

## **BitcoinTrash (BITTR)—Bear Brief**

BitcoinTrash is not a good buy. It's a scamcoin that is living entirely on hype, and you should be very wary of investing in such a shallow project. From a fake team to a lack of any kind of addressable market, BITTR is a strong bear.

**Team:** The BitcoinTrash team is almost completely anonymous, and there is very little information about any actual individuals. The website says that the team is “made up of executives and engineers from academia, Fortune500 companies, and blockchain startups from around the world”, but doesn't list any specifics or give any names. Buried deep in their site is a reference to three executives: Anavi Tai, who doesn't provide a photo or show up on the internet at all; Chantelle Elmi, whose linkedin profile doesn't mention blockchain, crypto, BitcoinTrash, or anything at all to suggest that she is in any way affiliated with this project; and Toby Lentil, whose linkedin profile is empty, and offers this as an “official” BitcoinTrash profile photo:



Unfortunately, this is a photo of Ben Higgins, star of Season 20 of *ABC's* reality dating show, *The Bachelor*. I very much doubt that this team is real, let alone has the ability to execute anything they've promised. I even reached out to the team via email and got no reply... this is not a positive sign.

**Opportunity:** The opportunity just isn't there for BITTR. In a lot of ways, they are spreading themselves too thin, and attempting to fill multiple market needs all at once—suicide, in already oversaturated markets. BITTR is attempting to become the “Store-of-Value” that also allows for dApps/smart contracts. There are two problems here: Problem A, both niches are already filled, by Bitcoin (&etc) and Ethereum (&etc), established projects that just do it better; and Problem B, there's just zero need for this tech. Combining two markets doesn't automatically create a new market... for example, there is a huge market for food, and a huge market for power tools—but I doubt there is any kind of market for edible power tools.

Furthermore, I have serious doubts about the legitimacy of this team. Despite a huge effort on my part, I was unable to convince myself that this team has *any* real humans behind it. The website is a barely-modified free template (stock with a wordpress install), and the white paper looks to be a combination of the Bitcoin whitepaper, the Ethereum white/yellow papers, and the NEO whitepaper. There were slight modifications, but overall, it was a pretty transparent effort. Consider (as a representative sample) this excerpt from the BitcoinTrash whitepaper:

*“State: The BITTR state is derived by mapping between identifiers (addresses) and the states of accounts. These are not stored on the blockchain, rather, these maps are stored via a*

*modified Merkle Patricia Tree. This simple [sic] requires a database backend that stores the mapping, and this functions as a database that stores the state. There are numerous [sic] benefits to this: a) the root node of this structure is cryptographically dependent on all internal data and as such its hash can be used as a secure identity for the entire system state; b) it is immutable in that it allows one to recall any previous state via the root hash (so long as the root hash is known. Given that all root hashes are stored on the blockchain, finding, viewing, and reverting to previous states requires minimal effort.”*

Taken alone, this looks like a relatively well-written explanation of state storage. A quick Google search won't turn up any instances of plagiarism, except for the fact that they made one mistake: “*the root node of this structure is cryptographically dependent on all internal data and as such its hash can be used as a secure identity for the entire system state*” is ripped directly from the Ethereum Yellow Paper. And if we pull up the relevant section, we can see that the writer(s) of the BITTR white paper took entire paragraphs from other sources (i.e. the Ethereum Yellow Paper) and rewrote them in such a way that the concepts are exactly the same, but the wording is just different enough to throw a casual reader off the scent. Compare the above to this excerpt from the Ethereum Yellow Paper (pp. 3):

*“4.1. World State. The world state (state), is a mapping between addresses (160-bit identifiers) and account states... Though not stored on the blockchain, it is assumed that the implementation will maintain this mapping in a modified Merkle Patricia tree... The trie requires a simple database backend that maintains a mapping of bytearrays to bytearrays; we name this underlying database the state database. This has a number of benefits; firstly the root node of this structure is cryptographically dependent on all internal data and as such its hash can be used as a secure identity for the entire system state. Secondly, being an immutable data structure, it allows any previous state (whose root hash is known) to be recalled by simply altering the root hash accordingly. Since we store all such root hashes in the blockchain, we are able to trivially revert to old states”*

When set out next to each other, it's clear that the BitcoinTrash excerpt is directly plagiarized from the Ethereum excerpt. It's changed just enough to fool most people, but the concepts, structure, order... even the overall information given is exactly the same. I was only able to find this because the BITTR writers left one sentence unchanged, likely on accident.

**Market Momentum:** Generally speaking, the market has not been kind to BITTR. The BitcoinTrash subreddit is full of shills, and dissenting opinions—even legitimate questions, such as the ones I have been asking over the last week—get downvoted, removed, and/or ridiculed. This leads to a perception that the market is strong, but all signals indicate that it's a highly manipulated market. Newcomers to the subreddit, telegram, twitter, etc. will see an enthusiastic community, but in actuality, it's closed, toxic community, full of gatekeeping shills.

This philosophy has carried over into other aspects of BITTR adoption, as well. Their social media outlets are constantly touting the “adoption” on their blockchain, listing number of

ICOs and projects, spewing performance stats, and calling BitcoinTrash the “Ethereum Killer”. A closer examination, however, reveals that things are not as they may seem at first blush. It sure looks like they’ve had a large number of projects building on their blockchain, but many of these projects appear to be zombie teams. As far as I can research over the last few days, most of these projects are not live, nor do they tend to have verifiable humans behind them. It looks like many of these projects are set up with a templated website, buy some telegram followers for \$20, and then release a token—but there are no real projects behind any of this. The most likely explanation here is that someone is spending ~5 minutes creating a fictional company, releasing it on the BitcoinTrans blockchain, and then never, ever touching it again... and doing this over and over again to make it look like new projects are choosing to build on BITTR. None of these projects (that I could find) are trading with any kind of volume. None of them have live products, or a verifiable team, or any github activity beyond superficial commits that are few and far between. My opponent has a chance to write a rebuttal, and I put this challenge to them: There are 400+ “projects” built on BITTR... please give me even five that have one of 1) a real team; 2) a live product; 3) regular, substantial github commits; or 4) trading on a legitimate exchange with volume in the thousands of dollars.

**Solution/Tech/Product:** In short, this is not a solution to anything. The BitcoinTrash “team” is billing BITTR as “Bitcoin with smart contracts”... perhaps they don’t realize that Bitcoin has always supported smart contracts (i.e. check out Particl.io). They’re not a very good dApp development platform, as that is pretty well covered by Ethereum. Even their supposed “improvements”, such as their use of a delegated byzantine fault tolerant setup and standard coding languages, has already been done by Neo. They bring, literally, nothing new to the table besides a new name, and a new Bitcoin fork. This is 100% superfluous in the crypto market, and the price will soon reflect this.

**Resources:** BitcoinTrash does not have much in the way of resources to offer, either. They have no unique intellectual property—the bulk of their codebase is simply a fork of Bitcoin, and the few additions they have made were conceptualized (and executed better) by other companies. Unfortunately, and perhaps this is telling, there is no way to know anything about the balance sheet or financials because this is a black box. We can’t even know for sure how many employees work for BitcoinTrash, as this information is not provided.

As a side note, community goodwill is an important (and often overlooked) resource that any company should find it important to cultivate. One of the most frustrating elements of BITTR is the misleading nature of their community. As mentioned above, the BITTR community (judging by telegram, discord, slack, etc.) is set up to falsify internal goodwill, while functionally excluding genuine members of the larger crypto community. By silencing dissenters or those with legitimate questions and/or concerns, the appearance is that of a harmonious front—but behind the scenes, people are talking. This kind of exclusion can’t last for very long

before it's recognized as toxic and exposed. There is only so long a project can make enemies out in the community, and I suspect that the founders only goal is to have disappeared well before that point.

**Token Supply & Demand:** There are two big issues with the token structure, both of which are red flags. First, the initial fork of the Bitcoin codebase placed a full 60% of BITTR tokens into just 10 addresses. There's no way to know how many individuals these addresses belong to (could be just one person, or could be 10 individuals), but what is clearly true is that even 10 people shouldn't own 60% of a project. This is the mark of a scam, and a poorly-disguised one, at that.

Secondly, there is no apparent cap on the token supply, and no algorithm in the white paper that exerts any kind of control over this number. As far as I can tell, there is nothing stopping the founder(s) from literally just printing more tokens at any point. This token is highly inflationary, and this alone should cause an automatic bear designation.

**Overall:** This project just smells like a scam to me. BitcoinTrash is one of the worst investments I have ever seen, mostly because it's one of most thinly-veiled scams in the space. Currently, they are existing solely on shills, hype, and marketing, which has pumped their price up higher than it deserves to be—but it's only a matter of time before the crash. And it's coming sooner rather than later.

### **BitcoinTrash (BITTR)—Bear Brief**

*July 15th, 2018 — Analyst 0x84A7136F*

*www.veva.one*

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### **BitcoinTrash (BITTR)—Bull's Rebuttal to Bear Brief**

Re: Team: It's unfair and misleading to characterize the team as "mostly anonymous". I don't think anyone would characterize, say, Apple as a scam company simply because they can't find information on every single employee. Additionally, anonymity is integral to the crypto philosophy... Just ask Satoshi. I'll also point out that I got a direct response from Toby Lentils of BitcoinTrash. The team isn't as "empty" as it might seem at first; I don't know many scam projects that will take the time to give a detailed response to a random inquiry into the company, even going so far as to share unreleased news.

Re: Opportunity: The BITTR whitepaper is, by my opponent's own admission, not plagiarized. There is overlap between BITTR and Bitcoin, Ethereum, and other projects, simply because

BITTR has made no effort to hide the fact that they are a blend of these tokens. The goal was to take only the best parts of what these coins do, and so naturally, there's a lot of overlap in the whitepaper, as well.

Re: Market Momentum: I think the name of this heading is telling, in that it's called "market momentum". BitcoinTrash has a very solid amount of momentum in the market, as evidenced by the over 400 tokens that have been built on the BITTR blockchain. Here, I think context is everything. BITTR has only been around for ~12 months, and so it's not surprising that most of these projects don't have fully functional, working, user-friendly products out yet. Ethereum has been around for three years and has only recently managed to produce working dApps... for the first couple of years, it was sustained mainly on promises. This is not to say that it's ideal, but it is evidence that an immediate lack of functional projects automatically makes a project a scam.

Re: Solution/Tech/Product: This shows a lack of understanding of what BITTR is at a fundamental level. The goal is not to produce something brand new... so Bitcoin can do Smart Contracts, so what? Bitcoin is also slow and has myriad other issues. BITTR attempt to take existing functionality and make it better. It takes things like Smart Contracts from Bitcoin and Ethereum, dBFT for speed and security from NEO and EOS, and implements more widely-known programming languages like NEO, and brings the best of all worlds together. There is a clear market niche here—better coins.

RE: Resources: This section devolved into a personal attack on the BITTR community, which shows how little substance is behind the argument. The BITTR community is constantly building goodwill by offering a superior product. It just so happens that great products attract a lot of fans, and that's exactly what happened here. Try going to any concert and speaking poorly about the artist, or going into any restaurant and asking leading and negative questions about the food. The community will be offended, because they like the artists and/or the food, but this doesn't mean that the artist or food is building anything other than goodwill. A reaction by the fans against someone speaking ill of something is pretty normal, and might alienate the one person who was trying to bring down the product, but this is not representative of the larger community. In fact, given that it takes a large number of individual voices to shout one down, this implies that the BITTR community is, in fact, pretty big.

Re: Token Supply and Demand: There are a lot of assumptions being made here, none of which can be proven. The first assumption is that 1-10 people own 60% of the total supply. All we know is that 10 addresses hold 60% of the total coins. It's much more likely that these 10 addresses are a combination of company accounts, vesting addresses, exchange addresses, escrow accounts, and/or individual accounts, potentially owned by many people. All of these make some amount of sense—and it would seem natural for the company to control a large

number of unissued tokens, as that's how they pay for operations and pay their employees, etc. Likewise, any of these tokens that are in vesting, escrow, or exchange addresses put these tokens out of company control, which is the main issue my opponent seems to be harping on. The fact is, we can't know what these addresses are used for, and it seems like a major leap to assume that 1-10 individual people own and control all ten addresses.

The second assumption is that a lack of a hard token cap is a negative thing. Here feels like a good time to mention that many projects, including Ethereum, don't implement hard token caps, because they're not strictly necessary. Another issue that seems to have been overlooked is that fact that any additional tokens that get released only serve to dilute the 60% of tokens that it held in 10 addresses. I'm not suggesting that these addresses are individually owned, just that *if* that were to be the case, there would be an economic incentive to not keep releasing more tokens indefinitely.

Re: Overview: What's clear here is that my opponent has made some crucial errors in their assessment of BITTR. Their brief shows a thorough lack of understanding about the fundamentals of BITTR, crypto in general, and token economics. Above all, any kind of bear case rests on some pretty speculative assumptions. BITTR is a legitimate buy for the foreseeable future.

### **BitcoinTrash (BITTR)—Bull's Rebuttal to Bear Brief**

*July 15th, 2018 — Analyst 0x3D16CBC0*

*www.veva.one*