

Space Chain does not meet ethfinex guidelines

2.1 requirement

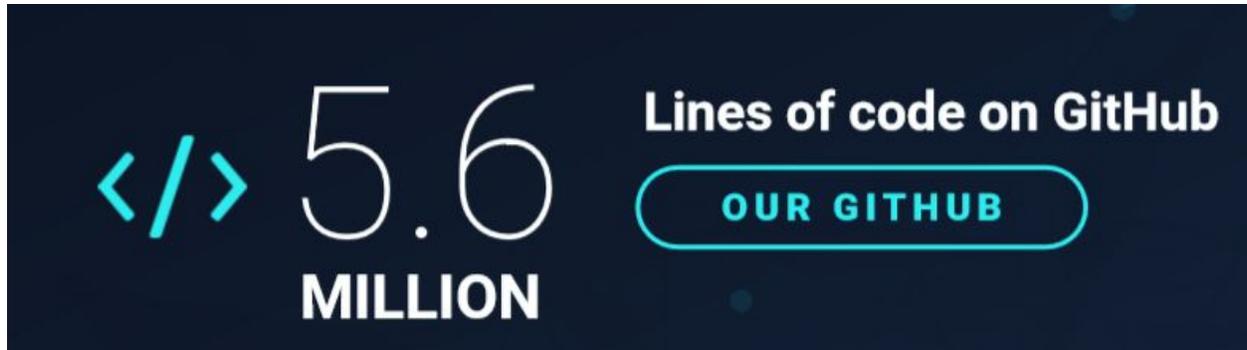
The 2.1 section requires:

2.1. The token issuer's directors are fit and proper persons (for example they have no previous record of fraud or similar dishonesty offences)

We will argue that this isn't the case due to dishonesty in their conduct of the project itself.

They purposely inflated the amount of lines of code on their github

[SpaceChain 2018 year in review](#) (available on the first page of their [website](#)) claims that they have 5.6 million lines of code on their github:



However you can see that their [github activity](#) is really low. How did they get this amount of line of codes? The answer is simple they just copied code from other project.

For example this

https://github.com/spacechain/spacechain_qtum/tree/c13afa98c1548528918b1fb3d3227182acd98e taken from this one <https://github.com/qtumproject/qtum-bitcore>

They just copied a crazy amount of open source libraries to make it seem they have done any work:

<https://github.com/spacechain/SpaceChainOS/tree/master/SpaceChainOS/spacechainos-base>

Sometimes they did not even bother to rename readme to make it fit their project. Here you can see that the CONTRIBUTING file (normally used to explain how to contribute to a project) is the one explaining how to contribute to bitcoin core:

https://github.com/spacechain/spacechain_qtum/blob/c13afa98c1548528918b1fb3d3227182acadc98e/CONTRIBUTING.md

All of their github is like that. I haven't be able to find any new code (maybe there is some, but if there is, it is buried in an ocean of copied code).

By announcing 5.6 million lines of code, the obvious implication is that they made it, not that they just copied code of other people to create the illusion of a product in development.

Moreover the [previous version of](#) their paper stated (see p24)

SpaceChain has built a decentralized marketplace for space applications built upon the SpaceChain OS which will be valued in SPC tokens. Note that the popularity of an application will increase the demand as well as the value proposition, and thus more SPC tokens will be needed to access the application.

You can see that they claim to "have built" not be "building". I search a lot and did not find their marketplace. I think it was a false statement and that they haven't built anything (reinforce 2.1 violation).

The [current version of the paper](#) also speaks about their platform being ready while it can't currently be used

SpaceChain has built a decentralized platform for space and satellite-based application development, where its token will serve as a method of payment for

This shows that dishonest claims about what they have build is not a single time mistake but a general behaviour claiming fake accomplishments.

2.2 requirement

The 2.2 section requires

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.

This could be evaluated for example with:

2.2.1 Prior track records of protocol or product development.

2.2.2 A clearly articulated vision and roadmap.

2.2.3 Backing and support from advisors or investors who are familiar with the subject matter and relevant industries.

Despit Jeff Garzik being officialy the CTO of the project, which should fulfil the point 2.2.1, this point is not to be fulfilled as Jeff is not significantly involved in the day to day management of technology.

On [Twitter](#), Jeff bio states "Husband, father, builder, Co-founder [@BloqInc](#), [@SpaceChain](#) & others, proud son of a USMC F-4 pilot."



Jeff Garzik ✓

@jgarzik

Husband, father, builder, Co-founder
[@BloqInc](#), [@SpaceChain](#) & others, proud
son of a USMC F-4 pilot.

He lists 2 projects including SpaceChain but also specify “& others”. Jeff is supposedly involved in a multitude of projects, for example:

- [Bloq](#) where he is [listed as CEO](#)



Bloq

Bloq delivers enterprise grade block chain technology to leading companies worldwide.

[Chicago, Illinois, United States](#)

Categories

[Bitcoin](#), [Blockchain](#), [Enterprise Software](#), [Open Source](#), [Software](#)

Headquarters Regions

[Greater Chicago Area](#), [Great Lakes](#), [Midwestern US](#)

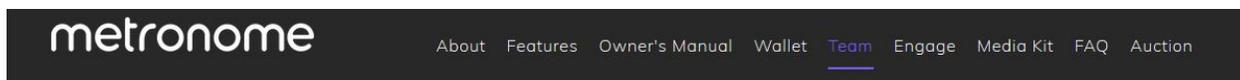
Founded Date

Nov 2015

Founders

[Jeff Garzik](#), [Matthew Roszak](#)

- [Metronome](#) where he is also listed as CEO



Team

A project as advanced and ambitious as Metronome requires known, proven talent and leadership in cryptocurrencies—people who uniquely understand the engineering and marketplace challenges.



Jeff Garzik

CEO & Co-Founder / Chief Designer



Matthew Roszak

Chairman & Co-Founder



Peter Vessenes

Chief Cryptographer

- Dunvegan Space Systems where he is [listed as a founder](#) (which seems dead so it's hard to know)



Dunvegan Space Systems

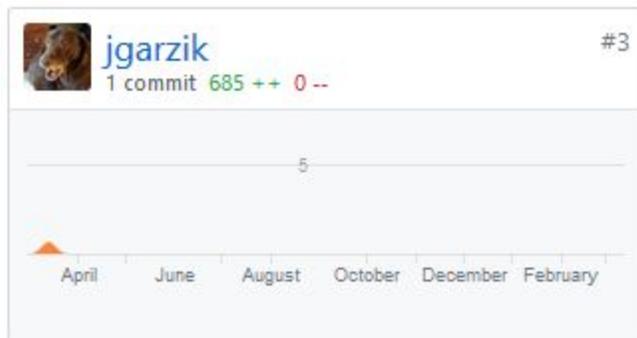
Fintech, cloud computing and drones in space

Atlanta, Georgia, United States

Categories	Aerospace, Cloud Computing, Space Travel
Headquarters Regions	Greater Atlanta Area, East Coast, Southern US
Founded Date	Apr 1, 2012
Founders	Jeff Garzik
Operating Status	Active

Currently, only Bloq is listed as current occupation on [his linkedin profile](#).

If you look at [SpaceChain github](#), you can see that Jeff Garzik only did one contribution:



Which is not even technical as it is just a [copy of the GPL license and 6 lines of text in a readme](#).

So the only public contribution of Jeff we found consists of **6 lines of text** (not even code).

All of this cast serious doubts on point 2.2.1.

Now let's look at the [paper](#) (which is also available on their [website](#)):

It does not contain any technical information.

Looking on google, we can find a [previous version of it](#).

In it we can see the following red flags:

has successfully launched a satellite in early 2018 to achieve the base layer of this new structure. Due to the SpaceChain system cost being 100x of investment versus 1,000x with the old satellite launch mode, the economics enables many new use cases. The most important use case are the ones we have yet to

I still don't know what they meant by it, but I guess it is to appeal to hopes of 100x return.

3.1 SpaceChain Bottom Layer: Qtum

The SpaceChain OS framework is divided into a blockchain application layer that includes these layers:

- Qtum provides the basic service API for smart contracts and blockchain application
- Qtum also offers a sandbox to guarantee the safety of applications processing
- Compatible for Ethereum protocol (ETH) Ethereum EVM to process Qtum smart contracts
- Open for any public blockchain and their smart contracts application

Qtum is a layer, but the 3 other points are not layers, it seems they don't even know what a layer is.

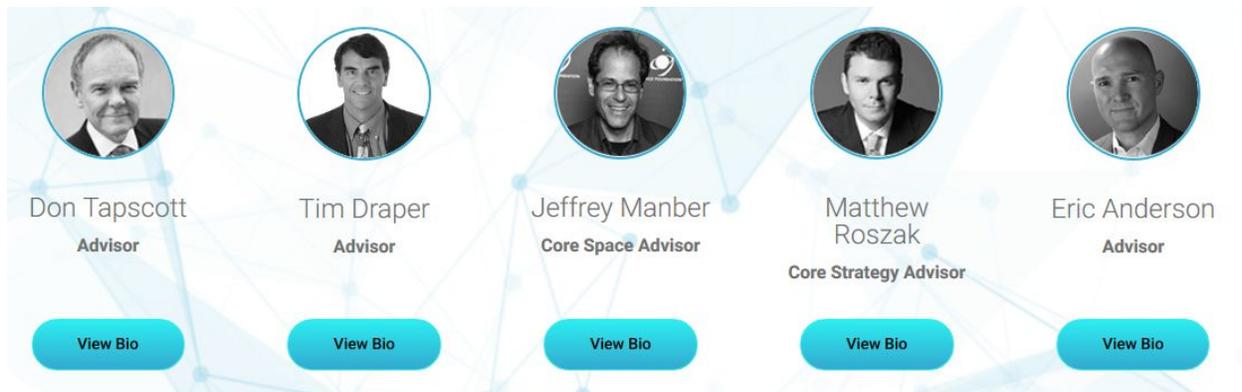
- The remaining of this section does not give technological information about spacechain but just skills Qtum (they better should like Qtum since their code is copied from them).

Data and research show that the effective way to reduce the cost of satellite applications is to increase the number of applications per satellite. Just as the mobile phone has evolved from a Nokia smartphone to a smart phone of today, the shift is based on a strong and stable space operating system that can hold numerous applications seamlessly.

If data and research show, we'd expect to get some reference to those. But there isn't any, they just give unbacked claims.

All those cast serious doubt on point 2.2.2. It also, by ricochet cast doubt on the point 2.1.1 as if Jeff Garzik was really involved at the tech level as its CTO title claims, they would have been able to provide blockchain technical information.

Finally for 2.2.3, the advisors do not have blockchain technical knowledge



All those shows that the point 2.2 is not satisfied.

3.1 requirement

The 3.1 section requires:

3.1. There must be evidence of novel technology in development. This may be evaluated for example by demonstrating:

3.1.1. A working beta product.

3.1.2. Open-source code in development.

3.1.3. Architecture diagrams or novel applications of cryptography and mathematics

As we've seen in the first section (2.1 requirement), the marketplace they claimed to have built is nowhere to be seen.

They have claimed to have put a satellite into orbit.

In 2018, SpaceChain launched into space a customized Low Earth Orbit (LEO) satellite equipped with communication, camera, sensor, gesture and orbit control functions. Also, SpaceChain's partners and any interested parties can launch into space LEO satellites equipped with SpaceChain hardware and OS capabilities to contribute to the satellite constellation ecosystem.

(current [whitepaper](#))

Which seems a really complex task. However, they put a Low Earth Orbit satellite which is quite cheap (5000\$/kg, see <https://www.ft.com/content/aac53d86-8101-11e8-af48-190d103e32a4>).

Putting a node on a satellite (without significant original code) is not related to being able to build an Operating System.

The open source code is not made by spacechain.

As we've seen in the second section (3.1 requirement), the paper does not contain "*Architecture diagrams or novel applications of cryptography and mathematics*".

For those reasons the 3.1 requirement is not satisfied.

3.2 requirement

The 3.2 section requires:

3.2. There is a demand for the token driven by an existing or future utility. This utility is obtained from obtaining, holding, participating, or spending the token. The team has identified a reason for the token to exist which is not just fundraising.

To get more information about this, let's look at [their paper](#) in "Tokenomics – utility, usage and value" section (p12).

Tokenomics – utility, usage and value

In the SpaceChain economics model, the SPC token will have several utilities and usages.

SpaceChain has built a decentralized platform for space and satellite-based application development, where its token will serve as a method of payment for access to applications built and utilized. As such, the SPC token works like a digital currency in the SpaceChain ecosystem. Thanks to the many businesses and companies that partner with SpaceChain, the entire network is powered by and built on this token economic model. Thereby, the SPC token also serves as a means for payment and transaction at all of SpaceChain's partners.

In addition, SpaceChain has established an eco-system where contributors are rewarded with SPC tokens. These community contributors can be anyone – from content creators to developers who help to improve codes, solve bugs or maintain the software – who want to add value and be part of making the ecosystem more vibrant and successful.

Through such an economic model, more talent and companies with resources will be attracted to contribute to SpaceChain's ecosystem for as long as they believe in the project.

To create greater overall growth for the ecosystem and the space industry as a whole, SpaceChain is encouraging other groups and projects to build applications that bring value to the ecosystem.

They claim that there will be "several utilities and usages". However they just list "method of payment for access to applications built and utilized" and "mean for payment" and "transactions at all of SpaceChain's partners".

A honest summary of their statement would be:

"The SPC token will have several utilities and usages: payment, payment and payment".

Again we see that their statements are dishonest as they try to make it seem that the token has multiple use while it can just be used for payment. Stablecoin and large cryptocurrencies are

obviously better for this purpose and it is highly unlikely that people in the space industry would prefer to accept payment in SPC rather than more efficient / stable currencies.

These points show that the 3.2 requirement is not met.

5.3 requirement

The 5.3 section requires:

5.3. The team which issued the token should have made efforts to be transparent about details of the token supply, circulating supply, and any inflation, as well as their own ownership of issued tokens.

The team has not been transparent about their own ownership of the token. It is known that the foundation has the non-circulating supply. But it is not known who got the circulating supply. Allocation to team member, partners and investors is nowhere to be seen. There are no information in their website nor their paper about how tokens were allocated.

The only hint I manage to find on how much does the team own is in their [FAQs](#) where they state:

How many SPC tokens do advisors hold?

Unfortunately, these details are NDA'ed, however, what we can say is that none of the advisors hold more than 1% of the SPC tokens for their advisory.

So we know each advisor has $\leq 1\%$ but nothing more.

This is a violation of the 3.3 requirement.

Conclusion

We've seen that 2.1, 2.2, 3.1 and 5.3 requirements are not met.

Only one requirement violation is enough to reject the badge request. So it appears that the badge must be rejected.