

Spendcoin is compliant with Ethfinex guidelines<sup>1</sup> and therefore should receive a Ethfinex Listing Badge.

There has been challenge submitted<sup>2</sup> for the Spendcoin Kleros listing where an unknown individual(s) claim that Spendcoin does not meet the Ethfinex guidelines for listing. We will go through each accusation and prove with evidence how they are misinformed and factually incorrect to meet our burden of proof.

### **No Product Developed – *Factually incorrect***

Spend has developed a flagship multi-currency digital wallet<sup>3</sup> that currently hosts 3 fiat currencies and 16 cryptocurrencies. Within the Spend Wallet users can buy, sell, store, manage, spend, exchange, receive, and send digital currencies/fiat currencies to over 118 countries worldwide. Users are able to link their bank accounts and seamlessly move fiat into crypto and crypto to fiat creating a pure bridge of the financial worlds of fiat and cryptocurrencies.

Spend has also currently received a license to provide Visa Cards<sup>4</sup> in the USA and Canada that connects to the Spend Wallet to enable its users to spend their cryptocurrencies to fiat in real time at over 40 million locations worldwide<sup>5</sup>.

The individual(s) cite the requirements for section 3.1 which we will paste below for reference:

*3.1. There must be evidence of novel technology in development.*

*This may be evaluated for example by demonstrating: (Only one stipulation is required)*

*3.1.1. A working beta product. Accept if: There is a proof of concept of the product on a testnet.*

*3.1.2. Open-source code in development. Accept if: There is a significant amount of original code on a public Github repository.*

*3.1.3. Architecture diagrams or novel applications of cryptography and mathematics. Accept if: The whitepaper includes 5 pages describing a novel cryptographic protocol.*

The individual decides to refute these points one by one, so we will break down his misconceptions to what the actual reality it and not speculation/assumptious

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<sup>1</sup> <https://ipfs.kleros.io/ipfs/QmVzwEBpGsbFY3UgyjA3SxgGX3r5gFGynNpaoXkp6jenu/Ethfinex%20Court%20Policy.pdf>

<sup>2</sup> <https://ipfs.kleros.io/ipfs/QmbC6c7LUNQahNEv6DhyDyRMsmM4kEuN4nsVLqXsjDth4EJ/Spendcoin%20Evidence.pdf>

<sup>3</sup> <https://spend.com/wallet>

<sup>4</sup> <https://www.spend.com/legal/#licenses>

<sup>5</sup> <https://www.fintech.finance/01-news/number-of-card-accepting-outlets-set-to-double-by-2020-can-visa-and-mastercard-keep-up/>

natures of his descriptions. It is factually correct that Spendcoin **only** needs to meet the burden of proof for one stipulation mentioned in the Ethfinex Listing Guidelines which it meets by section 3.1 as shown below:

3.1 – Spend’s primary product as advertised on Spend.com & Spendcoin.org is the ability to *spend* cryptocurrencies all over the world, hence the name branding of “Spend”. The accusation is that there is no product delivered or in development. This statement is wrong for the reasons set below:

- a. Spend has already developed and launched its Spend Wallet and Spend Card which has the greatest use-case and utility of Spendcoins used today.
- b. Spend Wallet already offers a wide array of use cases for Spendcoin which users may take advantage of today
- c. Spend Card is capable of being ordered with Spendcoins and Spendcoins is its native rewards currency fueling a comprehensive incentive and gamified program.
- d. Cross Ledger and Blockchain University are still in private development and are future products to bring even more use cases for Spendcoin. As clearly identified in the Spend white paper<sup>6</sup> what the primary projects application is: Spend Wallet & Spend Card. The individual(s) is making baseless claims that Cross Ledger and Blockchain University are the *only* two use cases for Spendcoin. This was factually incorrect.

Therefore, even though Spend meets the criteria of section 3.1 by satisfying one element of the requirement needed with proof of its MVP product line, Spend will still mention why the individual(s) accusations are still factually incorrect:

3.1.2 – The individual(s) is claiming that Spend has no working prototype or because it is not contributing to its own open-source repositories. This accusation is factually incorrect for the reasons set below:

- a. Spend has a working MVP product<sup>7</sup>.
- b. Again, the individual(s), misconception that Spendcoin is only on Blockchain University and Cross Ledger are wrong. Spendcoin is already being used on an MVP product line with future plans of releasing on the new products coming out
- c. The individual(s) have the wrong repository/github for Cross Ledger and seem to be looking at an outdated repo. <https://github.com/CrossLedger> is

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<sup>6</sup> <https://spend.com/docs/WhitePaper.pdf>

<sup>7</sup> <https://itunes.apple.com/app/id1357740381>

the correct one, and our roadmap states March of 2019 we would release a testnet publicly. His accusation of not meeting our roadmap is factually incorrect as we still have 17 days left for this month. Nevertheless, again, our use case for Spendcoin isn't primarily for Blockchain University or Cross Ledger. It is currently an ERC20 token that has plenty of functionality on the Ethereum Blockchain for the Spend ecosystem of live products.

3.1.3 – The individual(s) accusation is that Spend has no unique features in its Cross Ledger White Paper. This statement is not a factual statement but more opinionated from this biased individual. The views are within his own views and not that of the network, overall userbase, and other individuals viewing this project. We suggest looking at the light most favorable for Spend because of the fact that no one has fully succeeded with an ambitious plan of creating a truly decentralized educational platform. Spend has the tools and man power necessary to execute its vision by demonstrating the launch of the Spend Wallet and Spend Card which shows a tremendous amount of regulatory and technical development that will be guided towards the future product line.

### **Spendcoin not fundamentally used in Spend Wallet – *Factually incorrect***

The individual(s) have claimed that Spendcoin is not fundamentally used in the Spend Wallet. These points are factually incorrect. Spendcoin is the native currency of the Spend ecosystem of products. Whether that is Cross Ledger, Spend Wallet, or Spend Card etc, Spendcoin will always be the native currency on all of these platforms.

Spendcoin is currently used on Spend Wallet in a wide array of fashions. Today users can use it to order a Spend Visa Card membership, activate 20% discounts on all fees for the user, receive it as a rewards currency for shopping, vote on new tokens being listed on Spend, spend it at 40 million locations, use it as collateral for a loan, use it to purchase e-Gift Cards, and use it to get a Spend Virtual Visa Card. Considering the company launched publicly less than 1 month ago, this is a wide range of features that will continue to grow.

So as of today, any user getting a Spend Wallet can use Spendcoin on the platform for a dynamic range of services whether they are in a region that currently has a Spend Card or not.

**Conclusion:** Spendcoin has many use cases, current MVP product that utilized Spendcoin in a way array of fashions, has a clear roadmap for future development, and a unique attack on creating decentralized education. Spendcoin, also, has to only meet on burden of proof to be compliant with section 3.

## Decentralization

The individual(s) accusation is that Spendcoin does not meet the criteria for Section 5.2 as quoted below:

*5.2. At least 10% of the total supply is freely circulating in the market OR will be freely circulating after the token is released. Reject if: 100M tokens were minted but only 10M are available to the general public. The 90M remaining are owned by entities who cannot currently sell them.*

The individual has made an allegation that only 2.85% is circulating and that the team will retain control of ~97% of the supply. The circulating supply of Spendcoin is low because Spend did not hold an ICO. This number is dynamic and changes daily as more Spendcoins are earned through Proof-of-Purchase<sup>8</sup>. The claim is that Spend owns 75% of Spendcoins and controls it is also incorrect.

Spendcoin is governed by the board of advisors which consist of 12 individuals<sup>9</sup>. Spendcoin has a “Plan of Distribution (POD)” that it has itemized in its distribution on <https://spendcoin.org/services/distribution/> 50% of the tokens are actually designed to be given away to the public through various open rewards programs and then the team retains 50% for founders, advisors, the company, and the foundation. 50% is freely available to be earned through Proof-of-Purchase, therefore Spendcoin meets the burden of proof as identified on its website of having 50% available to be freely circulating to the public and have meet the burden of proof of 5.3 by making the plan of distribution transparent.

**Conclusion:** Spendcoins plan of distribution with evidence on its website and marketing material show facts that it has met its burden of proof for decentralization.

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<sup>8</sup> This private mining algorithm released Spendcoins to the public as they earn Spendcoins on the Spend ecosystem of current and future products.

<sup>9</sup> <https://spend.foundation/team>

## Team & Governance

The individual(s) accusations about section 2 are both misinformed and factually incorrect. The section states the following below:

*2.2. The project leadership, whether as volunteer community members or founders/issuers, are deemed to have the specialised knowledge and experience to deliver the technology roadmap.*

We will go after each point the individual has made to show how he is factually incorrect and misinformed with their accusations. The Spend team currently consists of 12 leadership members<sup>10</sup> who run the foundation and the company. The “5 actual” members that the individual(s) is claiming work for Spend are factually incorrect. The fact that is correct is that there are 5 **c-suite executives** of Spend.com that are also on the board of Spend Foundation that help govern the non-profit. We then have a Board of Directors of Spend.com that also sit on the Board of Advisors to the Foundation who are also co-founders of Spend.com.<sup>11</sup> The only two individuals that are not a part of the Spend.com team, whether it’s a director, executive, or employee are the “Blockchain Advisors” which is Trevor Korveko from Polymath and Kissim Frank from AION, which are both reputable projects that are already listed on Bitfinex/Ethfinex. Everyone else is a part of the complete Spend family of companies/foundations.

Spend currently employs over 30 individuals which primarily consists of developers. There is 1 developer on linked in that is no longer with the company (Igor Choriny) that we have asked to remove Spend from his profile. Our company’s OPSEC<sup>12</sup> policies prohibit engineers to be publicly known as we take a strong approach to prevent social engineering where our engineers can be compromised and thereafter potentially compromise our ecosystem of products that deal with regulations and federally chartered banks.

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<sup>10</sup> <https://spend.foundation/team>

<sup>11</sup> <https://www.crunchbase.com/organization/spend>

<sup>12</sup> [https://en.wikipedia.org/wiki/Operations\\_security](https://en.wikipedia.org/wiki/Operations_security)

## **Team is accused on non-experience to deliver – *Factually Incorrect***

Laslty, the individual claims that the team does not show the ability to deliver on its roadmap claiming Spend Wallet is dApp and that he has no information on the team. This accusation is factually incorrect. The team consists of individuals that have business, payments, finance, and start up experience for a combined total of over 200 years. The team is consisted of billionares and millionaries who have the capability to continual finance the operation, growth, talent accuqisiton of bringing more individuals to the Spend team to spearhead any development. The roadmap is realistic and the Spend team has delivered bank grade products and plans to move their talents of building to a decentralized educational platform. Each public team member has a profile and background information of where they came from. It is true that even one of the Co-Founder's, Adam Jacobs, has worked a Special Advisor to Anthony Diiorio<sup>13</sup>, the Co-Founder of Etheruem and Decentral, which gives him hands on knowledge of the blockchain space to help continue grow the strategy of the Spend brand.

***In conclusion:*** Spend has met its burden of proof through facts and evidence that it meets all the listing guideline requirements of Ethfinex. Thank you

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<sup>13</sup> <https://www.linkedin.com/in/adam-cole-jacobs-a9684456/>