



Tree of Wally (ToW)

Abstract: *Tree of Wally Foundation - a Delaware C Corp - is a Wally (Ω) currency mint and governance entity that regulates the Wally [baseline distribution, data-rate, and offers](#) within an app ecosystem, beginning with a content subscription platform, Nomi. Wallys are a new digital currency representing ‘data credits’ (akin to airline miles ‘points’ consumers receive and which can be redeemed for flights) required for operating apps and good for rewarding content creators, publishers, developers and businesses. The ToW monetary system possesses distinguishing characteristics: 1) ToW distributes 100% of Wallys to individuals on the network, referred to as partners (not to founders, team members, developers, nor businesses); and 2) ToW sets and adjusts Wally baseline distribution, data-rate, and offers according to its governance protocols with the goal of stabilizing the Wally currency. ToW at all times transparently discloses a [projected data-rate dot plot](#) of the governors’ data-rate expectations into the future. ToW is a coordinating system-enabling institution that [does not aim to narrow-mindedly maximize shareholder value](#), choosing instead to unleash free-market forces on a fairer new global tech ecosystem that maximizes network value in the long run.*

[See ToW PowerPoint Presentation here](#)

Contact:

[Jacob Bassiri](#)

jacob.bassiri@treeofwally.com



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1. Mission

To deliver to everyone the just economic value for his/her data.

2. Motivation

Nefarious forces from all directions - intentional and inertial - conspire to compromise the socio-economic fabric of Western civilization, including its foundational values system and the institutions that were designed to realize - albeit imperfectly - its natural promise and potential for every human being. While the need to change, adapt and evolve is a constant in life, history shows that what changes and how-so makes all the difference between progress and regression.

We stand at a moment in time where the competing tides of progress and regression are fighting an epic battle. The way to forge ahead may not be the paths leftward or rightward that we have been made to believe are the only two options. The cost of inaction - or action from the wrong leaders - can turn our world into a heap of ashes in the proverbial blink of an eye.

We stand on the shoulders of giants and recognize their contributions to life. We absolutely hold in our hearts that our ancestors did not labor, did not live, and did not die in vain.

To preserve what is good about our Western society and to advance solutions to address its shortfalls, Tree of Wally is designed on the premise that **your data is your property**.

3. Bill of Rights

1. **Your data is your property** - Your data should be legally treated as your property as delineated in Amendment IV of the US Constitution, which states:

Amendment IV: The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

As such, handing over your data to an individual or business (such as a technology company or service) which handles your data for purposes including but not limited to transmitting or otherwise touching your data constitutes either a bailment or a lease.

- a. Bailment: "Ever hand a private document to a friend to be returned? Toss your keys to a valet at a restaurant? Ask your neighbor to look after your dog while you travel? You would not expect the friend to share the document with others; the valet to lend your car to his buddy; or the neighbor to put Fido up for adoption. Entrusting your stuff to others is a bailment. A bailment is the "delivery of personal property by one person (the bailor) to another (the bailee) who holds



the property for a certain purpose.” Black’s Law Dictionary 169 (10th ed. 2014);” - *Carpetner v. USA (2018)*, Gorsuch, J., dissenting.

- b. Lease: A lease is a “a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.” - Stickney and Weil 2007 p. 791 (Glossary of Financial Accounting: An Intro. to Concepts, Methods, and Use 12e).
2. **Equality of monetary policy** - The distribution of basic income should not be contingent on nationality, profession or income, personal opinions, political standing, age (except for the exclusion of minors below 13), gender, sex, race, religion or any other physical, intellectual, or spiritual attributes.

4. Purpose of the Remainder of this Document

The purpose of this document is to disclose material information about the efforts and the progress and prospects of Tree of Wally in order to avoid significant informational asymmetries that may exist between management and the general public, promoters, consumers, strategic partners, investors, and prospective investors. The reduction of these information asymmetries is the aim of this document series and has the purpose of seeking to protect the general public, including investors and speculators, in alignment with the purpose of US federal securities laws.



5. Problem

Data is now the most valuable resource in the economy. It is natural that humans receive and control the value of their data; however, today people receive none of the economic value of their data. Instead, today humans receive a suboptimal utility value of their data (upon which ToW also improves). The utility value of your data is what one gets in non-economic terms for data, like useful apps and features.

One may begin to comprehend the economic value of data at macro scale by considering that Microsoft, Apple, Amazon, Alphabet, and Facebook - five of the biggest companies in the world that happen to also be significantly reliant on consumer data - comprise around \$5T of market capitalization.

On the micro scale, Facebook and Google, as two of the largest consumer data-driven companies, only earn revenues in aggregate of ~\$300 per American per year (according to their annual reports). While no one is advocating turning Facebook and Google into non-profits and funneling their annual revenues to their users, it is fascinating to think that even if this were done the average American would only receive about \$300 per year - not even enough to pay for a \$26 per month cell-phone bill (which is ironically the tool and mechanism by which they collect the data to begin with).

An American's data should be worth much more than \$300 per year. And even if one were to suggest the \$300 figure is good enough, it would be optimal to find a methodology for delivering the value to consumers without turning the paragons of capitalism into non-profit tax-payer subsidized bureaucratic entities.

Problems Overview

Macro

1. People receive none of the economic value of their data today.
2. Data is significantly undervalued in our economy today.

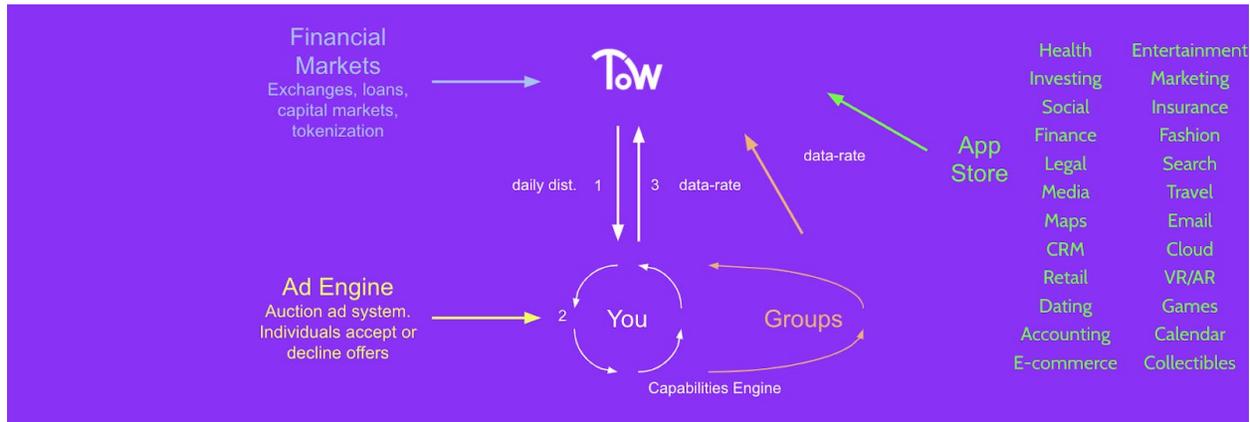
Micro

3. The user experience on the internet lacks and leaves society asking for a better alternative.
 - a. This includes the lack of credit and business instruments.



6. Business Overview

The below diagram shows the ecosystem landscape overview. The solid arrows demonstrate movement of Wally currency (Wallys).



ToW Economy

1. ToW distributes Wallys to individuals on the platform in a daily stream of income. Learn how by jumping ahead to [here](#).
2. Individuals have the capability to trade content for Wallys by using capabilities engines in the ecosystem, of which there is initially only one. Capabilities engines are not operated by ToW, but they may interface with ToW and be subject to ToW policies. You can imagine many capabilities engines in existence, each akin to different apps tailored to the needs and tastes of different communities and serving various functions.
3. ToW will charge a universal data-rate (aka tax, gas, or resource constraint) on transactions within the ecosystem, thereby reducing the circulation of Wallys.
4. *Financial Markets & Ad Engine (un-numbered)*: ToW will develop a capabilities engine of its own to service the Wally monetary, financial and economic ecosystem by providing critical foundations for the growing ecosystem, including: KYC/AML; exchanges; defi; market making; money markets; lending contracts; and tokenization. For example, marketers and brands will find these capabilities helpful. As avid participants in the advertising industry, marketing firms and brands may choose to enjoy the benefits of KYC/AML, liquidity, exchanges, borrowing, and tokenization smart contracts.
5. *App Store (un-numbered)*: Apps will compete for Wally income by offering services to people.

As a disruptive system, ToW anticipates that marketers will buy advertisements and apps will sell ad space to marketers in Wally currency, which we anticipate will be widely accepted at such a point in time. Since the initial distribution of Wally into the system is always to partners directly (businesses do not receive daily distribution of Wally from ToW), the net result of the



system is that USD digital ad spend is rerouted to network participants. In other words, 100% of USD digital ad spend is funneled to consumers.



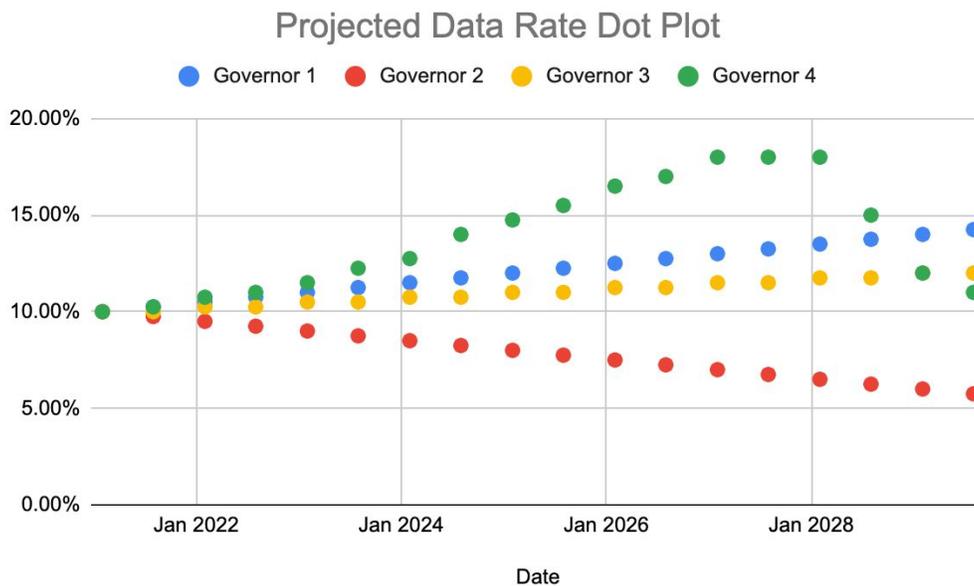
6a. Baseline Distribution, Data-Rate, and Offers

Baseline Distribution - [point 1 in the Business Overview Diagram](#)

The baseline distribution will be 500 Wallys per partner every day.

Data-Rate - [point 3 in the Business Overview Diagram](#)

The [Data-Rate](#) is a form of tax designed with the goal of reducing supply of Wally in the ecosystem. The data-rate will be modified by ToW governance over time in response to free-market behavior in order to stabilize the Wally currency over time. Below you see a sample ToW governance monetary policy which includes at all times transparently publishing a [projected data-rate dot plot](#) that expresses the governors' data-rate expectations into the future.



In order to achieve the policy target of stabilizing the currency, the data-rate can be increased or decreased.

Offers

From time to time, ToW will offer partners on the network an opportunity to buy Wallys. For instance, an offer may permit individuals to purchase 5000 Wallys for \$5 once per each 30 day period. Such an offer would imply a value of $1\Omega = \$0.001$.

6b. Content Economy

A content subscription platform (alternatively called a social network or any peer-to-peer publishing platform) stands to benefit from the implementation of a well-designed system of pricing of content for the following reasons:



- A. *High intent* - implementing content consumption costs makes viewers of social media more judicious
- B. *Interactive posts* - prices enable a more interactive “user” experience, one in which consumers can pay to unlock “layers” of content
- C. *Quality of content* - prices incentivize the creation of higher quality content
- D. *Enhanced search* - prices convey information that can be used to refine searches
- E. *Incentivized supply* - a publishing platform, like any two-sided marketplace, requires both supply of and demand for published content. If you assume solving the supply side of the chicken-and-egg problem is what will stimulate demand, then it is worthwhile to reward creators for their content
 - a. Keep in mind that legacy platforms (Facebook, Instagram, YouTube, Twitter and others) generally do a poor job of incentivizing supply.

The major disadvantage to networks with pricing capabilities is financial friction that arises and which reduces the ease-of-consumption. Furthermore, prices on content creates a disincentive to content consumption. Both of these factors stand to limit the demand side of the chicken-and-egg problem that all two-sided marketplaces - including publishing platforms - must contend with.

Tree of Wally has researched & developed the system and feasible UX designs for content subscription platforms (including an easy-to-access wallet and price-setting module) in order to demonstrate the ability to overcome these potential disadvantages by a) minimizing or fully eliminating the friction of transactions and b) creating liquidity that counteracts the impediment to content consumption created by prices on content.



7. Risk Factors

Risks to ToW and therefore to the Wally currency of which all consumers should be aware:

- a. risks common to all legal entities, non-profits, and/or businesses;
- b. risks that ToW will cease to be a going-concern;
- c. supply demand Wally imbalances that may lead to price instability;
- d. inability to scale the business in a timely fashion;
- e. deviations from theoretical models;
- f. governance risks;
- g. unforeseen risks;
- h. where disclosures may lead to abusive exploitation by network participants or for competitive reasons (for example to protect trade secrets), transparency may need to be circumscribed and this may have unintended adverse effects
- i. regulatory compliance risks including but not limited to AML/KYC/identity fraud risks;
- j. competitive risks from large tech companies, small startups, and elsewhere;
- k. counterparty risks including but not limited to critical stakeholder dependencies (ie market makers, developers, content creators, etc.);
- l. risks related to consumer and social trends;
- m. abuse, manipulation or subversion of the platform, either intentionally or not intentionally;
- n. mob behavior;
- o. malign state-actors may join the platform and reduce its ability to serve consumers;
- p. disinformation campaigns;
- q. cybersecurity risks;
- r. rapidly changing circumstances and the inability to adapt organizationally, technologically, or otherwise;
- s. national security and sovereign risks, including risks related to responses by regulatory bodies and financial institutions including but not limited to central banks and commercial banks;
- t. limited resources to cover development, technical, financial, regulatory/compliance and/or economic tasks;
- u. an uncertain venture capital market and appetite;
- v. deteriorating market conditions which may affect operations;
- w. potential lack of adoption of Wallys and an inability for Wallys to be used in markets outside of ToW apps (ie at grocery stores and to pay rent);
- x. management risks (ie management's judgement may become impaired, management may be corrupted, etc)
- y. community risk, insofar as the community may decide to "cash-out" en masse and create a "run on Wallys";
- z. public relations risk;
- aa. execution risks including but not limited to failure to provide reports in a timely fashion; to deliver on a technical roadmap; to attract developers to the ecosystem; to seed the ecosystem with attractive apps for consumers; etc.



- bb. geopolitical risks related to sovereign governments, armies, regional or global conflicts, and otherwise which may result in the need to adapt monetary policies;
- cc. political risks related to creating monetary unions;
- dd. the need may arise to implement variations to the data-rate and an overall more elaborate rate structure, which may adversely affect operations or consumer trends;
- ee. the need may arise to implement capital controls and to suspend the convertibility of Wally to USD or other currencies;
- ff. liquidity risks may manifest without the presence of capital controls if markets are not open or if volume is inadequate

8. Selected Data

This section will be available and periodically updated after initial launch in 2021.



9. Management Discussion and Analysis

Tree of Wally Foundation - a Delaware C Corp - is a Wally currency mint and governance entity that regulates the Wally [baseline distribution, data-rate, and offers](#) within an app ecosystem, beginning with a content subscription platform, Nomi. Wallys are a new digital currency representing 'data credits' (akin to airline miles 'points' consumers receive and which can be redeemed for flights) required for operating apps and good for rewarding content creators, publishers, developers and businesses. The ToW monetary system possesses distinguishing characteristics: 1) ToW distributes 100% of Wallys to individuals on the network, referred to as partners (not to founders, team members, developers, nor businesses); and 2) ToW sets and adjusts Wally baseline distribution, data-rate, and offers according to its governance protocols with the goal of stabilizing the Wally currency. ToW at all times transparently discloses a [projected data-rate dot plot](#) of the governors' data-rate expectations into the future. ToW is a coordinating system-enabling institution that [does not aim to narrow-mindedly maximize shareholder value](#), choosing instead to unleash free-market forces on a fairer new global tech ecosystem that maximizes network value in the long run.

9a. Strategy & Business Model

Over the course of its business, ToW may enter strategic partnerships with various companies. Such companies may be in the business of identity solution management, content subscription platforms, technology services and implementation, and so on and so forth.

Some of the strategy, especially early on, will be deliberate. It is envisioned that much of the subsequent growth will be naturally driven by market forces. In the event that the course of events leads to problematic circumstances (ie initial identity solutions, platforms, and technologies may fail to meet requirements as the ecosystem grows over time), major and abrupt actions may be taken from time to time in order to accommodate shifts in strategy.

Nomi Strategic Partnership

Nomi is a content subscription platform that enables a wide array of capabilities related to social networking and publishing content. Nomi is initially the first and only platform that utilizes the Wally currency. Nomi's role in the ecosystem is displayed in the 'Capabilities Engine' segments of the diagrams in [section 6 above](#).

For a discussion of conflicts of interests see point [9d](#).

Business Model

Wallet hosting subscription: ToW will charge \$1 per person per month for services related to wallet hosting.



Offers: ToW earns revenue from offers to partners. For instance, an offer may be to buy 5000 Wallys for \$5 once per every 30 day time period. This implies a value of $1\Omega = \$0.001$.



9b. Key Metrics

Nomi metrics will be very relevant for ToW stakeholders, especially while it is the first and only capabilities engine that utilizes the Wally currency, which is the case in the beginning. Therefore the metrics in the segment below include ones not exclusively within the purview of ToW and are generated with coordination with strategic partners, such as Nomi.

1. Engagement Metrics
 - a. # Partners on Nomi
 - i. % MoM growth
 - b. # of Distinct Tx and Market Value of Total Tx on Nomi per Day
 - i. Breakdown between USD and Ω
 - c. Engagement metrics
 - i. Avg # Content Posts per Partner
 - ii. Avg Price per Post
 - iii. Avg # Subscriptions per Partner
 - iv. Avg # Shares per Partner per Day
 - v. Other metrics like Comments & Quotes
 - vi. Engagement metrics per vertical & type
 1. Vertical: modeling, news, gaming, fashion, nature, etc.
 2. Type: image, video, stream, text, link, etc.
2. Partner Experience Analysis
 - a. Contributor Default Settings Analysis
 - i. Yes/No to Subscribe, Comment, Share, & Quote Capabilities
 - ii. Histogram of Avg Ω Price to Enabled Capabilities
3. Economic Metrics
 - a. # of Distinct Tx and Market Value of Total Tx per Day
 - i. Breakdown between USD and Ω
 - b. Avg Ω and \$ Spent Daily per Partner on Content
 - i. Histogram breakdowns so we can see the distribution and long tail
 - c. Daily Net USD \rightarrow Wally inflow (or outflow) = \$ Spent Daily to buy Ω - Ω Spent Daily to buy \$
 - d. Ω Velocity = $(\Omega \text{ Spent Daily} + \Omega \text{ Data-Rate Collected Daily}) / \Omega \text{ Distributed Daily}$
 - i. Therefore, to increase velocity, ToW increases the Data-Rate (this needs to be empirically proven, might not be true)
 - ii. May want to target an ideal velocity range empirically - thinking 50%-75% trending downward (of course, subject to change)
 - e. Gini coefficient (a measure of economic inequality)
 - i. target an ideal range empirically - achieve it by implementing/adjusting data-rate, proportionate and progressive tax policies



9c. Risk Management

- a. 100% of Wallys initial distribution is to individuals without an exchange of money and 0% for founders or businesses
- b. Target an ultra-conservative stance towards stabilizing the Wally currency
 - i. This may include for internal purposes deliberating an exceedingly modest Wally:USD exchange rate trajectory as “the natural level internally deliberated and empirically experienced”
- c. Evaluate metrics to diagnose the health of the system such as:
 - i. Daily market value of Wallys distributed to each member
 - ii. Measure economic inequality, for example, via a Gini coefficient or other method
 - iii. Perform simulations to examine and stress test the economic system
- d. Design the system so that acceptable remedies exist for expected imbalances (notwithstanding the expected scenarios outlined here, ToW reserves the right to react in any way it may deem fit)
 - i. In response to destabilization in the Wally currency due to over-supply, ToW will increase the data-rate, decrease distribution, or both
 - ii. In response to destabilization in the Wally currency due to under-supply, ToW will increase the decrease the data-rate, increase distribution, or both
- e. Carefully manage financial expectations for Wally with marketing strategy
 - i. Emphasize the non-economic benefits of the system
 - ii. Do not publish financial expectations for Wally:USD exchange rate and keep “the natural level internally deliberated and empirically experienced” a matter of internal discussion not for the public
 - iii. Present disclaimers on marketing materials and on any sales of Wally
- f. Minimize to the extent reasonably and practically possible ToW participation in Wally after markets
 - i. If ToW chooses to participate in after markets (for example in order to a) provide critical market making, liquidity generating functions to its ecosystem; b) survive as a going-concern; c) fund operating expenses; and/or d) cover research and development costs) it does so with the intent of sharing after market roles and responsibilities with many free market actors as the community matures and being a small player in after markets in the long-run
- g. Although incorporated as a Delaware C-corp, ToW does not seek to maximize shareholder value in the narrow sense of the term
 - i. ToW views its fiduciary responsibility through a stakeholder lens, including the prospective population on the ecosystem that stands to gain from the economic value of data
 - ii. ToW’s primary objective is to grow a sustainable global community and currency
 - iii. ToW’s shareholders expect to benefit from launching ToW in many ways without benefiting at the expense of others



- iv. ToW's shareholders expect to principally gain as stakeholders in the ToW ecosystem and not in their role as shareholders in ToW, which carries significant responsibilities to ecosystem stakeholders

9d. Conflicts of Interest

In the course of business, conflicts of interest will arise internally and externally across the ecosystem, which will be disclosed here. For instance, the initial content subscription platform in the ecosystem will likely share similar ownership with ToW.



9e. Annual Value Projection

If Wallys become a global currency, the daily baseline distribution rate will be an income for partners on the platform. As an exercise, we can take several approaches to project the value of such an income for the population on ToW on an annual basis.

Macro

One top-down approach to arrive at annual value is to make assumptions based on comparables in the market today. For instance, knowing that marketers spent \$80B on digital advertising on Facebook in 2019, we can make an assumption of how much of that digital advertising will be captured by ToW apps and settled in Wally currency. This would give us the USD demand for Wallys from marketers.

Let's assume 50% of Facebook's 2019 digital ad revenue is captured by ToW apps and settled in Wally currency. In such an event, the calculation to arrive at annual value is:

- a. (Digital ad rev. comp (ie FB 2019) x ToW capture %) / % ann. Wally → USD outflow

for example:

- b. (\$80B x 50%) / 20%
- c. =\$200B per year in Wally currency

We can back into what this would suggest about the price of each Wally if we assume the population size (100,000,000) and the simplifying assumption that everyone receives the default distribution rate (ie 1000 Wallys per day):

- d. \$200B / (100,000,000 consumers x 1000W x 365 days)
- e. =\$0.005 per Wally

While there are many factors that affect these results, one critical one is the '20%' figure (line b), which is the "% ann. Wally → USD outflow" (line a). This figure is an empirical number that will be determined by the population's willingness to part with Wallys to receive USD on an exchange market. An individual's choice to sell Wallys for USD will be determined by factors including but not limited to: a) clearing price of Wallys; b) price, supply and desirability of content priced in Wallys; c) desirability to save Wallys (ie for an expectation of it increasing in value according to a [projected data-rate dot plot](#)).



The following chart demonstrates the sensitivity of annual value to this number, viewable as a negative proxy for the desirability of Wallys (the lower the outflow of Wallys, the higher the desirability of Wallys):

Annual Value to Consumers Assuming ToW Apps Capture 50% of the \$80B Facebook's 2019 Ad Rev Market												
		% Wally Saved or Retained in the ToW Ecosystem										
		99	90	80	70	60	50	40	30	20	10	1
% Wally Sold to Marketers	1	\$4,000B										
	10		\$400B									
	20			\$200B								
	30				\$133B							
	40					\$100B						
	50						\$80B					
	60							\$67B				
	70								\$57B			
	80									\$50B		
	90										\$44B	
	99											\$40B

Micro

One bottoms-up method to arrive at annual value begins with assuming the price of each Wally and, again, the simplifying assumption that everyone receives the baseline distribution rate (ie 1000 Wallys per day). With this in mind, we can calculate annual value:

f. Ω price x Ω received daily per consumer x Days in a year x Number of consumers

for example:

g. $\$0.001 \times 1000\Omega \times 365 \text{ days} \times 100,000,000 \text{ consumers}$

h. $=\$36.5B$ per year in Wally currency

The annual value projections above - mindful of key assumptions - are large and demonstrate the potential to deliver the economic value of data to internet consumers while preserving the right to privacy and strengthening free-market capabilities.



9f. Governance

ToW will develop and disclose a governance system to determine how critical rates and policies are adjusted and/or amended over time.

9g. Treasury

ToW will develop and disclose policies around Treasury management and explain actions taken here. Policies will address topics such as:

- whether to maintain a Wally reserve at Treasury
- market transactions