WHITEPAPER
MAGIC
MOZART
NFT
“It’s cancer.” That’s not a sentence you want to hear your doctor say when you’re only 23 years old. Seven days earlier having graduated with my degree in opera, and now I was sitting in a hospital. They say thyroid cancer is the “best” kind one can get, but for me, it couldn’t be much worse. I was an opera singer, and they were going to cut my throat open.

Thankfully, everything went as well as it could, but rehabilitation took a long time. I had lost a lot of weight and my voice didn’t work the way it used to. I lost my chance to go to grad school. It was like I had to start from scratch and all my plans were shattered. But I didn’t give up.

I had no idea that a local businessman was about to change the trajectory of my whole life. He said he had been watching me for a while, that he thought I was talented, and he wanted to know what my future plans were.

Well, I had no future plans. I quickly made something up about going to Europe to start my career. He said if I wrote him a business plan he would help fund my vision. I didn’t even know what a business plan was at that point, but I figured it out and brought it to him and he gave me enough money to hop on a plane to Germany and try my luck.

Over a decade later, I am pleased to say that his bet on me paid off. I have sung all over the world, built a business during a global pandemic, cultivated a worldwide community of artists on 5 continents, and even donate my time to serve in anti-trafficking work. My life became rich enough to give back to multiple communities, but I never would have gotten there without someone taking a chance on me.

This is the heart behind the Magic Mozart collection. I know there are other people like me that will fall through the cracks without a leg up, and I want to create the boost they need to succeed. But I need your help to do it.

Soula Parassidis
When Soula Parassidis was diagnosed with thyroid cancer, she experienced the fragility of life first hand, but the truth is that millions of people have their purposes stolen from them every year because of external factors outside of their control. In these cases, everyone loses.

The odds were never in Soula’s favor. The vast majority of people who experience an external shock - whatever shape or size - run into a wall that is hard to recover from, if ever. Add that to being an artist: Artists already have a lower probability of obtaining long-run employment and financial sustainability. Soula broke through impossible odds.

The primary purpose of this collection is to help scale these sorts of opportunities so that they are the norm, not the exception. There are plenty of resources in the world, but often resources are not matched where they can have the greatest impact. Our launch of Magic Mozart will allow us to launch the Living Arts DAO, which serves as a pilot project to decentralize grant-making in the arts by providing greater transparency and accountability to non-profit efforts. This will raise the effectiveness of philanthropic efforts so that more people can live out their potential.

WHAT IS LIVING OPERA?

Soula founded the movement in 2019 to provide greater transparency in the fine arts, particularly in the opera community. Covering a range of topics from entrepreneurship, to mental health, to personal finance, Living Opera has grown into a worldwide community that spans at least 30 countries with members in North and South America, Europe, Africa, Australia, Asia, and beyond.

We started as an EdTech platform with online classes, but today Living Opera is leading the charge for the fine arts to enter the Web3 ecosystem. We produce fine art NFTs, live and digital concerts, and we are building an app that will allow users to create NFT art with sound.

Finally, we crowdsourced the name Living Opera from our community: “living” means “full of life and vigor,” and “opera” means (in Latin) “labor, effort, attention, or work.” (Opera lirica is a musical play!)
Our community consists largely of performing artists, but we believe the arts have a critical role to play in society, especially at this point in time, for at least two reasons. First, a wide array of social scientists and scholars have pointed out that, despite the demand for technical skills, soft skills have risen in importance [1]. Technical skills alone are insufficient; research has found that incomes among science, technology, and engineering workers quickly plateau [2]. Second, the arts have long brought people together to appreciate what is good, beautiful, and true, especially after times of crisis. We believe that now is a special moment in history to gather together and focus on the principles that unite us so that we can work in harmony to meet the challenges of the day.

Unfortunately, the fine arts sector has been struggling for years. Wages among artists have been stagnant and more costs have been passed onto them. For example, our results in the Appendix highlight the stagnant earnings that artists and musicians have experienced between 2005 to 2019 - some $20,000 lower earnings than the national average despite higher levels of educational attainment (often with masters degrees!). Furthermore, there is a public perception – rightly or wrongly – that the arts caters to a niche audience. These patterns are unsustainable absent intervention.
Blockchain technologies offer three advantages that have the potential to revitalize classical music. First, NFTs allow creators to receive remuneration for their creative content, rather than the wide array of intermediaries that conventionally occupy the space. Performing artists have struggled because their take-home pay is so low after compensating agents and other intermediaries in the process [3]. However, since NFTs provide an immutable and tokenized record of their intellectual capital, they can subsequently be traded – whether by other content creators, artists, or even companies.

Second, NFTs go hand-in-hand with augmented and virtual reality tools that enable more immersive and meaningful experiences. NFTs can be used to grant holders access to special perks, which could include AR/VR experiences, that are not available for more general audiences [4]. Restricting access using conventional web1 and web2 technologies is clunky and often cost-prohibitive.

Third, NFTs widen the potential audience for classical music engagement. While there is a perception that opera, for example, is only of interest for wealthy and racially homogeneous individuals, the reality is that the opera house was the “first musical institution to open its doors to the general public” [5]. In fact, Henry Raynor notes that, “The Venetian audience consisted of all social classes” [6]. We need a return to that, and we believe that technology can help us return to more democratized access and engagement.
THE ORIGINS
OF GENERATIVE ART

While CryptoPunks and the Bored Ape Yacht Club (BAYC) are among the most frequently discussed generative art NFT projects – and the many that have emerged since them – the origins of generative art actually reside with Wolfgang Amadeus Mozart. A seminal thinker and musical genius, Mozart invented – or at least, the majority of people attribute it to Mozart – a dice game called Musikalisches Würfelspiel, which involves tossing two dice to generate random combinations of numbers that correspond with precomposed music. There are over a quadrillion possible combinations, making each roll unique.

Mozart’s contribution to generative art is important because it not only represents a novel and early contribution during the 18th century, but also reflects the role of classical music as a catalyst for innovation and social change more broadly. While the current manifestations of generative art are interesting and exciting, their origins reside within classical music.

Therein is the motivation for the launch of our first NFT collection: Magic Mozart. The name of the collection comes from Mozart’s 1791 composition of the Magic Flute – his last composition – in Vienna. Our NFT collection contains the portrait of Mozart with five layers – each with features that come from the Magic Flute, producing nearly 6,200 NFTs. Our layers consist of:

- Mozart’s clothing
- Mozart’s hair
- Background
- Mozart’s cravat
- Props

Furthermore, each user who decides to purchase an NFT will receive a personalized musical composition as a function of their unique NFT. The 28-second musical composition is created on-chain and mirrors the design of the dice game.
PRESENTING
THE LIVING ARTS DAO

We believe that each person is created on purpose and with a purpose. No matter how difficult the present may seem, the best is yet to come as long as we persevere. But sometimes we need help and support, whether financial resources to make an investment or knowledge to navigate the journey.

Sadly, these resources do not currently exist and the challenges have only intensified over the past few years. We surveyed our Living Opera community in 2022, capturing 265 respondents across the world: 26% said their annual household incomes were between $25,000-50,000 and 43% said theirs were less than $25,000—significant declines since 2019 [7]. Moreover, 53% said they have a job outside the music sector, often in a retail, customer service, or administrative occupation, to support themselves — even if such jobs do not utilize their specialized skill set. Furthermore, this financial precarity fuels declines in mental health: 54% reported that they were formally diagnosed with anxiety or depression.

That is why we view blockchain technology as a catalyst for positive change in the arts, and we cannot delay any longer. Using revenues from the Magic Mozart collection, we will launch a decentralized autonomous organization (DAO) for grantmaking, community-building, and education in the arts, starting with and specializing in opera, to award micro-grants to young artists and promote skill acquisition. While our plan is for it to begin as an LLC in Tennessee, we will work on making it a non-profit so that micro-philanthropists can receive tax exemption for their donations to artists.
DECENTRALIZING GRANTMAKING

Arts and cultural institutions received $23.5 billion in charitable donations, approximately 5% of the $484.85 billion in 2021 [8]. Unfortunately, these donations rarely flow through to the artists, nor are there any sufficient grantmaking bodies that can operate at the scale or pace needed to help artists receive the resources they need to become financially independent, let alone succeed. Traditional sources of financing are also inadequate. Since performing artists, at least in the U.S., are nearly always freelancers, bank loans and even rental agreements tend to come with high interest rates because of their perceived credit risk.

Even if a loan were available, consider a singer who auditions and does not end up receiving a contract. Then, the singer would be in an even more difficult situation to repay the loan. That is why we want to meet artists where they are – whether it is an additional $500 to pay for voice lessons or $1,500 to finance a round-trip for an audition. Having invested nearly 30 years cumulatively between the founders in the arts, we know that many artists struggle to obtain the right information and receive proper mentoring.

We want to - and can - fill that void.

A DAO that facilitates micro-grants can operate at scale and at a much faster pace. Thanks to legislation that allows DAOs to receive a similar tax treatment as non-profits, philanthropists who donate to the DAO will have the option of writing the expenses off on their taxes. Furthermore, since the DAO will crowdsource proposals from artists and allow for transparent voting with a clear articulation of the eligibility and criteria, artists do not need to wait months to receive a reply; a grant can be executed within the span of two weeks and the funds transferred directly to the artist.

We plan on allocating 25-50% of the NFT collection profits to building the Living Arts DAO. Expenses include: funding for the disbursement of micro-grants, personnel costs for DAO governors, designing the verifiable credential, legal fees, and more.
The fine arts sector has also changed substantially over the past few decades. Artists typically began as apprentices with a mentor who would not only train them, but also advocate for them and serve as an agent. The incentives were aligned: mentors would only choose highly capable emerging artists, and the young artists would work hard to maintain the confidence of their mentor. But the sector has changed, particularly with the expansion of the modern system of higher education, and the number of graduates with a bachelors in music has continued expanding, e.g., from 25,804 in 2012 to 26,982 in 2020 [9]. Meanwhile, tuition has continued to increase. These patterns make the current trajectory of the sector unsustainable absent intervention.

Ongoing research by Christos Makridis and Jonathan Kuuskoski finds that 5% of colleges have an arts entrepreneurship certificate, and students who graduate with an arts degree and a business administration degree earn 4.2% more/year than their counterparts. To put that in perspective, college graduates with an arts degree earn 8.7% less after controlling for demographic characteristics and comparing employees within the same occupation. That means, even though arts graduates earn less, having business exposure compensates for roughly half of the earnings disadvantage.

An additional benefit of the Living Arts DAO is that participants will have the opportunity to earn digital credentials that signal their competency. Artists who submit proposals will also undergo an arts entrepreneurship training that has been produced by Living Opera, and the proposal writing process contributes towards an arts entrepreneurship certificate. While knowledge is good, it has to be put to practice before knowledge can turn into a competency. We want artists to have the opportunity to build self confidence and writing skills so that they know how to present themselves in the international marketplace; a business proposal is a place to start.
**ADVANTAGES OF A DAO**

Often described as a “total art form” because it combines many dimensions of fine art, opera is a natural place to start. While there are many arts institutions that already exist as non-profits, little of the philanthropic donations ultimately are passed through to performing artists. Instead, the bulk of the donations go towards expenses that the community, or the performing artists, would probably never consent to! In this sense, there are at least two reasons that arts funding chronically fails to help artists.

First, non-profits often struggle to execute on their commitments: it is easy to announce a press release that induces energy and positive sentiment, but do little to actually solve the underlying problem. Indeed, the financial longevity of many non-profits hinges on the existence of a problem, not the solution to it. Second, the tax structure and nature of work conducted by non-profits can create the temptation to outsource the “feeling” of solving a problem creating skin in the game to see the solution through. In fact, many behavioral economists describe such a phenomenon as “warm glow,” which creates a convenient way for people to feel like they are impacting society for the better when their financial contributions only marginally move the dial, if at all. (Sometimes more money worsens it!)

To be clear, there are many extremely high-impact non-profits, but the incentive structure is not always promote optimal behavior for the non-profit or society at large. A DAO, in contrast, is designed to solicit and encourage participation and promote transparency. Although DAOs often begin centralized, they are set up to transition towards greater decentralization where proposals are easy to submit, voted upon, and acted upon through a series of smart contracts. Embedding smart contracts into organizations has the potential to greatly streamline decision-making and reduce costs so that human effort is allocated in the areas of greatest importance, rather than the rote and routine areas.
In addition to owning unique digital art and serving as a micro philanthropist of the arts, we have three types of utility for holders:

- All-expenses paid trip to the opera – Norman Reinhardt is performing in Valencia, Spain in January 2023 and Soula Parassidis is performing in Athens, Greece in March 2023. After the collection sells out, one NFT holder (and a partner) will receive an all-expenses paid trip (flight and lodging).

- Airdropped music NFTs of our "Dream Girl" collection – Based on Richard Wagner’s Wesendonck Lieder, this song cycle is the precursor to Wagner’s epic opera Tristan und Isolde and takes listeners through an emotional journey exploring the fragility of love, the passing of time, and the highs and lows of human existence in just 20 minutes of heart pounding music. Norman directed and Soula sang, recorded at Ocean Way Studio, TN.

- Community of practice – Although the Living Opera community has lived traditionally on Instagram, we recognize the need for versatile and accessible software that can scale the community and allow for more interaction not only with philanthropists, but also among artists to develop a true community of practice. We are working with Bunches, a web3 community messenger that allows for an easy and fun user experience for users. Importantly, users will own their own data, unlike traditional social media platforms. Philanthropists will now have the opportunity to journey with the artists they are financing.

Of note, any artist who is also an NFT holder will gain complimentary access to our arts entrepreneurship certificate curricula, which would be priced upwards of $5,000 at a traditional four-year college.

We are also starting R&D to plan for the design of a blockchain-based game around the Magic Flute where users who also hold a Magic Mozart NFT gain access to in-game accessories that vary based on their NFT rarity. For example, holding the NFT with the Magic Flute may confer special benefits. Our aim is to demonstrate how classical music is accessible and fun.
We are also going to introduce a cohort of approximately 7 opera singers as a special part of the Living Arts DAO, functioning as a sort of "Y-Combinator" for the performing arts. For the duration of 6 months, participants will receive:

- Monthly stipends of roughly $1,000 to help create additional stability for these artists to allocate towards auditions, lessons, and more.

- Monthly mentoring sessions with the DAO governors, providing the opportunity to interact and learn from established professionals.

- Unique access to philanthropists from the Living Arts DAO to pitch additional projects and ideas.

Once these participants have completed the program, they will become mentors and have the opportunity to help guide new entrants in the Living Arts DAO who have received funding for their proposals. The aim is to create an ecosystem that is driven by constant learning and creating whereby participants receive positive reinforcement from both sides - as learners and as teachers - and the funds that are sowed into the DAO by philanthropists can have double the impact.
Our live mint of Magic Mozart with an initial set of 1791 NFTs is on September 30th 2022, coinciding with the premier of the Magic Flute on September 30th, 1791. We will host an in-person gathering in Nashville, TN at Humphrey’s Street Coffee with coffee and pastries that celebrate the culture of the time.

Following the mint, we plan the following milestones:

January – March 2023 – Establish a legal entity for the Living Arts DAO in Nashville, Tennessee, that functions as a non-profit, begin launching the DAO with an initial set of governors to review proposals and the Living Arts cohort

April – May 2023 – Embed the proper software to manage the DAO and allow for proposal submissions for the first cohort of awardees

June – August 2023 – Continue scaling the team to accommodate review of more proposals
Praised for her unique sound and glamorous stage presence, Greek-Canadian operatic soprano Soula Parassidis has performed at the world's most important cultural venues as a leading soloist. She has also appeared as a moderator for Medici TV, the “Netflix” of classical music. In addition to her musical and entrepreneurial endeavors, Soula is an avid anti human trafficking advocate.

Christos holds academic appointments at Columbia Business School and Stanford University, among others, has published over 70 peer-reviewed research articles and over 160 stories in the press, and has served in various levels of the U.S. federal government. He holds dual doctorates in economics and engineering from Stanford University.

The American tenor Norman Reinhardt has been a fixture of the international operatic stage for almost 20 years, appearing on the world's most prestigious stages in the USA and Europe, including the Salzburg Festival, Berlin State Opera, and Theater an Der Wien. He is the co-founder of Living Opera and an alumnus of Houston Grand Opera Studio.
APPENDIX
AND REFERENCES


Figure: Annual Earnings Among Artists, Relative to National Trend

Notes.--Source: American Community Survey. The figure plots the annual earnings (deflated by the 2012 consumption expenditure index) for the entire sample and for just musicians and artists (i.e., standard occupational classifications 27204 and 27101). There are 38,735 musicians and 42,512 artists in the 2006-2020 sample, or 2% of the population.
DANKE SCHÖN!
(Thank you!)