&A (promotional) campaigns (5.15) will commence using some or all of the ad “avails” that were previously collected from media distribution partners (as presented below in this disclosure).

Note: Efforts will be made to conduct large premiers (and screenings) for media titles that were listed on the Symbiotic Media Exchange as many traders may want to attend these premiers (and receive incentives for purchasing additional units). Premiers could be in Hollywood; however, they can alternatively be in Las Vegas (at major casinos) or in other facilities around the world that can accommodate large audiences and large screens.

In the next step, the media asset (if it is a movie) is then released to theater screens and theater chains (5.16). For TV shows (“live” events, shows or episodics), this means television premiers, and for video games, this would be the initial launch by way of Internet, Streaming, Social Media, Metaverse, video game stores, other retail outlets, DVDs and other means to deliver popular video games.

By the end of the theatrical release (for movies), the remaining revenues from such a media project can then be reasonably calculated (5.17) even though not all revenues have been collected. In fact, such calculations can be made spanning years and even decades (which are routinely calculated by analysts such as the well-known Roy Salter, FTI Consulting, and others). As for other media assets, calculations can be performed by way of industry standard means and methodologies.

In step (5.18), efforts are made to perform a final settlement including (but not limited to) making cash disbursements to traders and distributing the media assets (and license rights) to the various distribution partners who have complied with all requirements.

In many cases, disbursements to the traders will be made over a span of time as revenues may be collected from the media asset over time and likewise proportionately disbursed to the various traders over time. These longer-term collection and disbursement processes are facilitated by the Trading Advisor (7.2) by way of the Media Exchange (6.1).

In an alternate embodiment, the media asset can be sold to an investor, library, platform operator, aggregator or other qualified buyer. If the media asset is sold, then a final disbursement will take place and no further activity will take place on the Media Exchange (6.1) for this media asset.

If the Trading Advisor (7.2) previously agreed to defer “listing fees” or any other fees, then the Trading Advisor (7.2) may receive cash disbursements at this point as well.

Payment systems such as PayPal, Venmo, Western Union, Wire Transfers, ACH Transfers, Bank Checks or alternatively Cryptocurrencies can be used to pay “unit” owners. Postal services can be used as well. The Trading Advisory (7.2) to be responsible to make these such disbursements to “unit” owners.

Note: In a preferred embodiment, all traders will have previously established “brokerage accounts” with the Trading Advisor (7.2), allowing them to easily purchase “units” of media assets from such “brokerage accounts”, and also to receive cash disbursements from previously settled listings.

At this point, the process can start all over again with the next media project in the queue, and the Trading Advisor (7.2) working with the next project’s producer(s) to make all preparations for the processes (as mentioned in **FIG. 1**) to repeat themselves.

### **5.3 The REVPAC Bond (or iBond)**

The larger media industry understands there is a significant demand for a facility that allows for the trading of assets based on media titles (TV series, movies, electronic games, etc.) The premise of this patent application is to make the emphatic recommendation that the facility be an on-line exchange mechanism rather than other types of infrastructures as modern-day exchanges have all of the facilities needed to achieve ultimate success.

A problem arises, however when non-accredited (or small) investors express a desire to engage in trading (by buying and/or selling media assets). If these small investors begin to lose money or if a few small investors lose all of their money, this could cause numerous problems both with regulatory agencies

(such as the Securities Exchange Commission) or with large industry organizations such as talent agencies or even major Hollywood studios. The problem can be expressed by a theoretical story trending on social media that mentions a small investor who lost all of his/her money by betting on the success of a popular actor as follows:

Even though such a small investor took a calculated risk (and lost), the backlash from the social media campaign could create an “optics” problem where the larger public may envision the industry (including the popular actor) as being bad people who conspired to steal money from this small investor – even though the industry insiders had done everything in their power to ensure success.

The fundamental problem being the small investor should not have made the investment (given his/her limited resources and inability to engage in one or more effective hedging strategies). However, there are huge numbers of similar people around the world who would enjoy making investments in media projects as long as their principal investments could be protected. In fact, their aggregated investment capital could dwarf that of movie studios, if there was a way to (1) protect their principal investments, (2) “gamify” the process and (3) help them to eventually profit from the experience.

It’s for this reason the Media Exchange will list REVPAC Bonds (alternatively named iBonds) to be traded by non-accredited investors, as REVPAC or iBonds are insured for their “par” or “face” value. Therefore, non-accredited investors will be allowed to purchase REVPAC Bonds at the IPO stage of the listing (at “par” or “face” value), however will be restricted from buying bond “units” once the price exceeds “par” or “face” value. Of course, non-accredited investors can sell their bond “units” at any time. Since non-accredited (small) investors can be insured against any potential losses, industry insiders as well as regulatory agencies (such as the SEC) will have fewer arguments against the public listing of media assets as small investors won’t lose money.

Regarding REVPAC Bonds (or the alternatively name iBonds), it is the insurance company that practices effective hedging strategies on behalf of the collection of small investors who own a fractional interest (equity or debt) in media assets. It is this insurance component that allows for favorable treatment from regulatory agencies (such as the SEC) and finally, children can own insured REVPAC (or iBonds) as no financial losses will ever occur, as long as the investors (adults or children) only purchase at “par” or “face” value and do not violate restrictions from purchasing once the value exceeds their purchase price.

## 6 What is Patentable

### 6.1 Linking to Artificially Intelligent In-Home (or Business) Television Management Systems

It is well known that the new media streaming services (Netflix, Disney Plus, Amazon Prime, etc.) will soon require artificially intelligent (AI) networks to assist users in discovering attractive media titles at the lowest possible price. Although current-day users can subscribe and navigate through numerous on-line media platforms, the time and energy required to do so has become too demanding for most households and/or businesses. This is especially true when households (or businesses) are populated with people of different ages and sensibilities. Given all of the variables that exist for media consumption today, the array of possibilities (and the cost associated with these possibilities) is fast becoming too complex for average users. In addition, the future may provide unforeseen complexities. But no matter the complexities now or in the future, AI provides a good solution to the media landscape as it has both the power and capacity to create the multi-dimensional TV “viewing models” that are needed in today’s in-home (or business) television environments.

This patent application anticipates such AI systems and networks that will be able to search the universe for media titles and then learn about user’s needs in order to determine acceptable media offerings (given individual user’s sensibilities and budgets) in an effort to significantly increase user satisfaction.

In the section of this patent application titled “Prior Art” (above), five inventions are defined that are particularly relevant to the “Symbiotic Media Exchange” as follows:

- Proxy Subscriptions
- Direct Mobile
- REVPAC Bond
- Wiggle Room
- Multi-Language Media Versioning or MLV

In both the Proxy Subscriptions patent disclosure and the Direct Mobile disclosure described above, a user can opt-in to pay an extra fee per month (or year) for the ability to invest in potentially profitable media projects. It is anticipated that the number of people who will opt-in to make such an investment will be significant over time and therefore, the aggregated investment capital will be significant as well. These aggregated investments will then be used to finance popular movies and television shows which would most likely yield profits over time. Furthermore, it is anticipated that insured bonds will be used as the investment instruments as the majority of investors will be non-accredited (or otherwise considered small or young). This is where REVPAC Bonds (or iBonds) are relevant to the Symbiotic Media Exchange.

The Wiggle Room disclosure (as disclosed in the Prior Art section above) provides for an advertising loyalty system and network that can be integrated into the Symbiotic Media Exchange for the purpose of allowing content producers to communicate directly with end users as they disburse rewards.

The Multi-Language Media Versioning system and network (referred to as MLV) can likewise be integrated into the Symbiotic Media Exchange for the purposes of buying and selling of media production assets that can be “localized” for bigger success (larger profits) within discrete international markets (examples being: Philippines, Japan, Mexico).

In a preferred embodiment, such investments will be made over the Symbiotic Media Exchange (as disclosed in this application). Users will then receive disbursements from their profits over time (for the proportional positions they hold by way of the Symbiotic Media Exchange). These disbursements would then help to reduce the cost of media acquisition for these households and/or businesses.

A familiar example can be found with solar panels. A household invests in solar panels so electric bills can be lowered over time (given profits derived from the household selling the solar energy it generates).

## **6.2 More about the Proxy Subscription Service**

As for the Proxy Subscription Service (defined in the Prior Art section above), such an “AI for Household Television” system functions as described below:

- Allows users to opt-in to a “media investment collective”
- Charges users for monthly and/or yearly media investments
- Transfers the aggregated investments to professional media investors
- Buys and/or sells positions in media projects by way of the Symbiotic Media Exchange (or other facilities)
- Receives profits from these investments
- Disburses profits proportionally to individual investors

Therefore, the Proxy Subscription Service is connected to the Symbiotic Media Exchange to allow for such aggregated investments to be made.

Within the Proxy Subscription patent application (as disclosed in the Prior Art section of this patent application), a Limited Power of Attorney server is depicted (and described in detail) that provides for the artificial intelligence systems to register and cancel services in such a way as to both:

1. Lower costs for households
2. Curate ideal content titles given all of the members of the household.

This Limited Power of Attorney server is used to obtain a legally binding Limited Power of Attorney from the household (or from one or more members of the household) by way of one of the following:

1. An “in-person” interview where a notarization takes place
2. An electronic interview where an electronic notarization takes place

In both cases, the legally binding notarization process facilitates the Limited Power of Attorney for such a Proxy Subscription Service to provide a full range of services to the household so that artificial

intelligence processes can operate without the threat of being terminated by one or more of the major streaming services.

### **6.3 The Direct Mobile Service**

As for the Direct Mobile Service (defined in the Prior Art section above), such a media delivery platform is designed for emerging market territories, however users can still opt-in as media investors as well – similar to Proxy Subscriptions. It is assumed that users from emerging market territories have smaller investment budgets than those living in first-world territories, however there are many more users in emerging market territories than in first-world territories. In the end, \$10 per month collected from one million users living in first-world territories yields the same investment capital as \$1 per month collected from ten million users living in emerging market territories.

Therefore, the two services (Proxy Subscriptions and Direct Mobile) combined can potentially raise a very large amount of money over time which will help to finance the production of numerous media titles over time.

The Direct Mobile Service will likewise facilitate the following functions on behalf of users who opt-in to make investments in media titles:

- Allow user to opt-in to a “media investment collective”
- Charge the user for monthly and/or yearly media investments
- Transfer the aggregated investments to professional media investors
- Buy and/or sell positions in media projects by way of the Symbiotic Media Exchange (or other facilities)
- Receive profits from the investments
- Disburse profits proportionally to individual investors by way of the Direct Mobile App

Note: It is envisioned the Direct Mobile App will provide means and methodologies to take investment capital from users domiciled in emerging market territories and also disburse profits to these same users by way of the Direct Mobile App and/or one or more of the associated apps and/or web sites.

### **6.4 The REVPAC Bond (or iBond)**

As for the REVPAC Bond disclosure (defined in the Prior Art section above), it is anticipated that such an “Insured Bond” will be the primary financial instrument used to trade media-based assets over the Symbiotic Media Exchange, however, other alternative financial instruments can be used as well.

### **6.5 Blockchain, Cryptocurrencies and NFTs**

One of the attractive aspects of the REVPAC Bond (or iBond) is the discrete bond units can be denominated on virtually any currency including (but not limited to) cryptocurrencies. Therefore, non-accredited investors can use cryptocurrencies (such as Bitcoin) to buy and sell fractionalized media-



based assets without the risk of losing their principal investment (as the iBond is insured for its “Face” value).

One particular construct that may become popular after the launch of the Symbiotic Media Exchange is as follows: **Non-Fungible Tokens (NFTs) pointing to REVPAC Bonds denominated on Cryptocurrencies managed by way of Blockchain.**

As described above, non-accredited investors can enjoy making investments along with the “gamification” provided by way of the various investment opportunities, however their principal investment capital is protected. In addition, they are free to use Cryptocurrencies or other popular currencies and/or coins.

Alternative trading models can replace REVPAC Bonds with uninsured instruments (stocks and/or bonds) not to mention NFTs and all other financial instruments (cryptocurrencies or otherwise).

Additionally, virtually all coins and types of coins can be used on the Symbiotic Media Exchange as one of the following:

1. The preferred currency
2. An alternative currency
3. The basis for the denomination of REVPAC Bonds (or iBonds)
4. Or other alternatives.

## **6.6 NFT Lending**

In an alternative embodiment, NFTs may not be bought or sold as much as they would become the asset upon which a loan is established. An example would be an NFT created that represents a valuable piece of artwork. NFTs would then be created and sold over the Symbiotic Media Exchange (or other exchanges) that represent monthly revenue paid by the borrower until the loan is paid in full.

Given such an NFT-based lending structure, it will be important that a bonding process take place by an external Bonding Company (5.1) similar to the bonding process that takes before a media project is listed.

Such a bond provided to an NFT-based loan will provide assurance to all stakeholders that actual value is directly attributable to each NFT and that if a problem occurs, the Bonding Company (5.1) will intervene and at least restore the lenders with their original principal.

In a preferred embodiment for such a bond provided for the purposes of NFT-based lending, the iBond will be used as disclosed in the Prior Art section of this patent application.

## **6.7 Derivatives**

Another viable alternative is the creation and trading of derivatives over the Symbiotic Media Exchange. Such derivative models to use industry available metrics (or other metrics) to base the trading among participating speculators and/or stakeholders.

## **6.8 The Linkage between these Patentable Systems and Networks**

Referring now to **FIG. 2** that depicts how the larger Symbiotic Media Exchange System and Network is connected to the other external systems and networks. In **FIG. 2**, the larger Symbiotic Media Exchange System and Network as described in this application (1.0) is connected to the Proxy Subscription Service (1.1). In addition, the Symbiotic Media Exchange System and Network (1.0) is connected to the Direct Mobile Media Platform (1.2). The Symbiotic Media Exchange System and Network (1.0) is also connected to the REVPAC Bond (or iBond) platform (1.3). Finally, the Symbiotic Media Exchange System and Network (1.0) is connected to the Wiggle Room platform (1.4) and the MLV platform (1.5).

## **6.9 Other Patentable Aspects of this Disclosure**

Another novel aspect to this patent disclosure is the linkage between the Media Exchange and a Media Licensing and Distribution Network as described below:

This patent teaches how a Media Exchange is designed to conduct the trading of media-based assets over a Media Exchange offering:

1. Insured bonds (REVPAC or iBonds)
2. Equity Ownership (stocks)
3. Future Revenue Streams (uninsured bonds)
4. Derivatives
5. Cryptocurrencies
6. Non-fungible Tokens (NFTs)
7. Other financial instruments

Other patentable aspects of the Symbiotic Media Exchange can be found in the linkage of the major databases.

Referring now to **FIG. 3**, that provides a diagram that depicts the primary connections of the two significant databases and the security means as expressed by encryption keys (as further defined in this patent application). In **FIG. 3**, the Exchange and Clearing functions are represented by the term "**Exchange**" (6.1) which encompasses all functions performed by a Media Exchange and clearing house.

On the other side of the figure, the Media Licensing and Distribution Network or **MLDN** (6.2) is linked to the Exchange (6.1) by way of a secure network connection and securely generated and distributed encryption keys.

The reason for encryption keys is to protect the data from hackers or others who may wish to cause harm to the distribution supply chain, or otherwise attempt to gain unauthorized access.

Although it may be tempting to call the Media Licensing and Distribution Network (MLDN - 6.2) a Content Distribution Network (or CDN), it is more than a CDN. This database performs both media licensing functions and distribution functions within the network, and connects to the Exchange (6.1) in such a way as to provide a feature-rich **tool set** for media distributors including (but not limited to) the following:

1. Equity Investment Opportunities in Media Content they actively distribute
2. Equity Investment Opportunities in Media Content they do **not** (and will not) distribute
3. Generation of derivative revenue streams from Media Content they either distribute or do not distribute
4. Revenue Participation in Media Content (by way of REVPAC Bonds or iBonds)
5. Hedging Opportunities for their own Media Investments
6. Licensing Opportunities for Media Assets (financed or co-financed by way of the Exchange)
7. Receipt of High-Resolution Media (by way of electronic transfers or alternatively Digital Tape - DCP)
8. Contract and License Grants from Content Owners
9. Access to Exclusive Media Licenses
10. Access to Non-Exclusive Media Licenses
11. Access to Studio Output Deals
12. Access to Revenue Streams derived from "Backend" Equity Ownership Positions
13. Opportunities to initiate "Hold Backs"
14. Opportunities to Negotiate "Backend" Revenues for Future License Buy-Downs
15. Better Promotional Campaigns for Media Assets they own
16. Management Systems for all functions included in this list (and more)
17. Other valuable opportunities gained by way of closer collaborations between the two disparate sides of the supply chain (production on one side and distribution on the other side)

For these reasons, the database 6.2 is labeled a Media Licensing and Distribution Network (MLDN), and not a Content Distribution Network (CDN) as a typical CDN has little or no role to play in the licensing of media content (other than storing a limited number of license terms and conditions in its databases and possibly acting on pre-defined conditions with an example being: the removal of titles at the end of the license period).

### **6.10 A New "Disinterested" (On-Line) Framework**

Although trade shows will always be important to the greater cinematic industry, there is room for on-line systems and networks that can increase efficiencies and ultimately lower costs of certain transactions.

By way of successful on-line systems, major studios (often referred to as Distributors) can reduce the number of field offices and field personnel significantly, lowering operational costs and potentially increasing sales and bottom-line profits.

As mentioned above, many of these problems and inefficiencies are well-known, however the framework for a more robust model has been elusive. Who will control the primary databases? Will it be influential insiders? Will it be an alliance of insiders? Will it be an alliance of disparate members who vote (majority rules)?

Once again, we arrive at the same conclusion. The underlying mechanism must be fair and impartial. For this to happen, the underlying mechanism must be considered a truly **disinterested** party. Such a futuristic mechanism must have no influence of its own and can assume no risk of its own.

Note: It's not that such a mechanism can assume only a small amount of risk. The mechanism's risk must be **pure zero**. It must be completely disinterested. Where can such a mechanism be found? This patent application suggests the only mechanism that will work properly is an Exchange by regulatory requirement. Therefore, such an underlying exchange infrastructure allows for heavy institutional trading without the possibility of improper influence exerted from an outside source. Otherwise, alternative measures (or otherwise checks and balances) would need to be implemented which would have the effect of lowering the efficiency of the overall process while increasing costs.

The post-COVID world presents the media world with new challenges along with new opportunities. There are far fewer face-to-face meetings and fewer public exhibitions. The counterbalance to these market shifts revolve around more business being conducted on-line. At the end of the day, virtually all functions of processes (within the greater media industry) involve either payments or the transfer of: equity ownership, license rights, or revenue participation. Therefore, a large-scale **exchange mechanism** provides for an ideal foundation for building such an all-encompassing system for future transactions.

## 7 The Media Media Exchange

It is commonly known that a Media Exchange on its own is a naturally disinterested party that assumes ***no risk*** whatsoever. The exchange simply matches trading partners and executes the clearing and banking functions that facilitate the movement of valuable assets (often in milliseconds). Traders can then buy and sell (“units” and options on “units”) in such a way as to not only profit from their knowledge of the industry, but to hedge their exposures to risk as well.

### 7.1 Coupling a Media Exchange with a Media Licensing and Distribution Network

A novel aspect of this patent application is the coupling of a Media Exchange with a Media Licensing and Distribution Network (MLDN). Referring now to **FIG. 4**, depicting a high-level diagram of the connections between the Exchange and Clearing House (referred to collectively as the “Exchange” – 6.1), and the Media Licensing and Distribution Network (referred to collectively as the MLDN – 6.2).

As can be seen in **FIG. 4**, Brokers (7.0) have access to the Exchange (6.1) and can facilitate trades on behalf of Speculators (7.1).

Industry personnel such as Producers / Content Owners (7.3), Platform Operators (7.4) and Industry Insiders (7.5) gain access to the Exchange (6.1) by way of the Trading Advisor (7.2), as the Trading Advisor (7.2) always has authorized access to the Exchange (6.1). Simultaneously, industry personnel such as Producers / Content Owners (7.3), Platform Operators (7.4) and Industry Insiders (7.5) gain access to the Exchange (6.1) by way of the Trading Advisor (7.2), as the Trading Advisor (7.2) has authorized access to the MLDN (6.2) as well.

The Trading Advisor (7.2) described in more detail below ***may or may not be*** an authorized broker, however the Trading Advisor (7.2) has access to all network resources including but not limited to the Exchange (6.1) and the MLDN (6.2).

### 7.2 More about the Trading Advisor

As explained above, the Media Exchange by regulatory requirement can shoulder ***no risk whatsoever***. But this does not mean there is no risk within the environment. In fact, there are risks throughout the universe of media entertainment, however, none of these risks can be assumed by the exchange itself (as the exchange would then become untrustworthy).

Therefore, when risks must be assumed, an external (unrelated) party must become involved so the exchange is relieved of direct responsibility. As for the Symbiotic Media Exchange, an external trusted 3<sup>rd</sup> party function is appointed named a ***Trading Advisor***. Another name for such a group is “***Risk Intermediary***”.

Note: The Trading Advisor is typically a company and not a person or otherwise a human agent. The “Trading Advisor” can also be an organization. An alternative name can be a “Trading Advisory Service Organization”. This patent application will refer to such an advisory organization using the shorter term “Trading Advisor”.

This preferred embodiment for such a Trading Advisor is a discrete company that is in no way owned by the Exchange and vice versa. The owners of the Exchange may launch a discrete Trading Advisor company, however one company cannot be owned or controlled by the other. Therefore, the Trading Advisor” shoulders 100% of its own risk and the Exchange has pure zero risk with no exception to this rule at any time.

The primary functions of the Trading Advisor are as follows:

1. Market the Exchange to Industry Insiders
2. Market the Exchange to other potential traders
3. Find Candidate Media Projects
4. Verify Media Projects can be Listed as media derivatives by way of the Exchange
5. Enter Contractual Relationships with Producers (and otherwise Content Owners) for Candidate Media Projects
6. Advance cash to Producers (or Content Owners); cash most likely drawn from a Line of Credit
7. Receive a portion of the “Backend” equity from the Media Projects it helps to finance
8. Charge Producers a “Listing Fee” that may be a percentage of the money raised for the media project, or a flat fee, or both, or agree to an alternative form of compensation
9. Receive interest (or Coupon) for the cash that has been advanced (as a loan)
10. Instruct the Producer (or Content Owner) how to trade (or hedge) with or without an authorized Broker
11. Retire any loans that are outstanding for listed Media Assets
12. Disburse profits that are generated from Interest Payments (or Coupons)
13. Disburse profits that are generated from “Backend” equity ownership positions
14. Disburse profits that are generated from “Listing Fees”

Referring now to **FIG. 5** that describes the process flow of the Symbiotic Exchange at a high level as follows:

**Step 1:** The Trading Advisor (7.2) contacts Producers / Content Owners (7.3) and invites them to use the Symbiotic Exchange. **Step 2:** Producers / Content Owners (7.3) sign contracts with the Trading Advisor (7.2) providing “Backend” equity and/or future revenue streams including a small amount of “Backend” equity for the Trading Advisor (7.2) (or otherwise a “listing fee”). **Step 3:** The Trading Advisor (7.2) pulls cash from a banking organization (in this case a Line of Credit provided by a Bank (7.6)) and provides valuable production financing to the Producers / Content Owners (7.3). **Step 4:** The Trading Advisor (7.2) then creates the contracts necessary for trading over the Exchange (6.1). **Step 5:** The Trading Advisor (7.3) then provides information about Trading Opportunities and soon-to-be-available Licensing Rights to Platform Operators (7.4). **Step 6.** When Trading commences, Speculators (7.1) can initiate their trades by way of authorized Brokers (7.0) or alternative trading platforms. **Step 7.** When the

Trading Term is complete, the final settlement occurs, the Trading Advisor (7.2) will retire all loans to the Bank (7.6), to itself (7.2) or otherwise. **Step 8.** Platform Operators (7.4) receive territorial license rights as were appropriately licensed (as defined later in this patent application).

It's important to note that over time the Trading Advisor (7.2) will profit from numerous recurring revenue streams that will accumulate as projects are financed by way of the Symbiotic Media Exchange. Such monetary incentives should provide adequate incentives for individuals and organizations to provide the necessary Trading Advisory functions and services.

### **7.3 Levels of Investment in Media Assets**

The Symbiotic Media Exchange is designed to be a vehicle that allows for partial investments in media titles with these partial investments being spread among large numbers of individuals and/or organizations. Although the aggregate investment derived from the Symbiotic Media Exchange could exceed 50% (of the title's production costs), it is more likely that the aggregate investment will be less than 50% as this will allow experienced media finance personnel and organizations to participate that are necessary to validate each media project's viability (as investments from "smart money" are excellent points of validation). In addition, these "smart money" sources may only participate if significant investments can be made as the work for a small investment is often as much for them as a large investment and a small return from a small investment may not be worth the effort.

Referring now to **FIG. 6** that depicts a block diagram that describes the primary components for the Symbiotic Media Exchange. **FIG. 6** describes how the buyers and sellers have access to the Exchange and Clearing House in addition to Brokers and Banks, however not the networks and systems used by the media distributors.

What is notable is that Buyers and Sellers (or otherwise traders) have no direct access to the MLDN (6.2) or any of the various server systems connected to the MLDN (6.2).

#### **7.4 Lines of Credit**

The preferred embodiment is the Trading Advisor (7.2) draw cash from one or more Lines of Credit offered by a bank or banking partner as it is a better mechanism than raising significant amounts of capital by way of selling equity in the Trading Advisory service company (or by way of leveraging a partner company's valuable equity).

#### **7.5 The Role of the Broker**

An authorized broker facilitates the various trades by way of on-line portals, mobile apps, or more legacy methods and means such as phone calls and more legacy fax technologies.

Brokers must qualify to trade contracts made available by way of the Symbiotic Media Exchange, however when authorizations are granted, such brokers can facilitate all trades and trading strategies as requested by traders of all kinds.

Note: In some cases, Brokers need to pay an initial fee to initiate trades on the exchange and possibly an annual fee. In return, these same brokers may receive commissions for the trades they initiate.

#### **7.6 Banking Functions**

All necessary banking and clearing functions are facilitated by banks and/or qualified banking organizations and/or otherwise financial institutions. Banks may trade contracts to diversify their investment portfolio, however it is anticipated that production financing banks and funds will mostly hedge their own investments in media projects.

#### **7.7 Major Movie Financing Banks and Institutions**

Although the model described (above) suggests the Trading Advisor pro-actively market its services to producers (and content owners) and offer them up to 50% of their needed production financing, a more efficient approach may be to simply contact **banks that have already made financial commitments to media productions** and offer to “buy-down” their existing exposure to risk. Such an offer would be made by the Trading Advisor to the banks (rather than producers), and the specific offer would be to purchase a percentage of a project that has **already been financed**.

The Exchange (by way the Trading Advisor) will approach one or more of the large banks known to finance media projects and offer to purchase a portion of their equity, or their coupon(s) / loans (if any), or



both. The advantage of such a relationship (especially in the beginning) being that such projects are then guaranteed to be fully vetted by knowledgeable industry analysts, as these projects have already attracted “smart money”. Other projects may be much farther from attracting “smart money”, even if they appear to be commercially viable. Therefore, “buying-down” risks from banking organizations known to co-finance media productions may offer certain efficiencies especially in the areas of promotion and marketing of the Symbiotic Media Exchange to industry constituents.

The risk management provided to these banks by way of the Trading Advisor can be of great benefit in not only providing hedging mechanisms but allowing them to make more investments and larger investments in media-related projects.

Candidate banks known to finance big-budget movies are:

- JP Morgan Chase
- Ingenious
- Comerica
- UBOC
- East West Bank
- City National Bank
- National Bank of Canada

## **7.8 Media Contracts and Contract Specifications**

Candidate media projects must provide specifications and parameters including (but not limited to) the following:

- Name of Title
- Trading Symbol
- Media Type (movie, TV show, game, documentary, other)
- Genre
- Story Summary
- Movie Trailer
- Production Status (development, pre-production, production, post-production, finished)
- Ratings (MPA and others)
- Executive Producer
- Length (Hours/Minutes)
- Distribution History
- Budget
- Director:
- Lead Actors
- Languages
- Length (hours and minutes)
- Listing Date

- Expiration Date
- Media Asset Web Site
- News Articles / Press Releases
- Total Number of Units
- Percentage of Media Asset Offered
- Unit Size
- Number of Units
- Initial Unit Value
- Share Value
- Mini-Share Value
- Tick Size
- Distribution Release Date
- Comparable Projects (Comps)
- Target Territories
- **Distribution DBase ID** (defined below)
- **Rights Management Dbase ID** (defined below)

## 7.9 Contract Leverage

In an alternative embodiment where the Media Exchange is listing “futures” contracts (rather than shares or bond “units”), the listed contracts can be designed to offer a small amount of leverage or no leverage whatsoever. There are four benefits to the small or no leverage approach for media contracts as follows:

1. The Trading Advisor may be able to avoid margin calls
2. If no line of credit is used, no interest charges will accrue
3. At settlement, distributors won’t need to transfer larger amounts of cash to their Broker accounts
4. The potential for wild swings won’t frustrate speculators

In addition, large numbers of contracts are envisioned as the ownership of certain movie titles can be attractive to huge population groups often with sizable numbers of avid retail traders / media enthusiasts or otherwise gamblers.

For example, instead of creating 200 “units” at \$50,000 each, it is preferable to create 20,000,000 “units” at \$.50 (fifty cents) each (or something in-between).

Alternatively, high net-worth individuals and large corporations can be provided with **leveraged contracts** as they have the ability to cover margin calls with no problems.



## 8 Brokers and Brokerage Accounts

Brokers (of all kinds) will be authorized and then empowered to trade on the Symbiotic Media Exchange by simply requesting the proper technology links that will allow trading activities to commence. In some cases, a reasonable fee may be required to add such brokers (and/or broker networks) to the Media Exchange, and alternatively, recurring annual payments may need to be made to keep the Media Exchange properly financed.

Once all fees have been paid and all technology links have been activated (with usernames, passwords, etc.), these brokers will then be given access to buy and sell “shares”, “units” and/or media contracts as described in this document. The profile of brokers for the Symbiotic Media Exchange will most likely be that of traditional stockbrokers at the time of this writing, however it is envisioned that more futuristic brokers (such as those involved in NFTs) will participate as well.

Brokerage accounts are established and managed by these same brokers. These same Brokers will manage margin calls (if any) as well.

Examples of ideal brokers for the Symbiotic Media Exchange are:

- Foreign Exchange (FOREX)
- Traditional Commodities
- Crypto-Currencies or NFTs

### 8.1 Speculators

A speculator will find trading on the Symbiotic Media Exchange simple as one or many brokers can be used to facilitate the purchase or sale of “share” or “units” for otherwise listed media assets. As long as the speculator complies with the requirements of both the broker and the Symbiotic Media Exchange, trades can be made freely, and as often as speculators wish.

## **8.2 Trader ID Numbers and Access ID Numbers**

Referring now to **FIG. 7**, that describes how the Symbiotic Media Exchange uses two different ID Numbers to access the various facilities. The Trading Advisor (7.2) provides a Trader ID Number (8.1) to Platform Operators (7.4) or any other distribution partners looking to purchase media contracts. **FIG. 7** additionally describes how the Trading Advisor (7.2) provides an Access ID Number (8.2) to those considered Industry Insiders (such as promoters, marketers and/or social media) who may prefer not to trade, allowing them to query the MLDN (6.2) only.

In a preferred embodiment these two ID Numbers (Trader and Access) can be concatenated and then digitally “signed” or “hashed” for Platform Operators (7.4) to access either system (Exchange or MLDN) with a single concatenated key.

## **8.3 Platform Operators**

Once a Platform Operator receives both a Trader ID Number and an Access ID Number, such an Operator can perform the following functions:

1. Search for trading history
2. Search for licensing history
3. Search other historical activities
4. Trade “units” of media assets
5. Trade options of “units”
6. License Exclusive Territories by way of buying, holding and settling (as described in the document)
7. License Non-Exclusive Territories by way of buying and settling (as also described in this document)
8. Other processes and functions important to Platform Operators

## 9 The Media Licensing and Distribution Network (MLDN)

Referring now to **FIG. 8** that describes three primary databases that operate from within the MLDN (6.2). The first of these databases is the Media Account (9.0). A Media Account can be established for large Media Companies that own multiple platform properties (for example: Netflix, Disney/ABC, Comcast, AT&T Uverse and others). This allows these larger media companies to place trades and license media content for the entire company (rather than for each platform individually).

The second database is the Platform Database (9.3) that provides all relevant information about a given platform including a complete history of all titles owned, equity percentage in each title, royalty payments (derived from “Backend” revenue participation) and other information that can help the Exchange and Trading Advisor assist the Platform with its trading and licensing needs.

The third database is the Media Title Database (9.4). This Database contains all information about the individual media titles that are made available for trading by way of the Exchange (6.1).

Still referring to **FIG. 8**, the MLDN (6.2) is connected to a Media Account (9.0). This Media Account (9.0) may be an authorized account for a Media Company such as Netflix, Disney/ABC, Comcast, AT&T Uverse and others. In a preferred embodiment, there is at least one Media Account (9.0) per Media Company. Each Media Account (9.0) is connected to at least one Platform Database (9.3). Some of the fields in the Platform Database (9.3) include (but are not limited to) the following:

- Titles Owed
- Equity Percentage of Media Titles Owned or Revenue Share arrangement for Media Titles
- Royalties Paid
- Royalties Owed
- Buy/Sell Proposals
- Bank Wire Instructions
- Encoding Requirements
- Content Security Requirements and Means

As for the Media Title Database (9.4), this database is also connected to the MLDN (6.2) and contains all relevant information about the discrete media titles that are stored within the Media Title Database (9.4). Fields include (but are not limited to):

- Name
- Genre Budget
- Original Story By
- Screenwriter
- Producer
- Director

- Lead Actors
- Trailer (video) if available

Referring now to **FIG. 9**, this provides further description regarding how each discrete media title within the Media Title Database (9.4) contains information about global territories, platforms within these territories, sub-territories and licensing issues within these territories and sub-territories. In addition, the Platform Database (9.3) has access to this information as well.

Furthermore regarding **FIG. 9**, the Media Title Database (9.4) contains a master list of Global Territories and a list of Platform Operators (Streaming, Mobile, IPTV, Satellite, Cable TV or otherwise for each territory and sub-territory. For example, a territory could be China, but a sub-territory may be Macau (that has its own unique status within China).

The Platform Database (9.3) has access to some or all of these lists by way of a connection to the Media Title Database by way of the MLDN (6.2). Territorial Licensing Requirements (9.5) are established by Media Title Database (9.4) by way of numerous database records and fields. Platform Operators can query and then either accept or reject the licensing requirements as established by the Media Title Database (9.4). If a Platform Operator decides to accept the licensing requirements as established in the Media Title Database (9.4), then such a Platform Operator may purchase sufficient “shares “ or “units” listed on the Media Exchange to own equity (or revenue share) in the selected titles, and to receive license rights to the same media titles.

Note 1: The licensing requirements for media titles are established by the content owners as they are responsible to enter the information into the database and verify the information is accurate.

Note 2: Much of this can be performed by AI methodologies that will prompt the Platform Operators for instructions and carry-out the necessary trades over the Media Exchange.

The databases depicted in **FIG. 9** are designed to store information regarding Platform Operators, the territories they serve, their subscribers, and the requirements for the licensing of media content provided by way of such a Media Exchange.

The Platform Database (9.3) contains a list of Platforms and the territories they serve. Below is an example of records found in a Platform Database (9.3) for small sample of Southeast Asian operators:

<u>Platform Name</u>	<u>Territories</u>	<u>Number of Subscribers</u>
Astro Malaysia	Malaysia	4,000,000
Astro Indonesia	Indonesia	2,000,000
TrueTV	Thailand	1,000,000

An Example of **Territorial Licensing Requirements** for a media given media title within a territory such as **Indonesia** could be as follows:

<u>Territory</u>	<u># of “Units” (Exclusive)</u>	<u># of “Units” (Non-Exclusive)</u>	<u>Other</u>
------------------	---------------------------------	-------------------------------------	--------------

Jakarta	1000	500	Subtitle
Bali	200	100	Subtitle
Batam	300	150	Subtitle

A Platform Operator that serves this territory (Indonesia) can then purchase “shares” or “units” for a discrete media title for either selected metropolitan areas, states, or for the entire country.

The preferred method for awarding Exclusive and Non-Exclusive licenses are described as follows:

### **Exclusives**

1. The Platform Operators within these territories that wish to enter into exclusive license agreements must purchase and hold the minimum number of “units” as specified to maintain an Exclusive License Deal as defined in the example of: **# of “Units” (Exclusive)** (above) by way of the Territorial Licensing Requirements database (9.5). In the example (above), the exclusivity requirements for Jakarta specify the purchase of 1000 “units” (for the title). Therefore, 1000 “units” for the specific media title must be purchased, held and settled before a Platform Operator in that territory (for example the operator named Astro) will receive exclusive license rights to that title within that territory.

### **Non-Exclusives**

2. If Platform Operators within these territories do not wish to enter into exclusive license agreements, they can alternatively purchase the minimum number of “units” as specified to maintain a Non-Exclusive License Deal as defined in the example of: **# of “Units” (Non-Exclusive)** ( (above). In that example, the non-exclusive requirements to license a given title for the territory of Jakarta Indonesia require 500 “units”. Non-Exclusive requirements are less rigorous than exclusive requirements as the Platform Operator must purchase the minimum number of “units” during the trading term and then settle the minimum number of “units” at the end of the trading term. The Platform Operator can actively trade the “units” (selling and re-purchasing) throughout the trading term, however. This is unlike the exclusive arrangement defined above which requires the Platform Operator to buy and hold “units” until settlement without the ability to trade them prior to settlement.

Note 1: If a Platform Operator violates the contract terms as defined in Territorial Licensing Requirements Database (9.5) for example, by inappropriately selling “units”, then the exclusivity for that territory will disappear and all license rights for that territory (for the given media titles) will be considered non-exclusive.

Note 2: If a Platform Operator with an **exclusive** arrangement wants to buy and sell additional “units” during the trading period, such a Platform Operator must purchase and can freely trade **additional**



**“units”** (above and beyond the minimum required to secure its exclusive license deal). Such a Platform Operator cannot sell too many “units” as this may cause the total unit count (for the given title) to fall below the minimum threshold as established within the Media Title Database (9.4).

Note 1: An exclusive period can be anywhere from a minimum of 6 months to as many as 24 months.

Note 2: Non-Exclusive deals to be allowed to exhibit titles content immediately after verifiable periods of exclusivity have expired - meaning the next day.

Referring now to **FIG. 10**, where the Territorial Licensing Requirements for an **Exclusive License Deal** may have additional terms and conditions found within the Media Title Database (9.4). **FIG. 10** provides additional examples of the various records and fields within the Media Title Database (9.4) that are relevant to exclusive licensing deals. A Sub-Licensing Database (9.6) contains records and fields that provide further information about licensing requirements within sub-territories.

Other important licensing considerations are as follows:

1. A Platform Operator may be awarded with Exclusive Licenses for all the Production Company’s media titles. Such an arrangement is called an “Output Deal”, and such “Output Deals” are included in the Media Exchange (and described in more detail below)
2. Penalties may be assessed to Platform Operators that do not comply with the minimum trading specifications
3. Ad “Avails” are in some cases required of Platform Operators
4. Incentives in some cases will be provided to Platform Operators for ad “avails” or other forms of consideration.
5. Platform Operators that enter into Exclusive License Deals may have the right to Sub-License the associated media titles to other Platform Operators within their territories (under pre-defined terms and conditions)

Note: The Sub-Licensing Database (9.20) described in **FIG. 10** also describes how a Platform Operator can enter into sublicensing agreements (for media titles listed on the Media Exchange) by way of the Sub-Licensing Database (9.6).

## **9.1 More about Non-Exclusive Licensing Arrangements**

Referring now to **FIG. 11**, this provides examples of **Non-Exclusive Licensing requirements**. The Non-Exclusive licensing requirements are similar to the Exclusive requirements as described above, however they provide for smaller contracts to be purchased and are less restrictive regarding allowable trading activities during the contract term.

**FIG. 11** additionally provides an example of the records and fields that are found in the Sub-Licensing Database for Non-Exclusive License deals. Notice the records and fields are slightly different from those found for Exclusive License deals.

## 9.2 No License for Territory (Optional)

Within the MLDN (6.2), there is an option for a territory to have no licensing agreements connected to trades over the Media Exchange (6.1). If a Platform Operator desires to gain access to a license for media content provided by the Media Exchange for a given territory, and there is no licensing available for that given territory, then appropriate warning messages will be provided to the Platform Operator looking to acquire such a license.

The reason for a “**No License for Territory**” option is the collective owners of the media title(s) may have already sold license rights within a territory, or they may wish to auction selected territories in the future. No matter the reason, such a “No License for Territory” option will be honored for a single territory, sub-territories, multiple territories or all territories for any given media title.

Note: Within the MLDN (6.2), a “**No Licensing Agreement**” database field is provided in the case the producers anticipate a significant sale, license agreement or auction at some point in the future.

## 9.3 Pre-Purchase of License Rights

There’s a significant potential for a “chicken and egg” problem that could present a stumbling block for such an exchange to become widely adopted. The problem is content owners will want to be paid very early in the process prior to the exchange becoming “trusted”.

Another way to say this is as follows: It is unlikely that content owners will allow for the listing of valuable assets on an exchange and wait to see how much money these assets will generate (in license revenues) over time. It is more likely that such content owners will demand the agreed upon license payment(s) before assets are listed.

Therefore, an intermediary will need to step-in (at least in the early months / years) and pre-purchase license rights (non-exclusive or exclusive) and then offer these license rights on the exchange, possibly adding a surcharge for providing such a service. Such a Pre-Purchase approach provides content owners with immediate cash (to finalize all transactions) and likewise provides needed inventory for the exchange.

The content owner can be offered cash and/or REVPAC Bonds (or iBonds) or other forms of compensation.

## 9.4 Output Deals

Output deals within the motion picture industry are known to provide the complete **slate** of a production company’s media titles to selected licensees no matter what these titles are or how much they cost – according to eventual market rate calculations based on future criteria such as box office results. For example, an Output Deal with Fox means the selected Platform Operator will receive **all** Fox movies for a **given year’s slate** (no matter if the movies are relevant to the territory or not).

Note 1: “Buyers” of Output Deals understand they have limited if not zero visibility into movies within a slate, but must still comply with standard pricing schedules (and other recognized criteria) that ultimately establish each movie’s market valuation. “Buyers” must then pay the appropriate rates when valuations become known.

Note 2: Although it’s a rare occurrence, sometimes slates are so successful that “Buyers” are unable to pay the proper market rates once they become known (as the rates for hugely successful titles exceed their budgets). When this happens negotiations take place that are almost always favorable to both sides (sellers and buyers).

In addition, “Buyers” have no ability to pick and choose (or otherwise influence) any of the movies within a slate with exceptions being the largest of “Output Deal” licensees, and even then, influence is not always assured.

Note: “Buyers” are often allowed to pay license fees based on calculated market rates by way of multiple payments made within the span of the title’s pre-defined release windows. (Platform Operators are typically allowed to make three payments as follows: 1/3 upon delivery, 1/3 half-way point of premium window, and any remainder at the end of the premium window).

As for Media Exchange, “Output” deals, they are always linked to at least a minimal period of exclusivity, and exclusivity periods could reach 15 months and even longer.

Platform Operators that enter into non-exclusive deals cannot enter into “Output” deals simultaneously (or any other such contradictory arrangements).

Platform Operators that receive Output Deal status (with their exclusive status) need to follow the term and conditions for maintaining their Output Deals as provided by the specifications as defined in the Media Title Database (9.4).

## **9.5 Auctions**

Auctions can also take place, allowing Platform Operators to bid against competitors in order to gain access to both Output Deals and Exclusive License Deals. Such auctions will be conducted under the direction of the Trading Advisor (7.2), and means and methods to participate in such auctions will be made available to all constituents of the Media Exchange (as long as they have the appropriate financial resources to pay for license deals shortly after such auctions conclude).

The preferred embodiment for this patent application is to facilitate auctions for exclusive distribution rights (including equity ownership and/or derivative revenue streams) within discrete territories prior to listing contracts on the Media Exchange. This allows for two benefits as follows:

1. Exclusive territories can be auctioned to the highest bidder within territories before contracts are listed, so there is no confusion about licensing rights within the territory.
2. Important price discovery processes can be implemented at this time, providing information about “notional value” to both the exchange and traders.

Auctions to take place just prior to the time when media assets are listed on the Media Exchange (as further described above).

## **9.6 Crowd Funding Systems and Networks**

Many people around the world may want to be associated with discrete media titles by way of purchasing a small amount of equity interest in these titles (or receive derivative revenue streams or both). For their investment in given titles, they would then rightly be able to call themselves producers (or co-producers). This would allow them to purchase certificates, trophies, letters and other articles that confirm their status as well as more traditional hats, t-shirts, plaques, photos, etc.

Note: For the purposes of this patent application, all these items that are used to provide verification that an individual owns one or more media title “units”, are referred to as SWAG.

In a preferred embodiment, the people who own “units” will be encouraged to purchase SWAG materials from a store specifically established for this purpose.

As for the mechanism by which private individuals invest money in discrete media titles (entitling them to SWAG), a crowd-funding style apparatus can be used. Individuals will be able to visit an on-line portal and select projects that are of interest. Once enough information is provided to such individuals, they will be enabled to use the crowd funding mechanisms to make early-stage investments (typically of small dollar amounts), and then go to the associated store to purchase their SWAG.

All money collected within this crowd-funding apparatus will be converted into “units” that will be listed on the Media Exchange sometime in the future.

Just like more traditional producers (and co-producers), if the media titles enjoy financial success, these small “co-producers” will receive their profits (by way of equity ownership and/or future revenue streams).

In a preferred embodiment, the “units” purchased by such small investors (using an on-line portal connected to SWAG) will invest in REVPAC Bond (or iBond) “units” as they are insured for their “par” or “face” value.

## **9.7 Producer Dashboards**

Given all of the disclosure provided for the Media Exchange, secure connections allow producers to see and understand who is watching their media content and the associated license terms (and conditions) by which the content is being licensed, distributed and viewed.

Referring now to **FIG. 12** that describes how such a Producer Dashboard works given all of the various connections that are presented in this patent application. **FIG. 12** goes on to describe how a producer can use the Producer Dashboard to query the Media Exchange (on a project-by-project basis) for trading activities, and furthermore query global distribution partners that have license rights to the Producer’s media assets to understand how these media assets are performing in the field. Producers can establish

Digital Rights Management terms, conditions, functions and procedures to further protect their media assets.

Producers can then extend their access to the various screens, electronics devices and apps that are being used by global consumers in order to both protect the Producer's media assets from unauthorized access and to gain access to analytics (and other consumer-level data) that is then fed back into the Producer Dashboard in the form of images, charts, graphs and textual information.

Note: Strong encryption means and methodologies are used within such a Producer Dashboard System to thwart hackers and others who attempt to gain unauthorized access.

## **9.8 Blockchain**

As for auditing means and methods, the preferred embodiment for the Media Exchange is to employ a ledger system using well-known and well-documented Blockchain system and network. By using Blockchain as its ledger system, transparency will be provided to anyone looking for accounting information that is often more easily accessible than traditional studio accounting methodologies.

## **9.9 Web 3.0**

In a preferred embodiment, the Symbiotic Media Exchange will operate under both Web 2.0 and Web 3.0 network architectures with Web 3.0 being more decentralized than Web 2.0 and employing the Blockchain system and network.

## **9.10 Distribution DBase ID**

In a preferred embodiment of this patent application, media distributors will be provided with an Identification Number (or ID) that allows them easy access to all server systems and user interfaces associated with components of the Symbiotic Media Exchange that focus on the distribution of media assets. This Identification number is referred to as the Distribution DBase ID.

## **9.11 Rights Management DBase ID**

In a preferred embodiment of this patent application, platform operators will be provided with an Identification Number (or ID) that allows them easy access to all server systems and user interfaces associated with components of the Symbiotic Media Exchange that focus on rights management issues revolving around individual media assets. This Identification number is referred to as the Rights Management DBase ID.

## **9.12 Artificial Intelligence**

It is well known that the future of exchanges (of all kinds) will revolve around Artificial Intelligence (AI) means and methodologies (if they are not already doing so today). Such AI functions allow traders to simply define the desired outcomes (and time frames), and the AI systems will make the appropriate

trades (often using empirical data that is mined deep inside the internet or by way of access to “big data” sources).

It's important to note that the ability to offer “short” positions on the Media Exchange allows for highly sophisticated trading strategies (to be executed by way of AI or otherwise “quant” level traders) that can institute powerful and effective hedging positions. In some cases these hedging positions may become known to the stakeholders, however the assumption is stakeholders may never know about these positions (or care about them) as the larger media exchange apparatus consistently provides benefits by way of AI systems and networks.

Referring now to **FIG. 13** that describes the Media Exchange Artificial Intelligence (AI) Network and System. This **FIG. 13** describes how the **Media Exchange AI Network and System** (9.8) is connected to both the Exchange (6.1) and the MLDN (6.2). In this way, both of these systems (Exchange and MLDN) have direct access to the Media Exchange AI Network and System (9.8).

In a preferred embodiment, the Media Exchange (as disclosed in this patent application) may be owned and/or operated by a larger corporate entity that could potentially own numerous networked systems and apps. This corporate entity could be a publicly traded company or a private company. This corporation can also be an international company or a local company. For purposes of this patent application, we will call this corporate entity the “**Large Corporation**”. Also, in a preferred embodiment, this Large Corporation will own and/or operate an expansive AI network.

Referring now to **FIG. 14** that describes a server on the Large Corporation’s expansive AI network named the Large Corporation’s MASTER AI Server (9.9). **FIG. 14** further describes the Large Corporation’s Artificial Intelligence (AI) Server (9.9) at a high level and how it connects to the Media Exchange AI Network and System (9.8).

**FIG. 14** further describes how the Large Corporation’s Master AI Server (9.9) is connected to the Media Exchange AI Network and System (9.8) which is then connected to both the Exchange (6.1) and the MLDN (6.2). Furthermore, the “Large Corporation” will be connected to an expansive AI network including (but not limited to) AI modules from networks and systems as disclosed in the Prior Art section of this patent application.

Note: It is important to note that each AI network and system is secured using X.509 Digital Certificates by way of a Certificate Authority system as disclosed in this patent application.

Referring now to **FIG. 15** that describes how the Large Corporations Master AI Server (9.9) connects to the Media Exchange AI Network and System (9.10) and these other external networks and systems as disclosed in the Prior Art section of this patent application. **FIG. 15** also presents the following components are defined in the Prior Art section of this patent application (which are defined as follows:

- Multi-Language Versioning (or MLV)
- Direct Mobile
- Proxy Subscriptions
- Wiggle Room (WR)
- and REVPAC (or iBonds)

In addition, **FIG. 15** presents how the Large Corporation will have its own MASTER AI Server (9.9) connected to the Media Exchange AI Network and System (9.8), the MLV AI Server (9.10), Direct Mobile AI Server (9.11), the Proxy AI Server (9.12), the Wiggle Room (WR) AI Server (9.13), the REVPAC AI Server (9.14) and Other AI Server(s), 9.15.

Such a Large Corporation will have its own secure AI Network that connects all of these AI servers (9.16). These networked AI systems allow for an end-to-end AI superstructure for the larger cinematic industry.

## 10 The Step-by-Step Trading Processes

The Step-By-Step processes for trading “shares” and/or “units” over the Media Exchange are enumerated as follows:

1. The Trading Advisor contacts media producers, encouraging them to list their media titles on the Media Exchange. Candidates are typically producers, however content owners or financing partners (and/or media financing banks) are contacted as well.
2. Licensing Agreements are then signed between the Trading Advisor and the candidate media producer(s) content owner(s) or financing partner/bank(s)
3. Such a Licensing Agreement will specify “backend” equity (or future revenues streams) be made available to owner of “shares” or “units”
4. Such a Licensing Agreement will also specify any interest (or coupon) for any loans the Trading Advisor may facilitate
5. The Trading Advisor will then draw from a Line of Credit, and use such cash to pay the producer, content owner or financing partner/bank for specified development costs.
6. The Trading Advisor will order the contracts to be listed on the Media Exchange (according to carefully crafted contract specifications and licensing terms)
7. The Trading Advisor will meet with Platform Operators to establish any Output Deals
8. If no Output Deals are established, then the Trading Advisor can facilitate other Exclusive and non-exclusive arrangements. In a preferred embodiment, these steps will be performed “on-line” (if possible).
9. The Trading Advisor will specify the requirements for Exclusive licenses to be obtained by Platform Operators
10. The Trading Advisor will specify the requirements for Non-Exclusive licenses to be obtained by Platform Operators (or non-exclusives to be obtained after periods of exclusivity)
11. Such Licensing Agreements will specify the minimum number of “shares” or “units” that the Platform Operator will need to purchase and ultimately “settle” during the contract term (Exclusive or Non-Exclusive)
12. The Trading Advisor will additionally verify that a minimum of advertising “avails” are obtained from Platform Operators (Output Deals, Exclusives and Non-Exclusives)
13. A marketing campaign will then commence to announce the availability of contracts for a new media title
14. Traders to verify they have active accounts with authorized brokers
15. Traders to verify that enough cash has been transferred into their brokerage accounts
16. Price Discovery Processes are initiated by way of auctions and similar offerings (as described below)
17. Trading commences
18. Traders buy “shares” or “units” according to required territorial licensing requirements. For speculators, they are free to trade as they wish. For Exclusive or Non-Exclusive licensees, traders must meet the minimum trading criteria as specified within their Licensing Agreements
19. The Trading Term Expires



20. Contracts and agreements are Settled, and License “Rights” are assigned to Platform Operators and other traders who “Settle” – according to their license agreements
21. The Trading Advisor is paid with interest, and the Line of Credit (if used) is retired
22. Traders receive all specified Incentives (certificates, posters, DVDs, Digital Video Tape, photos with stars, other SWAG etc.)
23. Media Ad Campaigns commence (using ad “avails” provided by Platform Operators and the Media Title’s designated Marketing and Promotional budget as arranged by the producers and content owners
24. The Media Title is released to the public
25. Other functions, processes and procedures for the successful (global) distribution of the Media Title.

## 11 Price Discovery

The preferred embodiment for the Media Exchange is to use on-line means to discover the notional (or “street”) value of media assets. The Media Exchange, therefore, may offer the **pre-sale** of media “shares” or “units” to a diverse group of people (industry insiders and speculators) in order to determine the notional value of the media asset soon to be listed.

Such a preferred method (if used) will allow for the pre-purchase of “units” at a discount (to those who purchase these early contracts). For example, with a potential 1,000,000 “units” that are scheduled to be listed on the Exchange, as few as 5000 can be pre-sold into the market to establish a notional value. This notional value can then be used to establish the opening price.

If the pre-sale of contracts (and or “units”) is disappointing, the Trading Advisor may decide to refund all money and withdraw the media title from being listed.

Notional value can also be determined by way of the various auctions as described in this patent application and otherwise auctions not specifically mentioned in this application.

Alternative methods of determining notional value include (but are not limited to) industry analysts (such as the well-regarded Roy Salter of FTI Consulting), not to mention comparables or “Comps”, the use of computer software algorithms, or any combination thereof.

Other means and methods of price discovery can be used as well.

## 12 The Last Trading Day / Settlement

On the final day of trading for a given media listing, Platform Operators will need to insure they have purchased the minimum number of “units” required to secure the desired license terms to the media title (according to Output Deal, Exclusive or Non-Exclusive Licensing Agreements).

As described above, the preferred embodiment provides for a small (if not zero) leverage specification, so it may be possible for Platform Operators to simply allow the trading term to expire without transferring additional cash into their brokerage accounts.

Note: If significant amounts of leverage are applied to one or more media contracts, then all traders taking delivery of the media title (Platform Operators and others) would need to verify their brokerage accounts had enough cash to settle their accounts.

Settlement then to commence as per the contract term, and Platform Operators to receive media titles by way of a delivery process as describe below (in the section below titled Media Delivery).

### **12.1 Cash Reserves Automatically accumulated by way of Equity “Backend” or Revenue-Sharing Profits**

In a preferred embodiment, a banking mechanism will be made available to Platform Operators that accumulates profits from “Backend” or revenue-sharing payments (obtained by way of the Symbiotic Media Exchange), allowing the cash reserves generated from such profits to “buy-down” future content license fee obligations directly from these cash reserves, *automatically*.

Note: In a preferred embodiment, the “zero leverage” will eliminate disturbing margin calls from happening to important trading clientele, however in an alternative embodiment, contracts can be leveraged (as is the norm in commodities trading), however such clientele must transfer enough cash into margin accounts as facilitated by the Trading Advisor.

## 13 Promotion and Advertising

As described earlier in this patent application, Platform Operators (streaming, cable, satellite, internet, IPTV, OTT, mobile etc.) manage huge numbers of ad “avails” for their ad-supported channels and AVOD networks). In most cases, Ad “Avails” are national (and are embedded in the video stream they receive from a programmer, broadcaster, or network). It is common, however that Platform Operators have their own ad slots (sometimes referred as Local Ad “Avails”). Although it’s not customary to insert alternative ads into nationally distributed video streams, it is possible to do this (assuming permission is granted by the programmer, broadcaster, or network so revenue can be appropriately shared).

Local Ad “Avails” are commonly spliced today for local and regional relevance. There are also opportunities to insert ads into digitally recorded streams (DVR) after pre-defined timeframes have expired. In the world of streaming video, there are pre-roll ads and post-roll ads, and, in some cases, ads embedded in the middle of streams (referred to as interstitial ads).

As mentioned earlier in this document, the lack of awareness of new media releases are often the reason certain media titles under-perform in the marketplace. Consumers simply don’t know the titles exist (or may be unaware of release dates or otherwise where exhibitions are available).

Given the Media Exchange brings buyers (Platform Operators) to the market place and these same buyers (Platform Operators) own and manage huge numbers of Ad “Avails”, it’s preferred that Ad “Avails” be made part of the negotiation for territorial license rights. Therefore, when it comes time to release new media titles, such a media titles will receive more exposure due to these Ad “Avails” that have been transferred to the content owners.

Note: As mentioned above, this is why the Media Exchange is also referred to as the Symbiotic Media Exchange. Content owners receive cash by way of an aggregate of Platform Operators and Ad “Avails”. Likewise, Platform Operators are empowered to enjoy profits from successful media titles (by purchasing “shares” or “units”), and associated license rights.

Social Media plays a very big part in today’s promotional campaigns, and it is expected that numerous global platforms will, in fact, become popular social media sites and portals offering early release media content to their users. Therefore, the symbiotic nature described within this patent application (allowing platform operators to provide ad “avails” as a form of payment - in part or in full - for content licenses) can help these platforms achieve their goals.

It is expected that movie and/or TV trailers will be used as the content for ads being presented to users (in an effort to encourage them to watch these shows). In some cases these trailers will be localized to help increase their attractiveness in certain territories.

Given the tremendous strides taken in the world of advanced advertising over the last 20 years, efforts will be made to discover the individual tastes of the viewer, and then deliver selected movie trailers that will be more relevant to that individual viewer. For example, a trailer streamed to adults for a certain action movie may focus on the interpersonal relationships of the main characters. Likewise, a trailer going to teenagers may focus more on the special effects.

Such advanced advertising means and methods are performed by splicing ads as appropriate into the video's bitstream (cable, satellite, internet, IPTV, mobile etc.) Such splicing mechanisms are all well known in the industry.

Given the ad insertion granularity, next generation advertising methodologies can be employed including the following:

- National Advertising
- Regional Advertising
- Local Advertising
- Targeted Advertising (based on high-level criteria)
- Addressable Advertising (based on user's personal criteria)
- Native Advertising
- User-Selected Advertising
- Programmatic Advertising
- Native Programmatic Advertising

Referring now to **FIG. 16** that describes the Media Exchange at a high level along with the Ad “Avails” Database (7.7). This figure shows how platforms can provide ad “avails” as part (or all) of their payment for media licensing rights.

### **13.1 Video Loyalty Programs**

In addition to these advertising methodologies, **Loyalty Systems** can be added to each of these ad delivery mechanisms that will allow for the distribution of valuable incentives to those who watch the ads.

An example of such a loyalty system is as follows:

1. Tally instances where individual viewers have viewed ads
2. Assign loyalty “points” to such a tally
3. Notify viewers as various point thresholds are achieved
4. Allow viewers to redeem points for rewards
5. Allow viewers to redeem cash
6. Re-set the tally after the redemption of points
7. Start over again at Step 1

Points can be redeemed for one or more of the following:

1. Vouchers (Starbuck, McDonalds, etc)
2. Coupons (Unilever, Proctor and Gamble, etc.)
3. Sweepstakes entries
4. Gifts
5. Cash / Currencies / Cryptocurrencies, etc.
6. Other valuable incentives

### **13.2 Redeem Loyalty Points for “NO ADS”**

Another novel approach is to allow viewers a defined time period with “**NO ADS**” for the redemption of their points. This means such a viewer would have a start date and end date for a period when they will see no ads (whatsoever) over participating media delivery platforms.

The systems and functions that ensure “NO ADS” for a pre-determined length of time operate as follows:

***Streaming Networks:***

No ads are inserted into video streams

***Mobile Networks:***

No ads are inserted into video streams

***Pre-Positioned Streams:***

No ads are inserted into video streams

***Cable TV, Satellite and IPTV:***

Alternative (popular) video clips (or user-identified video clips) are played in the place of ads

Since the video delivery platform knows who is watching the video ad, and the platform also knows the ad is being played, loyalty points can be accumulated for this same viewer with tools, features and redemption facilities made available on a companion Mobile App.

The “Prior Art” section of this patent application discloses the Wiggle Room advertising loyalty program that can be directly connected to the Media Exchange by way of an expansive Artificial Intelligence network.

## 14 The Symbiotic Key

The Certificate Authority (14.0) referred to as the “CA” distributes Digital Certificates to all significant server systems on the network including but not limited to Platform Operators (7.4), the Exchange (6.1) and the MLDN (6.2). The Certificate Authority (14.0) and the Digital Certificates are components of the well known Public Key Infrastructure (or PKI).

Referring now to **FIG. 17** that describes how the Exchange (6.1) is connected to the Certificate Authority system (14.0), and additionally shows how Digital Certificates are issued to Platform Operators (7.4), Producers and Content Owners (7.3), the MLDN (6.2) and to the Exchange itself (6.1). In addition, other connections to external entities / partners / owners/ contributors can be made as well (in a similar fashion).

**FIG. 17** also demonstrates how the Certificate Authority (14.0) issues X.509 Digital Certificates to all major network components. In a preferred embodiment, the Exchange (6.1) is connected to the CA (14.0), however other network components can otherwise host the CA, or the CA can be an independent system (possibly hosted by an independent party or contractor).

By way of these Digital Certificates (as issued by the CA – 14.0), secure data paths can be established over the larger Media Exchange network.

### 14.1 Digitally Signed Envelopes

All communications between the Trading Advisor (7.2), Platform Operators (7.4), the Exchange (6.1) and the MLDN (6.2) will use what are known in cryptography as **Digitally Signed Envelopes** (referred to hereafter as the abbreviation **DSE**) which provide a cryptographically secure method to exchange and validate messages between each entity in the system. The following diagram describes the standard flow to create an DSE.

Referring now to **FIG. 18** that describes the Symbiotic Key and its delivery path. To create a DSE, the sender first creates a digital signature using the private key (1.) from the X.509 certificate issued by way of the Certificate Authority (14.0). The Message (2.) to be sent is passed through a hashing algorithm (3.) to create a Message Digest (4.) This Message Digest (4.) is then encrypted in the Signature Function (5.) using the “message sender’s” Private Key (1.) resulting in the Digital Signature (7.).

To encrypt the Message (2.), a Random Symmetric Key (8.) is created and used to encrypt the Message (6.) and Digital Signature (7.) resulting in the Encrypted Message (13.). The Random Symmetric Key (10.) from step 8. is then encrypted using the Receiver’s Public Key (11.) resulting in an Encrypted Symmetric Key (12.). The Encrypted Message (13.) and the Encrypted Symmetric Key (14.) can now be sent to the recipient securely with non-repudiation as the sender has signed the message using his/her private key and encrypted the contents of the message using a key only the recipient’s private key can decrypt.



Referring now to **FIG. 19**, the DSE (1.) consisting of the Encrypted Symmetric Key (1.1) and the Encrypted Message (1.2) is received by the respondent. The Receiver's Private Key (3.) is used to decrypt the Encrypted Symmetric Key (2.) resulting in the Random Symmetric Key (4.) that was used by the sender to encrypt the message.

The Encrypted Message (5.) is then decrypted using the Random Symmetric Key (6.) from step 4 resulting in the original unencrypted message consisting of the sender's Digital Signature (7.) and the Message (8.). The Digital Signature (7.) is validated using the sender's Public Key (9.) and the Signature Function (10.) resulting in the Message Digest (11.) The Message (8.) is also hashed using the Hash Function (12.) used by the sender resulting in a Message Digest (13.) The Message Digest (11.) must match the Message Digest (13.) to validate the integrity of the message.

Once Digital Certificates are distributed by way of the CA functions (14.0), the Platform Operator (7.4) will have access to what's referred to in this patent application as the "**Symbiotic Key**". This "Symbiotic Key" allows the Platform Operator (7.4) access the secure data stored in the Exchange (6.1) and secure data stored in the MLDN (6.2). ***Symbiotic Keys are valid for 24 hours*** from the date they are created by the CA (14.0).

The Symbiotic Key is accessed by way of the following steps:

1. A given Platform Operator (7.4) will generate a Transaction Number that is used to request a Symbiotic Key by way of the CA (14.0) hosted by the Exchange (6.1)
2. The Platform Operator (7.4) creates a DSE and then sends a DSE to the Trading Advisor (7.2).
3. The Trading Advisor (7.2) then authenticates the DSE from the Platform Operator and if valid, the Trading Advisor (7.2) creates a unique Symbiotic Key and "Symbiotic Key Package" with fields including, but not limited to the following:
  - a. Date
  - b. Time
  - c. Platform Operator id
  - d. Geo-Location Coordinates
  - e. Meta-Data
  - f. Symbiotic Key (itself)
4. The "Symbiotic Key Package" is then sent to the Exchange (6.1) using an DSE which uses the Private Key of the Trading Advisor and the Public Key of the Exchange.
5. The "Symbiotic Key Package" is then sent to the MLDN (6.2) using an DSE which uses the Private Key of the Trading Advisor and the Public Key of the MLDN.
6. The "Symbiotic Key Package" is then sent to the Platform Operator (7.4) using an DSE which uses the Private Key of the Trading Advisor and the Public Key of the Platform Operator.
7. The Platform Operator (7.4) receives the DSE containing the "Symbiotic Key Package". It then decrypts it using its private key and authenticates it using the Trading Advisor's "public" key.
8. ***If the DSE is valid, then the Platform Operator (7.4) will parse the "Symbiotic Key Package" to locate the "Symbiotic Key" (14.1).***

9. Once the Platform Operator gains access to the “Symbiotic Key” (14.1), then the Platform Operator (7.4) can make authorized queries into both the Exchange (6.1) and the MLDN (6.2) using the “Symbiotic Key” to make requests for data, for example:
  - a. Exchange
    - i. Current Trading Activities
    - ii. Historical Trading Activities
    - iii. Long Positions
    - iv. Short Positions
    - v. Limit Orders
    - vi. Other Exchange-related information
  - b. MLDN
    - i. Movies made available by way of the Exchange
    - ii. Movies Licensed in the past
    - iii. Movies currently Trading
    - iv. Movies Delivered
    - v. Movies to be Delivered
    - vi. Future Movies
    - vii. Other MLDN-related information

By way of the “Symbiotic Key Package” issued by the Trading Advisor (7.2) and the ability to gain access to the “Symbiotic Key” (14.1), the Platform Operator (7.4) and other authorized personnel are able to query all authorized databases within the Symbiotic Media Exchange.

Referring now to FIG. 20, that describes the following high-level processes by way of steps 1 through 4 as follows: **Step 1:** After the Platform Operator (7.4) generates a Transaction Number from by way of the CA (14.0), the Platform Operator (7.4) sends a “request” to the Trading Advisor (7.2) using an DSE to view data from the Exchange (6.1) or the MLDN (6.2) or both. **Step 2:** The Trading Advisor (7.2) creates a “Symbiotic Key Package”, (Process 2) which is then sent back to the requesting Platform Operator (7.4). **Step 3:** The Platform Operator validates and extracts the “Symbiotic Key Package” from the DSE, and uses the Symbiotic Key (14.2) for the purpose of querying for information or verification of settlement details from the Exchange (6.1) or MLDN (6.2). The Platform Operator creates a request using a DSE to query the Exchange (6.1) or the MLDN (6.2). **Step 4:** The Exchange (6.1) or MLDN (6.2) validate the DSE and extracts the data request from the Package. The data request is then executed and returned to the requesting Platform Operator using an DSE which the Platform Operator receives, validates and then extracts the requested data.

Referring now to **FIG. 21** that describes a high-level view of a Platform Operator (7.4) requesting a Symbiotic Key (14.1) from the Trading Advisor (7.2), and then using the Symbiotic Key (14.1) to gain visibility into the entire Symbiotic Media Exchange network.

**FIG. 21** shows how the Symbiotic Key (14.2) is generated by way of the CA (14.0) and the Trading Advisor (7.2) and used to query all of the major systems and databases connected to the Media Exchange Network.

## 15 Media Delivery

The Symbiotic Exchange by way of the MLDN (6.2) will facilitate the delivery of the finalized and fully encoded media content (title-by-title) to the Platform Operators (7.4) or any other buyers or agents who have settled with the Exchange (6.1) and have satisfied all terms and conditions of the License Agreements as described above (and are therefore due to receive authorized media content).

The steps for the delivery of media content titles are enumerated below.

Note: In all instances where the term “Platform Operator” is listed, the term “Authorized Distribution Partner” can alternatively be used as well.

1. Platform Operator is contacted (film festival, trade show, sales agent, on-line presence, Symbiotic Exchange personnel or otherwise)
2. Price for a given territory is decided and agreed between Trading Advisor and Platform Operator
3. License Agreements are signed by both parties (in writing or electronically)
4. A completion guarantor (or bonding agent) is engaged, guaranteeing the film will be delivered to the Platform Operators on schedule.
5. 20% deposits are collected from each Platform Operator and transferred to the trading Advisor (7.2), an Agent of the Trading Advisor, or a Collection Agency.
6. A “Notice of Delivery” (NOD) is sent to the Platform Operator (indicating the media title will soon be shipped)
7. Once the “Notice of Delivery” (NOD) is received, full payment plus material costs beyond the cost of the digital tape (DCP) are to be paid to the Trading Advisor, the Agent of Trading Advisor, or to a Collection Agency. Additional material costs to be paid as well including but not limited to film prints, sound files, artwork, electronic press kits, etc. Note: At the time of this writing, File Transport Protocols (FPTs) over the Internet are replacing shipments of digital tapes and will most likely become the industry standard within the next few years.
8. Once the deposit is received, a “Certificate of Sale” is emailed to the Platform Operator
9. Once the film is finished, a full set of deliverables (including but not limited to DCP-digital tape) is shipped to the Platform Operator by the pre-determined delivery date
10. The balance of the cash advances or minimum guarantees is collected from the Platform Operators and deposited into a collection account to be allocated as per a pre-defined waterfall disbursement schedule
11. The Platform Operator may decide to dub or subtitle (and have this done in their territory, and paid by them – and not paid by the Trading Advisor (7.2)
12. Any dub files, subtitle files, localized trailer videos, or any other digital files derived from the media title are to be sent back to the Trading Advisor (7.2)
13. Splits from profits or overages from “Minimum Guarantees” are paid to the Trading Advisor (7.2) as per the pre-defined waterfall disbursement schedule

Note: During the time this patent application has been in development significant improvements have been made to the delivery of media content from producers and/or studios to platform operators. File

Transfer Protocols (by way of the Internet) may be more prevalent rather than shipping of digital video tapes.

## 16 Content Security and Watermarking

In a preferred embodiment, all Platform Operators are required to demonstrate their network is fundamentally secure to both protect the media content and to protect service revenues as well. This can be accomplished in numerous ways as follows:

- Purchase end-to-end content security systems from one or more of the major content security providers
- Build an in-house content security system, and have such a system audited by one or more of the major content security auditing firms
- Otherwise acquire a content security system, and have such a system audited by one or more of the major content security auditing firms

In no case will media content be delivered to a Platform Operator that does not have at least adequate content security means that have been audited by at least one reputable digital security auditing firm. (See **FIG. 8** – Platform Database Fields labeled “Content Security Means” where a fully audited content security system is specified.)

Robust and survivable watermarking schemes and technologies to be used with high-resolution media content files. Such watermarking methods and means intended to track the source of unauthorized media content should media files delivered by way of the Symbiotic Media Exchange escape the Platform Operator’s network.

## 17 Wi-Fi and Mobile Multicast “Pre-Positioning”

Storage capacities on mobile devices will soon increase significantly (as storage costs continue to decline). High-value content will become available by way of “Pre-Positioning” (meaning content titles will be automatically downloaded to user’s mobile devices as long as users agree to allowing such download functions to take place with the understanding that significant storage space may be required). This way, high-resolution content titles can be enjoyed in wireless (Wi-Fi and mobile) environments without the need to stream content from Wi-Fi or mobile networks.

One of the major benefits of “Pre-Positioning” is the access to media content without accumulating data “minutes” or being charged for data usage.

When mobile networks are used to deliver media, content offered by such a combined Exchange and MLDN, efforts will be made to use **evolved Multimedia Broadcast and Multicast Services** (eMBMS) networks (often referred to as LTE-Broadcast) using a “Pre-Positioning” model as described in the Prior Art section of this patent application (above). Such a mobile delivery strategy offers much higher resolutions than counterpart Unicast streams at a fraction of the cost.

Such a “Pre-Position” strategy also remedies problems associated with congested or otherwise technically (or geographically) challenged **mobile** networks, especially mobile networks found in emerging market territories.

Once content titles are viewed, the user will be prompted to delete each media title with notifications that high-resolution copies are available in a secure (on-line) media “Locker” that can be accessed by way of an app or website.

## 18 Incentives for Traders

Incentives will be provided to traders of all kinds according to their trading habits and dollar volumes. In some cases, incentives will be provided at a reasonable cost. In other cases, deep discounts will be offered. It's also possible for incentives to be provided at no cost to selected traders who achieve established trading thresholds.

Incentives include (but are not limited to):

- Producer Certificates
- Framed Producer Certificates
- Meet the Stars
- Photos with the Stars
- A Day on the Set
- Statuettes
- Sweepstakes / Raffles
- Newsletters
- Invitations to Events (Red Carpet Premiers and otherwise)
- Special Website Log-Ins
- Authorized copy of the Media Asset (traded on the exchange)
- Hats / Caps / T-Shirts / Mugs
- Other gifts, rewards and prizes

## 19 The Mobile App

A companion Mobile App (designed for smart phones, tablets, smart TVs, etc.) will allow all participants of the Media Exchange to use virtually all services without the need for more traditional Laptops or Tower-Configuration PCs.

The Symbiotic Media Exchange's Mobile App will have features and functions including (but not limited) to the following:

- Buy "Units" and/or "shares"
- Sell "Units" and/or "shares"
- Buy Options on "Units" and/or "shares"
- Sell Options on "Units" and/or "shares"
- Pre-Purchase "Units" and/or "shares"
- Redeem or otherwise Manage Rewards provided by way of Incentive Offerings (mentioned above)
- View Current Trading
- View Historical Trading
- Search for Reviews, Opinions and Critiques
- Search for Social Media Interest (buzz)
- View Future Media Listings
- "Play" Media Titles Owned (at least in part) by Trader
- Manage Media Titles Owned (at least in part) by Trader – Using Cloud-based Content Distribution Network (CDN)
- Manage Cloud-based Content "Locker" where content titles are stored for future access (by way of any electronics device capable of accessing the internet)
- Other relevant features and functions

Note 1: These same features and functions will be made available on various on-line portals and facilities.

Note 2: The MLDN (6.2) will have full ability to either stream or "Pre-Position" media content (unicast or multicast) to user's electronic devices in the same way as other well-known and established content distribution networks (CDNs).



## 20 The Movie Bond – REVPAC (or iBonds)

A risk management apparatus designed specifically for the media industry must be created and launched in order to limit financial risks. In all other business sectors, the preferred risk management apparatus is a publicly available exchange. The public must be allowed to trade as the aggregate of their trades provides the much-needed liquidity for price stabilization.

Given the unique problems within the media industry, a traditional exchange approach does not work as there's too much exposure to manipulation given the nature of the underlying business. A new model must be created that solves the problems that are unique to the media industry.

The solution for media can be found in a financial instrument that is insured for its “par” or “face” value coupled with the ability to list such a financial instrument on a fully regulated exchange. If small investors are allowed to invest money in media assets at “par” or “face” value, and prohibited from investing at greater than “par” or “face” value, then such an exchange can be effective in attracting the necessary trading volume that is needed to stabilize asset values and offer opportunities for hedging.

Note: This means small investors will be invited to buy before the IPO, however most likely not afterward.

The REVPAC Bond or alternatively named iBond (as presented in this patent application) provides full **insurance coverage** at “par” or “face” value allowing it to be used as the underlying financial instrument for the Symbiotic Media Exchange that is designed to provide risk management tools and resources for all stakeholders (in ways similar to other important business sectors).

### 20.1 The Coupling of The REVPAC Bond and the Symbiotic Media Exchange

In a preferred embodiment, the Revenue Participation or “REVPAC” Bond (to be renamed the iBond) is traded over the Symbiotic Media Exchange in an effort to allow non-accredited (small) investors to trade along with more sophisticated traders and institutions. In the end, both the REVPAC Bond and the Symbiotic Media Exchange combine to increase the liquidity of underlying media assets.

Among the benefits derived from the coupling of the REVPAC Bond (or iBond) with the Symbiotic Media Exchange includes (but is not limited to) the following:

- Access to derivative revenue streams (gross revenue sharing)
- Licensing rights purchased by Platform Operators
- Conversion of Ad Spots (from Platform Operators) to cash
- Future participation warrants
- Hedging for Industry Insiders
- Financing for new Productions
- Financing of Pre-Productions
- Increased revenues for global media distributors
- Equity ownership (in some cases)

- Other valuable offerings

Referring now to **FIG. 22**, the Trading Advisor (7.2) will assist in distributing the media titles to numerous discrete and recognized global territories. The Trading Advisor (7.2) will use selected Regional Offices as hubs within given regions with networked systems also defined in **FIG. 22**. The **FIG. 22** also shows how the Regional Office Hum (21.0) is connected to the various Field Offices (21.1) located within its region. For example, a Regional Office Hub (21.0) may be located in Singapore, however Field Offices (21.1) may be in Bangkok, Kuala Lumpur and Manila.

In a preferred embodiment, the Field Offices (21.1) will connect by way of the internet to the Regional Office Hub (21.0) to gain access to all regional systems, databased, personnel information and other information. In an alternative embodiment, the Field Offices (21.1) can have their own local networks and databases as well and have less dependence on Regional Office Hub (21.0) resources.

The Regional Office Hub (21.0) will additionally connect to Platform Operator Networks (21.2), Social Media systems and networks (21.3) leverage all of the “telescoping” means and methodologies needed to search or otherwise discover meaningful metrics and performance indicators. The Regional Office Hub (21.0) will also have connections to Regional Media Outlets (21.4) such as movie theater chains, television networks, streaming services and others.

The Regional Office Hub (21.) will also have Historical Databases (21.5), Regional Office Resources (21.6), In-House Systems (21.7) and other Databases (21.8).

## 21 Miscellaneous

The following are miscellaneous systems, utilities and features that are available on the Symbiotic Media Exchange:

### 21.1 Social Media and Influencers

As mentioned above (and within a preferred embodiment), the Media Exchange will be connected to a multitude of broker-based networks such as currency/metals exchanges (FOREX) and Crypt-Currency exchanges to develop adequate liquidity over time by way of traders who decide to complement their portfolios with media titles. An alternative embodiment, however is to leverage social media networks and Social Media “Influencers” during the first few years of trading in order to create awareness of the Media Exchange and provide incentives for fans and retail traders who can be motivated (and/or compelled) to start buying and selling “units” and/or “shares”.

Note 1: An “Influencer” is a person who commands a sufficiently large social media following (on one or more social media platforms such as Facebook, Twitter, Snapchat and similar platforms found around the world).

Referring now to **FIG 23** that depicts the flow for such Social Media campaigns using “Influencers”. **FIG. 23** shows the Trading Advisor (7.2) will assist in the development of a social media campaign by selecting (or approving the selection of) qualified “Influencers” (22.2) for a given media title. An appropriate Social Media campaign will then be launched that is assured to attract the attention of target Followers (22.4). These target Followers (22.4) can then use facilities such as web sites, apps, and even telephonic services to buy and sell “units” or “shares” of listed media assets from the Media Exchange (6.1).

As is well known in the world of social media, Followers (22.4) routinely respond to incentives, so as a result, an Incentive Database (22.1) is provided that will monitor all activities as performed by the various Followers (22.4) and issue awards to those who have performed to required thresholds (example: Followers (22.4) accumulate “points” and receive well-defined gifts, prizes, awards, opportunities or otherwise).

Note: Performance is defined as one or more of the following:

- Sharing
- Re-Posting
- Liking
- Commenting
- Purchasing a small number of “units” or “shares”
- Purchasing additional “units” or “shares”
- Purchasing bulk “units” or “shares”
- And other activities that provide value or visibility to the media title or the Media Exchange (or both)

In a preferred embodiment, various sweepstakes will be offered to Followers (22.4) who have performed to certain pre-determined levels.

## **21.2 Incentives and Rewards**

A “Loyalty” system and network will be established that increments points for a given trader every time a successful trade (or other system-related task) is successfully executed. When such a trader has received a pre-determined number of points, valuable products/services can then be purchased using accumulated points, or points can be converted into currencies and alternatively, cryptocurrencies. Of course, such a loyalty system can be extended to provide movie tickets, free DVDs, on-line media “plays”, invitations to premiers, days on the set, a small part in a motion picture, trips, gifts, meetings with celebrities, etc. In some cases, traders may be more interested in supporting media projects and receiving gifts rather than making a profit on their media investments.

## **21.3 Settlements and the Requirement to “Cash Out”**

As the preferred embodiment for Symbiotic Media Exchange (as defined above) an attempt will be made to settle all listed contracts in cash soon after the media title’s initial exhibition period. It is assumed there will be qualified aggregator-buyers for such media assets at that time.

Note: Settlements to take place after the media title’s initial exhibition period as the value of the media asset can be calculated with great accuracy shortly after the media titles initial release to exhibitors.

If there is a scarcity of buyers for a final settlement, then the Trading Advisor (as described above) may establish its own media aggregation service (or library) that will purchase these media assets, or alternatively schedule auctions (on-line or otherwise) in order to sell these media assets using a “bid and ask” format. Of course, producers can always step-in with their own financing arrangements and purchase the assets with their own money or as part of a financing syndicate.

## **21.4 Loans from the Trading Advisor**

The Trading Advisor (as described above) can always provide loans for media projects in virtually any form and at virtually any time, however in a preferred embodiment, production loans would be in the form of Mezzanine financing with an “unsecured” position and an equity ownership component (in the media title). By providing such loans (Mezzanine financings or otherwise), favorable tax treatment can be gained in certain situations.

## **21.5 Events**

The Trading Advisor (as described above) can always schedule periodic events that allow stakeholders to gather and discuss upcoming projects and opportunities (as well as the success or failure of previous “listings”). In a preferred embodiment, one or more events will take place each year and be conveniently located and timed to coincide with major industry events close such as the Cannes Film Festival, the American Film Market or others.

## **21.6 Facility to Predict Future Performance**

The Trading Advisor (as described above) or agency designated by the Trading Advisor is expected to provide a facility that will determine a score (like a Rotten Tomatoes score) for a given **screenplay** (written in virtually any word processing format including but not limited to Final Draft, Microsoft WORD and PDF). Such a score to be used by traders as due diligence information before they buy or sell “units” of listed media titles. Such a screenplay scoring facility to be found on the Trading Advisor’s web site, app or on other web sites or apps that promote or otherwise provide information about the media title before or immediately after it is “listed” on the Media Exchange.

Note: Both machines and humans will be used to score screenplays and/or ancillary project information.

## **21.7 Branded Studios**

The Trading Advisor (as described above) can at any time establish “branded studios” for individual producers or celebrities allowing traders to select discrete media titles created by such a producer/celebrity rather than focusing on discrete titles or a given media organization.

Note: The popular site YouTube uses the same concept of “Branded Studios”, however the Symbiotic Media Exchange model (and this patent application) goes further by allowing for the trading of equity (or derivative future revenue streams) of the productions from these “Branded” studios.

Example: A given trader may want to go either “long” or “short” on all media titles produced by Woody Allen, and Woody Allen may wish to encapsulate all his projects into a single entity that is then “Branded” as his own studio with a name like, “Woody Allen Studios”. Such an effort can help traders find media titles that are desirable for the trading of “shares” or “units” (long or short) where otherwise such an effort would require more searching and discovering.

## **21.8 International Agent Fees**

The Trading Advisor (as described above) will be prepared to pay various agents and distributors (and other distribution entities) that own or otherwise control media platforms within certain discrete territories. Such payments to be deducted from the disbursement waterfall as presented earlier in this document. Such territories often have large numbers of foreign workers (or hotels) so the media platforms don’t necessarily cater to the local population.

## **21.9 Holdbacks**

The Media Exchange's distribution strategy allows for "Holdbacks". The definition of a "Holdback" being the restriction of distribution rights **to others** while the media content is being distributed by the legitimate licensor.

An example of a "Holdback" scenario is as follows:

An Indonesian Distribution Partner purchases the minimum number of "units" in media title(s) by way of the Symbiotic Media Exchange and is awarded with non-exclusive rights to distribute the media title(s) throughout Indonesia. This same Distribution Partner purchases additional "units" and is awarded with the exclusive rights to distribute the media title(s) throughout Indonesia. By purchasing **even more** "units" of the media title(s), such a Distribution Partner can then purchase a "***Holdback***" that prohibits these same media title(s) from being distributed in neighboring territories. Such holdbacks compel consumers to subscribe to the Indonesian Distribution Partner's platform service as the (artificial) scarcity of these titles in the region makes their service more valuable.

A "Holdback" system and network will be available to distributors as they use the Symbiotic Media Exchange to buy "shares" or "units" of media titles. It is, therefore envisioned that sophisticated distribution "rights" packages and programs will be awarded and appropriately managed by the Symbiotic Media Exchange.

## **21.10 Censorship Issues and Quotas**

The Trading Advisor (as described above) will work to prepare producers for all governmental sensitivities including but not limited to censorships and quotas. For example, producers "listing" media titles on the Symbiotic Media Exchange will be allowed to apply for Chinese Co-Production status or simply apply for a slot within a given year's "slate" (meaning quota for foreign titles). In addition, introductions can be made to important distribution partners (such as the China Film Group for the China market) and others based on the proper applications being submitted, monitored and acted upon when necessary.

Note: In the example of the Chinese market above, this assumes media titles were produced outside of Mainland China and its producers are pursuing distribution inside Mainland China. Alternatively, media titles can be produced inside Mainland China, however distribution may be sought in other territories that also have their own censorship requirements, and so forth.

## **21.11 Trading Accounts**

In a preferred embodiment, all disbursements of cash and currency (of one kind or another) will be facilitated by the Trading Advisor (as described above) in coordination with the Symbiotic Media Exchange network. The Trading Advisor in conjunction with the Media Exchange network will establish "Trading Accounts" for all participants (producers, brokers, speculators, Platform Operators and others) will use these "Trading Accounts" to appropriately move money from one authorized account to another. The primary reason being to relegate the fiduciary responsibility to the Trading Advisor (in coordination

with the Media Exchange) and not the individual participants as delays in payments (for any reason) could comprise the Media Exchange's name and reputation. Given such responsibly shouldered by the Trading Advisor (in conjunction with the Media Exchange), all groups will be paid "on time", however the Trading Advisor will be responsible to negotiate with groups and individuals that may fall behind and charge fees and penalties accordingly.

Note: In some cases, the Media Exchange must coordinate its account transfer responsibilities with the "clearing" facility (or clearing house).

## **21.12 Factoring**

The Symbiotic Media Exchange can alternatively allow for the "**factoring**" of receivables from media assets or otherwise allowing producers to gain access to capital by way of future receivables using traditional "factoring" models and practices.

## **21.13 Digital Rights Management**

Referring now to **FIG. 24** that provides a high-level view of how "digital rights" management functions and features are managed throughout the Symbiotic Exchange Network with analytics and empirical data being provided (in a timely manner) to producers, content owners, authorized personnel, and other stakeholders. **FIG. 24** further describes how Producers (7.3) list their media assets on the Media Exchange in such a way as to raise money for production financing (or other forms of financing). In addition, such Producers (7.3) can offer territorial (or global) licensing rights by way of the Media Exchange (6.1). The Producers (7.3) can also establish Digital Rights Management (DRM) criteria by way of the Digital Rights Management System (22.5) to define the conditions by which the media content will "play" for the end user.

Note: In a preferred embodiment, both the Digital Rights Management System (22.5) and the Media Exchange will operate in the "cloud" by way of the internet.

Platform Operators (7.4) then act as buyers and have the ability to purchase license rights and equity ownership (or future revenues streams), but need to comply with the Digital Rights criteria (as established by the Producers - 7.3).

Note: The Platform Operators (7.4) will be made aware of all Digital Rights criteria prior to purchasing "shares" or "units" from the Media Exchange. In addition, any Digital Rights criteria that are non-standard will be highlighted to all potential buyers by way of the Digital Rights Management System (22.5) and the Media Exchange (6.1).

When users send commands to play media content from Producers (7.3), then the Platform Operators (7.4) will make a connection to the Digital Rights Management System (22.5) to authenticate the user and verify the DRM criteria (as established by the Producers – 7.3) are being honored by all parties within the supply chain.

If the criteria as established by the Producers (7.3) have not been honored (by one or more parties within the supply chain), then the media content will not play and the user will be notified of the problem (by way of a text, video, audio or other messaging process).

In a preferred embodiment, the authentication of the user will be made by way of a chip-level ID number that is unique to that individual device (and no other device on earth). This unique chip-level ID number sometimes referred to as a UUID (or Universally Unique ID Number).

The identification number used to query the Digital Rights Management System (22.5) is the Rights Management DBASE ID (22.7). This Rights Management DBASE ID (22.7) will be securely transmitted to all authorized stakeholders by way of encryption methodologies as defined in the patent application (including but not limited to Digitally Signed Envelopes – DSEs).

After the user's device has been authenticated (22.6), and the content plays for the user, Analytic Data (22.8) or otherwise "Analytics" from the user and the media "sessions" are transmitted back to the Producers (7.3) to be displayed on the Producer Dashboard (9.7) as depicted in **FIG. 12**.

Referring now to **FIG. 25** that describes the connection of Market Makers by way of a "Clearing Member" (or bank), and then to the Symbiotic Media Exchange including the Clearing Functions (also facilitated by one or more banks). **FIG. 25** shows how Producers (7.3) and Platform Operators (7.4) will often have trades performed by way of Market Makers (22.9) and Clearing Members (22.10).

#### **21.14 ATSC Television**

At the time of this writing, a new form of digital terrestrial television named ATSC 3.0 will be launched across North America offering 4k television signals to large populations who live in (or close to) large metropolitan areas. These (free) 4k digital terrestrial streams will, then again, take a bite out of incumbent streaming services (as defined above).



In the end, the Media Exchange offers a way for Platform Operators of all kinds (including those who deliver ATSC-3 signals) to lower their cost of content acquisition by profiting from high-value media titles as a result of buying media “units” as described above.

The individual ATSC operators are considered Platform Operators (7.4) and connect to the Symbiotic Media Exchange by way of the Platform Database (9.3) as provided in the disclosure above.

### **21.15 Video Games**

It is important to note that media assets include powerful and highly entertaining games including games played in the Metaverse (or within a Web 3.0 environment). It is well known some of these games are extremely popular and account for more consumer engagement than traditional TV shows and movies. Such powerful and engaging media assets will certainly be the focus of such an Exchange as described in this patent application.

### **21.16 Data Creation, Collection and Aggregation**

Valuable data elements can be created by way of such a Media Exchange and provided to the larger media industry to better understand market trends not to mention shifts in supply and demand.

Other media-related data elements can be captured, aggregated, curated and provided to the industry at large as well such as trading volumes, trends, season trades, market corrections, etc.

It is anticipated that *data* from such an exchange will be considered highly valuable over time.

### **21.17 Symbiotic Media Exchange used to Lower Content Bills for Retail Traders**

Although the Media Exchange is designed for institutional sellers (producers) and buyers (Platform Operators), it's also possible for retail traders (consumers) to likewise use the exchange to earn profits from media titles and dedicate these profits in such a way as to lower their monthly content bills (streaming, cable, satellite, etc.)

The author of this patent application filed disclosure and claims for such a connection for retail traders. The title of this patent application is Proxy Subscriptions as described in the Prior Art section of this patent application (above).

### **21.18 The Celebrity Exchange**

Referring now to **FIG. 26**, this is an alternative embodiment, such a Media Exchange can be used to list personalized products and/or services as launched (from time to time) by celebrities with significant social media followings. These products and/or services will be referred to in this document as “brands”. More information about such a “Celebrity Exchange” is presented in **FIG. 26** that depicts the high-level architecture of the network architecture. The process flow for such a “Celebrity Exchange” is as follows:

A given celebrity (5.20) will continue to leverage existing distribution channels (5.21) in order to sell the celebrity's own branded products and/or services through retail channels (5.22), however alternatively, these same celebrities (5.20) can be their own social media "influencers" allowing their fans to:

1. Purchase the branded products and/or services through retail channels (5.22)
2. Use social media platforms (5.25) to buy or recommend products and services
3. Purchase "units" (expressing equity ownership and/or derivative revenue streams) in the "brand" itself, allowing fans (5.28) to **participate** in the branded products and/or services along with the celebrities). The potential for synergy in this model is that numerous loyal fans (5.28) would be motivated to participate with celebrities by being both an owner of "units" purchased from a Media Exchange (5.23) and simultaneously, a consumer of the band's products and/or services. It is assumed that such a model, when successful will have the effect of increasing retail sales volumes (as more overall interest will be generated).

For this to happen as described above, the celebrity's agent(s), attorney(s) or otherwise counselors (5.26) must participate as there are many moving parts that need to be carefully orchestrated in order to achieve the intended outcome. For example, a given celebrity must have an abundance of fans (5.28) who become investors and/or speculators (5.27).

Finally, an Incentive System and Database (5.24) must be connected to such a network in order to generate the social media activity necessary for such a model to be successful.

## **21.19 The Metaverse**

The Symbiotic Media Exchange combined with the patent applications as disclosed in the Prior Art section (above) to operate in such a way as to provide valuable Metaverse experiences to users around the world including (but not limited to):

- Finance Movies and TV Shows
- Run a Major Hollywood Studio
- Make your own Movies and TV Shows
- Be and Actor in a Movie and/or TV Show
- Many others.

Referring now to **FIG. 27** that provides a high-level organizational chart depicting the major functions of the Symbiotic Media Exchange and how these systems are connected to each other.

## 22 Guaranty Bond Fund

The iBOND Guaranty Bond Fund (the “Fund”) is an investment company incorporated as an exempted or registered company within the definition of “mutual fund” and/or “closed-end-fund” operating within the laws in a recognized major country (with possible registrations in numerous countries around the world). The Fund consists of preferred shares that provide the holders revenue participation yields and net realized trading gains derived from its investment portfolio.

The investment objective is to achieve above-average yields, with securitized guaranty of principal investment, by investing REVPAC Bonds (or iBonds) as disclosed above, in promising early-stage and emerging motion picture development projects (or their associated investment trusts) which either have their securities listed or express their intention to list on the inter-bank auction markets.

Such a Guaranty Bond Fund to be listed on the Symbiotic Media Exchange (as disclosed above).

The iBOND GUARANTY FUND’s investment portfolios consist of: ***Motion Picture Development Investment Trusts***. The Investment Trusts are organized for the purpose of receiving disbursements equivalent to a *Yet-To-Be-Decided (YTBD)* percentage of the gross revenues derived from the worldwide licensing of broadcast, streaming, sale, and any other exploitation of Motion Picture Productions that are produced from the Pre-Productions, funded by the Investment Trust and any additional sequels, thereof. The Investment Trust receives royalty disbursements from the license fees for the worldwide licensing of broadcast, streaming, sale, and any other exploitation of the productions and from the license of additional sequels, which may be produced from the Pre-Productions.

The iBOND GUARANTY FUND underwrites 100% of the First Round Financing of each investment trust for the purpose of effectuating production of Ten (10) Motion Picture Properties. Each 10 Properties being referred to as a “PRODUCTION SLATE”. The Fund’s investment provides 100% of the First Round Financing of the PRODUCTION SLATE with the purpose of financing the “pre-production” costs of the motion pictures within the PRODUCTION SLATE, in order that each Motion Picture may proceed to Second and Third Stage Funding opportunities defined as follows:

First-Stage Funding: Pay certain pre-production and other development costs.

Second-Stage Funding: The production of end-product motion pictures for eventual distribution.

Third-Stage Funding: Pay for P&A (Prints and Advertising) plus other distribution-related.

Note: The Investment Trust may realize significant future revenues derived from the licensing of productions in select territories (or all territories) with an option to create Multi-Language Versions of these same motion pictures as described in the Multi-Versioning Patent Application provided in the “Prior Art” section of this patent application.

## 23 What is Claimed

The claims for this patent application are as follows:

Claim 1: An exchange is established to take a percentage of the equity in each media asset, break the media asset into individual component parts (such as commodities-style contracts), and then list these contracts to potential buyers, sellers and speculators by way of means, methods and tools found in the domain of "Futures" trading.

Within this process of listing "Futures"-style contracts, downstream distributors can buy contracts, and if they buy a pre-determined number of contracts and hold these contracts until settlement, they will receive four benefits as follows:

6. Distribution Rights within their discrete territories (Exclusive or Non-Exclusive depending on the number of contracts purchased)
7. "Backend" equity within these media assets as defined within the contracts (allowing proportional revenues to be distributed to these same distributors)
8. Valuable Ad "Avails" as provided by distribution partners (cable, satellite, internet, IPTV, mobile etc.)
9. Valuable Risk Management means, methods and tools

Given Claim 1: An Exchange and Clearing House with an electronic interface to a Media Licensing and Distribution Network

Given Claim 1: Encryption Keys that provide authorized access to all major databases and systems

Given Claim 1: A Trading Key issued by a Broker that will allow traders of all kinds to buy or sell media assets, media contracts or perform virtually any current day trading activities based on media assets

Given Claim 1: An Access Key issued by the Trading Advisor, allowing industry personnel to query, update or otherwise manipulate the Media Licensing and Distribution Network.

Given Claim 1, The pairing (or concatenating) of one or more Trading Keys with one or more Access Keys allowing Traders to purchase territorial license rights for media content by way of trading media contracts as per the specific terms and conditions within the media contracts.

Given Claim 1: A Trading Advisor function

Given Claim 1: A Trading Advisor as an authorized Broker

Given Claim 1: Producers, Content Owners, Speculators, Platform Operators and Industry Insiders who coordinate functions with the Trading Advisor

Given Claim 1: The settlement of the media contracts allowing for the settlement cash-flows to retire any loans facilitated by the Trading Advisor

Given Claim 1: Then allowing media content to be delivered to the Platform Operator along with documents and certificates that provide proof of the Platform Operator's compliance with media license terms and conditions

Claim 2: A Trader ID and an Access ID Number

Given Claim 2: Territorial Licensing Database

Given Claim 2: Sub-Licensing Database

Given Claim 2: Territorial Sub-Licensing Database

Given Claim 2: Option for "NO LICENSING"

Claim 3: Network offering Output Deals

Given Claim 3: Network offering Exclusivities

Given Claim 3: Network offering Non-Exclusives

Given Claim 3: Banking mechanism that accumulates revenues from "Backend" revenue streams (obtained by way of the Exchange), allowing the cash reserves in such banking mechanism to pay future content license fees directly from these "Backend" profits.

Given Claim 3: A Cloud-Based Media Locker containing all Media Content made available by such a network

Claim 4: A Symbiotic Key used to access Primary Databases

Claim 4: Symbiotic Keys that expire after pre-determined periods of time

Claim 5: Advanced Advertising Methods and Means including:

- National Advertising
- Regional Advertising
- Local Advertising
- Targeted Advertising
- Addressable Advertising
- User-Selected Advertising
- Programmatic Advertising
- Native Advertising

Claim 6: Loyalty Systems that are used to reward users who watch and, in some cases, act upon or otherwise respond to certain ads. Rewards can be periods with no ads whatsoever.

Given Claim 6: Content Security and Watermarking Means and Methods

Given Claim 6: Wi-Fi and Mobile Multicasting "Pre-Positioning" Means and Methods

Given Claim 6: A companion Mobile App

Given Claim 6: Incentives for Traders and other Participants

Claim 7: Ancillary Benefits that improve visibility of the Symbiotic Media Exchange to create enough liquidity to offer both "long" and "short" positions

Given Claim 7: Human Resources (HR) systems and means for allowing people to involve themselves in the greater motion picture industry by way of the Symbiotic Media Exchange

Given Claim 7: Auctions including World Wide Auctions not to mention Regional and Local Auctions as well

Given Claim 7: Units in a Limited Liability Corporation (or LLC) that synchronize with "units" provided by way of a media "futures" contract

Given Claim 7: Large media "Premiers" in locations such as Las Vegas Casinos (rather than comparatively smaller Premiers in Hollywood

Given Claim 7: Allowing for Brokerage Accounts provided by way of the Trading Advisor

Given Claim 7: A means to charge producers a "Listing Fee" that may be a percentage of the money raised for the media project, or a flat fee, or both, or an alternative form of compensation

Given Claim 7: Artificial Intelligence means and methods including a Media Exchange AI Network and System

Given Claim 7: Artificial Intelligence means and methods that connect the Media Exchange AI Network and System to a Large Corporation's Master AI Server

Given Claim 7: Artificial Intelligence means and methods that connect the Large Corporation's Master AI Server to external servers including (but not limited to) the MLV AI Server, Direct Mobile AI Server, Proxy AI Server, WR Artificial Intelligence Server, REVPAC AI Server, Other AI Servers

Given Claim 7: Producer Dashboards

Given Claim 7: Blockchain

Given Claim 7: ATSC3

Given Claim 7: Field Offices

Given Claim 7: Social Media Influencers

Given Claim 7: Specific trade shows and events for the Symbiotic Media Exchange

Given Claim 7: A "Script Scoring: facility

Given Claim 7: Optional (negotiated) "Hold Backs" requested and paid by distribution partners (licensees)

Given Claim 7: Rights Management Means and Methods within the Symbiotic Media Exchange

Claim 8: Celebrity Media Exchange providing celebrities with a way to leverage their fame to aggregate their fans in such a way as to sell "units" of "futures contracts" in order to co-invest in celebrity-branded products and services.

Given Claim 8: Celebrity Banded Studios

Claim 9: The Symbiotic Media Exchange will allow authorized facilities, means and methods that allow traders and brokers to message talent and talent advisors (in media projects) within such a way as to adhere to common industry practices and procedures.

Claim 10: Such a Media Exchange can alternatively allow for the "**factoring**" of receivables from media assets or otherwise allowing producers to gain access to capital by way of future receivables (in virtually any form) by way of listing "futures" contracts as described in this patent application.

Claim 11: A Motion Picture Bond (MOCI Bond) that acts in ways similar to a Collateralized Mortgage Obligation (CMO), by way of an exchange (like the Bloomberg Exchange) so trading can begin (as a first phase in a two-phase plan), prior to the launch of the full Symbiotic Media Exchange as defined in this patent application. Such a Motion Picture Bond to mimic the functions and purposes of a the Symbiotic Media Exchange (or any Media Exchange) for an interim period of time.