



All Content Creators Currency (AC3)

Content is King

July 23, 2018

Education is moving online. Content creators risk content piracy, erratic revenue streams and exorbitant fees/revenue share from advertising-sharing models. A decentralized platform is a perfect application of blockchain (for traceable transactions and security) and frictionless global transactions

AC3 has self-funded and built a private Blockchain and crypto-currency to empower content creators to control their content and improve the share of revenue they receive. AC3 coins currently trade on numerous exchange, have considerable value and volume and are attracting more attention from content partners and users.

Our Riedel Research Crypto Currency Valuation Metric is a proprietary crypto-currency valuation model we have developed using real-world datasets to calculate value. Our model indicates that AC3 coins have significant utility value (3.9/10) and a medium-term value of \$20.52 relative to a Bitcoin price of \$7,469.

Summary

The global market for digital content has been exploding - especially in Education. AC3 is positioned as a premier cryptocurrency payment system that provides global creators and users with a less expensive, faster, more reliable and secure way to send and accept payments for content.

AC3 provides an electronic alternative to traditional payment methods like credit cards, PayPal and Patreon.

The company has been self-funded and has built their own private blockchain, AC3's Blockchain, which has over 7,120 fully functional nodes and has been tested with over 211,359 transactions

The Market Problem

Content creators face myriad problems getting paid fairly, consistently and adequately. There are really only two viable options to receive compensation for their content and services, either through an advertisement-sharing model or through a membership/subscription model.

The advertising-sharing model is a very difficult way for content creators to generate revenue. The owners of the platforms such as YouTube and Facebook pay out only 55% of advertisement revenue of a creator's content. Google AdWords are similarly stingy paying between \$0.001 - \$0.005 per click.

These low prices and high fee shares make revenue for the content creators both meager and erratic

Subscription or membership models can provide higher and more predictable revenue but fees can still be high. Credit cards and third-party payment processors like PayPal charge high fees for processing payments, especially international payments. Some dedicated platforms for content creators have emerged but they also charge high fees or have opaque calculations for payouts that make it difficult to assess what you are going to be paid.

Fraud is also endemic in many of the available payment channels which further complicates the equation for a content creator.

AC3 Blockchain

AC3 has developed their own blockchain based on Bitcoin's blockchain.

RELATIVE SIZE OF BLOCKCHAIN ECOSYSTEMS

	AC3	Bitcoin	Ethereum
Nodes	7,120	9,946	17,389
Transactions (YTD)	211,359	30,580,704	186,702,775
Users	31,450	13 - 28 mn	35 mn

AC3's blockchain is designed to be scalable while maintaining low fees and continuous speedy transactions. This is important as many cryptocurrencies are based on shared blockchains which are occasionally slow in processing transactions as they become crowded.

The company released their desktop wallet application in September 2017 and has had over 7,120 downloads. The strategy of releasing the desktop application before the mobile application was successful in that it created a network of 7,120 full-node desktop wallets with structural integrity to withstand attacks and hacks. This is an impressive and robust global network that rivals the 9,946 nodes that drive the Bitcoin network.

The company expects to launch their mobile wallet in August 2018. With a considerable number of global technology users solely using tablets and mobile devices, we expect AC3's adoption velocity to accelerate.

The AC Blockchain has unique functionality including a 'discover' feature within the full-node digital wallet. The blockchain is a multi-purpose protocol for content discovery, protection and distribution.

AC3 System Protocols and Overview

The AC3 blockchain provides the tools and marketplace to help creators monetize content with ease. It does this by providing easy to use smart contracts for deploying content, controlling content access, and managing payments. Similar to other blockchains, it utilizes a peer-to-peer approach for connecting other participants. AC3 has taken greater steps to provide a more consumer friendly interface by making the digital wallet a central hub for all things content related; in addition to employing content specific protocols (AC3 coined the term "content protocols") for facilitating safe content exchange.

Content Protocols

Cryptoshop (Landing Page)

Much like how ICOs have come to be known as Ethereum's primary use case, the first AC3 global application is the content Cryptoshop application. The Cryptoshop content protocol allows developers or enterprise partner to build a unique digital content cryptoshop. AC3 is often referred to as the 'Shopify' of digital content stores on the blockchain. One can join the AC3 chain to build a digital content landing page by utilizing the AC3 content protocol. Here is an example of a content landing page AC3 built for its partner ontrackTV: <https://cryptoshop.ac3.world/c3069347567124e7da5a9556beb24e1f/>

Beyond Cryptoshop landing pages, this year AC3 will release a digital content rights management protocol. Once recorded onto the AC3 platform, content becomes forever embedded within the blockchain, which provides a provable (and trustable) record for verifying digital artifacts (videos and audios) while keeping original records secure. As all recordation is provable, content creators and users are able to track sending and receiving of content. Additionally, AC3 has under development a Recurring Payment protocol for

allowing smart content developers and enterprise partners to simplify creation of recurring payment schedules, such as weekly, monthly or annually, from the comfort of their wallet (web or desktop).

The AC3 platform makes it easy for creators to utilize the reusable components of the AC3 content library and build on top of a strong foundation. AC3 built the tools for developers to either build on top of the network or AC3 can build a customized Landing Page for a partner as it did with ontrackTV. With their Content Protocols, AC3 provides the content components and tools to be the ultimate content platform built on the blockchain.

AC3 Coin

AC3 coin trades on numerous exchanges as 'AC3'. The coin trades total volume of \$100,000 - \$250,000 per day and the coins have a current market cap of nearly \$19.2 mn.

While the coins have been weak in recent months along with the rest of the cryptocurrencies it is important to note the liquidity and relative resilience of the coins. Even with recent weakness the coins are still up from \$0.01 at the beginning of the year to \$0.24 currently.

AC3/USD PRICE PERFORMANCE FEB - JULY 2018



Source: worldcoinindex.com

AC3 Trading

AC3 coin trades on numerous exchanges as 'AC3'. The coin trades on SimpleSwap, BTC-Alpha, Stocks.Exchange, SouthXchange and Cryptopia. The coin recently won a vote-based competition to get listed in BiBox. AC3 received the most voters in the history of the Bibox voting contest which we attribute to AC3's growing community.

The coins trade on a number of exchanges including:

Bibox	https://www.bibox.com/
Cryptopia	https://www.cryptopia.co.nz/Home
BTC-Alpha	https://btc-alpha.com/
Stocks.Exchange	https://www.stocks.exchange/
SouthXchange	https://www.southxchange.com/

AC3 Network

Telegram: 9,543	http://t.me/ac3network
Facebook: 2,438	https://www.facebook.com/AC3net/
Twitter: 6,743	https://twitter.com/ac3_network
Instagram: 117,000	https://www.instagram.com/codingblog/
Medium: 2,300	https://medium.com/@AC3network
Reddit: 800	https://www.reddit.com/r/ac3/

AC3 Wallet

The company launched their desktop wallet in September of 2017 and plans to release their mobile wallet soon. The fully functional wallet is available for download on OSX, Windows and Linux. In addition to a secure payment solution, the AC3 team focus is on developing advanced blockchain technology. The wallet includes a Discover™ feature that allows users to both search and pay AC3 content creators directly from their digital wallet. The Discover™ feature within a full node digital wallet is a first in blockchain.

- AC3 core wallet is the first to modify the PYQT language and implement a search feature that displays their partners. This is critical to the success of this ecosystem.
- AC3 is now the leading crypto wallet to search and pay for high quality, original content.
- In Q4'18, the AC3 wallet will have the capability to consume the content directly on the wallet. Thus, AC3 plans to be the blockchain platform where one finds, purchases and consumes digital content.
- Web wallet release is slated for August and this technology advance will accelerate adoption and usage
- Utilizes Ripple's decentralized remittance system that allows secure transfer at a high throughput within seconds

AC3 Blockchain and Buildout to Date is SELF-FUNDED:

AC3 chose to forgo crowdfunding (an ICO) and to self-fund the buildout of the AC3 chain, wallets, coin and protocols. The reason to self-fund were two-fold:

- (i) to maintain regulatory compliance on both the state and federal level and, thus, mitigating regulatory issues that have affected many companies that engaged in ICOs;
- (ii) the AC3 mission is to achieve the mission of creating a healthy and active platform, it was prudent to deploy the AC3 coins into the hands of actual users than speculators, flippers and investors.

AC3's strength is a testament to its team and product as up to 70% of crypto companies that raised money in an ICO have already failed: <https://index.qz.com/1322729/crypto-market-sees-more-than-800-icos-fail-while-bitcoin-draws-dotcom-bust-comparisons/>

AC3 Business

AC3 is somewhat unique among cryptocurrency opportunities in that they have a functioning business today, daily transactions and evidence of the attractiveness of the business model.

The company is already working with content partners including Hack Reactor (a significant online school for coding and web development), OnTrack TV (a website for 'micro-lessons' on a variety of topics), Hacksaw Academy (an online resource to learn how to develop and distribute apps) and many others.

Having established users like this and daily transactions highlights the value of the AC3 model. These companies have recognized the advantage of an established content blockchain ecosystem.



Hack Reactor is San Francisco-based academy that provides intensive coding education. The company charges a premium (\$18,000) for a 12 week 800 hour course in coding. Students have graduated into positions at Facebook, Google, Uber and other high-tech companies.

ontrackTV is a subsidiary of Quizam Media Corporation, a publicly quoted company. The company has been providing classroom computer training in the UK since 1988 and in Vancouver since 1989. The company uses corporate trainers and experience in all levels of training to create an effective and powerful learning experience for clients.



ontrackTV was developed in response to demand for online training that is cost effective, engaging and achieves the same high level results as classroom training. The model uses their own trainers to create an extensive library of bite size, instructor led videos.

ontrackTV was launched in North America in January 2009 and in the UK in March 2009.

The company now has hundreds of organizations from public and private companies of all sizes to government departments and learning institutions using their library of training videos.



Hacksaw Academy provides helps clients to learn to design, develop & deploy useful apps online. The company offers a starter course which is a fully interactive HTML, CSS & javascript tutorial on how to build complete products.

The company has a good reputation for helping people learn to produce apps, web pages, websites and arrange of online tools. The courses are available online at a cost of \$10 per month for unlimited use.

Hacksaw Academy allows AC3 users to get a 1-year memberships for 100 AC3 coins. Given that this is a \$120 value it indicates that the coins are worth \$1.20.



AC3 Management

Each member of the team has successfully worked with at least one other team member on a previously successful business project. The founders Steve McGarry, John Fields and James Lovatt bring over a decade of experience in software development, disruptive financing solutions and innovative educational platforms. The founders sold their previous business in the education space, LendLayer, to the former CTO of PayPal, Max Levchin's company, Affirm. (<http://fortune.com/2015/08/05/affirm-acquires-lendlayer-to-bolster-education-loans/>)

The AC3 team possesses all the necessary knowledge and skills to continue building a powerful peer-to-peer payment system for the content creation ecosystem. The team is unique because they have extensive venture capital expertise that most blockchain start-ups forfeit through the initial coin offering process. Several of the team members have deep and wide venture capital and private equity experience, which gives them an advantage over any eventual competitors. We believe this access and expertise is critical to the company's continued success.

John G Fields - Co-founder

Over 20 years in derivatives and alternative markets, in 2011 John designed a financial instrument that created generational uncorrelated cash flows. Previously, a Director in several U.S. based public companies with former assignments at Barclays, OPIC and the White House.

Steve McGarry - Co-founder

Changing how the world learns and consumes digital content, Steve has a vast network of online educators and creators that reaches over 200 million consumers worldwide. Steve launched his first cryptocurrency in 2014. Early blockchain & financial engineering experience created and listed his first Cryptocoin in 2014 called ZipperCoin, ZIP and had it listed on Bittrex. (<https://bitcointalk.org/index.php?topic=634292.0>)

Eugenio Apolo - Chief Technical Officer

Over 30 years of programming experience and started his career as a programming teacher in Portugal. As an early adopter of the bitcoin protocol, Eugenio is a pioneer in the cryptocurrency space, working closely with cryptographically-stored values and experimental blockchains. In 2013, Eugenio began experimenting full-time with public and private blockchains, developing cryptocurrencies and decentralized applications. After launching his "Countrycoin" called CryptoEscudo (CESC) in 2014, he started working closely with Steve McGarry, which led to the development of the AC3 Blockchain (AC3BC) and the AC3 Coin. (<https://www.cryptoescudo.pt><https://pt.wikipedia.org/wiki/CryptoEscudo>)

James Lovatt - Engineer

James is in the top percentile of security clearance programmers globally with over a decade of deep software development experience. He created platforms for the London Police Department in the predictive crime units. After realizing the enormous opportunity for online education, James and Steve founded a company called LendLayer in 2014. Building a cryptocurrency that enables Content Creators to accept secure global payments is James' passion. (<https://www.linkedin.com/in/james-lovatt-098b3825/>)

Brian Raisl - Head of Strategy & Partnerships

Specializes in corporate strategy and client partnerships. Brian started his career at the SEC analyzing and investigating securities fraud. Then, spent 10 years in business consulting for Fortune 500 & Investment Companies. In 2015, Brian's passion for education became his focus. Previously, the first VP at EdTech startup (Hack Reactor) and an education consultant for Autodesk.

Frank Grant - Head of Law and Regulations

Managing Director of Solganick & Co, early-stage private equity technology investments. A former Senior Counsel at Perkins Coie LLP, representing entrepreneurs, emerging growth companies and worked on several notable ICOs (Overstock).

The Riedel Research Crypto Currency Valuation Metric

One of the major frustrations with cryptocurrency trading and investing has been for investors and firms to establish a value for the crypto currency.

Riedel Research has considerable experience parsing real-world data to design signals of relative value and market decision-making. We have applied our expertise in this area to developing a model for assessing the value of crypto currencies.

We have applied our methodology to AC3 and calculate an estimated value per coin of \$20.52.

Here we discuss our proprietary approach and inputs that we use to value crypto currencies,

Our approach is to take real-world data point and develop estimates of how people are recognizing, adopting and using a crypto currency. Coins with an existing business model, widespread recognition and positive momentum on a number of factors receive higher values in our approach.

After testing many different measures of value (both fiat and crypto) we found the greatest value in pricing other crypto currencies against Bitcoin and then presenting the price in USD. We believe that this corrects for the accepted current reality that all crypto currencies are destined in the near-term to trade with high correlation and the most liquid of these, Bitcoin, provides the most relevant framework for capturing the current reality of the crypto market. As the market matures we would expect to see to lower correlations as investors become more sophisticated in differentiating between coins. This may require adjustments to our model in the future.

After testing many of the tools we use in other studies of consumer activity and sentiment we have built a model of seven inputs to provide our estimate of coin value. Given that the final calculation is a simple average of these seven factors each one has limited capacity to impact the value.

THE RIEDEL RESEARCH CRYPTO CURRENCY VALUATION METRIC - INPUTS

Factor	Range	Discussion
3 month return	(100) - 100	While including a measure of price performance in a calculation of value might seem like circular logic we have found in many of our studies of consumer sentiment that trend impacts value and so we apply the same approach here.
Active Buisness Model	0 - 100	We discussed including this at length as many coins have interesting and valuable future business models but no examples of it being used today. Note that we are not judging whether this is a good or sustainable business model but rather that it is 'active'.
Addressable Market	0 - 100	Some coins have very 'niche' or limited markets. They may have the ability to dominate their niche but here we are focused on the size of the addressable market.
Current Market Cap	0 - 100	Another measure of value is being used here to calculate value but this is important as it provides insight into the number of coins issued and the size and relevance of a coin.
Google Searches	0 - 100	The absolute number of global Google searches over the past month for a coin provides insight into the recognition of a coin which can indicate interest and value.
Google Search Trend	0 - 100	The trend of Google searches allows us to capture momentum in recognition. This allows coins with a relevant and important future business model to capture some of that value before launch of the active business.
Volume	0 - 100	Trading volume provides useful insight into investor interest, coin usage and relevance.

About David Riedel and Riedel Research

David Riedel has wide experience in company analysis, valuation, equity research and business management. Experience living and working in China and Taiwan in the 1980's and education and work in Thailand in the 1990's provided the foundation for David's expertise in the Emerging Markets. Building on his education in Chinese and his MBA from Chulalongkorn University, David had a successful career in equity research at Salmon Smith Barney both in Asia and the US. In 2003 David founded the first independent equity research service focused on the global emerging markets. Riedel Research Group is a recognized leader in business valuation and research. David is a frequent contributor to CNBC, Barron's, The Wall Street Journal, Bloomberg and other press outlets. David holds a BA in Chinese Studies and Political Science from University of California, Berkeley and an MBA in Finance from the Sasin Graduate Institute of Business at Chulalongkorn University in Bangkok, Thailand. Mr. Riedel is the author of Finding the Hot Spots: 10 Strategies for Global Investing (Wiley, 2006).

Disclosure: David Riedel is a holder of AC3 coins.