

From: Brock Pierce <[REDACTED]>

To: Jeffrey Epstein <jeevacation@gmail.com>, Richard Kahn <[REDACTED]>

Subject: Fwd: FW: Coinbase Investor Newsletter

Date: Wed, 02 Nov 2016 23:18:31 +0000

July 2016

Here is our monthly update:

How much money is in the bank?

\$61.5M*

How much revenue did we make last month?

\$1.2M

How much cash did we burn in the last month?

\$1.3M

Projected months of runway (prior three month average):

40 months

of employees:

111.0

What is our primary growth metric?

Revenue

What % did our primary metric grow year/year?

60%

*

Includes \$10.5M of Series C investment from Japanese investors (Sozo and Bank of Tokyo Mitsubishi) received in Jul2016



Summary

- We are starting to see some of the first real decentralized applications on the horizon for Ethereum. These apps, which really are protocols, have a native app coin which makes the economics of their networks go round. We think the implications of this are quite large: it changes how businesses are funded (crowdsale on blockchain, "public" from day 1) and presents a new business model (companies no longer make money from extracting rent on their platform, rather there is mutual ownership of the network and contributors can own more if they contribute earlier). There's a [lot](#) of [goodwriting](#) on this topic, and you can read our thinking on it [here](#).
- Ethereum hard forked and we were caught a little flat footed. We ultimately decided to go in the customer's favor and make all customers whole for the minority fork's currency called Ethereum Classic.
- One of our largest exchange competitors, Bitfinex, was hacked, losing ~\$65m. Instead of declaring bankruptcy they are trying to issue a digital debt token to make customers whole.
- We increased fees on our Coinbase.com product and hope to see a jump in revenue from that.

Until next month!

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Fred Ehrsam
Co-founder, President
[Coinbase](#)

San Francisco, CA, USA

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PLEASE NOTE: I am testing an artificial intelligence based assistant for scheduling named Amy. She's good but not perfect so if you are having trouble just ping me again.

Brock Pierce



Managing Partner
Blockchain Capital LLC

o:
c:
s:
e:

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