

Payward to help mt. gox liquidation



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Payward Inc. has volunteered to help the investigation of collapsed Bitcoin exchange Mt. Gox.

This will be their contribution to the industry as they intend to restore people's faith in Bitcoin.

San Francisco based Payward Inc., is the operator for Kraken Bitcoin exchange.

The Bitcoin operator will help the collapsed Mt. Gox Exchange to investigate the immense loss of hundreds of thousands of Bitcoins.

The companies informed on Wednesday that Payward will assist management of the process to pay back of the creditors.

Ayako Miyaguchi, head of operations for Kraken's branch in Japan, mentioned in an interview that their partnership agreement was permitted by a Tokyo bankruptcy court on Monday.

Creditors of Mt. Gox exchange will most probably accept Payward's involvement in the process.

Previously, they expressed strong dissatisfaction about Nobuaki Kobayashi's work. Nobuaki Kobayashi was trustee who was appointed by court to oversee Mt. Gox's liquidation.

The creditors complained that Mr. Kobayashi lacked knowledge of Bitcoin, which was perhaps slowing down the process, which resulted in a less favorable result for them.

Mt. Gox, the Tokyo based Bitcoin exchange was largest bitcoin exchange in the world once. Back in February, the exchange failed badly after it discovered the huge loss they were in.

According to the chief executive of Mt. Gox, there were 850, 000 bitcoins, worth about \$500 million, most of which belonged to the creditors. There were approximately 127, 000 creditors.

Mark Karpeles, the CEO of Mt. Gox, found 200, 000 of the bitcoins that were lost. He was certain that no more can be found but the Japanese police are still investigating the matter.

This huge amount of loss ruined the reputation of not only the exchange but of Bitcoin too. Bitcoin had been earning popularity and acceptance globally but this halted the process for a while.

Mr. Kobayashi mentioned that he selected Payward mainly because of Kraken's established operating history.

Another reason behind choosing the firm was its system, which has never been breached by malicious hackers.

He had plans to hold another meeting with the creditors of Mt. Gox at the bankruptcy court on Wednesday.

Kraken has agreed to pay 30 million yen along with the money which will be distributed to the creditors at the end of the liquidation process, to close the deal.

The exchange will give funds to support this liquidation but it will not try to rehabilitate Mt. Gox. It will not buy any assets from Mt. Gox either. Ms. Miyaguchi stated that this includes the unsettled debt and the large user database.

The CEO of Kraken, Jesse Powell, said through an e-mail that the outcome of the Mt. Gox bankruptcy proceedings will affect the overall Bitcoin community very strongly.

He mentioned that Kraken decided to volunteer their resources and expertise as an effort to minimize damage to the creditors.

But mostly, their intention is to help restore people's faith in Bitcoin by demonstrating trusted leadership in the Bitcoin Industry.