

[March 28, 2014 date stamp of 20th Civil Division
Panel of judges
Tokyo District Court

Seals of a chief judge and two judges also affixed]

2014 (Rehab.) No. 12

Case of Motion to Commence Civil Rehabilitation Proceedings

Petitioner: KK MTGOX

March 28, 2014

To:

Civil rehabilitation procedure division 20th Civil Division, Tokyo District
Court

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We hereby submit a Proposed KK MTGOX Rehabilitation Plan, prepared in the subject case by Sunlot Holdings Limited, and respectfully request that it be considered.

End

To: Tokyo District Court

Strictly Private & Confidential

Proposal Regarding
a Rehabilitation Plan for KK MTGOX

Companying Submitting Rehabilitation Plan Proposal:

Sunlot Holdings Limited

March 28, 2014

Proposed KK MTGOX Rehabilitation Plan

No. 1 Purpose and Policy

Sunlot Holdings Limited (hereinafter “Sponsor Company” or “we”), intends and plans to submit a rehabilitation plan for rehabilitating the business of MTGOX company to be able to make payments to its creditors, by obtaining KK MTGOX (hereinafter “MTGOX company”) and its associated assets, establishing a management system for rebuilding MTGOX company and executing a rebuilding program in a timely manner.

To achieve said purpose, we, via its counsel, α Partners Law Office, are cooperating with the Tokyo District Court, Civil Rehabilitation Supervisors, and counsel for moving for civil rehabilitation, and proceeding with discussions regarding the rehabilitation plan for MTGOX company.

No. 2 Background and Current Situation

MTGOX company is a company of Japan, engaged in exchange and transactions of the online currency called Bitcoin.

On February 28, 2014, MTGOX company, for the reason of being insolvent, with only JPY 3.84 billion with respect to JPY 6.5 billion debt, moved in the Tokyo District Court, via Japanese counsel, for rehabilitation pursuant to the Civil Rehabilitation Act. MTGOX company is thought to have approximately 127,000 creditors in more than 200 countries worldwide, of which approximately 1,000 are thought to be living in Japan.

The Tokyo District Court issued a temporary restraining order of prohibition of payment, appointed the attorney Koyabashi of Nagashima Ohno & Tsunematsu as supervisor and investigator, has investigated the

situation of MTGOX company's businesses and ordered a report to be submitted to said court by March 28, 2014.

Since January of 2013, the Sponsor Company has proceeded with discussions with MTGOX company regarding its businesses. However, because MTGOX company could not make a proposal for a healthy business plan to be executed, nothing has come out of discussions to date.

The Sponsor Company, on February 28, the day that MTGOX company filed for the commencement of civil rehabilitation proceedings, had already been negotiating with KK TIBANNE (hereinafter "TIBANNE company"), which is MTGOX company's parent company, for assignment of the shares of MTGOX company. On March 3, 2014, we submitted a letter of intent to TIBANNE company to the effect that we wanted to purchase MTGOX company for the purpose of establishing funding for payments to MTGOX company's creditors and immediately beginning to rebuild the company and we had a basic agreement under a letter of intent dated March 11, 2014, under the condition that the Tokyo District Court would approve.

As a basis for you judging that our plan to purchase and rehabilitate the operations of MTGOX company is appropriate, we would like to point out the following:

- At present, the enterprise value of MTGOX company is zero.
- Because MTGOX company has lost all trust as an exchange, it is not possible to restart operations to generate cash for rehabilitation of the business under the current management.
- If there were to be a settlement of MTGOX company now, it is thought that the creditors (mostly overseas) would possibly be able to recover approximately 10% of an amount that is their claims' value minus expenses.

- Although the current CEO and other management of MTGOX company, with the aid of their legal advisor counsel, have made continuing efforts from 2013 to recognize the risk of or avoid the current insolvency, these efforts have been total failures. In spite of all the management resources and cash of MTGOX company that they continue to hold and the time they have had, they are still not able to explain how MTGOX company lost its assets. Because their current CEO, Marc Karpeles, the current management team, and the current advisors are currently the target of criticism and are thought to have outlived their usefulness, we do not at all think that they would be appropriate as the main players in the rehabilitation of the business.
- In actuality, Mr. Karpeles has often admitted that, because we are a team with rich experience and high-level skills, we have better management resources to manage MTGOX company in place of MTGOX company and their customers than the current management.

The value we, the Sponsor Company, can bring to the business rehabilitation of MTGOX company is the specialized capabilities in the areas of management, finance, and technology as Bitcoin specialists, and it is precisely these that can overcome the current crisis, restart the exchange, and grow the business once again, thereby serving as a resource for the capacity to make payments to creditors.

Without our specialized capabilities and our active involvement, it would probably not be possible for MTGOX company's creditors to recuperate their money.

The Sponsor Company, through its counsel, Alpha Partners Law Offices, has already been in contact with the court, joint counsel for the motion for the civil rehabilitation of MTGOX company (Baker & McKenzie and Yodoyabashi & Yamagami Legal Professional Corporation), the supervisor/investigator (attorney Kobayashi of Nagashima Ohno & Tsunematsu), and TIBANNE company.

We hereby submit, in addition to a plan for forensic (digital) investigation and a creditor payment plan, a revised proposal of a rehabilitation plan that includes a proposed share transfer agreement, and request that consideration with regard to approval thereof be given by the Tokyo District Court.

No. 3 The Bitcoin Business and Current Situation of MTGOX Company

(1) MTGOX Company's Bitcoin Exchange Business

MTGOX company is an online exchange for encrypted currency and, at present, until recently, operated a business that exchanges the Bitcoin encrypted currency. TIBANNE company matches buyers and sellers of Bitcoins, and is operated by taking a small handling fee (0.6%) with respect to Bitcoin exchange and cash transactions.

In the exchange transaction system, a Bitcoin seller places his or her Bitcoins in escrow in a MTGOX company account, while a purchaser makes transfer of cash into a bank account specified by MTGOX company, the cash being booked into the buyer's account at MTGOX company.

When a buyer buys Bitcoins via MTGOX company, the current actual value (for example, JPY 93,397.25 per Bitcoin) and an exchange handling fee of 0.6% are deducted from his or her account. When a seller sells Bitcoins through MTGOX company, an amount that is the current value (same as above) less the 0.6% exchange handling fee is placed in escrow and booked into his or her account.

All handling fees occurring when money is placed in escrow in the account of MTGOX company, or when it is transferred by MTGOX company to the bank account of a customer, such as foreign exchange, are collected from the customer.

Bitcoins can be sent from an MTGOX company customer account to a customer's electronic wallet, or to any other electronic account specified for handling Bitcoins.

The business of MTGOX company is operated based on the principle that the same number of buyers and sellers exist who wish to exchange Bitcoins on the MTGOX company transaction infrastructure. In order to have buyers and sellers make exchanges in this manner, it is necessary

for them to trust MTGOX company to definitely execute the transactions, and return either cash or Bitcoins to their accounts at any time on demand.

It is trust that is the most intrinsically important thing in the Bitcoin industry, and without trust nobody would do transactions on the exchange.

Given the above, if the cash and Bitcoins lost in the recent incident by MTGOX company are to be recovered somehow, they must do the following immediately.

- a) Regain the trust of customers.
- b) Have customers resume Bitcoin transactions on the MTGOX company transaction infrastructure.
- c) Repay the commissions resulting from transactions as payment for the cash and Bitcoin assets that were put in escrow at MTGOX company but lost.

(2) The Complexity of the MTGOX Company Business

MTGOX company is a business demanding a high level of technology, including many complexities that require special skills to operate successfully. Even higher levels of skill are required to identify the problem that ensnared MTGOX company, to perform a legal auditing to explain what happened to the lost assets, to make an attempt to recover the lost or stolen assets, and assure that this type of problem does not reoccur.

And the required skills and experience are extremely peculiar, so that it is not the type of business that you could entrust to traditional auditing firms, consultants, or IT engineers to achieve an understanding and taken corrective action.

The supervisor and the court in the rehabilitation proceedings will be facing the challenge of finding a capable team with the proper background and experience, identifying a sponsor to provide funding for restoring the business of MTGOX company, and finding people with the will to become involved in this example of a failure that is attracting an extreme level of attention, in spite of not being able to expect much, and all this while the worldwide media, customers, and the industry look on with anger increasing daily and new related litigation being constantly announced.

With an understanding of the concerns, we are highly interested in MTGOX company's success and would request that the supervisor and the court consider the rehabilitation plan that we have proposed, and commence the rehabilitation proceedings with urgency, as soon as possible.

No. 4 Sunlot Holdings Limited

(1) Company Outline

Sunlot Holdings Limited is a special-purpose investment vehicle registered in Republic of Cyprus and having Republic of Cyprus nationality, and a group of sponsor investors has proposed the purchase of the MTGOX company business through this company.

(2) Group Members

Brock Pierce, partner and founder of Crypto Currency Partners; <http://cryptocurrencypartners.com/#first>.

Brock Pierce

Mr. Brock Pierce is an entrepreneur who has started up 15 businesses and is best known for developing the market for digital currency. As a wealthy angel investor and as the face of the company of the Bitcoin economy, he has procured more than JPY 20 billion in funds for

companies he is involved with, and has provided guidance in the acquisition of 30 or more.

Mr. Pierce is a co-founder of GoCoin, ExpressCoin, KnCMiner.cn, Robocoin Asia and CoinDaily. His AngelList Syndicate is the first fund that specialized in Bitcoins, and has a track record of investment in the top 10 Bitcoin companies. He is also currently serving as regional leader of the Los Angeles Bit Angels. He is the managing director of Clearstone Global Gaming Fund, and companies of which he serves as an officer include IMI Exchange, Xfire, Playsino, FGL, Spicy Horse Games, Gocoin, ExpressCoin, KnCMer.cn, Robocoin Asia, and Mastercoin Foundation.

William Quigley, Managing Direction of Clearstone Venture Partners (a venture capital fund in California in the US, that has invested more than USD 600 million) <https://www.clearstone.com/company/>.

William Quigley, Acting CFO

Mr. William Quigley is a co-founder of Clearstone Venture Partners, specializing and handling Internet-related investing at said company. Mr. Quigley guided said company in its investment as the first institutional investor in PayPal, which continued until it was subsequently purchased by eBay. A number of Mr. Quigley's early-stage investment deals subsequently led to public listings.

At present, Mr. Quigley is deeply involved in the trends in next-generation digital currency. He has, in fact, made a number of investments in the Bitcoin business and in other digital currency companies. Mr. Quigley came participate in Clearstone from Mid-Atlantic Venture Funds (MAVF). Before MAVF, he handled various roles, such as business planning, finance, and general operations for six years at Walt Disney Company. He oversaw all finance and business planning for Disney's licensing business, and co-managed Disney's merchant banking group.

Prior to Disney, Mr. Quigley was a senior consultant with Arthur Andersen's Financial Service Group, where he developed financial and

business strategies for a variety of companies in the financial services industry. He also was in the position of supervising the financial auditing of bankrupt financial institutions during the US Savings & Loan Crisis (S&L Crisis).

Matthew Roszak, Partner at SilkRoad Equity LLC (a private equity fund in Illinois in the US, with a track record of more than USD 5 billion investment) <http://www.silkroadequity.com/about.html>

Mr. Roszak is co-founder, vice-chairman, and president of SilkRoad Equity, a global investment fund. Mr. Roszak has been involved for over 18 years in investment funds and venture capital, has invested more than JPY 100 billion in a broad range of industries, has done a broad range of transactions such as mergers, acquisitions, and divestitures. He has done transactions involving private equity, venture capital, business transaction financing, including mezzanine and conventional financing, public offerings, private placements, and financial restructurings.

Mr. Roszak was a principal with Advent International in London. Advent International is one of the world's largest and most successful private equity firms with over JPY 2 trillion of capital under management. Before joining Advent International, Mr. Roszak spent five years with Keystone Capital Partners, a Chicago investment fund. Prior to its sale to DirectTV (Nasdaq: DTV), Mr. Roszak served as an officer of 180 Connect (TSX: CNCT) for five years, and was chairman of the audit and compensation committees and a member of the corporate governance committee.

Mr. Roszak is a member of the National Venture Capital Association and the Urban Land Institute. (Translator's Note: A non-profit educational and research institution promoting best practice for people involved in property development). Mr. Roszak is a beneficial owner and director of various companies, including: Barefoot Landing, InterAct911, MissionMode, Onramp Branding, Pendulab, SilkRoad Technology, SilkRoad Realty Capital, SolidSpace and TrueLook.

(3) Source of Funding

The group members of Sunlot Holdings Limited manage a total of more than USD 1 billion, and have sufficient cash and the means to borrow from disclosed and non-disclosed investment vehicles.

(4) Relationship to the Bitcoin Market, Knowledge, and Specialized Abilities

The Sponsor Company is organized by a group with abundant experience, not only in financial transactions on Wall Street, but also Bitcoin trading transactions and corporate investment, and are aiming at rehabilitating the MTGOX company Bitcoin exchange.

Because MTGOX company is the base for the Bitcoin industry and is the pillar that supports the Bitcoin community, we fervently wish to take up the role of being that base.

We are gathering the management, attorneys, and specialists in handling regulatory matters that make it unique in the current Bitcoin industry. We not only have strong confidence that we can rebuild MTGOX company, but have absolute confidence that, by our establishing a completely new benchmark for all-around compliance, reliability, and transparency, we can once again establish the confidence and trust in the Bitcoin system.

We are confident that the Tokyo District Court is seriously considering how matters can be appropriately sorted out in the interest of society as a whole, and payments can be made to MTGOX company creditors and customers.

Our countermeasures team, in addition to being able to provide the best opportunity for leading to a further success for MTGOX company, has the clearcut intention of putting all of our abilities to this task and applying our maximum strengths as specialists, in order to achieve a rebuilding thereof efficiently and quickly. To that purpose, we have

already visited Japan and met regarding the details of our plan, and await the opportunity to hold individual discussions going forward.

- Portfolio of virtual currency related entities in which group members have invested:

- ExpressCoin
- FreshPay
- Coinsetter
- GoiCoin
- ZipZap
- NYBX
- Bex.io
- KnCMiner.cn
- Robocoin Asia

- Associations and Industry Groups in Which Group Members Participate (Serve as Officers)

- Bitcoin Association
- Bitcoin Alliance of Canada
- Bit Angels

Rehabilitation Management Team

- John Betts (CEO)
- William Quigley (Acting CFO)

- Jonathan Yantis (Bitcoin security)
- Person responsible for Market Group (being verified)
- Person responsible for Fund Group (being verified)
- Chief Technology Officer (formerly with Credit Suisse; being verified)
- In-house counsel (being verified)
- Compliance officer (being verified)
- Amanda Coolong (Public Relations)
- Chief marketing officer (being confirmed)

John Betts, CEO

Mr. Betts, who is an investor and industrialist in financial system venture businesses, has a broad range of knowledge and experience regarding financial services, data mining, accounting systems, transaction system platforms, and big data.

Mr. John Betts started his career in South Africa, where he was co-founder of Aztec Internet Services, which was acquired by UUNET before he moved to Europe. In Europe, he worked as a management and IT consultant to several leading global companies, where he specialized in business and information technology strategy proposals.

He has also held senior positions in online trading and market data systems for UBS, Goldman Sachs, and Morgan Stanley. Recently, Mr. Betts has been the co-founder and Vice-President of Strategy & Business Development of Strevus, Inc., which is a compliance solution company for investment banks.

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Prior to Disney, Quigley was a senior consultant with Arthur Andersen's Financial Service Group, where he developed financial and business strategies for a variety of companies in the financial services industry. He also was in the position of supervising the financial auditing of bankrupt financial institutions during the US Savings & Loan Crisis (S&L Crisis).

Jonathan Yantis, of Bitcoin Security

Mr. Yantis is a typical Bitcoin specialist with long experience in virtual currencies, information technology, and information security. Jonathan is a pioneer in virtual currencies and the development of virtual currency business, is respected and is a role model among specialists in this industry. Mr. Yantis has a broad range of knowledge and experience in cyber-security and forensics (digital investigation).

Mr. Yantis is the founder of Yantis Enterprises, Inc. and serves as an officer of number of other companies and organizations, including GoCoin Pte. Ltd. and Mastercoin Foundation.

Amada Coolong, PR

Ms. Amanda Coolong, based on her 15 years of experience with new information technology, has led global advertising and PR campaigns, and has evoked new action among groups of people numbering in the millions.

Ms. Coolong also is a highly experienced digital media manager. When the Bitcoin system was started up, she was the central figure in streaming video news and media events, and presently serves as its website editor-in-chief. Because Ms. Coolong has throughout her life acted as an emcee or interviewed thousands of IT entrepreneurs as a host, her name immediately became well-known in the Bitcoin industry.

Rehabilitation Team Strategy Specialist Advisors

Sitrick and Company: Risk management team

Grant Soonton: Auditing

Endeavor Strategic Communications: Regulatory matters

Freeh Group: Cooperation with forensic (digital) investigations and enforcement, and compliance

Perseus Telecom: Secure hosting

Sitrick and Company

Sitrick and Company has consistently been ranked among the nation's top strategic communications firms. Founded in 1989 by Michael S. Sitrick (the current Chairman and CEO), the firm has clients from the public and private sector as well as high-profile individuals ranging from

people in the wealthy class, such as financier Thomas H. Lee, to people like rock musician Tommy Lee.

Sitrick and Company has five offices, in Los Angeles, New York, San Francisco, Chicago, and Washington.

Although the firm has extensive experience in corporate PR, financial PR, transactional reporting and crisis communications, it is best known for its work in sensitive, make-or-break situations. Whether helping a client with reputation management, mergers and acquisitions, litigation issues, a restructuring or a criminal indictment, Sitrick and Company works to ensure that clients' objectives are achieved and related personnel are communicated with appropriately. These include employees, investors, customers, suppliers, and government officials.

Although it would be difficult to cite all of the crisis situations that Sitrick and Company has been involved in, they include the following: Refco (at the time, the largest broker in the Chicago Mercantile Exchange, which at the time of its bankruptcy had approximately JPY 7.5 trillion in debt on its balance sheet, substantially the same amount as its assets), the Delphi Chapter 11, the Arizona Baptist Fund (improper distribution of funds of church members), Los Angeles Archdiocese, Patricia Dunn (former Chairman of Hewlett-Packard; charged related to a secret investigation of officers but all charged were dropped), Exxon (regarding a large-scale oil spill from the Valdez), Food Lion (when ABC TV broke news that the company sold spoiled meat and that stores were unsanitary), National Medical Enterprises (when the company was investigated by the FBI and there was, inter alia, a revelation of Medicare-Medicaid fraud and kidnapping of a patient; the company name was changed to Tenet Healthcare), the Vail Chapter 11, the problem with Greyhound's Chapter 11 and the union, the Barney's of New York Chapter 11, the LyondellBasel Chapter 11, the Mirant Corp Chapter 11, WenHoLee (Translator's note: Incident alleging leaking of US nuclear weapons secret information for China).

Sitrick and Company executives are broadly experienced professionals from the media and corporate worlds. Senior executives have served as officers and directors of private or publicly-traded companies, as former litigators and as reporters in the news media, editors and producers at such news organizations as the Wall Street Journal, New York Times, San Jose Mercury News, Detroit Free Press, Chicago Tribune, Bloomberg, Dow Jones, Miami Herald, NBC Television, the China Morning News and various Central and South American media.

The firm's digital media team is led by an executive who directed the online entry for Premiere Radio, one of the nation's top radio program syndicators. The team has orchestrated such high-profile campaigns as the withhold vote effort launched by Roy Disney against Michael Eisner, the then chair of the Walt Disney Company, and the defense of Patricia Dunn, former chair of HP, who was indicted for allegedly spying on board members. The firm has been involved in planning and implementing strategic PR programs for more than 1,000 companies, individuals, and organizations over the past 25 years.

Endeavor Strategic Communications

Endeavor was founded in September, 2013 as a PR and strategic news coverage company specializing in serving as a bellwether for the Washington DC community. Endeavor's first client was the upper house President and upper house Senator, who had been elected from districts having many Democratic Party supporters and then recalled in the historic Colorado recall election. Subsequently, the firm acquired as clients a US legislator (David Schweikert of the House of Representatives), a political organization (Darrell Issa), a legislator election (Lee Terry and Tony Strickland), a news organization (Breitbart News Network), and corporations.

In December, Endeavor expanded its services into the field of digital social media, and took on its first two employees for the purpose of growing that sector. The basic approach of the company is to optimize all communication platforms and to apply all of its power to reach both

the media and opinion leaders with a strong message. The key to the company's success is to integrate diverse aspects of communication, these being traditional PR, social media, and website creation and the like, synchronizing the communications between them to create a weapon for achieving the maximum effect.

Crisis Management Communication Experience

Before founding Endeavor, Mr. Kurt Bardella served as a senior advisor and communications advisor to Mr. Darrell Issa, an elected congressman from California, who is the Chair of the House Committee on Oversight and Government Reform. Mr. Kurt supported the committee by proposing and executing strategies for the committee's oversight and investigative activities. These activities included the AIG bailout investigation, Countrywide's VIP program, the BP oil spill accident, the Toyota auto safety problem, the Johnson & Johnson San Juan factory problem, Operation Fast and Furious (Translator's Note: gun control decoy operation), the Benghazi terrorist incident, and improper IRS tax evasion prosecution. This experience led to unique assignments that provided a gook link between government and corporations in risk management communications. These types of projects are undertaken under the most elaborate investigation environment that requires active engagement and credibility with respect to a limited number of people.

Freeh Group

Freeh Group International Solutions, LLC (FGIS) is a global risk management firm serving in the areas of business integrity and compliance, safety and security, and investigations and due diligence. FGIS was founded by Louis J. Freeh, former director of the Federal Bureau of Investigation (FBI) and former federal judge in New York southern district. In addition to Judge Freeh, the management team of FGIS includes former federal and state prosecutors, police officers, personnel responsible for in-house corporate investigations and compliance, and in-house corporate counsel.

FGIS serve a diverse range of organizations in a cross-section of industries, working to reduce risk in today's increasingly dangerous and complicated global marketplace. The FGIS approach begins with assembling the best teams of experts suited to the industry and the client. The projects these teams are charged with are monitored by top management or a managing director at FIGS, ensuring that all clients receive the highest level of guidance and counsel. Because FGIS has a network of domestic and international former law enforcement officers and information agency personnel and specialists in international affairs, it can quickly assess a situation and provide solutions virtually anywhere in the world.

The FGIS team has decades of experience providing the highest level of service in all projects and always aims for the top. The FIGS team members, in addition to their uncompromising integrity based on ethical behavior in all phases, provides independent advice and guidance that considers just the facts, without being affected by prejudices or external influences. Depending upon the matter being handled, the FGIS team is formed by personnel such as former prosecutors, former investigators, forensic auditing specialist accountants, industrial experts, and computer forensic engineers, researchers and analysts.

FGIS provides a variety of services, which include: financial and investigatory due diligence, system compliance assessment and auditing, in-house and outside investigations, investigations to verify facts, litigation support, background checks, ethical standards compliance monitoring, industry information investigations, computer forensics, and legal accountant auditing.

Perseus Telecom

Perseus Telecom is an award winning global, licensed communication carrier having its own facilities providing enterprises and telecommunications services with a focus on ultra-low latency connectivity. Perseus provides the fastest routes between New York and Brazil exchanges and also QuanTA, the fastest trans-Atlantic route

between New York and London. The company recently announced the opening of the fastest route between London and Frankfurt over its high-tech wireless/microwave service. Perseus connects Asia-Pacific and Europe with many points of presence, in Tokyo, Singapore, Hong Kong, Frankfurt, Stockholm, Moscow, Madrid, and Dublin using communication lines.

The company's management team has decades of experience with major communications carriers and directs operations from offices in London, Dublin, New York, Chicago and Sao Paulo. Perseus Telecom customers include banks, brokerages, financial institutions, funds, broadcast stations, law firms, investment partnerships, world-class manufacturers, and pharmaceutical companies.

Companies around the world choose Perseus to solve problems and support it because of its performance-based service quality agreement that allow unconditional cancellation of the agreement if quality is not achieved. Perseus Telecom customers enjoy the benefit of having a single point of contact and one contract to negotiate the best rates for the lowest latency routes, thereby contributing to savings of both time and money.

No. 5 Proposed Rehabilitation Plan

(1) Overview and Policies

- The current management leaves.
- The necessity for complete cooperation through the entire process.
- Proposal by a new management team and specialist advisors of forensic (digital investigation) and payment plan.
- Complex forensic investigation of MTGOX company handled by the new, highly experience management and a consulting partner.
- Perform a comprehensive legal audit

- Technical auditing/Auditing of Bitcoin exchange and bank transactions/Accounting auditing (inconvertible currency)
- Cooperation with criminal investigation
- Rebuilding and re-enforcing the transaction platform for restarting the business.
- Introduction of strong security countermeasures and establishment of work for payment procedures.
- Start of payments to customers
- Verification of Bitcoins and funds.
- Start of economic relief measures (Bitcoin/cash deferment, conversion to shares and the like)
- Court and creditor approval of a payment plan.
- Business activities to create a trading volume and begin a recovery.
- 50% of commissions to be directed to payments for customers until payment funding is paid.

(2) Basic Plan; The Sponsor Company shall execute the following plan after receiving court approval of the new management, rehabilitation plan, and acquisition plan and the like:

1. TIBANNE company transfers its holdings (88%) of MTGOX company shares to the Sponsor Company.
2. A MTGOX company shareholders meeting shall be held and John Betts will be appointed as the MTGOX company representative director.
3. Start of a forensic program (investigation and the like by experienced personnel of a criminal investigatory agency).

- <1> Bitcoin.
 - <2> Cash account.
 - <3> The effect on foreign exchange and operations by delay in the operation of Mizuho Bank.
 - <4> Discontented employees.
4. Start of a communication program
- <1> Press announcement (lead story in the Wall Street Journal)
 - <2> Consultation with clients
 - <3> Discussion with the Bitcoin community
5. Start of the preparation of an appropriate agreement between TIBANNE company and MTGOX company.
6. Meeting with Mizuho Bank and discussion of transfers (deposits and withdrawals; domestic and international transactions)
7. Plan for restarting of the Bitcoin exchange
- <1> Establishment of a new receiving company.
 - <2> Adoption of necessary technology (adoption of a new exchange platform, Bitcoin wallet security, secure hosting, and a new back-end system for risk management and control)
 - <3> Front end (client interface) development.
 - <4> Rethinking of relationships with banks.
 - <5> Proposal of a detailed plan for the method of payment to rehabilitation creditors.
 - a) Obtain required approvals from clients and the court.

- b) Management payment to rehabilitation creditors in the form of a payment escrow.
 - c) Conversion of existing cash debt to Bitcoins.
 - d) Initial distribution of 200,000 Bitcoins to clients.
 - e) Option to purchase with cash remaining client credit (structured financing transaction).
- <6> Establishment of cashflow.
- <7> Assembly of a team to manage the new business.
- a) Team to build the Bitcoin exchange system
 - b) Security (Bitcoin and system)
 - c) Funding group
 - d) Chief compliance officer
 - e) CFO (chief financial officer)
 - f) Attorney
 - g) Marketing and communication group
 - h) CTO (chief technical officer)
 - i) Customer support
 - j) HR (personnel)
 - k) Business development
 - l) Head of market department (combines flow and volume of transactions)

- m) Risk management
 - n) In-house translator
 - o) Recovery of assets held by rehabilitation debtors (for payment plan)
- <8> Insuring MTGOX company and the preservation of the Bitcoin secret key.
- (3) First-Phase Business Plan
1. Cooperation as appropriate with supervisors, investigators, the Tokyo District Court, and investigatory agencies.
 2. Assembly and actions of a special team.
 - <1> Crisis management.
 - <2> Coordination regarding regulations and governmental bodies.
 - <3> Forensic investigation
 - <4> Establishment of security; assets, transaction infrastructure, company.
 - <5> Hiring of Bitcoin and financial institution specialists to build a team to establish the basis for business.
 3. PR Strategies and Crisis Management Plan
 - <1> Press release
 - <2> SavaGox.com development
 - <3> Appeal to clients and communication
 - <4> Coordinate stakeholders and press release

4. Financial control
 - <1> Analysis of assets and debt.
 - <2> Financial rehabilitation plan.
 - <3> Payment to clients.
 - <4> Restructuring of capital.
5. Restoration of the secret key and Bitcoins
 - <1> Digital investigation of lost coins.
 - <2> Restoration of Bitcoins
6. Legal actions and proposal of a risk management strategy and plan.
 - <1> Company rehabilitation plan
 - <2> Handing of litigation and legal defenses
 - <3> In-house counsel
- (4) Payment Plan: Changing of rights related to rehabilitation claims and payment method
 1. Client claims will be formed into a single client claim pool, by proportional ratios.
 2. The cash claims will be converted to Bitcoins (or, alternatively, another cash repayment plan will be proposed).
 3. First, the remaining 200,000 Bitcoins (23%) will be paid back to all clients proportionally (but with a lock-up period of one year, during which transactions may not be done).

4. Creditors will select an alternative or a combination of alternatives shown below regarding the method of payment of the remaining claims.
 - <1> Follow the payment plan.
 - <2> Proportionally receive shares of a new company in lieu of repayment.
5. 50% of the future commissions of the exchange will be placed and accumulated in a payment trust account.
6. Proportional distributions will be made from the trust account to clients every quarter (but the following limitations will be provided).
 - <1> A client can make an exchange transaction between Bitcoins and an inconvertible currency for a period of one year after the distribution (only if they were accumulated in an Gox account).
 - <2> A client may not make a cash redemption until one year has elapsed after the distribution.
7. In the case of a client opening a new Gox account for a new business during the time in which the trust account for the client is being maintained, the client can make transactions free of commissions, while maintaining the right to distribution from the trust account.
8. Options for cash purchase of claims of a client by a debtor shall be established with the following purchase values set on a yearly basis.
 - <1> First year: 50% of the claim value
 - <2> Second year: 70% of the claim value

<3> Thereafter: 80% of the claim value

Assets and Debts

	BTC	JPY	USD
BTC debt	755,00	49,204,256,000	483,200,000
Cash debt	103,125	6,720,780,000	66,000,000
BTC conversion rate: JPY-USD	1	65,171	640
BTC wallet (asset)	200,000	13,034,240,000	128,000,000
Cash (asset)	34,375	3,240,260,000	22,000,000
Total equivalent BTC debt	858,125	55,925,036,000	549,200,000
Total debt after payment of BTC assets	658,125	42,890,796,000	421,200,000

Payment Rate by Year

Year/payment rate	High-speed	Medium-speed	Accelerated
Y1	9%	9%	9%
Y2	11%	14%	27%
Y3	13%	21%	63%
Y4	16%	31%	
Y5	19%	26%	
Y6	23%		
Y7	9%		

No. 6 Two Execution Phases of the Rehabilitation Plan

(1) Emergency Execution Phase

1-1 Analysis and Discovery Phase: 8 weeks

- Replacement of leaders

- Adoption of a digital forensic program
- Execution of accounting/financial audit
- Start of plan to promote communication
- Disclosure relating to Mizuho Bank

Estimated expense: JPY 306 million

1-2 Execution and stabilization phase: 10 weeks

- New management team
- Continuation of communication and improvement in transparency
- Build-in of new transaction platform and infrastructure
- Verification with banks
- Consultation regarding rehabilitation plan

Estimated expense: JPY 510 million

The expenses required in the above-noted first emergency step are thought to be the expense of adopting a digital forensic program, the expenses of building in a new transaction platform and infrastructure, and the expense incurred in performing accounting and financial audits and in communications. These expenses are estimated to total approximately JPY 816 million and, until the MTGOX company online transactions are restarted, will be paid from cash owned by MTGOX company.

(2) Mid-Term Execution Step

1-1 Development and Exit Phase: 3 to 7 years

- Continued discussions with client and society

- Marketing activities to increase trading volume
- Adoption of new products and new services
- Consideration of future mergers & acquisitions and an IPO
- End of civil rehabilitation proceedings

Estimated monthly cost: JPY 26 million/month

The expenses required for the rehabilitated company in the second step are estimated to be approximately JPY 26 million monthly, and it is planned to pay these from the commission income from the MTGOX company online exchange system operations.

(3) The Urgency of the MTGOX Company Rehabilitation

The people making up the Bitcoin industry, who are extremely good communicators, experienced, and well-versed in information technology, are active in over 200 countries worldwide. It is clear that Bitcoin is a focus on news coverage, and the failure of the MTGOX company exchange was covered by the major news organizations throughout the world.

Not only MTGOX company clients, but also the overall Bitcoin industry, news organizations throughout the world, legislators, regulatory bodies, and enforcement agencies throughout the world are continuing to follow the MTGOX company incident.

Day by day, discussion about the impossibility of a recovery by MTGO and how the lost cash and Bitcoins can be repaid to MTGOX company's clients are being probed more and more by clients, news organizations, legislators, and by attorneys worldwide preparing new litigation with respect to MTGOX company.

The urgency of communicating with these people, who are sensitive to information about MTGOX company, providing clients with a specific

payment plan, and the restarting of this exchange cannot be overemphasized.

As the days go by, the possibility that the restarting and continued existence of MTGOX company becomes impossible, resulting in clients who have lost their money and Bitcoins due to MTGOX company will never be able to regain their assets is growing suddenly and exponentially.

As long as clients want to be compensated for their losses due to the MTGOX company failure, it is going to be necessary to have existing clients return to MTGOX company and to attract new clients to make transactions in the same way and, given this, there is no time to even discuss the necessity of restarting the operations of the MTGOX company exchange.

No. 7 Pre-Conditions for Sunlot company to Be a Sponsor

The Sponsor Company, under the condition that approval is granted by the Tokyo District Court, has the following plan for purchasing MTGOX company.

1. Agreement that the Sponsor Company will acquire the business of MTGOX company from TIBANNE company, under the conditions agreed to by the letter of intent dated March 11, 2014.
2. That the results of executing due diligence sufficiently satisfy the sponsor as a company.

In consideration of our strong will to put all of our power into the future of MTGOX company, the long history of negotiations between TIBANNE and MTGOX company to date, and the urgency of the situation in which, as clients are being lost and as it becomes more and more difficult to restart as a sustainable business, the business value of MTGOX company is rapidly diminishing, we hope that the court will approve the rehabilitation plan that we have developed as soon as possible and

approve our proposal for gaining control quickly by transfer of the shares of the rehabilitated company, so that we can, with our financial support capacity and business operation abilities, quickly rehabilitate the business of MTGOX company in accordance with our plan, and we believe that it is precisely doing so that is in interest of MTGOX company creditors, its clients, and society as a whole.

We therefore ask your consideration.

Sunlot Holdings Limited

John Betts

Brock Pierce

William Quigley

Matthew Roszak