

# How to avoid crypto scams by separating the real cryptocurrencies from the thousands of questionable digital "assets"

*How to be safe from cryptocurrency scams. This article will try to explain how the cryptocurrencies from a mineable asset ended to be a dangerous gambling place*

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 Watching the BITCOIN & ETHEREUM buying frenzy of the last months, many people are trying to jump in the Cryptocurrency world. However they soon feel lost. The reason? They are finding out that there are thousands of projects. Each project releases its own coin or token and claim that this is a "cryptocurrency".

DIGITAL ASSETS	#BTC BITCOIN	#BTCZ BITCOINZ	#BTG BITCOIN GOLD	#BTCP BITCOIN PRIVATE	#BCD BITCOIN DIAMOND	#BSV BITCOIN SV	#BCH BITCOIN CASH	#ETH ETHEREUM	#BNB BINANCE COIN	#ADA CARDANO	#SHIB SHIBA INU
UNIQUE BLOCKCHAIN	YES	YES	NO	NO	NO	NO	NO	YES	YES	YES	NO
FORKDROPP. FREE COINS	NEVER	NEVER	YES	YES	YES	YES	YES	NEVER	NEVER	NEVER	NEVER
PREMINE	NEVER	NEVER	YES	YES	YES	NEVER	NEVER	YES	YES	YES	YES
COMMUNITY MINING	NO	YES	YES	NO	NO	NO	NO	YES	NO	NO	NO
COINS MINED %	~91%	~51%	~84%	~98%	~90%	~91%	~91%	N/A	N/A	N/A	N/A
TRANSACTION FEES											
PREMINED COINS	0%	0%	0.6%	10%	6.6%	0%	0%	~70%	100%	100%	100%
FORKDROPPED COINS	0%	0%	78.5%	96%	80%	81%	80%	0%	0%	0%	0%
PRIVATE TRANSACTIONS	NO	YES	YES	YES	NO	NO	NO	NO	NO	NO	NO
OVERVALUATION INDEX	43000	0.18	37	N/A	13	113	380	21040	4240	2159	925
TRULY DECENTRALIZED	YES	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO

1. A project that had its own genesis block and is unique blockchain from the very beginning.  
 2. A project that dropped free coins to holders of another coin. This takes place when there is a blockchain fork, usually the very first project is being to "open" a part of the community of a well-established project. By distributing the new coins to them, it gains free exposure.  
 3. A project that provided a number of coins to specific founder's addresses. This is achieved by generating or minting which are both considered as unfair launching practices.  
 4. Projects that utilize ASIC-resistant algorithms. So they enable a much wider range of people to mine their PCs in order to support the cryptocurrency network (mining with meaningful rewards).  
 5. BITCOINZ fees would be under \$0.01 even if it had the capitalization & network load of BTC.  
 6. The projects that offer transactions without revealing the identity of the user.  
 7. Lower is better. This index shows the cost for each coin based on its current price (13-Jan-2022) and if all of them had a same circulating supply with BTC, the absolute BTCF because its supply numbers have been subject to misallocations from many monitoring platforms.  
 8. This indicates if the Project is Decentralized in every level: In Network, In Governance and most importantly In Cash Distribution. Networks that are based only in a fixed number of servers fail to be completely decentralized (unlike the most PoW networks). Projects where the founders and its Central Authorities allocating coins to their addresses fail to be Decentralized in the Governance level. Projects that have premined or forkdropped coins fail to offer Decentralized Distribution.

BITCOINZ Comparison table : BITCOINZ is the continuum of BITCOIN

But what is a "Cryptocurrency" exactly? Who can give a serious answer to this question?

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Most projects are in a bad need for "a reason of existence" as they have to prove why their founders premined the coins. For the real crypto their fair fundamentals and rules are the reasons to exist!"

*BITCOINZ Community*

BITCOIN: Only here you can find the answer about "What is a cryptocurrency"

The legendary Bitcoin was the first cryptocurrency. The reasons behind its launch and its functionality can help us to understand what is a cryptocurrency.

Anonymous founders under the pseudonym "Satoshi Nakamoto" launched Bitcoin with these basic characteristics :

1) It created a transactions network that would offer freedom to the world. With its blockchain

technology, everyone would be free to make borderless transactions without the need to trust any third party like a bank or a financial company. The coins are not issued or controlled by any centralized authority! The project and its network is 100% Community Driven.

2) It was supposed to make everyone able to participate in its network with a PC. [This is what we call mining procedure \(Proof of Work model\)](#) and the members of the network could enjoy meaningful mining rewards.

3) It was designed in order to give everyone an equal chance to get it. This is called "Decentralized" coin distribution and its prerequisite is a fair launch with no premine and no ICO sales. Without any developer getting the lion's share of the coin supply.

4) To act as a deflationary asset with a fixed maximum supply and a defined mining reward plan with halvings every 4 years for the block rewards.

5) To offer equal rights for all like a public transactions history accessible by everyone and anonymity for the transactions.

**BITCOIN**  
WHY & HOW IT DEFINED  
WHAT IS A CRYPTOCURRENCY

**THE FIVE PILLARS OF A TRUE CRYPTO**

- 1 The coins are not issued or controlled by any central authority → Community Driven, No need to trust 3rd parties like banks
- 2 Proof of work : people support the network & gain rewards → Everyone can participate with the mining procedure
- 3 Fair launch & rules No premine No ICO sales → Decentralized coin distribution & Equality for all
- 4 Fixed maximum supply & specified block rewards plan → Deflationary asset & reduced coin emission over time
- 5 Public access to the blockchain history of its → Everyone enjoys the same level of anonymity

**THE FLAWS THAT CAME UP**

- 1 Low scalability as it has unmanageable slow block time → Unable to support many transactions & with low speed
- 2 Low max supply that is not enough to cover the demand → Difficult long term integer prices that are not friendly
- 3 Very high fees that constantly increase → Totally unsuitable for transfer of small sums
- 4 Network dominated by ASIC miners blocking simple PCs → Only elites can mine the coin for the last many years
- 5 It never provided any real privacy option for transactions → Even its anonymity is now non-existent because of certain apps

**BITCOINZ**  
FIXED ALL BTC FLAWS  
& IT FULFILLS ALL THE FIVE PILLARS OF A REAL CRYPTO  
99+% of other 'crypto' don't

**ALL THE PILLARS FULFILLED**

- 1 The coins are not issued or controlled by any central authority → Community Driven, No need to trust 3rd parties like banks
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**EVERY FLAW HAS BEEN FIXED**

- 1 Highly Improved Scalability → Able to support more & faster transactions
- 2 Higher maximum coin supply → Easier integer prices that are friendly for adoption
- 3 Super low fees, really used to save → Suitable for transfers of ultra small sums like \$1
- 4 ASIC resistant elgord protect the network & the PC miners → ASIC have not mined the coin for the last many years
- 5 ZK-SNARKS Cryptography → The users can enjoy real privacy for their transactions

BITCOINZ Pure cryptocurrency Fundamentals and its Fixes for the BITCOIN Flaws

**TOP 10 USE CASES**

- MINEABLE WITH POW MODEL
- INDEPENDENT FAST NETWORK WITH NEXT TO ZERO FEES
- BANKING THE UNBANKED
- STORE OF VALUE
- IMMUTABLE FOR SPECULATORS
- OPTIONAL FINANCIAL PRIVACY (ANONYMOUS FORM OF PAYMENT)
- DECENTRALISED NO CEO NO PREMINE START FROM ZERO
- PAYMENT FOR GOODS
- FAST AND GLOBAL
- ACCES TO YOUR MONEY ANYTIME

GETBTCZ.COM

Fundamental Use Cases of BITCOINZ

The five "flaws" of Bitcoin that came up over time

BITCOIN was certainly the greatest invention of the second Millennium. Even its anonymous founders possibly could not have imagined that it would be so successful.

However, exactly because of its huge popularity and wide use, some shortcomings appeared for the totally immutable Bitcoin project:

1) Its poor scalability : BITCOIN is limited by the average block creation time every 10 minutes. So

it could not offer more than 7 transactions per second which are not enough for the cryptocurrency users.

2) Its low supply : BITCOIN has just a few million coins as circulating supply (21M max supply). This fact together with its high popularity results to a high valuation and very long non-integer prices (for example 0.0000231 BTC) which are not very friendly for everyday use.

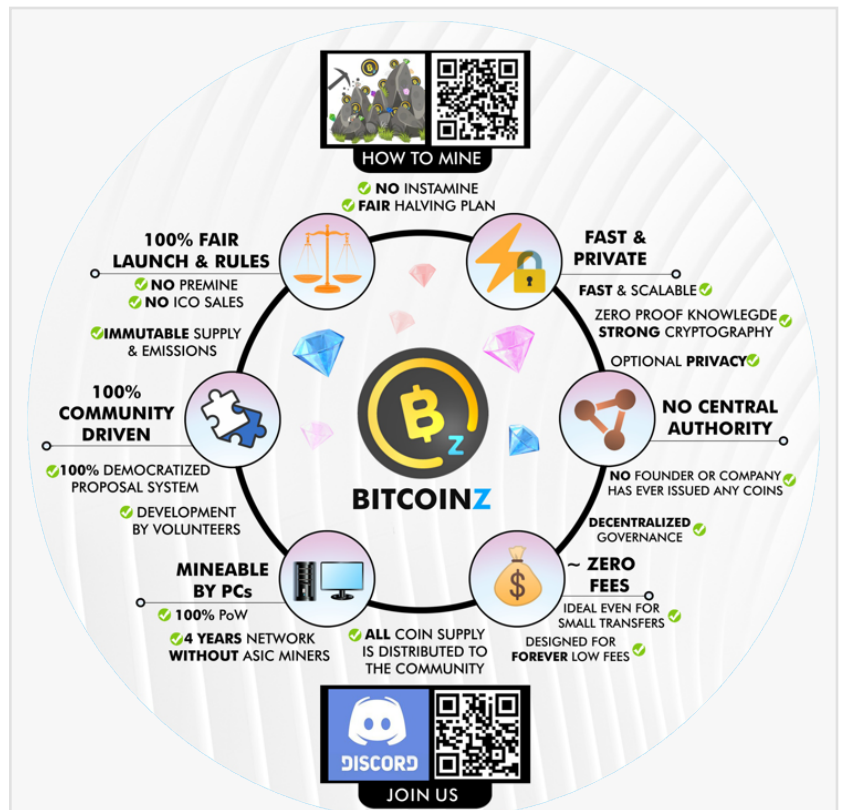
3) Its fees raised too much: Its low coin supply in combination with its high valuation and popularity made its fees very high. The user for a single transfer can pay even \$20-35 which for a sum of \$100 is 20-35%! These numbers could be even worse soon. Of course small sum transactions with these fees are out of question.

4) The ASICs problem : Specialized mining devices (ASICs) that could solve Bitcoin's algorithm soon dominated its network. The common PC miners could not get any mining rewards with the huge competition by the ASIC owners. This made the coin distribution of the Bitcoin coins more centralized, in the hands of very rich people only.

5) The lack of privacy : The BITCOIN provided some anonymity in the beginning. However all its transactions are recorded and are available in public view. With so many applications associating personal details with specific btc addresses, there is no anonymity at all now. The need for privacy options is more than obvious.

How we ended up with so many "cryptocurrencies" ?

The aforementioned were the major challenges that other cryptocurrency projects had to find



BITCOINZ Infosphere white version



The Invitation for the Z-Brain meeting on 22-Jan-22

solutions for.

However there was an unfortunate event: In the very young cryptocurrency landscape, many developers tried to take advantage of the people's ignorance. Most newcomers in this brand new world, don't understand the fundamental characteristics of Bitcoin. We described them in the first section of the article and these constitute the very essence of a cryptocurrency.

So, the majority of the cryptocurrency projects are advertising that they offered one or a couple of solutions for the five bitcoin's shortcomings. But at the same time they have cancelled the most of, or even all, the five structural elements of a cryptocurrency!

The most usual violation of the basic cryptocurrency fundamentals is the presence of a central authority that not only takes decisions but it even issues digital coins. Thousands of "crypto" projects actually issue and control coins as a central authority, [allocating them in specific founder's addresses \(Premine – ICO sales\)](#). Then, with heavy promotion they technically rise a high demand for these coins and tokens. This way, the founder who has a big part or even the whole coin supply of the project on his own hands, is making money out of nothing!

Thereby, these projects have already broken the first, the second and the third crypto fundamental rules that had been previously described. Unfortunately this is the most common breach. [More than the 99% of the coins or tokens](#) that claim to be a cryptocurrency right now, don't fulfill the most (or even all) of the five fundamentals that the legendary Bitcoin has introduced.

Some very popular examples of projects that in reality are not pure cryptocurrencies

It is shocking that even popular projects like ADA, XRP, NEM and many more have acted exactly with the aforementioned method. Projects that we now find in the top positions of the cryptocurrency market's capitalization list!

Another popular example that many people ignore is the ultra successful Ethereum. Ethereum is a 70% premined project. That means that a huge part of the initial ETH coins in circulation, were allocated to its developer addresses. They were sold in Initial Coin Offerings or kept in the founders' wallets.

Another characteristic of the Ethereum blockchain is that there is no maximum cap for the Ethereum coin supply. It implements a completely different approach that in combination with its "Defi" smart contract functionality leads to extreme inflation instead of acting as a hedge against it!

Finally, the ethereum chain and many others that followed its model, are acting as "tokenizing

factories“. This functionality maybe seems quite interesting at a first glance but it actually inflicted an even bigger wave of fraudulent projects with useless tokens. These “easy to make” tokens that are automatically added in certain ETH-based platforms, attracted many scam project founders because they could now launch their next useless tokens even more easily. With several marketing tricks they make these projects popular cashing out their premixed coins and repeating this procedure again and again.

This is what we call a "rug pull", letting investors and holders with tokens that in many scenarios worth less than the cost of the Ethereum gas fees in order to just transfer them!

This happens because the increased traffic in the Ethereum blockchain has inflated the network fees to insane levels of even \$150+.

Yes... the user has to pay fees like \$150 in order to just move a sum of tokens or ethereum coins that might have a value of \$50 or even lower (!). Countless tokens are stagnant in the ethereum blockchain because of this side effect and the worse thing is that many other projects try to copy the ETH inflationary model, envisioning that they will be the next Ethereum-like chain concentrating everything in their own chain, making it depending on its gas fees. A new "DeFi" that actually should be called "CeFi" since it is more than obvious that this is the epitome of Centralization.

The result of all these : The Good, the Bad and the Ugly!

The above have resulted to a very dangerous cryptocurrency landscape with:

- The Good: Extremely few pure cryptocurrencies that truly serve the initial cryptocurrency idea. These are the real gems that shine but people cannot always see them because of the thousands other “noisy” projects.

- The Bad: Many projects that in reality are premixed company-driven projects and service providers. Here belong the most popular “defi” platforms as well. Their ecosystems are full with mostly meaningless tokens that are mostly included in the next, even worse category.

-The Ugly: The worst of all, thousands of fraudulent and scam projects, with huge premixed percentage, that provide no service or functionality at all. Most of them are tokens, built using the services of the most popular platforms of the second category.

“Use Cases of our coin”: a hype that you should be skeptical about!

Obviously, the projects of the second and especially the third category have no relation with the original cryptocurrency idea.

It is not bad for a project trying to provide a service or to provide a service for a price. However this is not a cryptocurrency with the original meaning. It is just a company using the blockchain technology. A company that serves the personal goals and ambitions of its founders and not a noble cause for the world community like the Bitcoin idea.

Many people seem to misunderstand the need for extra “use cases” that some projects intentionally tend to hype. We should be able to separate the projects that are in a bad need to get more use cases, “a reason for existence”. Since they have to prove why they had been premined with their founders getting the lion’s share or all the coins of the project in their pockets! In contrast with the few real cryptocurrencies that their fair fundamentals and rules are the reasons to exist and enjoy popularity over time.

A cryptocurrency was supposed to free people from any central authority issuing or controlling funds. A cryptocurrency was supposed to offer real Decentralization, fair rules and cheap borderless transactions.

The 99+% of the cryptocurrency projects are totally unrelated with the above. In the best scenario, some of them act as companies and service providers . In the most usual scenario, they act as scam projects with one single target: To make their founders rich with rug pulls.

People need to realize that extra use cases or even “Defi” functionalities can be developed and added anytime in the future to the few pure cryptocurrencies of the first, previously mentioned, “Good” category. On the contrary a fair past and transparent launch can never be added to the cryptocurrencies of the second and third categories. Regardless of the popularity that some projects enjoy, climbing even in the very top50 places for a long time, they are extremely far away from the original cryptocurrency idea and this is not going to change.

The exceptional case of BITCOINZ

BITCOINZ (BTCZ), launched on 2017, is a pure cryptocurrency that offers solutions to all the five “flaws” of the legendary Bitcoin (described in the next paragraph).

At the same time BITCOINZ fulfills all the five fundamentals of a pure cryptocurrency :

- 1) It was founded by anonymous founders and it is a 100% Community Driven project, with no central authority issuing coins.
- 2) 100% of its coin supply is distributed to its network’s supporters (miners) with the Proof of Work model. Everyone is free to join it with the mining procedure using just a PC.
- 3) It had the fairest launch ever with absolutely no premine and no initial coin offerings.

4) It is an asset that acts as a hedge against inflation because it has a fixed maximum supply and reduced coin emission over time with fair and slow mining halving plan, every 4 years.

5) It offers the same rights and level of privacy to everyone.

How BITCOINZ fixed all the flaws of the classic BITCOIN?

1) Its scalability offered higher transaction speed and more transactions per second

2) BITCOINZ's high maximum supply is the ideal for easier prices without long non integer numbers.

3) The 21B coin supply in combination with the much more transactions per second, guarantees super low, next to zero fees even if it had the BTC cap and network load. BitcoinZ is ideal for transferring even very small sums of under \$10 with ~0% cost.

4) BITCOINZ's ASIC resistant Zhash algorithm protects the PC miners from the ASIC elites. This way it achieves a Decentralized Network with truly fair distribution of coins to the world Community. Not to the rich people owning an ASIC device.

5) BITCOINZ features private transactions offering true privacy for everyone.

6) (extra) BITCOINZ is a green Proof of Work Network since a) it utilizes a much more energy efficient algo than BTC b) the users can use their PCs for other activities while mining BTCZ because only the GPU is (mildly) used for the process and c) it supports more transactions per second with plenty of space for future upgrades.

Thus, BITCOINZ achieves to fix all the BITCOIN's flaws, fulfilling at the same time and honoring all the Bitcoin's five fundamentals that should accompany every pure cryptocurrency.

Why BITCOINZ uses the "BITCOIN" name and why it is really different from the so many projects that used it.

BITCOINZ used the "BITCOIN" name adding a Z because it honored and followed all the fundamentals that the classic BITCOIN introduced (fair rules, 100% Community Driven, 100% Decentralized, 100% Proof of Work) and at the same time it offered Zero fees, PC-mining only with its Zhash algorithm and optional privacy based on the Zk-snarks cryptography. So there was no better name to describe all these than "BITCOIN+Z".

It is worth mentioning that BITCOINZ is the oldest and maybe the only "BITCOIN" named project that can still be mined with a normal PC and it is not a Bitcoin blockchain fork, as it had its own genesis block.

The most of the other crypto projects that have used the "Bitcoin" name, did it afterwards, in a misleading way or they are just copies of the BITCOIN's blockchain (chain-forks) that have given free coins (forkdrops) to the Bitcoin holders. In such a way, these "BITCOIN" named projects try to enjoy a high free exposure by distributing coins to the BITCOIN owners. Sometimes bad actors from the BITCOIN chain-fork projects even try to steal the private keys from the BTC owners that claim their free coins.

In contrast, BITCOINZ had its own unique blockchain exactly like Bitcoin did and never made any forkdrops. Offering equal opportunities to everyone by distributing the 100% of its supply to the whole world Community and not to a closed team. Like a real cryptocurrency should be destined to do, like a gift of Freedom and Equality.

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