



**PRESS RELEASE: FOR
IMMEDIATE PUBLICATION**

ColossusXT community,

It has come to our attention that the ColossusXT coins held by Coinsmarkets have been traded into the market through various other exchanges, primarily Cryptopia. While we can't be certain that this is the case, the ColossusXT team feels the possibility is high enough that we wanted to state our position on this action and what it means for the community.

The Evidence

This wallet [<https://chainz.cryptoid.info/colx/wallet.dws?4048.htm>] has been widely believed to be the wallet belonging to Coinsmarkets. It accumulated a large balance during December, when Coinsmarkets was one of the only exchanges that ColossusXT could be traded on.

Then abruptly, on January 5th, no new deposits or withdrawals were made to this address, which is the same time that Coinsmarkets stopped allowing withdrawals or deposits. You can use the 'History' tab to see the balance over time.

In addition to the unchanging balance, some users have reported that their deposit addresses are listed as being associated with that wallet. The explorer site could be wrong or users could have reported incorrect information, but there is ample evidence to assume this is indeed the Coinsmarkets wallet for ColossusXT.

After nearly 3 months of no action in that wallet, on March 31st, large withdrawals started to begin. From March 31st through now, roughly 400M coins have been transferred out. The majority of those transactions ended up in this wallet

(<https://chainz.cryptoid.info/colx/address.dws?DLSKh5XMGoXyohTqNzHaqQ7HaiQoHivgdc.htm>), which has been confirmed to be a ColossusXT wallet for Cryptopia. Within hours of each transaction, large 'dumps' of coins (in the range of 20M to a staggering 84M) were sold on Cryptopia.

Why Wasn't This Stopped?

The ColossusXT team has gone to great effort to force Coinsmarkets to open up withdrawals so our users could get their coins out. We have joined in legal action with other cryptocurrencies to force Coinsmarkets hand, conducted investigations into the backgrounds of CoinsMarkets ownership, and reached out to other companies that support their infrastructure. We have stated many times that we feel Coinsmarkets should leave the coins in their wallet until such a time that safe withdrawals could be made. While this has proved futile, we have pursued every avenue available to us.

Please understand, many members of the ColossusXT team had coins on Coinsmarkets. We are just as upset as any other ColossusXT user as we are a community and we are all suffering through this together.

What About Cryptopia (or any other exchange)?

Unfortunately, there is nothing Cryptopia could have done or could do now. They are an exchange, they allow deposits and they allow trading to occur. There's no way to reverse the trades that have been made or to unravel the whole situation. Please do not attack or accuse any other exchange of wrongdoing here. If the evidence above proves true, Coinsmarkets is the only exchange that has done the wrong thing.

Other Teams

This incident has not only affected the ColossusXT community, but a number of other coins that were trading on the exchange when CoinsMarkets went dark. We encourage other coins defrauded to come forward and we will gladly and openly share any information we have available to further the investigation.

The ColossusXT Team's Recommendations

Exchanges large and small have caused losses in the past to users. As with any cryptocurrency, the best way to ensure your coins are safe is to keep them in your own wallet. Use the encryption method within the ColossusXT wallet and store backups of your wallet. For additional security, use our paper wallet generator [\[Link\]](#).

Further, steps need to be taken to ensure you are following proper password security after this event. If you are using your CoinsMarkets password anywhere else please change it immediately. Beyond that, ensure you are using two factor authentication on any exchanges you are currently trading on.

Future ColossusXT Developments

We fully understand this situation is not ideal. Our roadmap [\[Link\]](#) and whitepaper [\[Link\]](#) were specifically designed to give you, the user, more control and more desire to keep the ColossusXT coins you own in your possession instead of leaving them on an exchange. For a refresher:

- Web Wallet (Completed March, 2018) – Provides easy access to the ColossusXT blockchain [\[Link\]](#).
- 8h Maturity time (Late April, 2018) – Instead of a full week to wait for coins to stake, the lower maturity time will incentivize leaving coins in your own wallet to stake sooner.
- Shared Masternodes (Later in 2018) – Stake a portion of your coins with others to create a full masternode. Coins will remain safely in your wallet.
- The Grid (2019) – Use your coins to power a distributed computing and storage network.

We, as a team, truly feel that the above options will help usher in a new era of cryptocurrency, improve the use cases of ColossusXT, and greatly incentivize keeping coins in your wallet.