

A number of Cosmos validators joined the dYdX mainnet with the hope of attracting delegations from major stakeholders in the ecosystem. For many of these validators, this required both an investment on tokens (acquiring DYDX tokens in the market) and time/money in infrastructure.

The reality as of today is:

1. Zero support have been offered so far from majority token stakeholders.
2. Anonymous and previously unknown validators have materialized. It is impossible to tell if these are operated by the same entity and are thus introducing risk at the consensus layer.
3. Many of the aforementioned Cosmos validators will be pushed out of the validator set, or have been already.

For our own part, we have now exited the active set and are contemplating either:

1. Cutting our losses and liquidating the tokens (if possible)
2. Trying to support other Cosmos validators that are at risk of exiting the set.
3. Raising the issue here, hopefully resulting in a DAO-sponsored proposal to increase # of validator slots.

Snapshot December 6, 2023 showing chain can be halted by two anonymous validators. Increasing the number of active slots would also not affect the current block production as this is already controlled by the top 4 validators (2/3+ VP).

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image

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](<https://europe1.discourse-cdn.com/standard21/uploads/dydx/original/1X/d04d03651c0ea5d1ebdd68a71bdb72a5121386b5.png>)

Looking forward swift and constructive action from the team/key stakeholders/DAO!