

Mt. Gox Will Return \$1 Billion Bitcoins Lost in the 2014 Heist to Victims

Mt. Gox has recently commenced civil rehabilitation proceedings. The 170,000 Bitcoin and Bitcoin Cash (approximately \$1 billion) retrieved from the heist will go toward compensating creditors and victims of the 2014 heist. While the payout process may take a while, it represents a large victory for the creditors.

By **Cindy Huynh** - June 26, 2018



The Tokyo District Court on Friday, June 24, stopped Mt. Gox's bankruptcy proceedings and ordered the commencement of the civil rehabilitation proceedings. The civil rehabilitation proceedings will ensure that Mt. Gox will distribute at least \$1 billion in cryptocurrencies to the victims of the Mt. Gox heist.

As [Fortune noted](#), the decision was an important milestone for the Mt. Gox heist victims. Before, Mt. Gox was considered the biggest international Bitcoin exchange. It, however, collapsed in early 2014, when 850,000 Bitcoins were stolen from the company. The Bitcoins were worth about \$473 million during the heist. Campbell Harvey, a professor at Duke University, [mentioned to Reuters](#) in 2014 that it is considered "the biggest bank heist in history."

Mark Karpeles, CEO of [Mt. Gox](#) at the time, however, managed to discover 200,000 stolen Bitcoins. The Bitcoins have been frozen ever since in Mt. Gox's bankruptcy estate.

Unfortunately, the Mt. Gox victims have been left in limbo, wondering for over four years whether they would receive any compensation for their lost funds. The concerns rose when Bitcoin reached its peak of almost \$20,000 USD in December 2017. The rise in Bitcoin's value meant that the recovered assets from the hack had reached \$4 billion during Bitcoin's all-time high valuation.

Mt. Gox's Civil Rehabilitation Considered a Victory for Creditors

The situation changed when the Japanese court decided to stop Mt. Gox's bankruptcy proceedings and begin civil rehabilitation instead. Mt. Gox's remaining assets are worth approximately \$1.2 billion at today's value. These include 170,000 Bitcoins and Bitcoin Cash. These assets are to be redistributed to debtors and ex-customers. "Enormous assets ... will be returned to creditors of Mt. Gox," said Shin Fukuoka, a partner at Japan's Nishimura & Asahi law firm. "This is the creditors' victory."

Karpeles mentioned to Fortune:

"I hope entering civil rehabilitation will be for the best of everyone. As I said previously I am not expecting any of profit from this and only hope everyone will be repaid as much as possible as soon as possible. Creditors worked hard for the purpose of seeing civil rehabilitation happen and I will continue to help as much as I can."

According to [Verge](#), Bitcoin's value was \$440 per token when the bankruptcy proceedings were begun. Bitcoin's value at the time of writing is \$5,869.

Payout Process Appears Long and Complicated

While the payout is great news for creditors, it will take a while for them to receive the money. The process to file a claim is fairly long-winded and extensive. Creditors need to submit evidence of what the company owes them. They also need to formulate a plan concerning how assets are distributed. The deadline for this is Feb. 14, 2019. Fortune estimated that it'd take at least a year, if not longer before anyone [receives their Bitcoins](#).

The rehabilitation proceeding is considered an important milestone [in Japanese history](#). It marks the first instance where a business that is no longer functioning is rehabilitated. Mt. Gox will, however, not be operational any time soon. The company's trustee mentioned to creditors:

"There are no plans to resume operations of the Bitcoin exchange operated by Mt. Gox at this time."

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