

# Digital Content Next

Legal and Legislative Committee  
October 11, 2016

Dial-in: 866.740.1260  
Code: 4731000

## Agenda

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- Update on Coalition for Better Ads
- Announcement of TrustX

- Formed to address factors driving consumer adoption of ad blockers
  - Speed, annoyance, security?
  - Not privacy
- Founding Members: AAAA, ANA, BVDW, DCN, DMA, Facebook, Germany, Google, GroupM, EPC, IAB, IAB Europe, IAB Tech Lab, NAI, NMA, Proctor and Gamble, Unilever, Washington Post, WFA

- Process:
  - Compile/Review Research
  - Identify Problems
  - Develop solutions/standards (build on LEAN)
- Timeline
  - Near-weekly calls
  - First set of standards by end of 2016

- **Committees:**
  - Standards and Research – develop standards
  - Technology Implementation – distribute new tech
  - Accountability – ensure compliance
  - Communications/Training – consumers/industry
- **Total Budget of \$5m**
  - \$2.5m to IAB Tech Lab for testing
  - \$1m for PR/raising awareness
  - \$600k for Venable to organize

# It's a matter of trust



**TrustX**

# TrustX Organization

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- **Corporate Organization:**

- TrustX Inc., P.B.C. ("**TrustX**") will be a for-profit, wholly-owned Subsidiary of Digital Content Next ("**DCN**").
- TrustX will be organized under the laws of the State of Delaware as a **public benefit corporation**.
- Separate "C" corporation subsidiary **insulates non-profit parent** (DCN), for tax purposes, from attribution of the for-profit business activities of TrustX.
- Separate corporate entity also **shields DCN from liability** for activities of TrustX subsidiary; so long as corporate formalities are observed, there should **be no "veil piercing"** of TrustX's corporate status.

# TrustX: Created as a PBC

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- **Public Benefit Corporation (AKA “B Corp”):**
  - A for-profit corporation intended to produce a public benefit and to operate in a responsible and sustainable manner.
  - TrustX’s public benefit is to promote best practices in digital advertising by creating an environment that allows buyers and sellers of digital advertising to come together more efficiently and collaboratively and to experiment with advertising models that benefit the general public by increasing performance and generating better returns for marketers, advertising agencies, publishers and consumers alike.



# TrustX Governance

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- **Board of Directors:**

- TrustX will be managed under the direction of a Board of Directors (the “**Board**”), currently set at up to five members, as follows:
  - Two DCN-designated directors
  - Two Founders’ Council-designated directors
  - One unaffiliated independent director
    - Initial director will be Jason Kint

- **Officers:**

- Officers will manage the day-to-day affairs of running the entity.
- The President and Chief Executive Officer of TrustX is Jason Kint.

# TrustX Advisory Bodies

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- The TrustX Founders' Council and Advisory Council are two bodies that will be created to advise the TrustX Board regarding certain operational and business matters.
- These bodies are wholly advisory in nature; ultimate decision-making power remains with the Board.

# TrustX Financing

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- **Founders' Council Member Prepayments:**
  - \$100,000 each in TrustX service credits, payable in two installments of \$50,000 each.
  - TrustX shall endeavor to provide service credits to Founders Council members in the amount of their prepayment commitments plus a 15% additional service credit.
- **Advisory Council Member Prepayments:**
  - \$25,000 each in TrustX service credits.
  - TrustX shall endeavor to provide service credits to Advisory Council members in the amount of their prepayment commitments plus a 10% additional service credit.

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## Executive Committee Vote

- Executive Committee acting as proxy for the Board voted to approve the creation of the DCN subsidiary known as “TrustX” on September 15, 2016

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# 25 DCN Members Have Joined

Diversity of content categories, channels and sizes – traditional media roots and native digital

## FOUNDERS COUNCIL



CONDÉ NAST



**H E A R S T**

*News Corp*

## ADVISORY COUNCIL



ATLANTICMEDIA

BUSINESS  
INSIDER

THE **DAILY CALLER**



INDEPENDENT  
JOURNAL REVIEW



NBCUniversal



**Purch**

**Slate**

TimeInc.



VOX MEDIA

The Washington Post



# Press Activates September 26th

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## **DCN LAUNCHES PREMIUM DIGITAL ADVERTISING MARKETPLACE, TRUSTX**

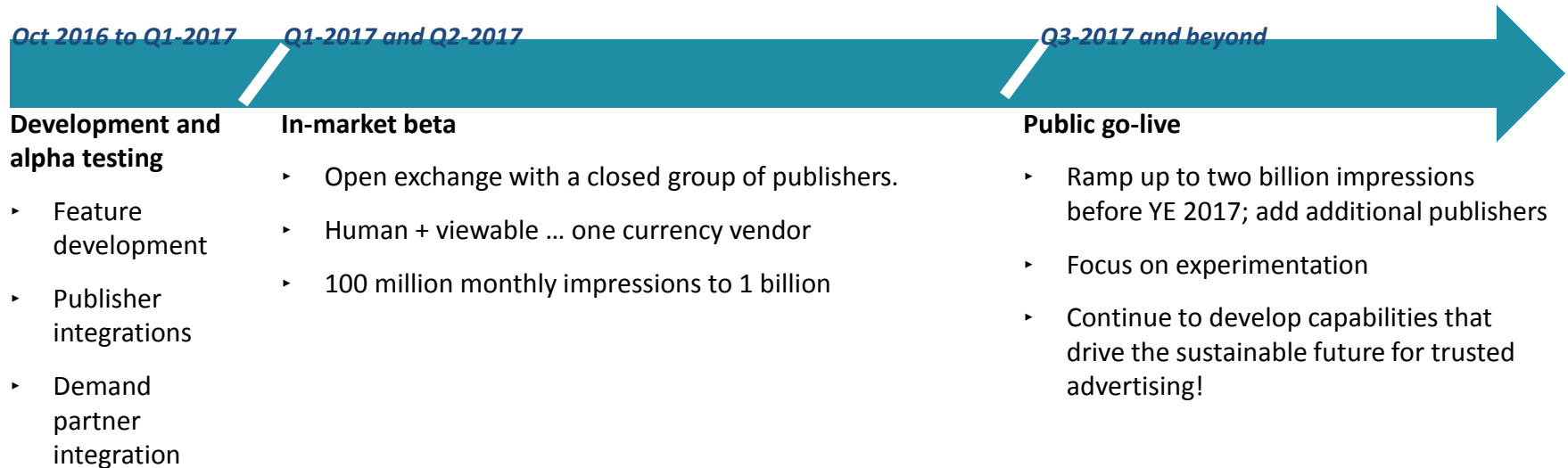
*ESPN, CBS Interactive, Hearst and News Corp to anchor the cooperative, along with more than 20 magazine, TV, newspaper and native digital brands*

1. Response to ad fraud, lack of transparency, deteriorating consumer experience that's motivating ad blocking
2. Addresses the industry's trust, transparency and accountability challenges in programmatic trading
3. A platform for collaboration between major marketers and premium publishers
4. Public Benefit Corporation (B-Corp) that will be a subsidiary of a non-profit trade association – DCN
5. No outside profit motives – singular focus on driving long-term benefits across the supply-chain

***Creating the sustainable future for trusted advertising***

# TrustX Launch Roadmap

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# Questions

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