“The music industry is being taken over by the back door and if we don’t try and make it fair for new music producers and artists then the art will suffer.”

- Thom Yorke
  (Radiohead)
the world is streaming

Streaming now dominates downloads and physical sales. Habits of music consumption are drifting ever further towards fully digital, all-you-can-eat experiences.

*Fig. 1 — US Music Market Share*

<table>
<thead>
<tr>
<th>Year</th>
<th>Downloads</th>
<th>Streaming</th>
<th>Physical</th>
<th>Synch</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>43%</td>
<td>15%</td>
<td>39%</td>
<td>3%</td>
</tr>
<tr>
<td>2017</td>
<td>19%</td>
<td>62%</td>
<td>16%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: RIAA
Music revenue is seeing the largest year over year growth since the dawn of digital music. And, consumers are listening to more music than ever before.

However, there’s a problem... Working artists are finding it increasingly difficult to make ends meet in a streaming economy that pays so little.
And, even though revenues and listening are growing, streaming services continue to operate at huge losses, pushing us further towards a future controlled by Apple, Google and Amazon—who have many other sources of revenue.

So where is the money going?
Giving consumers virtually every piece of music ever recorded at their fingertips comes at a price for artists and retailers. In the wake of losses sustained during the explosion of free and ad-supported digital music, major labels and their publishing partners have fought to maintain heavy financial control over the industry and the squeeze is felt on both ends of the supply chain.
eMusic is at a crossroads. Do we stay the course and focus on a shrinking digital downloads market? Do we enter into losing streaming agreements that conflict with the company’s ethos of championing the indie artist?

Or, do we double down on our beliefs and make a move towards fixing what we see as a flawed system?

eMusic is embracing Blockchain and its ability to correct an imbalanced industry.

*Fig. 7 — Destination Ahead*
Leading the Transition to Blockchain

Current streaming models mean musicians and songwriters are only compensated after labels, distributors, publishers and other intermediaries take a disproportionate cut. As a result, competition is increasingly limited to a few retailers and support is reserved for the largest commercial artists, which limits consumer choice.

How Royalties Flow in the Industry Today

Fig. 8 — A Race to the Bottom

We Want to Create a True Two-Sided Industry

Efficiencies driven by a decentralized Blockchain-based music platform enables fair distribution of revenue

Fig. 9 — The New Split
eMusic’s Blockchain Platform will provide:

1. A fully transparent system of distribution that can be used by any producer/creator of music, from the unencumbered artist to a major label with 1,000s of artists on its roster.

2. A frictionless method for existing retailers and streaming services to enter profitable content agreements, while offering the same music to their users.

3. A set of tools for managing royalties and rights holders that provides instant access to funds and the flexibility to redistribute rights.

4. A seamlessly integrated system for music fans who don’t have to change their listening habits or their players/apps of choice.

We Are Re-Shaping the Music Industry

*Fig.10 — The New Industry*
Blockchain simplifies transactions. The technology itself is nothing new, however, it is rapidly advancing beyond applications limited to digital currency and opening up a whole new world of possibilities wherever financial value of any kind is involved.

Supply chains and other economic structures complicated by intermediary processes can be simplified and their efficiency increased by digitizing the transactions involved, distributing them on a public ledger and allowing the parties involved to interact with each other directly rather than having to go through a central node.
Blockchain Benefits

For Music Fans

- **Support artists** - more of the money you spend goes straight to the artist
- **Pay less** - operational efficiencies are passed along to consumers in the form of lower prices and better incentives
- **More music** - discover a wider variety of artists as promotion is less and less reserved for only the biggest sellers.
- **More choice** - buy or stream from more independent services rather than being increasingly limited to Apple, Google or Amazon

For Music Creators and Rights Holders

- **Efficiency saves money** - multiple contracts and 3rd party agreements are reduced to 2 contracts
- **Retain more of the royalties** - straight forward 50/50 deal between rights holders and retailers / streaming services
- **Access royalties faster** - rights holders get immediate access to royalty payments

For Retailers and Streaming Services

- **Unprecedented insight** - levels of sales and usage transparency
- **Control your music** - Release and post-release cycles controlled in one place

For Retailers and Streaming Services

- **Increased profitability** - proceeds from sales/streams split 50/50 always
- **Simplified royalty payouts** - no need for complicated equations. One sales contract
- **Attract bigger and better artists** - whatever your model, you’re able to pay more
- **Frictionless** - work with existing content providers

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**Fig.12 — Smart Contracts Do All the Work**

![Smart Contracts Diagram](image-url)
Blockchain + Music

The shift to Decentralization in the music industry is inevitable. There are a number of Blockchain music projects being considered, but they are inherently flawed.

Many ignore the economic realities of the music industry and pitch their new platforms in direct competition with the likes of Spotify, Apple, Google and Amazon. Their success will rely on attracting users and content creators away from these providers.

Tying the success of the platform to a new storefront or streaming service limits consumer choice. This is Centralization through Decentralization.
eMusic Is Different

We sold our first digital music download way back in 1998, and have served over 49 million music fans worldwide. **Now we will disrupt the music industry yet again** with a Blockchain platform that cuts out the bloated intermediaries and rewards the artists and providers that are giving fans the best listening experience.

"It shouldn’t matter how you listen to or buy your music. The artists you love should always be rewarded for their work."
But wait, there’s more...

eMusic will introduce a brand new Blockchain-based crowdfunding platform that allows fans to support their favorite artists in return for limited rights to music.

Because Blockchain is a publicly distributed technology, artists and rights-holders on the eMusic platform are free to open contracts to their fans.
So what does Blockchain mean for eMusic Members?

The eMusic store will continue to be the go-to destination for independent-minded music collectors. It will retain its current membership model, but there will be a number of key improvements:

- **More Music**  
  Savings made by switching to Blockchain technology means more money will be funneled into attracting artists and labels to the platform - established and up-and-coming.

- **Pass On Savings**  
  Likewise, reduced overhead costs and fees means eMusic is able to offer more member bonuses and incentives.

- **Added Flexibility**  
  Blockchain allows us to explore new payment options and incentives for members, including credits that don’t expire and variable bonuses.

- **Better User Experience**  
  The inherent flexibility and scalability of Blockchain means eMusic is prepared to adapt and offer new features and benefits that will make the best user experience possible.

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**Fig.16 — A Brand Always Evolving**
The Team

Tamir Koch  
CEO  
21 years of entrepreneurship and leadership; Two previous successful exits.

Michael Juskiewicz  
CFO  
Over 15 years investment banking experience. Specialty in public and private capital raising and M&A.

Matt Downing  
CMO  
More than 20 years of experience, including launch of SiriusXM Streaming Services.  
#80sAlternative

Nir Peled  
CTO  
More than 16 years leading software and engineering teams.  
#ProgRock

Matt Robinson  
AVP Product  
Multi-platform product specialist.  
10 years experience bringing B2C software to market.  
#90sHipHop

Bryan Farevaag  
Creative Director  
10+ years of UX/UI experience, Oprah Magazine, guersterly and Random House. Faculty at SVA.  
#ClassicRock

Ori Erez  
Blockchain Expert  
10 years leading technology projects in the fintech industry including invest.com.  

Ram Avissar  
Community Specialist  
Over 6 years community-building experience for a number of successful projects  
#TechnoLover

Lara Peterson  
Director of Marketing  
#IndieEclectic

Ricardo Cabret  
Lead Front End Developer  
#JazzLover

Alex Hernandez  
Director Label Relations + Merchandising  
#DJ

Eric Chang  
UX Designer  
#TeenyBopper

Daniel Karni  
Full Stack Developer  
#Hamilton #OnRepeat

Eliza Dunaway  
Front End Developer  
#IronicTeenyBopper

Ashi Atlas  
Product Manager  
#Metalhead

Guilherme Birk  
Mobile Developer  
#ShuffleButton

Shauli Bracha  
QA Engineer  
#EvenMoreOfAMetalhead
Our Advisors

Bill Campbell  
Founder Barefoot Media, formerly executive roles with UMG and Sony Music.

Yaron Adler  
Founder We Group, Incredimail. Chairman of Crowd-funding platform Exit Valley.

Oded Federbusch  
Crowd-funding expert. Advisor Exit Valley. 
Founder We Group. Owner, f.r.a.l.y holdings ltd.

Sebastian Stupurac  
Co-Founder WINGS; Adviser to AdEx, Blackmoon Crypto, INS.world.

Stas Oskin  
Technology strategy & partnerships at WINGS.

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