

# **BRAINERS Whitepaper**

**BRAINERS combines concepts from social and publishing platforms with knowledge gained from building blockchain projects, cryptocurrencies, and their communities. The key is to inspire participation in a community of information providers evaluated by the Brainers team to enter a decentralized market in a fair accounting system that consistently reflects each contribution and participation.**

**Brainers operates on a distinct algorithm designed to reward users for their activity. By partnering with various advertising providers, Brainers monetizes users' engagement, thereby enhancing the value of the Brainers token. Notably, when a user earns \$10 through their activity on Brainers, it represents a total generated value of \$20. Consequently, if the user opts to sell the \$10 on an exchange, Brainers automatically purchases \$10 worth of Brainers tokens. This mechanism safeguards against price decreases and maintains a unique equilibrium.**

**Moreover, Brainers offers Social Media Engagement Rewards, allowing users to earn cryptocurrency while socializing. Its advanced earning mechanism ensures seamless crypto accumulation, supported by self-sustaining tokens. Brainers operates with complete transparency, providing users with a clear view of their earnings and the platform's processes. Additionally, Brainers does not require any initial investment from users, emphasizing accessibility and inclusivity. Through its monetization model, Brainers shares its earnings with users, fostering a collaborative and mutually beneficial ecosystem.**

**BRAINERS is the first crypto token to provide access to a transparent and team-reviewed information platform, rewarding an unlimited number of users who contribute subjectively and scientifically to this ecosystem connected to the blockchain through daily activity. BRAINERS has built the first decentralized information exchange system, combining the innovative elements of decentralized finance (DeFi) and the true value of the global market for news, information, knowledge, and scientific research worldwide.**

**User-generated content has created billions of dollars in value for shareholders of existing social media companies. BRAINERS Social aims to support information providers with contributions from platform users, rewarding them with BRAINERS crypto-token through their daily activity on the platform, and through this process, the BRAINERS crypto-token is capable of reaching a broad market,**

including people outside the platform who have not yet participated in any cryptocurrency economy.

This is a superb opportunity for those who wish to participate in creating a better world through a social networking network connected to the blockchain, and through daily activity, they can be rewarded in Brain cryptocurrency. All forms of information created on the platform are equally valuable. This means that those who contribute their time and knowledge to producing and managing content for others are as valuable as those who contribute their activities in information about crypto projects and the cryptocurrency market, this being the principle of fairness and transparency in information.

The community produces products to serve its members. This principle is exemplified by credit unions, social education programs, and health-sharing plans, which serve their community members rather than selling products or services to individuals outside the community.

## Introduction

**The Brainers community offers its members the following services:**

- A source of clean news, information reports, educational materials, entertainment, and scientific research.
- A means to obtain high-quality information without paywalls, censorship, and manipulation.
- Payments for content creators in exchange for knowledge.
- Passive income for those who provide the above services.
- Artists can create groups for their fans.
- Content creators, bloggers, can feel at ease being rewarded through the platform's implemented cryptocurrency system with Brain tokens daily; the more active they are, the greater the reward.
- Instant peer-to-peer payments transfer between users using the built-in and personalized digital wallet available to each user individually.

**Introduction:**

- The intentional realignment of economic incentives by Brainers has the potential to produce more equitable and inclusive outcomes for all involved parties. This work will explore existing

economic incentives and demonstrate how Brain incentives can lead to better outcomes for the majority of participants.

- The challenge facing Brainers is to develop an algorithm for scoring individual contributions that most community members consider to be a fair assessment of the subjective value of each contribution. In a perfect world, community members would cooperate to evaluate each other's contribution to the community and achieve fair compensation. In the real world, algorithms must be designed to be resistant to intentional manipulation for profit. Any widespread abuse of the scoring system could cause community members to lose confidence in the perceived fairness of the economic system. That's why Brainers developers have created the governance-powered currency BRAINERS, which will work together with a smart contract on the custom-built blockchain to prevent exploitation of the revenue system.
- Existing platforms operate on the principle of one user, one vote. This creates an environment where rankings can be manipulated by Sybil attacks, and service providers must proactively identify and block abusers. People are already attempting to manipulate scoring algorithms on other social networks when the only reward is web traffic or censorship. The incentive to manipulate and abuse a system that includes a monetary reward is expected to be even greater.

## **Reinventing Contribution**

- Brainers was conceived from scratch to address major barriers to the adoption and monetization of an information-based economy. Our thesis is that the same techniques used to develop major intelligence platforms can be used to launch a successful cryptocurrency, but without enriching a single entity; it distributes its revenues to the decentralized community that creates content, rewarding users based on their activity. The social and economic incentives activated by the cryptocurrency and decentralized financial technology can dramatically increase the growth of a new information distribution platform. The synergy between decentralized finance and quality information is what we believe Brainers can represent a strong advantage in this outdated market space, as many platforms have remained at the Web2 level, while the Brainers Network has moved directly to Web3.
- The challenge facing Brainers is to develop an algorithm for scoring individual contributions that most community members consider to be a fair assessment of the subjective value of each contribution. In a perfect world, community members would cooperate to evaluate each other's contribution to the community and to obtain fair compensation. In the real world, algorithms must be designed to be resistant to intentional manipulation for profit. Any widespread abuse

of the scoring system could cause community members to lose confidence in the perceived fairness of the economic system. That's why Brain Network developers have created the Brain cryptocurrency, which will operate with such a smart contract to prevent exploitation of the revenue system; hence, there will be no presale for the Brain cryptocurrency, and developers will be on equal footing with each user of the platform.

- The Brainers Network is built around a relatively simple concept: everyone's significant contribution to the community should be recognized for the value it adds, and that value should reflect the knowledge, time, and effort put into the contribution. When people are acknowledged for their contributions, they continue to contribute, and the community of creators grows. As the quality content and time increase, so will the community's digesting capacity. Therefore, Brainers will actively balance the contributors and the takers to satisfy each group by creating an optimal environment for both to become a profitable and truly decentralized exchange of information.
- Brainers aims to create such an exchange where money and intelligence - both as commodities - can be exchanged with enough liquidity to support content creators, consumers, and value providers equally, creating a system capable of identifying which contributions are needed and their relative value in a way that extends to an unlimited number of people.
- As the free market is a proven system, it is tempting to try to create a system similar to the free market where content consumers support content producers through a DeFi system, as direct payment is inefficient and not truly viable for content creation and curation. In direct payment systems, the value of most content is perceived as too low relative to the cognitive, financial, and opportunity costs associated with making a payment, so few readers choose to tip. The abundance of free alternatives also means that implementing a paywall will lead readers elsewhere. There have been several attempts to implement micropayments for articles from readers to authors, but none have become widespread, and Brainers Network takes on this challenge.

## Ways to Contribute

- Established companies require long-term capital commitment. Those who invest their money in a startup expect to wait years before they can sell their shares and realize profits. Without a long-term commitment, a startup seeking additional capital through the sale of additional shares would compete with existing shareholders looking to exit. Savvy investors want their

capital contributions to grow the company, but growth cannot occur if new capital is given to those looking to exit early with a profit. There is significant value in having a long-term commitment because it allows communities to make long-term plans. Long-term commitment from stakeholders also tends to result in votes for long-term growth rather than short-term limitation. In the cryptocurrency space, speculators move from cryptocurrency to cryptocurrency, primarily based on what they expect to have short-term growth. Brainers aims to build a community that is largely owned and controlled entirely by those with a long-term perspective.

## Subjective Contributions

- Proof of Subjective Work presents an alternative approach to distributing a currency that enhances fully objective proof-of-work systems, such as mining. The applications of a currency implementing subjective proof of work are much broader than any objective proof-of-work system because they can be applied by building a community around any concept that has a sufficiently defined purpose. When individuals join a community, they buy into a certain set of beliefs and can vote to reinforce the community's values or purpose. In fact, the criteria by which work is evaluated are entirely subjective, and its definition lives outside the source code itself. A community may want to reward news, reports, and other information providers, while other communities may choose to reward educational causes or assist in progressing scientific research. The value the currency attains depends on the demand for influence within a particular community and how much the market believes each community can achieve. Unlike previous systems, subjective proof of work allows a community to collectively fund the development of anything it considers valuable and allows for the monetization of previously non-monetized time.
- There are two ways people can get involved in a cryptocurrency community: they can buy or they can work within it. In both cases, users add value to the network; however, the vast majority of people have more free time than they do spare money. Consider the purpose of starting a currency in a poor community, without real money but with plenty of spare time. If people can earn money by working for someone else, then they will generate value through reciprocal exchanges facilitated by an accounting/currency system.
- Distributing a currency to as many people as possible in a manner that is generally perceived as fair is a difficult task. Tasks that can be fully evaluated by an objective computer algorithm are limited in nature and generally have limited positive externalities. In the case of Bitcoin-style mining, it may lead to the production of specialized hardware and may prompt people to invest time in developing more efficient algorithms. It may even help find prime numbers, but none of

these things provide significant value to society or the community holding the currency in general. More importantly, economies of scale and market forces will eventually exclude everyone but experts from participating in this type of distribution. Ultimately, calculation-based mining is just another way of buying, as it requires money to pay the electricity bill or develop the necessary hardware to do the work.

- To give everyone an equal chance to get involved and earn currency, people must be given the opportunity to work. The challenge is how to judge the relative quality and quantity of work individuals provide and do so in a way that efficiently allocates rewards to millions of users. This requires the introduction of a scalable voting process. Specifically, it provides for the allocation authority to be as distributed and decentralized as possible.
- The first step in rewarding millions of users is to engage in distributing a fixed amount of cryptocurrency, regardless of how much work is actually done or how users vote. This shifts the question from "Should we pay?" to "Who should we pay?" and signals to the market that money is distributed and bid on by anyone willing to "bid" more work. This is similar to Bitcoin's commitment to reward anyone who finds the most difficult hashes. Like Bitcoin, all work must be done before payment, and nothing should be paid speculatively based on the promise of working in the future.

The next step is to reward everyone who contributes positively in some way, even from a distance. This is achieved by ranking all work performed and distributing proportionally to its value. As the market becomes more competitive, winning the same payment becomes increasingly difficult (higher quality or quantity).

### **Renting vs. Buying vs. Shared Time**

- When someone owns a house, they expect to have the right to use the house for free. If a group of people buys a house together, then each can expect the right to use the house proportionally to their ownership percentage of the house. A fee-based blockchain is like renting a house from its owners, while rate-limiting is like shared time among owners. If a house is owned by multiple individuals, those individuals must decide how they want to share the house over shared time. Someone who owns 50% of the house but only uses it one weekend a year might expect to be paid by the people who take up their unused time. This is the mindset of a fee-based system. On the other hand, someone who owns 50% of the house speculates that the demand for the house will increase in the future and they will be able to sell their share for more. Any owner who owns a house larger than they use becomes a real estate speculator. With this mindset,

rather than collecting rent, they collect appreciation.

- The value of a share is derived from the time it can give its owner. Owning 1% of a house and getting it for 1 weekend a year is the lowest value of a share. However, if half of the shareholders never use their weekend, then the shared time value increases to 2 weekends a year. If those inactive users instead choose to rent out their unused time, then it decreases to 1 weekend a year. If those unused shared times were sold to people who would use them, then the value of a shared time would decrease by 50%. Unless the rent collected is greater than the decrease in the share value, shared time owners make an economic miscalculation.
- Using this reasoning, we can assume that a fee-based system will either be more expensive for its users or less profitable for its collective owners. A small individual owner may profit by renting out their portion of time, but only to the detriment of all other timeshare owners. In fact, the cost of the decrease in shared time value is shared among all owners since the profits are centralized in the single owner who decided to rent out their share. From this, we can conclude that a blockchain is best served by no usage fees at all. If a usage fee were to be charged as an alternative to rate-limiting, then it should be equivalent to buying enough. Timeshares and committing to keeping enough to earn the right to use it once. In other words, a transaction fee should be equal to the minimum account balance required to transact once a week and should be refunded at the end of the week. Let's assume the minimum account balance is \$1 and allows someone to transact once a week. If someone with a \$1 balance wants to make 5 transactions at once, they will need to increase their balance to \$5 for a week, either before or after the transactions.
- In theory, a market could form where users can borrow the necessary stake. In practice, it is more efficient for users to simply buy and sell the durations needed to achieve the desired weekly utilization rate. In other words, the cost of negotiating micro-loans is higher than the cost of maintaining a balance suitable for maximum weekly usage. Decentralized rate limiting of transactions may enable new types of decentralized applications that were not viable when each application use required a micro-fee. This new model gives application developers the option to decide if and when to charge their users for transactions.

## **The BRAIN Power**

- Brainers recognizes that the value of all user contributions is greater than the sum of its parts. Individual content or a single vote is worth almost nothing, but millions of organized content pieces or reviews from peers are worth many millions (or even billions) of dollars. A single vote provides minimal value, but billions of votes represent a very efficient curation. Content without

curation has limited value. Considering all the content on the internet minus the links between them, Google would struggle to produce useful search results. The links between information are what give it significant value. Because everyone benefits, everyone should pay. In other words, not individual users should pay for anything, but instead should be paid for everything they do that brings value to the Brainers. All we need to do is ensure which user contributions bring social value and which do not. Collectively, Reddit users vote 220 times per second and make 23 posts per second. Reddit is valued between \$500 million and \$4 billion, which means each vote and post is worth between \$0.06 and \$0.50, assuming that Reddit's value is mostly in last year's activity. It could be argued that most of Reddit's value is in the almost real-time discussions that have taken place in the last week, dramatically increasing the value of new activity.

## **Conclusion**

**Brainers is a personalized concept that addresses challenges in cryptocurrencies and the information market, combining the best aspects of both. Brainers provides content creators with earning opportunities and quality information to their consumers in ways that did not exist before on the Internet. Within the Brainers network, individuals earn real rewards online, which are directly correlated with their contributions. These rewards can have a dollar value due to market price and Brainers liquidity, and people who hold BRAINERS may have more exclusive powers than those who do not. In short, Brainers envisions the future in rewarding intelligence.**