

E21

Whitepaper 1.0

Next Generation Foundations for the Creator Economy

E21 FOUNDATION

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We have entered an age where creativity is increasingly becoming the driving force of economic value. There are now more than 100 million creators who engage, educate and entertain the global population daily. These creators now hold audiences of billions of people and are now able to make a living through their creations and passions. This new social rearrangement is formalizing in what has come to be described as the creator economy. This might come to be one of the most powerful social phenomenon since the industrial revolution.

The problem is that this new economy lives in siloes with little intermediation or consistency in standards. It also lacks a robust financing backbone for new projects and for growth. Solving the problems of this new age economy and connecting all its participants will deliver the enduring foundations for its growth and stability. E21 is building the communication and financial technology infrastructure that would power this new age, the creator economy – today and forever.

For investors and blockchain enthusiasts, this is a new coin to buy and project to support. For creators, this is a new way to earn a living. For audiences, these are new projects and creations. With E21 Coin as a central currency, E21 plans to focus on these key areas:

- *CE Finance: Protocol and engine to finance the right creators to grow and bring projects to life at the right cost of capital.*
- *Data Fabric: Aggregation of necessary off-chain data to support protocol.*
- *Trust Minimization and Permissionless: Decentralization, strong anchoring in high-security blockchains, cryptographic techniques and cryptoeconomic guarantees*
- *Cryptoeconomic Security: Rigorously designing and robustly deploying mechanisms that ensure that there are strong economic incentives to behave reliably and correctly, even in the face of well-resourced adversaries.*
- *Structured Yields: Ability for investors to get access to structured yields through creator assets.*

Keywords: creator economy, intermediation, assetization, platforms.

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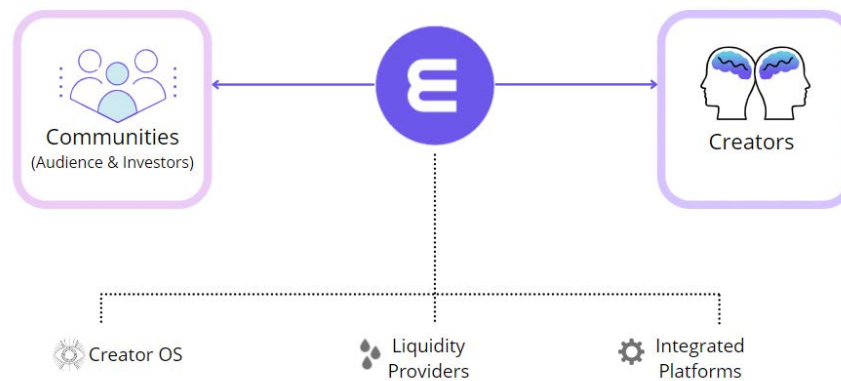
1. Introduction

The internet has generated many opportunities for creative people to make money online. Writers, filmmakers, musicians and other content creators are able to share their creative visions with an appreciative community. This organization of creator and community has formed what has come to be described as the creator economy. Being successful in this economy isn't about millions of dollars, or millions of clients. It is about the loyalty and interest from a small but passionate community. Community is now capital.

The success of any economy depends on the leveraging effect of the financial technology on the sum of the asset base of the economy – in the case of the creator economy, creative output and community. E21 is building the financial technology needed to facilitate and drive this new age economy. The E21 ecosystem is going to become the ultimate creator's paradise.

"There's so much infrastructure that needs to be rebuilt for creative people in this new world, where there are 100 millions of people being professional, full-time creators. That infrastructure is largely unimagined and certainly unbuilt right now." Jack Conte, CEO of Patreon.

A simplified architecture diagram of the E21 system is shown below:



1.1 The Creator Economy

The creator economy is defined as the class of commercial activity driven by independent creators and community builders plus the technology and financial tools designed to help them with growth and monetization. Having built communities, creators can become full-fledged businesses with multiple revenue streams beyond ads. Companies have arrived to help creators earn money by selling products such as premium content, merchandise, books/ebooks, newsletters, or selling services such as fan engagement, coaching, consulting, speaking engagements etc. This lets creator's focus on delighting their fans monetizing their community. Creators are the 21st century entrepreneur and this new class of market participants are going to define a lot of business activity in the next decade.

Like any branch of economics, the basic issue of allocating scarce resources in the creator economy is important. Thus the microeconomic concerns of supply and demand and the macro-economic

concerns of investment, financing and economic linkages with the rest of the economy form an essential part of the subject. The technologies that sit at the center of these are important to the long term sustainability of an economy.

1.1.1 Case Study

Here is the story of one of the brightest examples in the space – Anthony Pompliano, and why there will be more creatorpreneurs in the next decade. The early years of Pomp’s life career seem similar to that of the rest of us. He played in the system of established institutions: went to college at Bucknell, then joined the US army and spent time at Faceook as a PM. Along the way he got into angel investing and crypto.

Just 4 years ago, in 2017, something changed. Pomp’s name gradually started popping up everywhere. He became known as ‘the Bitcoin guy.’ What did he do and how did he do it? Pomp build a sizable audience through owning a niche, first on Twitter, then multi-platform (YouTube, podcasts, mainstream media such as CNBC, a newsletter, his own website). He has become a brand, synonymous with crypto and entrepreneurship. Now he monetizes through multiple diverse revenue streams: a rolling fund via AngelList where he makes startup investments out of, merch, a daily Substack newsletter, a live cohort-based course via Maven and via subscriptions. Changes in the past decade made Pomp and other creatorpreneurs possible.

While Anthony Pompliano is one of the most visible examples, his story is not unique. Anyone with access to the internet and expertise in something (anything from sewing formal dresses to playing magic or curling) can do a version of this. Creatorpreneurship is on the rise.

Supporting these creators pre-enterprization, being a part of their growth story as they monetize and creating economic language that aligns creators and communities is necessary for this economy.

1.2 Key Design Goals

- **CE Finance:** A well-functioning economy depends on well-functioning capital markets that create economic language and structures that aligns participants to create value for the economy. Building the financial backbone on which the creator economy relies on is a complex task that requires technologies and protocols to do exactly that - create trust and incentivize behavior.
There is the requirement of an understanding of the evolution of demand, pricing policies, business environment, viability of alternative options and various types of impacts. Historical and forecast data are required for such exercise.
- **Data Fabric:** A large volume of information is required for efficient and most economic system operation. The information required include supply and demand positions, system availability, technical constraints, etc. Aggregation of necessary off-chain data is needed support creator economy.
- **Trust minimization and Permissionlessness:** Decentralization, strong anchoring in high-security blockchains, cryptographic techniques and cryptoeconomic guarantees.
- **Cryptoeconomic Security:** Rigorously designing and robustly deploying mechanisms that ensure that there are strong economic incentives to behave reliably and correctly, even in the face of well-resourced adversaries.
- **Structured Yields to Investors:** Ability of investors to get access to structured yields through creators.

1.3 *Organization of the Paper*

We present the creator asset form in Section 2 where we show the consideration of political-economic actors, knowledge, and practices involved in the creation and management of value in the creator economy. In Section 3, we outline the ecosystem that would power these ideas and describe the E21 coin in Section 4. We expand on our roadmap in Section 5 and finalize the whitepaper with concluding remarks in Section 6.

2. **Creator as an Asset**

2.1 *The Creator Asset Form*

The creator form is now an asset and we seek to create structure to allow for creators to grow their audiences and revenue and access capital from structured capital markets. As a result of the work that E21 does, creators all over the world stand to financialize and investors would be able to access structured yield from the work that creators all over the world do.

2.2 *Assetization, Financialization and Management of Value in the Creator Economy*

2.2.1 *Assetization and Financialization* This section explores the capitalization devices, narratives, and durable legal foundations through which creators are transformed into assets, valued in terms of the future earning power they promise their investor. In Commons' *Legal Foundations of Capitalism* (1924), he provided a characterization of the notion of asset as a pivotal piece within a conception of economic value in which the latter would derive not from the properties of things or their commercial appraisal but from their expected earning power (EEP).

A foundation of creating structured finance around creators is based around our ability to tap into data through both structured sources and subjective sources to compute an EEP score for creators around the world. The generation of contemporary creator capitalism hinges on the successful deployment of a specific set of calculative practices. We see this score as foundational to the formalization of the creator economy as it would create an economic language that aligns people.

By switching attention away from calculative market devices that facilitate the value and exchange of commodities, and toward the capitalization devices through which assets are made valuable in light of their earning potential, it is possible to remain attentive to the political controversies embedded in socio-technical devices while also appreciating them as explicitly capitalist forms of calculation that "connect distant situations and configure large social realities." What is being capitalized in the calculation of net present value is the "power of creators to build a community around themselves and their derivative works"

The EEP Score is calculated from:

Backward Looking

- Earnings from last 3 months
- Creator Classification
- Number of Followers
- Power of the Fandom

Forward Looking

- Expected community growth
- Expected revenue capture through commerce

2.2.2 Management of Value The value of any asset and its valuation are dynamic, in that it is constituted by an active and ongoing management of that value by social actors who are both internal and external to an organization. We shall use an outcome accountability framework for managing value in the creator markets. More of that published in the sequel to this paper.

2.3 Primary and Secondary Markets

The function of these are to facilitate the depth and liquidity in the trading of creator assets as well as create structured yields for investors.

3. Ecosystem

3.1 Creator

Creators develop original, high-quality content as a form of self-expression, build loyal communities, and monetize value created.

3.2 Community

Community is the lifeblood of the creator economy. These are people that actively engage with the creators or platforms in the creator economy.

3.3 CreatorOS

This fabric would allow creator platforms from external ecosystems to interface with E21 financial technology through an API – [correct architecture sharing and universal recognition around API and data model] – allowing them to manage and increase value within their ecosystems.

3.4 Liquidity Providers

These are individual or institutions which acts as a market maker in a given asset class.

3.5 Integrated Platforms

Platforms often provide valuable benefits. They make it easier for buyers to find what they need, they help set standards, and they enable comparison shopping – efficiency improvements that keep markets working smoothly. Platforms (intermediaries) in the creator economy have become an important technology connecting creators with their audiences through engagement and commerce. An important innovation is the connection of these platforms to a financial backbone that can help manage the value within their ecosystems and increase gross value as a result.

3.5.1 E21 Native Platforms

- E21 TV – E21 TV has a mission of becoming the ultimate paradise for creators – helping them build, grow and engage audiences as well as monetize their creative. The platform is powered by a creator’s studio that enables creators to maximize their creativity. Currently live at www.e21.tv.
- E21 DeX – Primary and secondary markets for the creator economy.

3.5.2 *External Platforms* An important innovation of E21 is the connection of external platforms to a financial backbone that can help manage the value within their ecosystems and increase gross value as a result.

4. E21 Coin

4.1 *About the E21 Coin*

The purpose of the E21 coin is as follows:

- Platform Utility: Tokens intermediate transactions on decentralized networks, and their trading creates an inter-temporal complementarity among users, generating a feedback loop between token valuation and platform adoption. They capitalize future platform growth, accelerate adoption, and reduce user-base volatility. Tokens capitalizes future growth and speeds up user adoption.
- Financing Tool: Surplus value created in the E21 economy would be reinvested in platforms and creators increasing the value of the ecosystem.

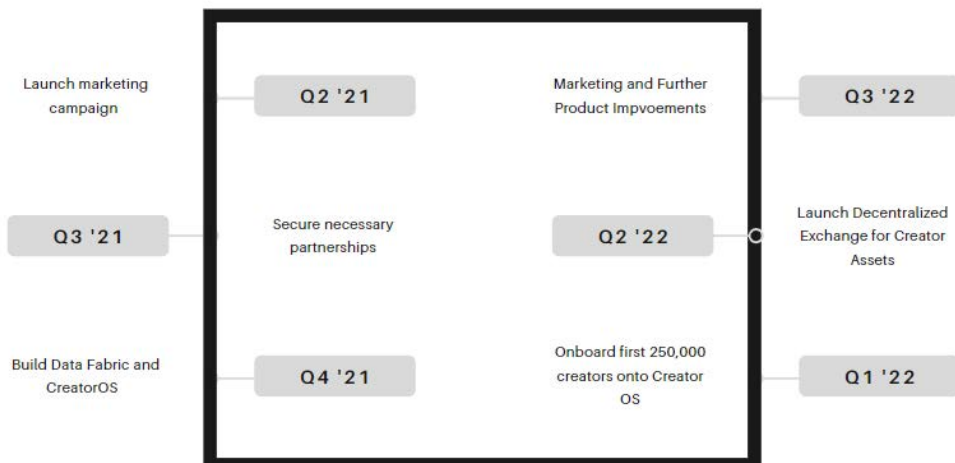
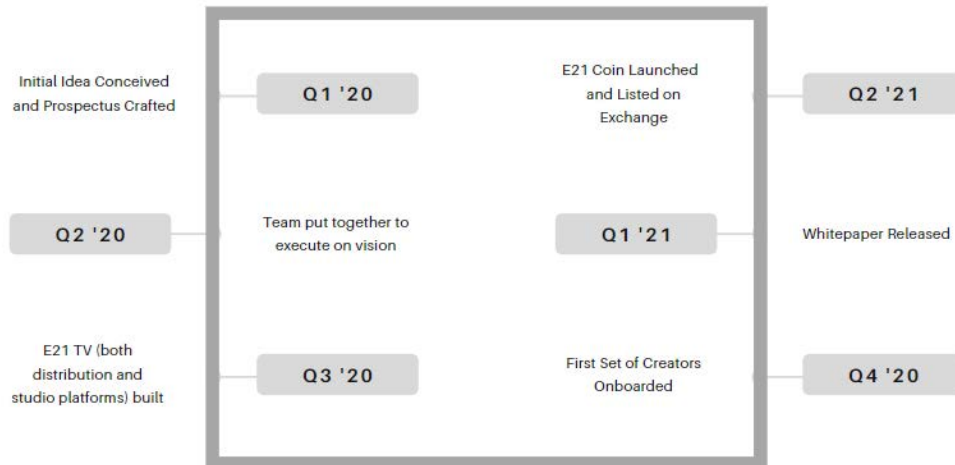
There are currently 212B coins in circulation available for purchase on Uniswap with plans to list on centralized exchanges with more market adoption.

4.2 *Allocation*

The current allocation of the coin is as shown below:

Allocated to:	Number of Coins
Founders	25%
Angel Investors	4%
Platforms	30%
Star Creators	5%
Public	35%
Ecosystem Bootstrap	1%

5. Roadmap



6. Concluding Remarks

We are living through a technological renaissance in organization, finance and economics and new worlds and micro-economies are going to form. E21 is building the platforms and financial technology that would power the creator economy. Creators would 'mine' E21 Coin using their imagination and communities they build, in the same way that Miners 'mine' Bitcoin using ASIC computing power. Winning creators would grow their audiences, improve their creation quality, and improve their livelihoods through increased incomes because of the work that E21 does.