

Note: This is a translation of the plea by Mark Karpeles made on July 11th 2017 [available here](#). The Japanese version is authoritative for all purposes.

I am innocent of all charges.

As my defense counsel will explain in detail, I never once improperly used any funds during my work at Mt. Gox, whether by dishonestly manipulating data for my own profit, or by misusing our customer's money.

What is currently being called “creation of improper personal electronic records” was in fact a type of operation known as an “obligation exchange.” The purpose of this operation was to properly manage Mt. Gox's debt portfolio by exchanging the bitcoin-denominated and dollar-denominated liabilities held by Mt. Gox at a customer-requested rate through the Mt. Gox exchange in order to balance the company's bitcoin- and dollar-denominated liabilities.

I was nothing more than one of Mt. Gox’s users until Mr. Jed McCaleb, the founder of Mt. Gox, approached me with an offer. He said, "I am hoping to give Mt. Gox to an outstanding engineer who can grow the enterprise further. If you give me part of the stock, I can offer you the company for free. What do you think?" I was interested in bitcoins and blockchain technology and was researching how to create a new virtual currency platform myself, so the prospect of actually managing an exchange market for a virtual currency was very attractive. Moreover, I also wanted to use my skills to grow Mt. Gox into the world's largest market.

This is why I accepted the offer.

After taking over the business, I realized that Mt. Gox faced the problem of managing a debt portfolio. If the debt portfolio was not properly managed, there was a possibility that Mt. Gox would go bankrupt and cause serious harm to its customers.

Regarding this issue, Mr. McCaleb instructed me to carry out the "obligation exchanges."

Consequently, as part of the operation of Mt. Gox, which I took over, and in order to protect our customers, I faithfully performed the obligation exchanges. Any investigation will quickly reveal that this was not carried out for the purposes of benefiting either myself or Mt. Gox.

Furthermore, regarding the money that was used as a basis for the indictment on charges of possible embezzlement or malpractice, this is money that was transferred from the bank to my own account or to those of affiliated companies without any attempt to hide it, where the transfer itself was reported to a certified public accountant, and where the accountant marked the money as "money lent" on an accounting ledger.

At the time, in 2013, Mt. Gox's revenues exceeded ¥2.5 billion in cash and were at least ¥3.5 billion if bitcoin revenue is taken into account. As the expenditures were within this range, I never suspected that this would become an issue in the future and properly recorded it in the company books and reported it to the certified public accountant so it could be processed as a loan, and disbursed the money.

Therefore, this is not our customer's money.

If it had been our customer's money, or even if it were not but if I was aware that it was money that should not be spent, I would never have even thought to spend it.

Regarding this indictment, I swear to God that I am innocent.

However, there is one thing I would like to say to all of you.

It concerns the collapse of Mt. Gox.

As the person in charge of the company, I would like to express my sincerest apologies for the considerable damage caused to numerous customers when Mt. Gox was forced into bankruptcy.

As the person in charge of Mt. Gox, I believe it is my duty to recover the stolen bitcoins.

To do so, the cause of the loss of bitcoins must be elucidated, as well as the destination of said coins.

Unfortunately, the current trial is being carried out in a way that is wholly unrelated to the causes of Mt. Gox's collapse.

This trial, to which the entire world is paying attention, is not being carried out to determine the reasons behind the bankruptcy.

Meanwhile, a handful of excellent engineers around the world have already determined that Mt. Gox's bankruptcy was caused by "the theft of bitcoins by outside hackers." Since bitcoin is a virtual currency employing blockchain technology, it is possible to use newly developed methods to track down some of the theft by analyzing a large volume of tracking records.

Personally, I want to prove my innocence in this trial, which has nothing whatsoever to do with the collapse of Mt. Gox.

Yet I remain painfully aware of my responsibility in failing to prevent Mt. Gox's collapse. At present, I am already cooperating with various investigative bodies and research organizations to determine the reasons for the collapse and to recover the stolen bitcoins for the sake of the customers to whom harm was done. I will continue to do my utmost to further these efforts.

Thank you.