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FANDOM AS COLLATERAL
STRUCTURE AS STRATEGY



QUIRE

✧ NOTE FROM QUIRE

Our previous briefing established a new, underwritable asset class: **the quantifiable loyalty of a consumer ecosystem**. Having defined what constitutes a bankable asset, the critical next question is how to construct the optimal capital stack to finance it. The existing architecture of capital instruments is fundamentally misaligned with the integrated, multi-node nature of these modern enterprises, creating a structural impediment to value creation.

This briefing provides the playbook for that architectural process. **We will deconstruct the fundamental components of financial structure, diagnose the rigidities of the current capital landscape, and present a path forward predicated on the hybridization of capital solutions.** The objective is to elevate structure from a back-office mechanical function to a core driver of alpha, empowering a new generation of assets to achieve their highest potential.

We Outline A New Framework For Capital Strategy Across Three Core Sections:

✧ Structural Multiplicity

Analyzing how value is created through the sophisticated synthesis of discrete financial and legal instruments into a cohesive, institutional-grade enterprise.

✧ The Siloed Capital Landscape

Diagnosing the market failure and systemic mispricing caused by the rigid, specialized mandates of traditional capital providers.

✧ The Path Forward: Hybridization

Positing that the solution lies in a holistic, architected approach to capital strategy, led by issuers who force innovation upon the market.

The work ahead is to engineer the financial architecture for the next generation of enterprise value.

Let's Build What's Next.

✱ STRUCTURE AS STRATEGY

A NEW INTRODUCTION

Structure is the codified architecture of enterprise value creation. It is the sophisticated matrix of contracts, corporate forms, and capital instruments that converts a strategic thesis into a bankable reality. Often treated as a functional necessity, structure is a primary driver of competitive advantage, as well as a recurring source of alpha. **It is the codification of how value is created, captured, and distributed.**

In the context of modern consumer ecosystems, this re-framing is an operational necessity. Our previous briefing defined the fluid, multi-node assets that securitize fandom rather than discrete IP. **Legacy capital stacks are ill-suited to capitalize these assets, whose terminal value depends on non-linear, network-driven cash flows.** Their financing must be architected with the same level of integrated, holistic design.

This architectural process begins with a technical command of the instruments themselves. Before deconstructing the path to innovation, it is critical to appreciate the scale and complexity of the existing structural toolkit. These are not niche instruments but the multi-trillion-dollar infrastructure underpinning the global economy.

✧ CASE STUDY

THE UBIQUITY OF STRUCTURE: A MARKET IN MOTION

Financial structures are not esoteric instruments; they are the bedrock of the global economy. Their sheer annual issuance volumes underscore their role as the core toolkit for value creation. For the sophisticated operator, this landscape is not a fixed menu—but rather, a modular architecture to be recombined in novel ways. The data illustrates reveals the depth and complexity of this toolkit.

✧ CORPORATE & STRATEGIC FINANCE

Annual Global Volume: ~\$3.5 Trillion

Primary Structures & Instruments

Mergers & Acquisitions

Stock Purchases, Asset Sales, 338(h) (10) Elections, Leveraged Buyouts (LBOs), Management Buyouts (MBOs), Mergers of Equals (MOEs).

Corporate Venturing & JVs

Minority Stakes, Joint Venture Agreements, Strategic Alliances.

Corporate Restructuring

Spin-offs, Split-offs, Equity Carve-outs, Divestitures.

✧ GROWTH & VENTURE CAPITAL

Annual Global Volume: ~\$300 Billion

Primary Structures & Instruments

Equity Financing

Priced Rounds (Seed, Series A-F+) with Participating Preferred Stock, Common Stock Offerings.

Convertible & Hybrid Instruments

Simple Agreements for Future Equity (SAFEs), Convertible Notes with valuation caps and discounts, Warrants.

Venture & Growth Debt

Senior Secured Term Loans from specialized lenders, Mezzanine Debt with equity kickers, Royalty-Based Financing.

Working Capital & Asset-Based

Accounts Receivable (A/R) Factoring and Securitization, Revenue-Based Financing, Vendor Financing.

✧ DEBT CAPITAL MARKETS & STRUCTURED FINANCE

Annual Global Volume: >\$5 Trillion (Corporate Bond Issuance Alone)

Primary Structures & Instruments

Corporate Debt

Investment Grade Bonds, High-Yield (Junk) Bonds, Syndicated Leveraged Loans (Term Loan A, B, C), Revolving Credit Facilities.

Structured Finance & Securitization

Asset-Backed Securities (ABS) collateralized by auto loans or credit card receivables; Mortgage-Backed Securities (MBS); Collateralized Loan Obligations (CLOs).

SOURCE: S&P GLOBAL MARKET INTELLIGENCE, PITCHBOOK, REFINITIV.
(Note: Data is illustrative and requires verification with real-time 2024 final reports.)

This immense scale demonstrates that the tools for financial innovation are not scarce. The critical challenge is not the availability of structural components, but the architectural vision to combine them.

✱ STRUCTURAL MULTIPLICITY

Value Is Created By Architectural Synthesis

The modern, high-alpha enterprise is defined not by a monolithic capital structure, but by a diversified architecture of legal and financial instruments. They are ecosystems built from a sophisticated lattice of discrete structural elements: contracts, licenses, equity JVs, and revenue-sharing agreements. Combined effectively, these components generate tangible synergies, downside protection, and structural alpha.

Financial innovation, therefore, is an architectural act of synthesis. Strategic advantage rarely comes from inventing new instruments, but from recognizing how existing mechanisms (e.g., a media-rights agreement, a venture investment, a brand-licensing deal) can be engineered into a defensible economic model. This is the essence of building an openverse, as seen with platforms like Formula 1 and Teton Ridge. Their durability is a direct function of the interplay between their structural components.

This reality redefines the core competency for leadership. **The requisite core competency for modern leadership is no longer siloed operational excellence, but strategic fluency across disparate financial and legal domains.** The challenge is to manage the enterprise as a portfolio of interconnected instruments, continually optimized for resilience, growth, and capital efficiency. **The most valuable companies will be those architected by leaders who wield structure as a strategic weapon.**

* CASE STUDY

Deconstructing The Teton Ridge Ecosystem: A Structural Blueprint

Teton Ridge, profiled in our previous briefing, exemplifies an enterprise built through the strategic combination of discrete financial and legal structures. An inside-out view of the ecosystem reveals how standardized instruments were sequenced to engineer an institutional-grade platform. Each component relies on a well-understood structure to achieve a specific strategic goal.

* THE TETON RIDGE STRUCTURAL STACK

Contractual Foundation (Revenue Generation):

- **Instrument:** Sales Agreements, Talent & Contributor Contracts, Revenue Sharing Agreements, Vendor & Supplier Contracts.
- **Function:** Codifies the core operational relationships and legally secures all primary revenue streams. **This contractual layer forms the bankable foundation upon which all higher-level capital structures are built.**

M&A Structure (Asset Consolidation):

- **Instrument:** Leveraged Buyout (LBO) Debt Financing / Asset Purchase Agreement.
- **Function:** Acquired "The American Rodeo" and "Western Horseman" to serve as the anchor assets of the ecosystem. **This common structure was used to consolidate fragmented market leaders.**

Media Rights Structure (Audience & Revenue):

- **Instrument:** Multi-year Licensing & Distribution Agreements.
- **Function:** Establishes contracts with broadcasters and streaming platforms to monetize the core media rights, generate predictable, recurring revenue, and expand audience reach.

Brand & IP Structure (Commerce):

- **Instrument:** Trademark Licensing and Royalty Agreements.
- **Function:** Partners with brands like Wrangler to create high-margin revenue streams through brand association and product licensing, converting audience engagement into direct commerce.

Venture Investment Structure (Innovation & Partnership):

- **Instrument:** Minority Equity Stakes / Convertible Notes.
- **Function:** Allows Teton Ridge to invest in or partner with emerging technology companies or lifestyle brands, securing access to innovation and creating a pipeline for future M&A or integration.

Teton Ridge's strength lies not in any single component, but in the interdependence among them. Media rights drive value to licensed brands; core M&A assets supply the content that powers those rights; venture investments extend the platform's strategic horizon. **The result is a structurally integrated ecosystem engineered for compounding value.**

✱ STRUCTURAL REALITY: THE CURRENT STATE

A Market Defined By Structural Arbitrage

A profound structural arbitrage exists between the integrated nature of modern consumer assets and the siloed architecture of the capital markets designed to finance them. The vast majority of capital providers operate within narrow, routinized mandates, optimized for pattern recognition and repetition within a specific asset class, stage, or risk profile.

This specialization creates silos. A venture fund is engineered to underwrite the binary risk of technology adoption. A private equity firm is designed to apply leverage to mature, predictable cash flows. A bank is mandated to provide low-cost senior debt against hard collateral. Each is highly efficient within its domain, but also structurally incapable of underwriting hybrid assets that bridge these categories.

The result is a persistent market failure: the systemic mispricing and undercapitalization of the modern consumer ecosystem. **Beauty lies in the eyes of the beholder, but these platforms do not fit neatly into any single underwriting model.** As a result, they are misunderstood and misvalued by a market not designed to recognize their composite value. This structural gap represents a significant, addressable source of alpha for capital architects with the mandate to operate across traditional silos.

✧ CASE STUDY

THE SILOED CAPITAL LANDSCAPE: A COMPARATIVE FRAMEWORK

The fragmentation of the capital markets is best understood by comparing the rigid operating models of its primary participants. Each is optimized for a narrow band of the risk-return spectrum, creating a landscape of specialization that struggles to finance complex, multi-faceted enterprises.

✧ COMPARISON OF TRADITIONAL CAPITAL PROVIDER MANDATES

Metric	Venture Capital	Private Equity (LBO)	Commercial & Investment Banks
Primary Focus	Hyper-Growth, Market Creation, Disruption.	Stable Cash Flow, Operational Efficiency, Market Leadership.	Creditworthiness, Low-Risk Collateral, Predictable Repayment.
Company Stage	Seed, Early-Stage, Growth-Stage.	Mature, Profitable, Post-Growth Inflection.	Mature, Established, Investment-Grade Or Secured.
Risk Profile	High-Risk, Binary Outcomes, Comfortable With High Failure Rate.	Medium-Risk, Focused On Downside Protection And Operational Upside.	Low-Risk, Focused On Principal Preservation Above All Else.
Primary Instrument	Preferred Equity, SAFE Notes, Convertible Notes.	Common Equity, Preferred Equity, Shareholder Loans.	Senior Secured Debt, Revolvers, Bonds, Term Loans.
Key Metric	TAM, User Growth, Product-Market Fit, Revenue Multiples.	EBITDA, Free Cash Flow Conversion, Leverage Ratios (Debt/EBITDA).	Debt Service Coverage Ratio (DSCR), Asset Value, Credit Ratings.
Core Limitation	Cannot Underwrite Mature, Low-Growth Assets Or Provide Debt.	Struggles To Value Pre-Revenue Or High-Burn Growth Assets.	Cannot Take Equity Risk Or Finance Intangible Assets Without Cash Flow.

The analysis reveals a market of specialists, or "one-trick ponies." While experts in their respective domains, their inflexible mandates create significant financing gaps for the hybrid, ecosystem-driven companies that represent the future of the consumer landscape.

✱ THE PATH FORWARD: HYBRIDIZATION

The CFO As Capital Architect

Transcending structural rigidity requires a paradigm shift, recasting corporate finance from a treasury function to a proactive, architectural discipline. **The modern CFO must function as a chief capital architect, wielding every available instrument to build a bespoke capital stack that provides a durable competitive advantage.**

This approach views every corporate finance decision through the lens of structure. It means engineering a capital strategy just as multi-faceted as the business itself.

Consider an example of a single, integrated strategy: executing a Series B growth equity round to fund corporate operations, while simultaneously raising a separate, non-dilutive SPE to develop a slate of TV content. That vehicle's cash flows are then securitized to provide working capital. The company then leverages its new valuation to acquire a key technology partner via an M&A transaction, and simultaneously deploys capital into AI startups via SAFE notes to secure future innovation.

This is where strategic finance moves from theory to execution.

* CAPITAL MARKETS IMPLICATIONS

A Responsive, Not Prescriptive, Force

To effectively drive this evolution, it is critical to understand the true role of the capital markets. **Banks, investment funds, and public investors are not the primary engines of financial innovation;** they are complex processors and distributors of risk. Their core function is underwriting: the analysis, pricing, and distribution of risk codified in the securities and structures brought to them by issuers. **They are a responsive force, not a prescriptive one.**

Investment banks act as the intermediaries, packaging securities for distribution. Capital providers, from PE and VC funds to public asset managers, act as allocators, deploying the capital of their Limited Partners or shareholders against opportunities that offer a compelling risk-adjusted return. **While their mechanics differ, the dynamic remains the same: they are stewards of capital, mandated to generate returns within a defined framework.**

This distinction is existential. The capital markets are not an obstacle to innovation, but a powerful system waiting to be leveraged. They are built to adopt and scale any structure shown to generate predictable, underwritable returns. **The mandate, therefore, is not to await innovation from the capital markets, but to engineer it at the asset level: to construct financial instruments so economically compelling and structurally sound that the market has no choice but to price and adopt them.**

✱ CONCLUSION

From Valuing Fandom To Structuring A Movement

Our first briefing established a new, bankable asset class: the continuity of fandom. **A paradigm shift in asset valuation demands a corresponding revolution in capital architecture.** An asset cannot be underwritten on one set of principles and capitalized on another; this mismatch is an unsustainable arbitrage.

Here, we have outlined the framework for that new architecture. We have defined structure as a core strategic discipline and made the case that innovation lies in the artful combination of its many forms. We diagnosed the siloed reality of the current capital landscape and posited that the path forward requires a hybrid, integrated approach, led by visionary corporate leaders who demand more from their capital partners.

The capstone to this thesis is a necessary evolution in the mandate of capital providers themselves. The tools and frameworks exist, but they must be wielded by architects, not just allocators. Unlocking the immense value of these new ecosystems is not a matter of educating capital on the old rules, but of challenging it to write new ones.

*** THE FUTURE IS ARCHITECTED BY INNOVATORS**

A Call To Action For The Capital Markets

Our third and final briefing in this series will issue that challenge directly. It will serve as a mandate for the innovators within finance to reclaim their role as market makers, moving beyond the fee-driven safety of replication and into the alpha-rich territory of true financial engineering.

*** QUIRE IN PRACTICE**

We help companies, funds, and platforms decode what's next, enabling them to act on it. From personalization engines to fan economies, we've worked across the ecosystem of content, capital, and culture.

Here are a few examples from our case library:

FANDOM

For its shareholders Amazon, IVP, and Bessemer, Quire orchestrated a platform-wide strategic pivot and drove a \$250M growth investment from TPG, repositioning a 350M+ fanbase around decentralized sub-fandoms, fragmented canon, and infrastructure-grade monetization.

RAPTIVE

For a leading creator economy platform owned by private equity group Zelnick Media, Quire assembled a team to define distinct opportunities for growth, defining a path for the company to go from a \$1 billion valuation to \$10 billion by focusing on ecosystem expansion.

GROUND NEWS

For global family office Hugo Enterprise, owner of the Chicago Cubs and other diversified assets, Quire engineered a \$50M capital strategy rooted in trust-based engagement and AI-personalized news delivery, defining monetization pathways around micro-communities.

Let's Build the Future of Content Together
contact@thequire.com | www.thequire.com

Jason Anderson — jason@thequire.com
Ben Broad — ben@thequire.com