

Spendcoin is not compliant with Ethfinex guidelines and therefore should not receive the badge.

You can review the Ethfinex guidelines here:

<https://ipfs.kleros.io/ipfs/QmVzwEBpGsbFY3UgyjA3SxgGXx3r5gFGynNpaoXkp6jenu/Ethfinex%20Court%20Policy.pdf>

I reference point numbers throughout, and have copied some text from the policy to make things easier.

Failings:

There are many red flags about this project. There has been no product developed, and no sign of any continued development. The token distribution is opaque and remains highly centralized at the moment. Also the team is not experienced and have no indication that they will be able to deliver on the project. I have left evidence for these three points below.

First I want to lay out the structure of the project. Since there are many projects that branch off of Spend so it can be confusing. Spendcoin is meant to be the native token of the blockchain Cross Ledger <https://crossledger.org/>. Cross Ledger is not a cross platform blockchain as the name suggests. Cross Ledger will use Spendcoin as the native token. Similar to EOS, Spendcoin has been distributed as an ERC-20 token on Ethereum and will be ported to the native ledger once it is released. The primary purpose of Cross Ledger is to provide the backend for Blockchain University <https://bu.org/> (Note this is unrelated to <https://theblockchainu.com/> which uses the KARMA token.). The upvote/downvote process for Blockchain University is being baked directly into the blockchain so it is safe to say this is the only planned purpose of the blockchain.

Spend also has a wallet and credit card that they have released and seems to be their only viable product. This wallet has nothing to do with Spendcoin fundamentally. They use Spendcoin to incentivize use of the wallet and credit card, but it has no native value to the platform.

3. Technology and Product

Point 3.1 states:

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.

I will refute all of these points.

3.1.1

On the roadmap it states that a working testnet should be launched this month but as of now there is no sign of the Cross Ledger blockchain and no way to test if it in fact lives up to the promises of the whitepaper. I can not find any public announcements stating that a release of the testnet is imminent.

All of the related projects associated with Spend have no evidence of moving forward other than their wallet and credit card that has nothing to do with Cross Ledger or the native use of Spendcoin. Blockchain University is commonly mentioned throughout reference material as the primary end user of Cross Ledger. This is the Blockchain University website that is linked from Spends website:

<https://bu.org/>

There is virtually no information on how it will work or evidence that anything is in progress.

3.1.2

You can look at the github here: <https://github.com/Spend>

There has been virtually no open source code contributed to any kind to any of the repositories, including the Cross Ledger repo, which is the native platform of Spendcoin.

3.1.3

The Cross Ledger whitepaper can be found here:

<https://crossledger.org/Whitepaper.pdf>

There are really no unique concepts in the paper. They plan to use Delegated Proof of Stake, similar to EOS. And also want to bake in what they call a Social Consensus Algorithm which they call "Proof of Support". Essentially it lays out an upvote/downvote system where Spendcoin is used to upvote/downvote an answer to a Blockchain University question. Similar to Steemit.

Also note, as stated above, there is no evidence that Blockchain University is a real platform and no clear White Paper stating how it will work. <https://bu.org/>

Overall the White Paper does not dig very deep and doesn't display that they have put thought into any low level concepts on developing a blockchain other than just copying EOS and Steemit. They admit this is the conclusion of the white paper stating: *As many can understand at this point this platform is very Steem and EOS oriented as we highly believe in these platforms whom have a proven track record.* The only purpose for this blockchain is so that Blockchain University can have an upvote system baked in by repurposing other already developed blockchain concepts.

Conclusion: Spendcoin's purpose is be the native token of a blockchain called Cross Ledger, which is the native blockchain of Blockchain University. Neither of these projects have released any sort of beta software or testnet. There is no open source code. The whitepaper does not describe any new novel concepts or technological developments that gives evidence that there is anything special being developed at Spend. Therefore it fails criteria 3.1.

5. Decentralisation

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.

<https://spendcoin.org/about/> point 3 states that only 2.85% of Spendcoin is currently circulating. If you click through to the total distribution. 25% is earmarked essentially for airdrops and the remaining 75% is for opaque foundations, partners, team members and Spend corporation. So essentially the Spend conglomerate controls 97% of the supply, of which they promise to distribute up to 25% more of for free. But currently only

up to ~3% has actually been distributed. I can not find any sort of guarantee that these tokens will actually be distributed in this fashion.

2. Team and Governance

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.

The team can be found here: <https://spend.foundation/team/>

There are only 5 actual team members listed here (the last 5 people listed). Of the 5, only two appear to be working on Spend as their full time job on LinkedIn. The other 3 list other companies for which they currently also work. Two of the employees are missing pictures. None of the team members seem to have any background in blockchain. Very few in technology at all.

You can see all people who list Spend as their employer here:

<https://www.linkedin.com/company/spend-inc/people/>

You will notice that only one software engineer that publically works for Spend (<https://www.linkedin.com/in/igor-chorniy-83b883166/>). He has very minimal experience listed. Only another 3 month stint working on a blockchain project.

I do not see any indication that this team has the capability to build their own blockchain, which takes a much higher level of sophistication than building a DApp. Also I don't see any experience in education amongst the team so that makes me question their ability to deliver Blockchain University.