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Putting the 'Z' in Decentralization

Zyler9985 · [Follow](#)

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The blockchain trilemma has plagued legacy cryptos. The herculean task of balancing security, scalability and decentralization is one many have tried to take on. None have succeeded, which is not surprising given the space is saturated with VC-backed, 1-ledger systems. But what if there was a fairly launched, 2-ledger system new to the crypto space?

Enter Zenon, the Network of Momentum.

In this article, we're going to focus on the decentralisation of the Network of Momentum. This is important because the apps built on the NoM will inherit

its strengths of being feeless, secure, scalable and decentralised. Note that in Nov 2022 during ‘phase 1’, one of the nodes, called a sentinel, will become active and help with scalability. The measurements of TPS at that time will be very interesting, and as for security, Zenon is both PoW + PoS and the SYRIUS wallet has recently been fully open-sourced and the entire project will soon follow. So for the other two points of the blockchain trilemma — security and scalability — for now just wait and see.

TLDR: Zenon was fairly launched without a pre-sale or ICO and with no VC backing. There’s only been grassroots marketing 2019–mid 2022. Zenon is owned by the people and its design embodies decentralisation at every level.

Disclaimer: This article is not financial advice and may contain speculation.



CryptoPublius @crypto_publius · Feb 20, 2021

If it is crypto riches that you seek,
You must find the coin launch the most unique;

Not an ICO or drops from the air,
But a skill-based launch, undeniably fair;

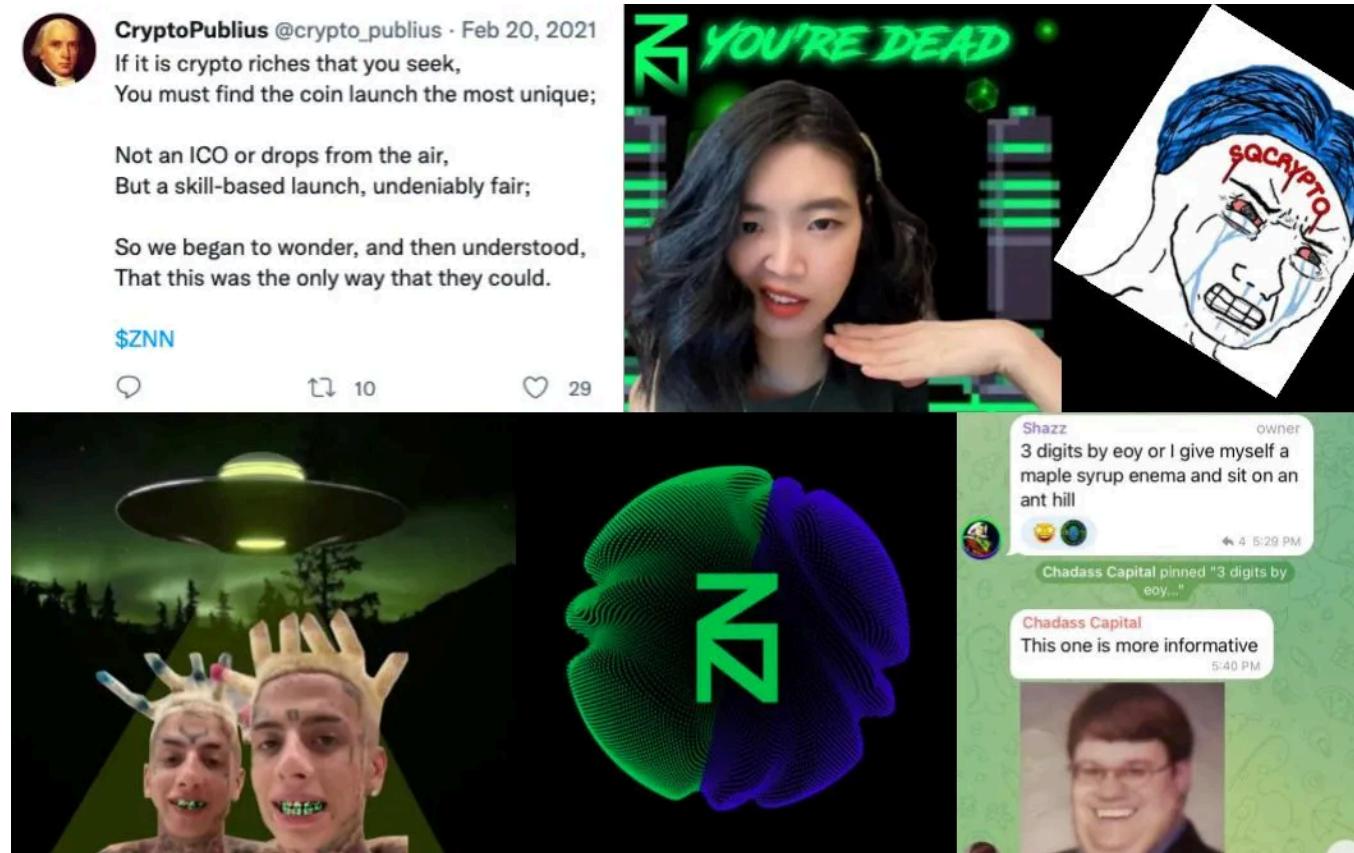
So we began to wonder, and then understood,
That this was the only way that they could.

\$ZNN



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Zenon is owned by the people — and people are crazy. Enjoy the culture and get zenonized!

What is decentralisation, and why does it matter?

Decentralisation is a concept that can be applied to decision-making, technology and economics amongst other things. Essentially the process is distributed or delegated away from a central point. Diffuse rather than concentrated.

A non-crypto example: For example, if you hide all of your cash under your mattress and a thief finds it, your life savings are gone because you put all your eggs in one basket, you chose a centralised solution for storing your cash. Or an insane dictator that loses the war because he decides to invade a third country when he is already at war with another; there were not enough checks and balances to stop him from making a poor decision. Their governance was centralised.

A crypto example: Ethereum. This probably deserves its own article, but we'll briefly cover it here. There's a number of valid critiques you can make about Ethereum being essentially centralised garbage:

- There was a 70% pre-mine by the founders. The founders have millions of coins they sell in bulk when it suits them. They are dumping on retail in a classic pump-and-dump pattern, which they will do for how long? Nobody knows the supply of ETH as it has never been audited. They could be sitting on millions of coins they're waiting to dump as soon as they have enough retail to provide exit liquidity. Some go as far as to call it an exit-scam, merely a silicon valley plaything.
- Since it is proof of stake, and the founders hold a majority of the coins, the governing decisions of the network are in the hands of only a small

number of people which means less checks and balances against a poor decision or a decision which benefits mainly them.

- The servers exist on corporate server farms, and since the corporations answer to their governments or their board of directors, it can all be shut down at a moment's notice. Like how Solana was down recently, can you imagine Bitcoin ever being shut down? Good luck when the computer power is spread all over the globe. And there's been many instances of transactions being reversed on Ethereum — can you ever imagine a Bitcoin transaction being reversed?
- The applications on Ethereum — why use Ethereum for these apps? ETH has high fees, it can't scale, it's not secure, it's centralised and all of the apps built on Ethereum will inherit these weaknesses too. If you're using apps on ETH, you may as well use apps from a big tech company. And since the taproot upgrade, anything you can do on Ethereum you can do on Bitcoin or will soon be able to (not to mention Zenon's apps that are on their way), so where's the need for Ethereum to exist longterm? I guess in the short term, lining the pockets of silicon valley scammers is important.
- How can people call Ethereum a scam when there's billions of dollars involved? How about cigarette companies suppressing internal evidence and bribing doctors for years, enjoying lucrative profits for as long as

possible until it became public they were scamming people and all along it was devastating to their health? Or bankers laundering billions of dollars of drug money? Big money can be dirty as hell, and there's an argument that ETH belongs in this category too. Pyramid schemes do go up — until the supply of fools is gone. But try convincing someone of that. Good luck persuading someone heavily invested into LUNA, especially if they've seen great gains from it. But we all know how quickly things can change in 48 hours (despite being 30B market cap, its price went down 99.9%). Fundamentals matter, regardless of the amount of money involved.

So as you can see, there's actually justification for why the Bitcoin maxis hate Ethereum. It's the same reason they hate sh*tcoins — but I would argue that not all altcoins are sh*tcoins. What if there was an alt that not only followed the Bitcoin ethos, but also sought to be synergistic with Bitcoin? Wouldn't this warrant a warm reception, if not a passionate devotion? You could still critique it, but you'd need to first take the time to understand the alt and come up with an entirely new argument. Check out the article below:

How Zenon Mirrors The Bitcoin Ethos

It's said that history repeats itself. Let's study and compare Bitcoin and Zenon across their inception, trust-less...

Fair Launch

Zenon (ZNN) and Quasar (QSR) are the two utility tokens that power the NoM. Let's discuss ZNN's story first, the ways people can attain coins and the facets of decentralisation involved.

1. Zenon was announced on a [Bitcoin forum post](#), where the pseudonymous Professor Z introduced the project. This is interesting because they didn't try to catch the attention of 20 random shoppers in Walmart, or 20 random suits in silicon valley, or 20 random ETH maxis. They chose the Bitcoin forum website to target Bitcoiners. Professor Z as anonymous as Satoshi Nakamoto — there can be no true decentralisation with a public figure in charge. It also makes for a more robust network if the core team is unknown (harder to regulate/corrupt).
2. Zenon was launched via a unique mechanism called [xStakes](#). Investors sent their Bitcoin to an address, and 1 BTC gave them 5000 ZNN, enough ZNN for them to run a node. Incredibly, as long as they ran their node reliably for 2 years, their BTC was returned in full. So if Zenon fully refunded their initial investors as a reward for being reliable validators for the network, who was funding Zenon in its early days? And choosing

Bitcoin for xStakes, this is further selecting for Bitcoiners to be part of the early foundation of the project. Approximately 4 million ZNN coins were minted via xStakes. About 80% of this was distributed to participants, while the other 20% was set aside for future grants and funding initiatives (called Zenon Fabric).

3. The ZNN from 2019 until Oct 2021 was actually just a fork of PIVX, a privacy coin. There was an understanding that this legacy ZNN would later be redeemed at a 1:1 ratio for the real, native ZNN during the alphanet stage. The swap process successfully commenced in Nov 2021 (people who are too late to do the swap are penalised with a worsening ratio). The **swap process** allowed people to accumulate ZNN for years before it was ready at the alphanet, further decentralising it while they build in obscurity.
4. Before the alphanet, Zenon had listings on only **tier 3 exchanges** STEX, Mercatox and Bilaxy. A listing on a big exchange like Binance may have risked attracting a lot of attention from whales and VCs , not good! If you're aiming for max decentralisation, you want to delay the spotlight for as long as possible. Build in the shadows, let small investors and devs discover and buy into it first. Otherwise an early whale or venture capital fund could take advantage of the cheap price and buy up a huge amount of the coins, centralising it.

5. Those running nodes for the legacy network were rewarded with **legacy ZNN staking rewards**. There was a 1.5% pre-mine (~70k ZNN) which was necessary to kickstart the network, but this was redistributed as staking rewards for those running nodes. This was done with the old ZenonCore wallet — an essential tool as it was also used for the swap process and to keep the coins safe. Not your keys, not your coins.
6. With the launch of the alphanet, participants can **run two types of nodes** (sentinels or pillars) which both receive ZNN as rewards. The first 12 months have an inflation rate that is decreasing — so new coins are minted at a decreasing rate. Ultimately it seems like the max supply is hardcoded at 90 million coins, but it may be subject to community consensus what the rate of emissions is past the first 12 months. Also with the alphanet launch, participants can **delegate their weight** to pillars and earn a share of the rewards in ZNN.
7. Currently (May, 2022) no CEX listing (though there is growing discussion of a listing on a major CEX like gate.io, kucoin or binance). But there is a **DEX listing** for wZNN/wBNB on pancakeswap.
8. Incredibly, there has been no paid marketing from 2019 to mid 2022. **Grassroots marketing** has spread awareness of Zenon via word of mouth and social media campaigns. The beautiful effect of this, as mentioned already, is it delays Zenon getting on the radar of big players for as long

as possible. This allows small investors and devs alike to accumulate and gain a position. So instead of being owned by VCs, we truly have a network owned by the people, just like with Bitcoin.

Check out community member Shai's recollection of xStakes:

The Zenon Enigma

Zenon is not your typical crypto project. Read more to learn why I find it so different and exciting...

[medium.com](https://medium.com/@Zyler9985/putting-the-z-in-decentralization-7f40b33c87fc)

Quasar's Distribution

QSR has been distributed to participants in 5 different ways. Importantly, what they all have in common is that **you can't just buy a bunch of QSR** (this protects against an early whale/VC looking to take advantage of being early with a cheap price and buying up a majority of the coins, centralising it). Furthermore, the amount of QSR received is generally proportional to how much ZNN you have — and since ZNN is already decentralised, **QSR enjoys a rough reflection of this decentralisation**. Note that 1 and 2 occurred *before* the alphanet which launched in Nov 2021.

- 1. Lock-drop.** Before the alphanet, QSR was distributed to people running nodes. Pillars were given 150k QSR, sentinels 50k QSR; exactly enough for them to become pillars and sentinels once the alphanet was live. But the QSR wasn't just given in one go, it occurred over the course of 2 months in 4 snapshots where their nodes needed to be running at the time. This was a way to screen for reliability running critical infrastructure.
- 2. Incentivised public testnet.** During the public testnet, the incentivised phase allowed people to earn 'PP points' later converted to QSR when the alphanet was live. Participants had to persevere with quizzes and complete social media awareness tasks to earn. This involved liking, retweeting, commenting and following Zenon content on twitter as a way to raise awareness and grow the number of participants in a low-key manner.
- 3. Staking.** Users can lock up ZNN for a defined period of time in return for being distributed QSR. In the first 12 months of the alphanet (Nov 2021 until Nov 2022) staking is virtual with just an economic rationale. Stakers will be distributed 50% of the QSR minted daily. Locking up more ZNN means you get a greater share of the rewards, but importantly locking it up for longer means you get a multiplier of up to double the rate — a way to reward those committed to the NoM.

4. **Running a sentinel.** Users can lock up 5k ZNN and 50k QSR to run this node and be rewarded in both ZNN and QSR. In the first 12 months, sentinels will be distributed 13% of ZNN and 25% of the QSR minted daily.
5. **Providing liquidity.** Users can provide cross-chain liquidity and be rewarded for it. Currently the program is running on the BSC for wBNB/wZNN. More cross-chain solutions are planned for an inclusive and connected future with the orbital program for protocol level liquidity on its way, confirmed to be 13% of ZNN and 25% of the QSR minted daily shared amongst participants.

Of note is that as of writing, from Nov 2021 to May 2022 there has been no DEX to exchange ZNN-QSR. There has been some trading via a trusted escrow in an OTC telegram chat; but due to the risks involved the Zenon team does not officially endorse this.

Zenon's Design

This is already covered in other articles (such as how Zenon Mirrors the Bitcoin Ethos), but to briefly recap how Zenon's design embodies decentralisation at every level:

- The fair launch of both ZNN and QSR ensures **economic decentralisation**, and while things often tend to the Pareto Principle in the longrun (top 20% of holders hold 80% of the wealth) it is important we avoid the VC/pre-sale/ICO disaster where the top 1% of holders hold 80% of the wealth.
- As a functioning democratic DAO, people running a type of node called a pillar can vote for governing decisions concerning the network, incurring **governance decentralisation** as users can choose who to delegate their weight to to influence the vote via incentives/game theory.
- While still a process, all signs point to Zenon reaching a point of complete **technical decentralisation**, as now everyone can run their own node easily and the wallet has been fully open-sourced, with the entire project soon to be open-source as well empowering people all over the world. Via Accelerator Z, devs are able to apply for funding grants from the DAO. As the project matures further, we are on track to witness a beautiful transition as the core team passes the torch to the community.

Future Awareness

When it comes to Zenon's awareness, it seems like the game of chess continues. Early CEX listings are in the works, which would come in handy as when a big technical milestone is achieved, would generate some fomo —

and despite the guide provided (linked at the end of 'A concise overview of Zenon') many people are intimidated at using a DEX like pancakeswap. A CEX listing would help more regular people to secure an early position. Some paid marketing proposals have also been announced in AZ, as the time will soon be right and it's going to have a powerful impact on our growth and adoption.

That said, there's always going to be a special place in our hearts for the grassroots marketing. Credit to community member Sultan of Staking for leaving us a nice surprise over the 2022 Bitcoin conference. Look up, Miami!



Further Reading

- A concise overview of Zenon (for a brief summary of Zenon that also includes helpful links to learn more and get involved in the ecosystem)
- An ape's guide to the galaxy redux (the mother of all articles; this is perfect reading for those wishing to do a deeper dive on the project)
- Zenon.Network, their official website (definitely check out the links to their official twitter, discord and telegram as well)

A concise overview of Zenon

People are busier than ever these days — we get it, you need just a quick summary of the essentials. Or maybe you're...

[medium.com](https://medium.com/@Zyler9985/putting-the-z-in-decentralization-7f40b33c87fc)

Zenon.Network — An ape's guide to the galaxy

The first Bitcointalk Announcement Post of Zenon.Network was nothing short of an enigmatic encounter.

[shazzamazzash.medium.com](https://shazzamazzash.medium.com/zennon-network-an-ape-s-guide-to-the-galaxy-103a2a2a2a2a)

Zenon - Network of Momentum

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zenon.network

Take care and WAGMI!

– Zyler

**Written by Zyler9985**

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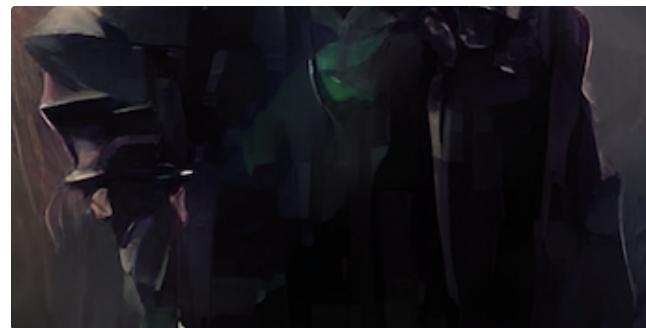
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- Led Your Transactions implementation for JavaScript front-end framework to showcase consumer transactions and reduce call center costs by \$25 Million
- Recovered Saudi Arabia checkout failure impacting 4000+ customers due to incorrect GET form redirection

Projects

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HeatMap (JavaScript)

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