

# Paybase suspended users withdrawals



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Bitcoin provider services, Paybase, has found itself in major trouble after reports emerged about users not being able to withdraw their funds.

The company is owned by Josh Garza, who plays a major role in the operations of similar Bitcoin ventures including Bitcoin mining firm GAW miners.

Paybase has been making it into the headlines for negative reasons since January.

Back then, it was reported that the bitcoin provider was under the scrutiny of the Securities Exchange Commission (SEC).

The SEC was basically looking into allegations about Paybase/GAW miners carrying out “fraudulent conduct in the sales of securities” in relation to the sale of its Paycoin.

For those of you who are not aware, Paycoin is another form of cryptocurrency.

Paycoin was bought by the Paybase users using Bitcoins. With both the Paycoin and Bitcoin in their possession, the users could then easily trade between the two and earn a profit.

Following the investigation by the SEC, Paybase suspended its withdrawals. Users were unable to draw their funds from the 27th of February all the way to 8th of March.

The reasons they cited for their actions, which was not well received by their users, was that Paybase had become a victim of a “coordinated and very

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sophisticated effort to exploit the databases for PayBase and (related service) Zen Cloud.”

The following is an excerpt from a thread on r/Bitcoin Sunday which was written by a user of Paybase. The user believes that the firm is in a similar situation to Mt. Gox and is sceptical about the company’s integrity and need to recover from this predicament.

“ Withdrawals have been stopped for 7 days, GAW refuses to answer why and when they will resume. Josh Garza refuses to answer questions, support threads get closed on hash talk, and if you tweet him, he will block your account. I can’t withdraw bitcoins and they’ve been stuck on PayBase for a week.”

Users have also taken it to social media, mainly Twitter, to express their dissatisfaction and resentment at not being able to withdraw their rightful funds. Paybase owner, Josh Garza, is yet to address the disgruntled users of his service.

Many within the Bitcoin community see Josh Garza as a controversial figure who lacks integrity and is worthy of suspicion.

Some people have even gone on to remark that the entire Paybase and Paycoin initiative was a scam to exploit vulnerable users and enthusiasts of Bitcoin.

When Paycoin launched in the year 2014, it had potential to rival some of the best altcoins. However, it never quite lived up to its expectations as its value

plummeted despite guarantees from Paybase that they would keep the price stable at \$20 per Paycoin.

As of now, the current exchange rate of Paycoin is a symbolic \$0.69, which is far off from the promised/advertised figure of \$20.

Garza's lack of credibility has become a serious concern in the Bitcoin community and people's bitterness towards this was reflected in the North American Bitcoin Conference incident where some attendees collaborated to have Garza banned from the event.