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## Breaking News: Golix CEO Responds To Theft Accusations (EXCLUSIVE)

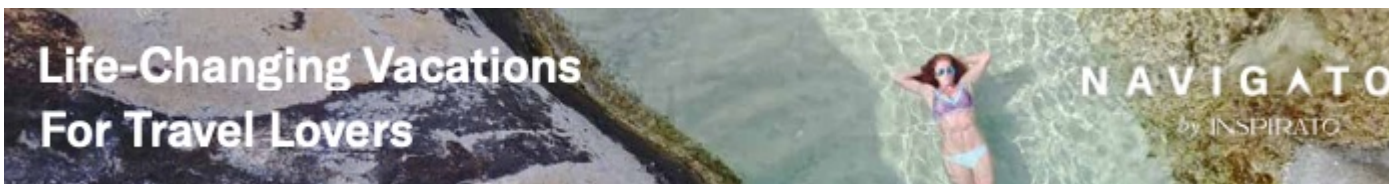


By Guest Author

On Nov 1, 2019



*Tawanda Kembo, Golix CEO*



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*This is a guest post from Tawanda Kembo, the founder and chief executive officer of Zimbabwe crypto-exchange Golix, in response to allegations that he claimed to have lost a password to the exchange's cold wallet which had well over US\$250 000 in BitCoin and to allegations that his crypto-exchange failed to process customers' withdrawals worth millions.*

## My Side of the story



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There were a lot of untrue things about myself and Golix in the press in the last few days. To be specific, there were claims such as:

- Golix cannot pay back investors/customers
- The Golix CEO forgot the password to a wallet
- The Golix CEO cannot be reached. Implying that he is probably running away
- Golix lied about how much money it raised in its token sale

In this post, I will tell my side of the story in my own words. I will address each of the above points in this post:

## Golix cannot pay back investors/customers

Firstly, I think it's important to distinguish between investors and customers:

- We have only a handful of investors but as of 31 October 2019, we have hundreds of thousands of customers (both active and inactive).
- We consider investors those people who have invested money into our company. There are 3 types of investments this company has taken over the years and they are debt, equity and convertible debt. Debt is when an investor lends money to the company with the expectation to pay it back after a certain time. Equity is when an investor buys actual shares in the company and convertible debt is when an investor is not sure whether they want their investors to be for debt or for equity so they say that they will decide later and you probably agree on a future date. I have a blog post that explains more how this game works here: <https://www.techzim.co.zw/2017/05/every-first-time-entrepreneur-know-raising-money-investors/>
- We are primarily a trading platform so we consider customers to be those have at least made a trade on our platform or added some funds to any of the various wallets we provide with the expectation to make a trade.

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- Some people are both investors and customers. In fact, exactly half of our customers started off as customers before building a relationship with us and then starting a conversation about getting some skin in the game.

To set the record straight we have not yet paid back any of our investors. Some of our investors have invested in cryptocurrency and some have invested in fiat. Some expect their returns in cryptocurrency and some expect their returns in fiat. Some of our investors have come out and said that they wanted to exit their positions but we have not yet paid back any investors because even though in some of the cases we had the money to pay them back, paying them back would have left the company in a financially unstable position. Some investors are not happy about this but as CEO my first priority is making sure the company is a going concern. And although we are working very hard to grow the company and eventually make a good return for our investors, we made sure all our investors knew how early-stage ventures, such as ourselves, are risky and it may take a long time to eventually make a return for investors. There is also a chance that investors may never get a return and investors knew this risk. Now let's talk about customers:

99% of the people who have attempted to make a withdrawal on Golix have seen in go through without a hitch. That's because we have invested a lot in building an infrastructure that makes this process easy and seamless but it's the 1% of the cases that's responsible for some of the misleading headlines you have been seeing lately. Let me make a few points to set the record straight:

- We have never been unable to process a withdrawal because of insolvency. Even though we are not profitable right now, we have money in our wallets and will be financially stable for at least a couple of years.
- In most of the cases, the few challenges with withdrawals that we get are usually a technical challenge. Some of the most common technical challenges we see are:
  - We had some downtime in one of our servers/services while a transaction was in progress. This is a very rare case but it has happened a few times.
  - The person cannot access their account. Sometimes we'll lock an account if we see some suspicious activity and want to protect it. But sometimes it's the customer who loses their 2FA device or password and has trouble getting into their account.
  - Technical challenges can be overcome by just reaching out to our support team. I will acknowledge though that because we have a high customer support personnel ratio, it sometimes takes more than a few days to close a support ticket and this sometimes causes customers to lose patience and take to social media.
- It is true however that over the last year we have mostly been unable to process any fiat withdrawals and this is Cryptocurrency companies can no longer get bank accounts in Zimbabwe. However, there were some cases in which we were. For example:
  - For some types of customers, for example, OTC customers, it was a lot easier to facilitate fiat withdrawals because we were not really the custodian.
  - For some customers, we have bought their fiat with our cryptocurrency and taken the risk of holding on to the cryptocurrency ourselves.

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- We have mostly never had any challenges processing cryptocurrency. Privacy & Cookies Policy There are some cases where this was an issue: Examples are:
  - The customer does not know how to use cryptocurrency. You have to keep in mind that we introduced a lot of people to cryptocurrency and for many of our customers, their Golix wallet was their first cryptocurrency wallet and we still have some customers who would like to take their money out but they don't know how to create a bitcoin address to which they can send the money to. Some ways we have solved this problem is to agree to buy the cryptocurrency from that customer and sometimes, and usually if it's a very high amount, we'll lock in a price and agree on a payment plan.
  - It's usually an amount which is higher than we keep in our hot wallets so it just means there is a delay but it eventually goes through unless the person cancels it. For those that would like to know how hot wallets and cold wallets work, I have a blog post that addresses that here: <https://medium.com/golix/why-we-chose-to-secure-our-hot-wallet-with-bitgo-e6bc9233469e>

## The Golix CEO forgot the password to a wallet

Although I can't say this is entirely untrue, it's a statement that was taken completely out of context.

I was an early adopter of bitcoin and anyone that got into bitcoin the time I did will remember that bitcoin was dirt cheap and we didn't have an easy to use wallets such as the one Golix built. My first wallet, for example, was only accessible from a Linux terminal and although I don't regret losing it back then (because bitcoin was so cheap), if I had kept it, it would have been worth a lot of money today. I've often told such stories at various talks I've given over the years and this has been taken out of context.

## I have been hard to reach

I wouldn't change that if I could.

Even if I wasn't as busy as I am now, and I stopped valuing my time, I still wouldn't have enough time to take every press interview request I get, to answer every WhatsApp message I get or respond to every email I get.

## We lied about how much money we raised in our token sale

We took a position not to publicly disclose how much money we raised and that position has not changed.

## Finally,

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Starting and building a startup is very hard. It's even more difficult to build a cryptocurrency exchange. One of the many things that makes this kind of business a very difficult one is that to stay in business, you just have to keep many stakeholders happy. From regulators to governments, to customers, to partners and to investors – you often have to be careful too what you say in public.

It's unfortunate that sometimes the press will feel entitled to insights into how things work under the bonnet. I don't think it's ethical for a journalist to try to force you into taking an interview request you don't want to take by writing an article, they know is not true, and then mention at the end of that article that even though what they wrote may not be true, they will stick to it until I come forward and give them an interview.

Sometimes I can take an interview because I'm busy or because I know you're going to ask me questions that will damage a relationship I'm trying to build with a stakeholder by saying something publicly.

Finally, I read most of the articles about us this last week and I noticed from some of the issues that some customers still had some issues with their accounts. I'll be working on the support desk myself next week if you're reading this and one of the people with account or transaction issues, please just write an email to support@golix.com and put my name in the subject.

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so what he is basically saying is people can not get back their monies. it was excuse after excuse. what people want to know is when will they get their money?

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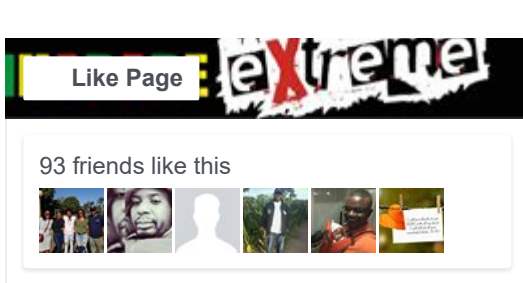
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