

From: Richard Kahn <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Fwd: Coinbase Investor Newsletter
Date: Mon, 22 Feb 2016 17:33:02 +0000

is this 25% carry accurate?
should i get darren involved or ignore for now?
please advise
thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
[REDACTED]

Begin forwarded message:

From: Brock Pierce <[REDACTED]>
Subject: Re: Coinbase Investor Newsletter
Date: February 22, 2016 at 11:16:32 AM EST
To: Richard Kahn <[REDACTED]>
Cc: P Bart Stephens <bart@blockchain.capital>, W Bradford Stephens <brad@blockchain.capital>

Richard,

I haven't been able to get any additional information regarding your request at this time. We should get another investor update soon, which may clarify this.

The investment in Coinbase was planned to go into a fund vehicle with a 25% carry. JE requested to pay us 25% of any profits on the investment through his own vehicle. Do you have any suggestion as to how we paper this?

On Thu, Feb 18, 2016 at 7:30 PM, Richard Kahn <[REDACTED]> wrote:
not sure if you received attached
please advise
thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
[REDACTED]

[REDACTED]

On Feb 3, 2016, at 10:23 AM, Richard Kahn <[REDACTED]> wrote:

thank you for update

based on quick review of 2 previous newsletters that i received oct and nov 2015 i noticed that the cash burn from oct 31 - jan 31 was approximately 10mm, however the newsletters allude to a burn of 1.2-2mm per month

accordingly it appears that cash is lower at 60mm by approximately 5mm as compared to burn mentioned in newsletters

was there any capital expenditures or acquisitions not included in cash burn?

please advise

thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022

[REDACTED]

On Feb 2, 2016, at 6:09 PM, Brock Pierce <[REDACTED]> wrote:

FYI

----- Forwarded message -----

From: **Brian Armstrong** <[REDACTED]>

Date: Tuesday, February 2, 2016

Subject: Coinbase Investor Newsletter

To: [REDACTED]

Cc: "[REDACTED]" <[REDACTED]>

Here is our monthly update:

How much money is in the bank?

\$60.6M

How much revenue did we make last month?

\$800K

How much cash did we burn in the last month?

\$1.2M

Projected months of runway

50

of salaried employees

96.0

What is our primary growth metric?

Dollars of bitcoin traded

What % did our primary metric grow last month?

-32%

<Screenshot 2016-02-02 11.01.25.png>

Summary

The bitcoin price (and trading volume, which drives our revenue) continues to be higher than 2015 average levels, but there is a good amount of fluctuation month to month.

We continue to focus on being the easiest place to buy and sell bitcoin (more payment methods, more countries, simplified limits, etc). However, this year we are also trying a handful of prototypes designed to create growth in the wider bitcoin ecosystem since this will drive our revenue long term. Nothing specific to announce on that front yet.

The block size debate about how bitcoin will scale continues in the background. We are working with a number of the teams behind the scenes to help ensure the protocol keeps scaling (and is not held back by any of the early idealists). We remain optimistic that bitcoin's ingenious upgrade mechanism (miner voting) will work as designed. My guess is that the network will upgrade to 2MB blocks in the coming month or two, and once this first "hard fork" is shown to be successful, the price of bitcoin will respond accordingly (by going up!). In the future, hard forks will happen periodically (perhaps once a year) which will allow bitcoin to continue improving as a protocol.

Thank you for your support.

--

Brian Armstrong
Co-founder and CEO
Coinbase
San Francisco, CA, USA

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[REDACTED]

--

Brock Pierce



Managing Partner
Blockchain Capital LLC



Follow me on Twitter: [@brockpierce](https://twitter.com/brockpierce)

Co-invest with Blockchain Capital @ <https://angel.co/blockchain-capital/syndicate>

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--

Brock Pierce



Managing Partner
Blockchain Capital LLC



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