

SEARCH Q

**A messenger app raised over \$270 million in less than 3 hours which raises concerns of another DAO crisis.**

A large crowd of people at a concert or festival, with many hands raised and numerous banknotes (including US dollars) flying through the air, suggesting a celebratory or high-energy event.

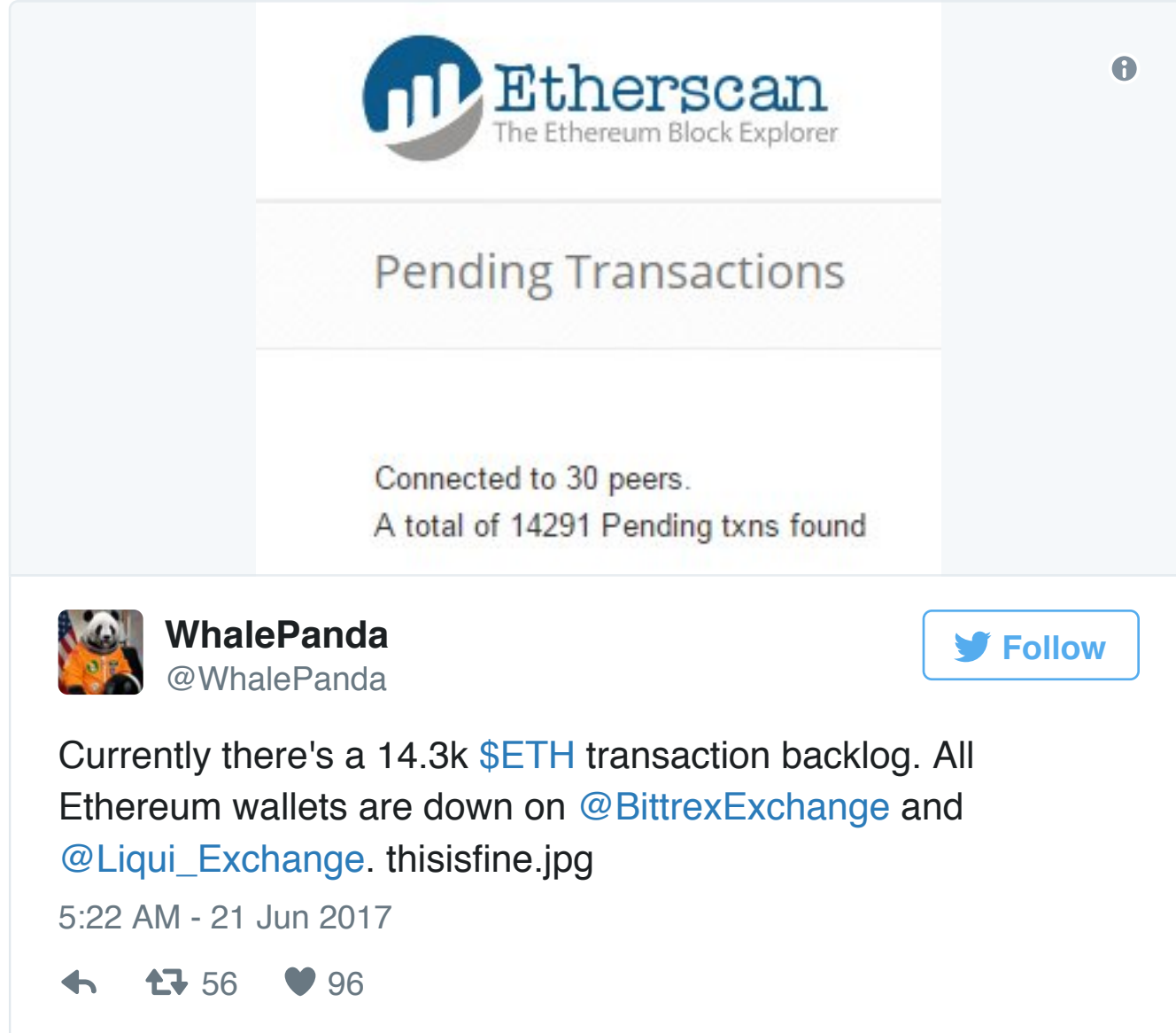
Status, an open source messaging platform and mobile browser to interact with decentralized applications that run on the Ethereum Network, raised over \$270 million in less than three hours in yet another massive Initial Coin Offering (ICO).

([http://events.financemagnates.com/londonsummit?utm\\_source=FMarticles](http://events.financemagnates.com/londonsummit?utm_source=FMarticles))

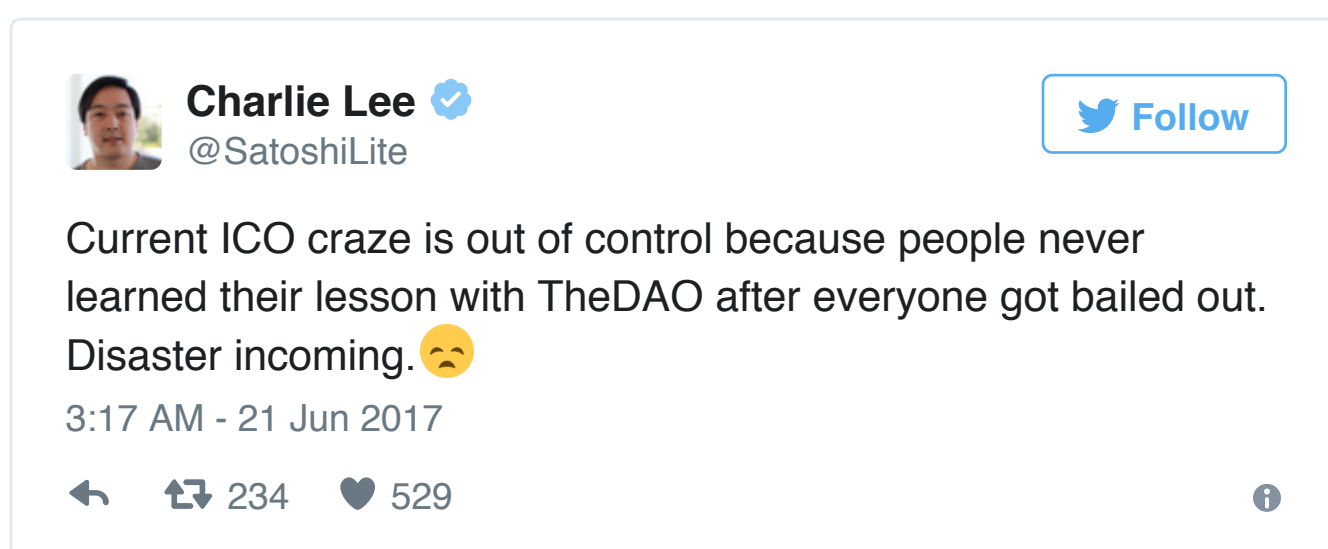
This amazing amount of money invested in an app has lead to more and more people from the cryptocurrency community raising their voices against what they see as bringing systematic risk to the Ethereum ecosystem.

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As happened during the Bacor ICO (<http://www.financemagnates.com/cryptocurrency/news/bancor-crowdsale-raises-140-million-less-three-hours/>), the Ethereum network has clogged up with the unsustainable amount of transactions straining the system at the same time, leading to a huge backlog, delays and people claiming their transactions were not carried out. In online community forums investors are also complaining that the well-connected received priority over the common investor.



People are also concerned that since so much Ether is now concentrated around each of these projects, if any of them will suffer some hack, turn out to be a fraud or just fail in any other way, the negative press will hurt the reputation of Ethereum at a time when it is gaining a lot of attention. In that case there might even be pressure on Vitalik to fork the blockchain again as has happened with The DAO (<http://www.financemagnates.com/cryptocurrency/trading/the-dao-falls-victim-to-cyber-attack-leading-ethereum-to-crash-over-20/>).



It is true that ICOs are dramatically democratizing (<http://www.financemagnates.com/cryptocurrency/interview/coindash-ceo-talks-cryptocurrency-social-trading-icos/>), as we have written here before. However, it is also important to remember that VC funds usually have serious due diligence processes in place and would never just give \$270 million away.

Tags: crowdfunding (<http://www.financemagnates.com/tag/crowdfunding/>) / Ethereum (<http://www.financemagnates.com/tag/ethereum/>)



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