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## Bitcoin exchange Mt. Gox could face Ontario class action suit

**Court gives partial certification to class action, while part owners reach settlement**

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Kolin Burges, a British man who lost Bitcoins in the Mt. Gox shutdown, holds a placard of protest in Tokyo. An Ontario class action will attempt to recoup funds on behalf of those who lost Bitcoins in the exchange. (Toru Hanai/Reuters)

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The Ontario Superior Court has partially certified a class action lawsuit on behalf of everyone in Canada who lost Bitcoins and other currency in the collapse of the Mt. Gox Bitcoin exchange, a Toronto law firm said Wednesday.

Charney Lawyers said the partial certification paves the way for the court to consider whether to approve a settlement reached in June between the plaintiffs and the defendants Jed McCaleb, a part owner of the online exchange based in Japan, and Gonzague Gay-Bouchery, the exchange's former chief marketing officer and manager of business development.

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The case was not certified against the defendants Mt. Gox KK, MtGox Inc., Mt. Gox North America Inc., Tibanne KK, Mizuho Bank, Ltd., and Mark Karpeles, who was the CEO of Mt. Gox, all of whom deny all liability.

The lawsuit claims \$500 million in compensation.

## **Depends on Japanese ruling**

Charney Lawyers said the settlement is contingent on the trustee in bankruptcy of Mt. Gox KK approving and implementing a rehabilitation plan in Japan to restore the exchange under a new ownership structure in which the class members will have a 16.5 per cent interest.

If implemented, the plan would also compensate the class members with a pro rata share of 200,000 Bitcoins that were discovered only after the class action was started, Charney Lawyers said, adding that the recovered Bitcoins have a value of about \$100 million US.

"The partial certification of this class action is a positive step forward in eventually returning lost currency and bitcoins to the class members," said Ted Charney, principal and senior partner at the firm.

"There is a possibility of full restitution to the class members unlike a liquidation scenario where creditors only receive pennies on their dollars," he added.

It is estimated that the Bitcoins held by Mt. Gox on behalf of its users were valued at approximately \$465 million US, the firm said.