



GALA

WHITEPAPER ROUGH DRAFT



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WHAT IS GALA?

From the time that the first hunter-gatherers played the first games with rocks and sticks, game ownership has been important. Even in the earliest days of digital gaming, the game you played was YOURS. All OLD-school gamers remember the sound of blowing the dust out of a Nintendo cartridge to get ready to play their favorite game or the pride you took in lining up your Playstation games on a shelf in your bedroom.

Game companies used to produce things that you would buy and you would keep and could use whenever and however YOU wanted. There was a sense of pride of ownership in what you could hold in your hands.

Then gaming took a turn, and everything went online. At first, it seemed like an improvement as cloud-based services and mobile gaming platforms revolutionized the human act of play. However, as consumers got used to digital platforms, suddenly they found that they were playing more and owning less. Then the microtransactions and pay-to-play structures intruded even further upon what was once the fun, free, and creative land of gaming.

This is why we created Gala Games - to give the power in gaming to the people who should be in charge - the gamers. The games produced by Gala will always be free to play, and whatever you find and earn inside the game world will be YOURS. If you play a game and win an asset in that game, that asset is yours to do whatever you would like with it. You own your gameplay, nobody else. This means you can collect, trade, gift, or even sell your in-game assets in a way that has never before been possible. Additionally, unlike other game development companies, that actively discourage and forbid these sorts of outside transactions because they get nothing, we encourage you to explore how you can use and share your in-game assets with the rest of the world.

We know that the future of gaming isn't in the hands of big game developers who keep tight reins on the worlds they create, but in YOUR hands.

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WHAT IS A WHITEPAPER?

This paper is designed to give you a good understanding of the \$GALA ecosystem and to introduce you to the development plans of Gala Games. This Whitepaper is not intended to be a full technical explanation of every element within the Gala Games ecosystem. This paper is meant to give an overview of the ecosystem and help EVERYONE understand where we are going. However, we have also included more technical sections within which we discuss blockchain information and marked them as technical insets. However, anyone who just wants to understand the vision of Gala Games and how it can change the world, can ignore those parts if they so choose. This is not a technical whitepaper to explain every detail of the consensus mechanism used by Ethereum or the basics of a blockchain. If these are of interest to you, we recommend you visit our website at www.gala.games and click on "Blockchain Basics".

In the end, Gala Games is both a game development company and a decentralized blockchain-based project. We understand that our audience and community is likely going to be split between these two groups, and that it is our job to serve both. We have a deep commitment to

excellence and putting power in the hands of the gamers, and we look forward to serving you as we advance gaming together!



WHY GAMES?

Every single member of the Gala Games team is a PASSIONATE gamer from back in the days before microtransactions and the pay-to-win business model was developed. The Gala Games team LOVES games and gaming, and have been saddened by the transition to a purely profit-driven gameplay orientation where only those who pay can win, and what they win is nothing. In an economy in which many of the games are free-to-play but pay-to-win, users are left with nothing at the end of the day.

The economics for this structure are simple. Given this existing business model, game developers must devote incredible amounts of money to marketing. To get a new game into the top-25, a game developer needs to spend at least \$50M on performance marketing - and the top games spend much, much more. This revenue model is driven by an incredibly small segment of users - 3% of players ever pay, 1% drive 80% of the revenue and an incredible .19% drive half of the topline for most games. Most game developers spend their time trying to access this tiny fraction of users by saturation marketing, and then use exploitive microtransactions and a pay-to-win model to stay profitable.

Mainstream game development practices get even shadier when it comes to in-game items. The internet is filled with stories of someone selling an item skin to someone else and having their account disabled because selling skins is a violation of the terms of service of the organization which has developed the game. They expect a user to buy skins from them only, and not trade with one another. With items in some games that can sell for very large amounts of money - sometimes several hundred thousand dollars - this causes serious damage to some people.

These two reasons are why Gala Games has decided to reinvent the rules of gaming by putting the power back into the hands of the gamers in two major ways. First, rather than spending money on saturation marketing, we have decided to pay users to get their friends to play. The Gala Games team remembers what it was like to share games with one another back in the physical medium days of gaming, and we wanted to bring that same social feeling back to gaming.

The other major change we have made is to put the items you win into gameplay in YOUR hands. When you win an item in gameplay or mint an item on your Gala Node, that is YOUR item. You are free to do whatever you would like with it. You can use it in-game, sell it, trade it, or do anything else you can imagine. It is YOURS, and we can never deactivate it, take it away from you, or keep you from doing anything you would like with your game properties.



THE \$GALA TOKEN

If you are just coming to read this paper because you are interested in gaming, then you don't need to read any further. All Gala Games are free to play and do not require any knowledge of blockchain, distributed ledgers, tokens, or consensus mechanisms. However, everyone at Gala Games is also passionate about the growing world of decentralization and the opportunities it provides for gaming, so we think you should continue reading!

The \$GALA token powers the Gala Games Universe. This is an ecosystem that is designed to spread and grow around the Gala Games properties that are being created. The first game produced for the Gala Games Ecosystem, Town Star, is covered in more depth later.

The \$GALA token is currently based on the Ethereum blockchain. While most Ethereum tokens are based on the ERC-20 standard, we are based on the much more modern ERC-1155 standard. While there are a lot of technical details behind why the ERC-1155 is better suited for the \$GALA token ecosystem, it can be stated simply by saying that an ERC-1155 transaction can include many different items, which can be very important from a game-play perspective.

TECHNICAL INSET: More can be read about the ERC-1155 standard here: <https://eips.ethereum.org/EIPS/eip-1155>

Items held on the Ethereum blockchain can be accessed using a variety of open-source and cryptographically secure wallets and storage mechanisms. The wallet on the GALA website and in the GALA app is an open-source keyphrase secured wallet, and once you have created the wallet, only YOU have access to the funds and items stored within your wallet.

NOTE: Understanding the whole “only YOU have access to the funds and items stored within your wallet” part is **REALLY** important. The blockchain is NOT like a bank - if there is a problem or you forget your password, there is NOTHING that anyone can do about it. This is why it is VERY important that you manage your passwords, keys, and passphrases. **If you lose them, there is NOTHING that Gala Games or anyone else can do to recover them for you.**

Due to the fact that the \$GALA token is a part of the Ethereum network, it can be readily integrated into any game. Any game or project can integrate the \$GALA token and NTF's based on the \$GALA token at will. We believe in the scalability of the Ethereum network. However, in the event that it doesn't scale as we would like it to, we are not opposed to pursuing multiple options. This may include launching our own blockchain or using a proven 3rd party solution. This is an evolving issue and will be revisited frequently as we continue to build towards a healthier and more efficient ecosystem.

NFT Items

In addition to the GALA token, Gala Games also creates Non-Fungible Tokens (NFTs), or items that can be used in-game or traded as collectables. These items have a set supply and provide immediate functionality in the games for which they are intended.



DISTRIBUTION

\$GALA cannot be purchased directly from Gala Games and no initial coin offering (ICO) was ever held to support Gala Games or the GALA Eco-system. \$GALA is distributed daily to anyone who qualifies for a token. The qualifications are designed to promote supporting the network, playing the games and sharing the games on the network. There will be a total of 50 billion GALA created. 25 billion GALA tokens will be distributed the first year (68,493,150.68 per day) and each year the number of GALA distributed will be halved. We began distributing GALA tokens July 22nd 2019.

Daily Distribution Schedule:

- July 22, 2019 - July 21, 2020 - 68,493,150 \$GALA
 - July 22, 2020 - July 21, 2021 - 34,246,575 \$GALA
 - July 22, 2021 - July 21, 2022 - 17,123,287 \$GALA
- ...halvings continue annually...

We have a long term vision for the distribution plan for GALA. Initially, we have built the infrastructure to reward supporting the network and sharing the games. Our next phase will be to reward playing the games on the network.

GALA is distributed via a network of nodes. The nodes record transactions, provide important data on the operation of the network, confirm transactions and optionally support other blockchains. We have a long term plan to continually add more functionality to the nodes. Additionally, all of the GALA and NFT items will be minted via the node network. In exchange for providing the distributed processing power to mint the tokens the nodes will receive a reward in the form of GALA and items.

When GALA is minted there will be a distribution plan agreed upon by a 80% consensus of the nodes. Each node will have 1 vote in order to provide the consensus. The current daily distribution

plan will distribute 25% of all minted Gala coins to a global bonus pool. The pool of qualifying recipients will be awarded a share proportionate to their contribution that day. A recipient of the daily distribution qualifies by operating a node, sharing with friends, upgrading to Gala Gold, a premier user tier, referring to a user who purchases a node license, as well as other metrics.

The current point reward structure is:

- 1 point for running a node
- 1 point referring player
- 10 points when a referral upgrades to gold
- 1000 points when a referral buys a node

The total number of points are awarded at the end of the day, and the \$GALA and NFTs are distributed based on the distribution of points. For example, if there are a total of 100 points in a given distribution, then each point would account for 1% of the \$GALA distributed in a given day. 19:00 PST, the point counter would reset and points would be allocated for the day based upon the actions of the players.

As of August, 2020, node owners must keep their node online for the distribution in order to receive their distribution. In the future, we intend to operate a series of node pools, which will further refine the GALA distribution as the user base grows and scales.

GALA NODES

A central security and functionality mechanism supporting the GALA ecosystem is the Gala Soft Node. Operators of a qualifying node you may earn GALA and unique items for providing support to the Gala Network. In order to qualify for rewards, a node must be connected for at least six hours during a distribution window. Item distribution works on a round-robin mechanism in which node owners take turns by levels of contribution. This mechanism is also weighted by points to reward those who contribute the most to the security and operation of the ecosystem.

It is imperative that a node remain online during the distribution window to be qualified by being online during the preceding 24-hour window by being online for at least six hours. As of August, 2020, Gala Games minting items weekly on Mondays, in order to minimize inefficiencies in transmission. When the minting event occurs, it sorts the nodes by most points to least points. Those at the top of the list are the first to receive distributions, by total point value.

In addition to receiving points which count in the daily distribution, node owners also have the ability to participate in governance votes which steer the direction of development and gameplay in game titles produced by Gala Games and the overall trajectory of the ecosystem.

Our roadmap for future Node development may include some or all of the following:

- Adding a consensus mechanism
- Moving all in game item authentication to the nodes
- Moving all game API infrastructure to the nodes
- Processing all team transactions on the node of team leader
- Totally decentralized governance, with a blockchain-based upvoting/downvoting/consensus mechanism



TOWN STAR



play for fun...win for real

The first game released by Gala Games and developed in partnership with Sandbox Games is Town Star. A town-building game in which players compete in a weekly competition to build the best and most prosperous town, Town Star has attracted an active player base from around the world. It makes extensive use of the Gala NFT system for in-game items and functionalities. Some notable examples include items such as fountains and high speed trading depots.

Town Star also has a “crypto-crafting” component, in which NFT “parts” can be collected and combined to create other NFT items with in-game usage. The first incarnation of this crypto-crafting component was the Farm Bot. Node owners receive NFTs for their participation in the network. These can be combined and sent to the smart contract address where they will be “burned” and a new Farm Bot or Crane Bot will be minted. Both the FarmBot and CraneBot are NFTs that exist on the blockchain as ERC-1155 tokens and can be traded like other items with other players.

In order to operate real games in a blockchain setting it is necessary to have extremely fast databases. The blockchain currently cannot support the operation of a live game, so it is supplemented by live databases. In order to verify that an item is owned by a player while inside a game we feel it is important to access that information from our own database servers. Primarily because we can verify the authenticity of the information and it will be many times faster. All the ownership information will be derived from the blockchain.