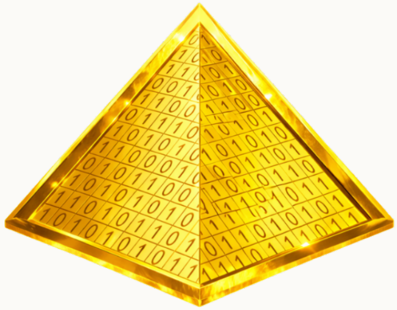

ECONOMIC FRAMEWORK

The ITZA Token Model

How ITZA and the tokens of every platform built on it are designed to hold value: what creates demand, what constrains supply, and why there are no mechanisms here whose purpose is to move a price.

Applies to ITZA (ITZACoin, iCoin) and to the token of every platform built on it, present and future.

ITZA Labs Corporation

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THE PROBLEM THIS SOLVES

Why crypto platform tokens keep going to zero

The standard design for a platform token is to mint new tokens as a reward for activity. Publish an article, get tokens. Post, comment, engage, get tokens. It looks like an elegant way to bootstrap a network, and it fails every time, for a reason that is arithmetic rather than bad luck.

Tokens minted for activity are supply that nobody paid for. The people receiving them have no cost basis, so the rational move is to sell immediately. There is no matching buyer, because nothing in the design requires anyone to purchase the token in order to use the platform. Supply rises continuously, demand does not, and the price falls. It keeps falling, because the emission never stops.

The second failure follows directly from the first. If tokens are paid per unit of activity, the profitable strategy is to produce as much activity as cheaply as possible. That is why these platforms fill with automated and low-quality content. It is not a moderation failure. It is the incentive working exactly as designed.

The pattern, in four steps

1. Tokens are minted for activity, so early participants receive supply at no cost.
2. They sell, because there is no reason to hold and no cost to selling.
3. The cheapest possible activity becomes the most profitable activity, so quality collapses.
4. Nobody wants to buy, the price approaches zero, and the platform is abandoned.

At no point in that sequence does anybody build a business. The project spends its life managing a token instead, which is why there is nothing underneath it when the token fails.

What we concluded from it

A token cannot be made valuable by engineering the token. It can only be made valuable by building something people want, and then making sure the token is genuinely required to use it. Everything in this document follows from that one position.

STRUCTURE

One hub, many platform tokens

ITZA, also called ITZACoin or iCoin, is the hub currency of the ecosystem and the main on and off ramp between conventional money and everything inside it. Each platform built on ITZA issues its own token, referred to as an ALT.

LAYER	TOKEN	ROLE
Hub	ITZA / ITZACoin / iCoin	The fiat on and off ramp, and the liquidity hub every platform token pairs against.
Platform	One per platform. iPress for ITZA Press, iChess for ITZA Chess, and so on as each launches	The unit of account inside one platform. What you pay a writer, an opponent, a seller or a creator with.

Every ALT lives inside ITZA Blockchain and can be traded against ITZA and against every other ALT on the internal exchange. Settlement is atomic and on chain. Because ITZA itself provides the liquidity, no platform token needs an external listing on any exchange in order to be usable or priceable, and none of them have one.

Utility first, but holding is a legitimate choice

An ALT is primarily a utility token. You need iPress to pay a writer on ITZA Press in the same way you need iChess to enter a rated tournament. That is what it is for.

But nobody is obliged to spend it. A member who believes a platform will grow can hold their tokens instead, and the design assumes a meaningful share of them will. That is not a loophole or an unintended consequence. It is how the people who arrive earliest and carry the most risk end up holding the most when a platform is worth something.

> A member can move between platforms without ever touching conventional money. Tokens earned writing on ITZA Press can be traded for tokens spent on ITZA Bay. The hub makes the whole ecosystem one economy rather than a set of unconnected products.

BOOTSTRAPPING

The founding distribution

Generally speaking, nobody migrates from a platform they already use to a new one just because the new one has better features. This is worth stating plainly because it is the single most common miscalculation in consumer software. Leaving somewhere established means leaving an audience, a history and a set of habits behind, and a better feature set does not on its own outweigh that.

Being early is also a cost paid by the person who does it. They arrive to an empty room, produce the first content, and do the work of telling other people it exists. An allocation is what compensates that.

So early members receive an allocation of the platform token from treasury. They can spend it inside the platform on whatever they like, or hold it. The allocation is the compensation for being early, and the people who take that risk should be the people who benefit most if the platform works.

Both sides of the market are seeded, not just one. A platform with writers and no readers is as dead as one with readers and no writers, so on ITZA Press a person says at signup whether they are here to write or to read and receives an allocation either way. Writers receive more, because a writer carries costs a reader does not: rent on the pieces they publish. Their allocation is sized to carry them until their readers can.

Why this is not emission

The distinction matters more than any other in this document, because a founding distribution and an emission schedule can look similar from the outside and behave in completely opposite ways.

	EMISSION	FOUNDING DISTRIBUTION
Quantity	Unbounded. Grows with activity, forever.	A fixed total, set before launch.
Trigger	Paid per unit of activity, so producing more activity produces more tokens.	A one-time allocation to early members. Producing more does not produce more tokens.
Ends	Never.	When the allocation is exhausted.
Effect on price	Permanent downward pressure, because supply always grows.	None after it ends, because supply stops growing.

It ends when it runs out, not on a date

The founding distribution is a fixed quantity of tokens, not a fixed period of time. Strong uptake exhausts it sooner and slow uptake exhausts it later. Both are correct outcomes.

We deliberately do not set an end date. A date is a promise about adoption that nobody can honestly make in advance, and it creates two problems at once: a scramble to get in before the deadline, and pressure to extend the deadline when uptake is slower than hoped. Extending a distribution is how it quietly becomes emission while still being described as one. A fixed quantity cannot be extended without visibly breaking the commitment.

> The remaining allocation is published as a live figure inside each platform. It tells a prospective member exactly where they are in the sequence, and it is not hidden, rounded into meaninglessness, or revealed only when it is nearly gone.

THE MECHANISM

What happens when the allocation runs out

This is the moment the economics of a platform switch on, and it is the part of the design everything else exists to reach.

Before exhaustion, a new member can be given tokens. After exhaustion, they cannot. To pay a writer, enter a tournament or buy from a seller, they have to acquire the token with money brought in from outside, through ITZA, from a member who already holds it. Nothing mints more, so supply is fixed and demand is whatever the platform's genuine activity requires. The price is the consequence of those two facts meeting, and it is not set, managed, supported or targeted by anyone.

The sequence, end to end

1. Founding. Early members receive an allocation. The token is worth close to nothing at this stage, and that is expected.

2. Use. The platform does its job. Real economic activity between real verified people.

3. Exhaustion. The allocation runs out. When depends entirely on uptake.

4. Purchase. New members buy the token from existing holders, with money from outside the ecosystem.

5. Consequence. Fixed supply meets growing demand. Value accrues to the people who held.

Where demand actually comes from

Demand is not a marketing exercise. It is created by mechanisms that are product features first, each of which either requires buying the token or locks it up while in use. Using ITZA Press as the worked example:

MECHANISM	EFFECT ON DEMAND OR SUPPLY
A reader pays a writer	Direct purchase. Scales with readership.
Subscription escrow	Locks a month of reader money at a time.
Commission escrow	Locks a commissioner's budget for the duration of the work.
Curation stake	Locks reader capital behind pieces they back.
Verification bond	Locks writer capital for the life of the account.
Members choosing to hold	Removes supply from circulation.

Every platform in the ecosystem has its own equivalents. The pattern is always the same: build something genuinely better for the people using it, require the token to use it, and let demand follow from real usage rather than from anything done to the token itself.

CONSTRAINTS

What we do not do, and why

Every item below is a technique the industry treats as standard. Each one is an artificial way to move a price, and each one is a symptom of a project that has started managing its token instead of building its business.

NOT USED	WHY
Emission or rewards for activity	Manufactures supply nobody paid for. The mechanism that destroys every platform token.
Token buybacks	Spending the business's money to support a price is not the business working. It is paying to look like it is.
Burns	Destroying supply raises a price without anyone wanting the token more. It substitutes an accounting action for demand.
Inflation or deflation schedules	A supply curve set in advance is a price target in disguise, unrelated to what the platform is doing.
Staking yield on the platform token	Paying people to hold is emission wearing a different name, and the tokens paid out are sold the same way.
Rebasing or treasury market operations	Direct price management. Not a business activity.
External exchange listings	Not needed. ITZA provides liquidity internally, and a listing mainly invites trading detached from platform use.

The test we apply to any proposed mechanism

If the purpose of a mechanism is to affect the price of a token, it does not belong in an ITZA platform.

If the purpose is to make the product better for the people using it, and a price effect happens to follow, that is the correct shape. The price effect is a consequence, never a design goal.

The distinction is not subtle, and it is the difference between a business and a scheme.

THE POSITION

What this is for

The purpose of building any platform is to make it valuable to the people who use it and the people who build it. We are direct about this rather than coy, because the alternative is a mechanism nobody understands and therefore nobody has a reason to join.

The intention is that members who arrive early, take the risk on something unproven, produce the first work and tell other people it exists, end up materially better off if it succeeds. Not through a scheme, and not at the expense of whoever arrives later, but because they hold a fixed-supply asset that a growing number of people need in order to use something genuinely worth using.

That is the opposite of the pattern this industry became known for. In a pump and dump, early holders are made wealthy by later buyers and there is no product underneath. Here, everyone holding the token is made better off by the same thing: more people finding the platform worth paying for. There is no group whose gain requires another group's loss.

What we do not claim

We do not tell anyone to buy and hold for a price increase. We do not publish numbers, targets, timelines or projections. We do not suggest that appreciation is certain, scheduled, or owed to anybody.

> **The honest limit**
>
> None of this guarantees anything. If a platform does not attract the people it is built for, demand never materialises, and the token is worth very little. Everyone holding an allocation holds an allocation of almost nothing.
>
> The upside is real and so is the downside, and both are entirely a function of whether the product is good. There is no buyback, no burn and no supply management standing behind it, on purpose. That is what it means to build this as a business instead of as a token launch.