FOREIGN EXCHANGE

Bitcoin Exchange Mt. Gox's Website Appears to Have Been Deleted

*Exchange Has Frozen Bitcoin Withdrawals Since Start of February*

By ELEANOR WARNOCK And MICHAEL J. CASEY
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TOKYO—The website of bitcoin exchange Mt. Gox became unavailable Tuesday and trading in bitcoin at the site appeared to have stopped, signaling a new stage in troubles that have dented the image of the virtual currency.

Earlier Tuesday, the chief executives of six major bitcoin exchanges and businesses pledged to coordinate efforts to assure customers of the security of their funds in response to mounting concern about the future of Mt. Gox.

The statement underlines the wider worry in the bitcoin community that the upheaval at Mt. Gox has caused significant harm to the bitcoin business.

Physical versions of the virtual currency Bitcoin are displayed for a photo in January. Leading Bitcoin exchange Mt. Gox's website was unavailable Tuesday and appeared to have disappeared. Reuters

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Tokyo-based Mt. Gox's website appeared to have been deleted on Tuesday. Attempts to reach the Mt. Gox home page yield an answer from the server but displays no data, indicating the server is functioning but that the site has no content.

Until hours ago, the Mt. Gox website had continued to update the price of its bitcoin, but on Tuesday, trading in the exchange's bitcoin appeared to have stopped. According to data by Bitcoin Charts, a bitcoin trading data provider, trading at Mt. Gox halted at 11 a.m. on Tuesday Tokyo time.

Attempts to reach representatives of Mt. Gox by phone and email were unsuccessful.

The price of bitcoin on two other major bitcoin exchanges, Bitstamp and BTC-e, also fell sharply on Tuesday, according to CoinDesk, which publishes an index of the two exchanges' bitcoin prices. In afternoon trading in Tokyo on Tuesday, the index showed bitcoin trading around $467, compared with a high of $979.45 in November.

Tokyo-based Mt. Gox has frozen bitcoin withdrawals since the beginning of February, stoking fears of bankruptcy from its investors and those in the broader bitcoin community.

Investors unable to withdraw their bitcoin from Mt. Gox had expressed concern in Tokyo meetings, in protests outside the company's offices in Tokyo and in long online discussions. On Tuesday, Mt. Gox online forums were abuzz with speculation about the fate of the company.

One document published by bitcoin entrepreneur Ryan Selkis, who blogs about bitcoin under the handle "The Two-Bit Idiot," and widely circulated online claimed that Mt. Gox had lost nearly 750,000 bitcoin as a result of theft over several years. Though hard to quantify because of price fluctuations in bitcoin, that would represent a loss of around $365 million at Monday's trading prices. The document couldn't be independently confirmed.

In a joint statement, the CEOs of several bitcoin businesses—exchanges Bitstamp, BTC China and Kraken, as well as broker and payment processor Coinbase, wallet provider Blockchain.info and payment firm Circle Internet Financial—sought to separate concern about Mt. Gox from those in the broader bitcoin community.

"This tragic violation of the trust of users of Mt. Gox was the result of one company's actions and does not reflect the resilience or value of bitcoin and the digital currency industry," the statement said. "There are hundreds of trustworthy and responsible companies involved in bitcoin. These companies will continue to build the future of money by making bitcoin more secure and easy to use for consumers and merchants. As with any new industry, there are certain bad actors that need to be weeded out, and that is what we are seeing today."

The firms' statement didn't offer specifics on the actions that would be taken.

Reached by phone later Tuesday, BTC China CEO Bobby Lee said the latest signs of trouble at Mt. Gox was no surprise: "This has been in the making for a good six to nine months." He said he doesn't see Mt. Gox's turmoil as opening up more business for any particular exchange because of the way the bitcoin business is spread out around the globe. He said BTC China currently trades around 10,000 bitcoin a day, which is up since January but down since December, when Chinese regulators restricted banks and payment platforms from engaging in bitcoin-related activities in China.

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