

Internet media firm buys faded social news site Digg

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The terms of the deal were not disclosed but online reports estimated the purchase price at \$500,000.

Betaworks said in a blog post that it had acquired the core assets of San Francisco-based Digg and planned to merge them with its News.me service for sharing articles on iPads, iPhones and by email newsletters.

"The News.me team will take Digg back to its essence: the best place to find, read and share the stories that the Internet is talking about," Betaworks founder John Borthwick said in a blog post.

"We are turning Digg back into a startup," the post continued. "Low budget, small team, fast cycles."

Digg was founded seven years ago by Kevin Rose, who took a position with Internet titan [Google](#) earlier this year.

"John understands the real-time nature of the Web and how to capture and surface trends as they occur," Rose said in a statement. "Given his experience with bit.ly, news.me and Chartbeat, I can't wait to see what he does with Digg."

Digg became a global sensation as an online venue for submitting [news stories](#) that climbed or sank in rankings based on votes, referred to at the website as "diggs."

More than 28 million stories have been submitted to Digg since it launched, chief executive Matt Williams said on the company's website.

Digg fell out of favor as people shifted to rival services and social networks [Facebook](#) and Twitter to share news with friends. Industry figures indicate about seven million people visit Digg each month.

About half of the Digg team was hired away early this year and the Betaworks acquisition reportedly included no employees.

"Over the last few months, we've considered many options of where Digg could go, and frankly many of them could not live up to the reason Digg was invented in the first place -- to discover the best stuff on the Web," Williams said.

"We couldn't be happier to announce that the next generation of Digg will live on with the team from Betaworks."

Williams said that he will be joining premier venture capital firm Andreessen Horowitz as an "entrepreneur in residence." The firm was among the [Digg](#) backers.

News.me was launched early last year as a way for people to easily share when friends at [Twitter](#) or Facebook are reading.

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