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Attorneys for Plaintiffs MICHAEL LEONE, JOSEPH TRESEDER, TRAVIS REECE, DAVID BEAVERS, FAZAL US SABOOR ALI, and KEISHA PINKNEY, as individuals and on behalf of all others similarly situated,

**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

MICHAEL LEONE, JOSEPH TRESEDER, TRAVIS REECE, DAVID BEAVERS, FAZAL US SABOOR ALI, and KEISHA PINKNEY, as individuals and on behalf of all others similarly situated,

Plaintiffs,

v.

COINBASE, INC., a California Corporation, and DOES 1-10, inclusive,

Defendants.

Case No.:

[Assigned for All Purposes to The Honorable \_\_\_\_\_; Dept. \_\_\_\_\_]

**CLASS ACTION COMPLAINT AND JURY DEMAND**

Complaint Filed:

Trial Date:

**REQUEST FOR JURY TRIAL**

1 Plaintiffs MICHAEL LEONE, JOSEPH TRESEDER, TRAVIS REECE,  
2 DAVID BEAVERS, FAZAL US SABOOR ALI, and KEISHA PINKNEY  
3 (collectively, the “Plaintiffs”), as individuals and on behalf of all others similarly  
4 situated, complain and allege as follows:

5 **NATURE OF THE CASE**

6 1. This is a putative class action brought on behalf of Plaintiffs and all  
7 others similarly situated (“the Putative Class” or “Putative Class Members”) which  
8 arises from the conduct and business practices of Defendant COINBASE, INC.  
9 (“Coinbase” or “Defendant”) seeking equitable relief against Defendant and  
10 damages sustained by Plaintiffs and the Putative Class as a result of Defendant’s  
11 actions as alleged herein.

12 2. Defendant is a publicly-traded corporation involved in the business of  
13 cryptocurrency exchange. Defendant provides an online platform where consumers  
14 can store their currencies on a digital “wallet,” as well as to buy, sell, spend, and  
15 trade cryptocurrency (“platform”).

16 3. Defendant holds itself out as a regulated and fully compliant entity,  
17 registered with the United States Department of the Treasury’s Financial Crimes  
18 Enforcement Network (“FinCEN”) as a Money Services Business, as that term is  
19 defined by FinCEN.

20 4. Defendant further proclaims that it is “building the cryptoeconomy – a  
21 more fair, *accessible*, efficient, and transparent financial system enabled by  
22 crypto.” “About Coinbase,” *available at* <https://www.coinbase.com/about>  
23 (emphasis added). Defendant further touts,

24 The company started in 2012 with the radical idea that anyone,  
25 anywhere, should be able to easily and securely send and receive  
26 Bitcoin. Today, Coinbase offers a trusted and easy-to-use platform for  
accessing the broader cryptoeconomy.

27 *Ibid.*  
28

1           5.     However, Plaintiffs allege that Defendant has, and continues to,  
2 engage in a scheme and course of conduct in which Defendant prevents its  
3 consumers from accessing their accounts and/or funds for arbitrary reasons and  
4 arbitrary amounts of time, and thereby causing Plaintiffs and the Putative Class to  
5 be unable to “invest, spend, save, earn, and use,” or even withdraw their funds.  
6 *Ibid.*

7           6.     Plaintiffs and Putative Class Members that Defendant locked out of  
8 their accounts or denied access to their funds were often unable to access their  
9 accounts for long periods of time, including but not limited to a span of a month or  
10 more. As a result, Plaintiffs and Putative Class Members who were locked out of  
11 their accounts and/or deprived of access to their funds suffered a diminution in the  
12 value of their cryptocurrency upon eventually being granted access to such  
13 accounts.

14           7.     Despite claiming to implement safety measures to ensure that  
15 cryptocurrency is kept as safe as possible, Plaintiffs and Putative Class Members  
16 who eventually regained access to their accounts found that cryptocurrency had  
17 been removed from their accounts. In some circumstances, Putative Class  
18 Members’ accounts were erased in their entirety. Further, Defendant failed to  
19 provide Putative Class Members any explanation for where their cryptocurrency  
20 went or any remedy to retrieve it, causing significant losses.

21           8.     Despite representing itself as a secure platform for exchanging  
22 cryptocurrency, Defendant’s actions have caused damage and continue to cause  
23 damage to Plaintiffs and the Putative Class.

24           9.     Plaintiffs therefore seek any and all available relief, including  
25 equitable relief and recovery of damages caused by Defendants’ actions.

26                           **THE PARTIES**

27           10.    Plaintiff MICHAEL LEONE is a resident of the State of California,  
28 and a former account holder with Defendant.

1           11. Plaintiff JOSEPH TRESEDER is a resident of the State of Oklahoma,  
2 and a former account holder with Defendant.

3           12. Plaintiff TRAVIS REECE is a resident of the State of Oklahoma, and  
4 a former account holder with Defendant.

5           13. Plaintiff DAVID BEAVERS is a resident of the State of Michigan,  
6 and a former account holder with Defendant.

7           14. Plaintiff FAZAL US SABOOR ALI is a resident of the State of New  
8 York, and a former account holder with Defendant.

9           15. Plaintiff KEISHA PINKNEY is a resident of the State of  
10 Pennsylvania, and a former account holder with Defendant.

11           16. Defendant COINBASE, INC. is a publicly-traded corporation which  
12 operates worldwide and maintains its principal executive offices in San Francisco,  
13 California. At all times relevant hereto, Defendant Coinbase was and is engaged in  
14 the business of cryptocurrency exchange.

15           17. DOES 1-10 are fictitiously named entities which may have liability  
16 under this action and should be made parties hereto, but whose identities are not  
17 known at this time.

18                           **JURISDICTION AND VENUE**

19           18. This Court has jurisdiction over the subject matter of this action  
20 pursuant to the Class Action Fairness Act (“CAFA”), 28 U.S.C. §§ 1441, 1446,  
21 and 1453, because (i) the aggregate number of putative class members is 100 or  
22 greater; (ii) diversity of citizenship exists between one or more Plaintiffs and one  
23 or more Defendants; and (iii) the amount placed in controversy by the Complaint  
24 exceeds, in the aggregate, \$5 million, exclusive of interests and costs. (28 U.S.C.  
25 §§ 1332(d)(2), 1332(d)(5)(B), and 1453.)

26           19. This Court has personal jurisdiction over Defendants because they  
27 have significant minimum contacts with the State of California, and intentionally  
28 availed themselves of the laws of California, by (1) transacting a substantial

1 amount of business throughout the State, and (2) having its principal executive  
2 office in the City of San Francisco in the State of California. (California Secretary  
3 of State, Corporation – Statement of Information, Entity (File) Number  
4 C3548456.)

5 20. Venue is proper in this Court under 28 U.S.C. § 1391(b). Defendants’  
6 principal executive office is located in, and Defendant does business in, the  
7 Northern District of California.

### 8 **FACTUAL ALLEGATIONS**

9 21. Defendant is a publicly-traded corporation involved in the business of  
10 cryptocurrency exchange. Defendant provides an online platform where consumers  
11 can store their currencies on a digital “wallet,” as well as to buy, sell, spend, and  
12 trade cryptocurrency (“platform”).

13 22. Defendant advertises that “[a]pproximately 56 million verified users,  
14 8,000 institutions, and 134,000 ecosystem partners in over 100 countries *trust*  
15 Coinbase to *easily and securely* invest, spend, save, earn, and use crypto.” “About  
16 Coinbase, Coinbase powers the cryptoeconomy,” *available at*  
17 <https://www.coinbase.com/about> (emphasis added).

18 23. Defendant holds itself out as a regulated and fully compliant entity,  
19 registered with the United States Department of the Treasury’s Financial Crimes  
20 Enforcement Network (“FinCEN”) as a Money Services Business, as that term is  
21 defined by FinCEN. “Legal, Is Coinbase regulated?,” *available at*  
22 <https://www.coinbase.com/legal/faq>.

23 24. Defendant further proclaims that it is “building the cryptoeconomy – a  
24 more fair, *accessible*, efficient, and transparent financial system enabled by  
25 crypto.” “About Coinbase,” *available at* <https://www.coinbase.com/about>  
26 (emphasis added). Defendant further touts,

27 The company started in 2012 with the radical idea that anyone,  
28 anywhere, should be able to easily and securely send and receive

1 Bitcoin. Today, Coinbase offers a trusted and easy-to-use platform for  
2 accessing the broader cryptoeconomy.

3 *Ibid.*

4 25. In advertising its platform to potential consumers, Defendant claims  
5 that consumers should choose Coinbase because of its secure storage, and that it  
6 takes “careful measures to ensure that [Coinbase users’] bitcoin is as safe as  
7 possible.” “Security for Your Peace of Mind,” *available at*  
8 <https://www.coinbase.com/security>.

9 26. As part of the “User Agreement” entered into by Defendant, Plaintiffs  
10 and Putative Class Members, Defendant owed Plaintiffs and the Putative Class a  
11 duty to provide access to the Coinbase platform to conduct authorized transactions,  
12 including but not limited to, accessing, investing, spending, saving, earning, using,  
13 selling, and/or withdrawing their funds.

14 27. Plaintiffs are all consumers of Defendant Coinbase’s cryptocurrency  
15 exchange platform.

16 28. Plaintiff MICHAEL LEONE (“Plaintiff LEONE”) deposited  
17 approximately fifteen thousand dollars (\$15,000.00) in funds into his Coinbase  
18 account in or around December 2020. Plaintiff LEONE used these funds to  
19 purchase cryptocurrency. On or around January 6, 2021, when attempting to log  
20 into his Coinbase account, Plaintiff LEONE received an error message stating that  
21 his account was being reviewed, that the review process “usually takes a few  
22 days,” and that he needed to verify his identity before being able to access his  
23 account. Plaintiff LEONE immediately completed all requested identity  
24 verification steps but remained locked out of his account. Plaintiff LEONE sent  
25 Defendant upwards of 100 emails to Defendant’s customer service email address,  
26 but never received a response. On or around January 9, 2021, Plaintiff LEONE  
27 filed an official complaint with Defendant, but never received a response. Plaintiff  
28 LEONE was locked out of his Coinbase account for several months, unable to

1 access his funds, or engage in any authorized transactions including but not limited  
2 to, investing, spending, saving, earning, using, selling or withdrawing his  
3 cryptocurrencies.

4 29. Plaintiff JOSEPH TRESEDER (“Plaintiff TRESEDER”) deposited  
5 approximately thirty thousand dollars (\$30,000.00) in funds into his Coinbase  
6 account in or around December 2020 to purchase Ripple cryptocurrency, which  
7 trades under the symbol “XRP.” In or around mid to late January 2021, when  
8 attempting to log into his Coinbase account, Plaintiff TRESEDER received an  
9 error message that his username and password were invalid. Plaintiff TRESEDER  
10 requested an email to reset his password, which never arrived. Plaintiff  
11 TRESEDER immediately called a number provided as Defendant’s “Customer  
12 Support” phone number and was informed that Defendant could only lock his  
13 account, not unlock it. Plaintiff TRESEDER filed an official complaint with  
14 Defendant to regain access to his account and funds. Despite sending multiple  
15 emails requesting an update from Defendant, Plaintiff TRESEDER received only  
16 two automatic responses in which Defendant informed him that the issue was  
17 “under review.” Defendant eventually reached out to Plaintiff TRESEDER and  
18 stated that he needed to verify his identity before being able to access his account,  
19 by logging into the very account from which he was locked out to verify his email  
20 address, phone number, and password. Plaintiff TRESEDER completed  
21 Defendant’s requested identity verification steps, but remained locked out of his  
22 account. Plaintiff TRESEDER was locked out of his Coinbase account for several  
23 months, unable to access his funds, or engage in any authorized transactions,  
24 including but not limited to, investing, spending, saving, earning, using, selling or  
25 withdrawing his cryptocurrencies.

26 30. Plaintiff TRAVIS REECE (“Plaintiff REECE”) opened a Coinbase  
27 account in or around February 2021, in which he deposited previously-owned  
28 cryptocurrency into Defendant’s platform. After making the deposit, Plaintiff



1 REECE logged into his Coinbase account and noticed that the cryptocurrency he  
2 had deposited was missing from his account on Defendant's platform. Plaintiff  
3 REECE contacted Defendant regarding his missing cryptocurrency. In response,  
4 Defendant informed him that he needed to verify his identity before he can be  
5 given access to his funds. Specifically, Defendant required Plaintiff REECE to  
6 transfer one thousand four hundred (1,400) Stellar Lumens cryptocurrency, which  
7 trades under the symbol "XLM," worth approximately eight hundred thirty dollars  
8 (\$830.00) to his Coinbase account in order to verify his identity. Between February  
9 2021 and May 2021, Plaintiff REECE reached out to Coinbase's customer service  
10 email address multiple times regarding other methods of proving his identity, and  
11 filed an official complaint regarding this issue and the issue of regaining access to  
12 his account. Plaintiff REECE had no access to the funds he deposited to his  
13 Coinbase account for several months, unable to engage in any authorized  
14 transactions, including but not limited to, investing, spending, saving, earning,  
15 using, selling or withdrawing his cryptocurrencies.

16 31. Plaintiff DAVID BEAVERS ("Plaintiff BEAVERS") opened a  
17 Coinbase account in or around 2020 and purchased cryptocurrency for several  
18 thousand dollars. On January 23, 2021, Plaintiff BEAVERS contacted Defendant  
19 regarding what appeared to be mistaken one hundred dollar (\$100.00) charges  
20 from Defendant. Defendant responded by stating that Plaintiff BEAVERS would  
21 be locked out of his account, which in fact occurred. Plaintiff BEAVERS  
22 immediately made an inquiry to Defendant's "help desk," wherein he was  
23 informed that he would receive a response within 4-5 days. After approximately  
24 ten (10) days with no response, Plaintiff BEAVERS submitted "tickets" to  
25 Defendant's "help desk" approximately three (3) additional times, with no  
26 response to any of his inquiries. On or around February 23, 2021, Plaintiff  
27 BEAVERS filed an official complaint with Defendant. Plaintiff BEAVERS was  
28 locked out of his Coinbase account for over a month, unable to access his funds, or



1 engage in any authorized transactions including but not limited to, investing,  
2 spending, saving, earning, using, selling or withdrawing his cryptocurrencies.

3 32. Plaintiff FAZAL US SABOOR ALI (“Plaintiff ALI”) opened a  
4 Coinbase account in or around 2018, purchased cryptocurrency from Coinbase,  
5 and kept the currency in his Coinbase account. In or around early January 2021,  
6 after logging into his Coinbase account, Plaintiff ALI found that he was unable to  
7 engage in any authorized transactions, including but not limited to, spending,  
8 selling or withdrawing his cryptocurrencies. Plaintiff ALI received an automated  
9 message indicating that his account was locked and under manual review, which  
10 would take approximately 2 to 3 days. On January 19, 2021, given the lack of any  
11 response from Defendant, Plaintiff ALI filed a complaint with Defendant.  
12 Defendant responded that it would provide a response to Plaintiff ALI’s complaint  
13 in two (2) business days. In an effort to get a response, Plaintiff ALI submitted  
14 additional complaints on January 29, 2021, February 7, 2021, and February 20,  
15 2021, but did not receive a substantive response to any of his inquiries from  
16 Defendant. On February 20, 2021, Defendant responded by stating that it had  
17 consolidated the four (4) complaints filed by Plaintiff ALI. Plaintiff ALI was  
18 locked out of his Coinbase account for over three (3) months, unable to access his  
19 funds, or engage in any authorized transactions including but not limited to,  
20 investing, spending, saving, earning, using, selling or withdrawing his  
21 cryptocurrencies.

22 33. Plaintiff KEISHA PINKNEY (“Plaintiff PINKNEY”) purchased  
23 approximately six thousand dollars (\$6,000.00) in multiple types of  
24 cryptocurrencies using Coinbase in or around 2020. On February 4, 2021, when  
25 attempting to log into her Coinbase account, Plaintiff PINKNEY discovered that  
26 her account had been locked, and that she could not access her funds. Plaintiff  
27 PINKNEY immediately submitted an official complaint to Defendant, who  
28 responded that her account was “cleared” and she should have access to it.

1 However, despite multiple requests, Plaintiff PINKNEY continued to receive error  
2 messages each time she attempted to access her account. As a result, Plaintiff  
3 PINKNEY submitted an additional official complaint to Defendant. Plaintiff  
4 PINKNEY was locked out of her Coinbase account for several months, unable to  
5 access her funds, or engage in any authorized transactions including but not limited  
6 to, investing, spending, saving, earning, using, selling or withdrawing his  
7 cryptocurrencies. To date, Plaintiff PINKNEY remains unable to access her  
8 Coinbase account and/or funds in her Coinbase account.

9 34. Plaintiffs and the Putative Class have been locked out of their own  
10 accounts and/or denied access to their funds by Defendant for reasons not  
11 disclosed to Plaintiff and Putative Class, and/or claiming that their accounts were  
12 not secure and must thereby undergo another identity verification process despite  
13 completing that same identify verification process during their initial Coinbase  
14 account registration. “Legal: Coinbase User Agreement, Part 1: General Use, 1.  
15 Account Setup, 1.4 Identity Verification,” *available at*  
16 [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states).

17 35. Plaintiffs and the Putative Class remained locked out of their accounts  
18 and/or denied access to their accounts despite numerous attempts at contacting  
19 Defendant’s customer support, even after full compliance with Coinbase’s identity  
20 verification requirements.

21 36. Cryptocurrency is considered volatile, as is known by Defendant and  
22 expressly stated in Defendant’s website: “As a newer asset class, crypto is widely  
23 considered to be volatile — with the potential for significant upward and  
24 downward movements over *shorter time periods*.” “Crypto Basics: What is  
25 volatility?,” *available at* [https://www.coinbase.com/learn/crypto-basics/what-is-](https://www.coinbase.com/learn/crypto-basics/what-is-volatility)  
26 [volatility](https://www.coinbase.com/learn/crypto-basics/what-is-volatility) (emphasis added).

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1           37. Plaintiffs and Putative Class Members that Defendant locked out of  
2 their accounts and/or denied access to their funds were often unable to access their  
3 accounts for a month or more. As a result, Plaintiffs and Putative Class Members  
4 who were locked out and were eventually permitted access to their accounts find  
5 that the value of their cryptocurrency had dropped significantly in the interim  
6 and/or they had no ability to sell or in any way use the cryptocurrency held in their  
7 Coinbase accounts.

8           38. As further result of Defendant locking Plaintiffs and Putative Class  
9 Members out of their accounts and/or denying access to their funds, Plaintiffs and  
10 Putative Class Members were victims of Defendant's actions were deprived use of  
11 their funds for long periods of time, and could not engage in any authorized  
12 transactions including but not limited to, investing, spending, saving, earning,  
13 using, selling or withdrawing their cryptocurrencies.

14           39. Despite claiming to implement safety measures to ensure that  
15 cryptocurrency is kept as safe as possible, in some cases, Plaintiffs and Putative  
16 Class Members who eventually regained access to their accounts and/or funds  
17 found that cryptocurrency had disappeared from their accounts. In some  
18 circumstances, Plaintiffs and Putative Class Members' accounts are erased in their  
19 entirety without explanation from Defendant.

20           40. As part of the "User Agreement" entered into by Defendant, Plaintiffs  
21 and Putative Class Members, Coinbase combines the balance of their customers'  
22 "wallets" and hold such funds in a U.S. FDIC-insured bank, or invest those funds  
23 in liquid investments, the interest and earnings from which are solely kept and  
24 owned by Coinbase. "Legal: Coinbase User Agreement, Part 1: General Use, 2.  
25 Wallet and Custodial Services, 2.7 USD Wallet," *available at*  
26 [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states). As a result of  
27 locking out Plaintiffs and the Putative Class Members from their accounts unable  
28 to withdraw or use their funds in any way, Defendant was unjustly enriched by

1 retaining the use of these funds, including the accrual of interest on Plaintiffs' and  
2 the Putative Class' deposited funds and assets.

3 41. Defendant's actions have resulted in irreparable harm to Plaintiffs and  
4 the Putative Class.

5 **CLASS ALLEGATIONS**

6 42. This action is brought and may properly proceed as a class action,  
7 pursuant to the provisions of Rule 3.765 of the California Rules of Court.

8 43. Plaintiff seeks certification of a Class pursuant to Federal Rules of  
9 Civil Procedure Rule 23 and California Civil Code section 1781(a), which is  
10 composed of and defined as follows:

11 **CLASS:** All current and former Coinbase account users and/or consumers  
12 in the United States who registered for a Coinbase account at any time on or  
13 after the day four years prior to the date on which this Complaint is filed,  
14 who maintained funds and/or cryptocurrency in their Coinbase accounts, and  
15 were subsequently prevented from accessing their Coinbase account and/or  
16 deprived of access to their funds or cryptocurrency for any measure of time  
17 by Defendant, and were damaged by Defendant's conduct.

18 44. The members of the Putative Class for whose benefit this action is  
19 brought are so numerous that joinder of all members is impracticable.

20 45. There are questions of law and fact common to the members of the  
21 Putative Class that predominate over questions affecting only individuals. These  
22 common questions include, but are not limited to:

23 A. Whether Defendant owed duties to Plaintiffs and the Putative  
24 Class, the scope of those duties, and whether Defendant breached  
25 those duties;

26 B. Whether Defendant's conduct was unfair or unlawful;

27 C. Whether Defendant engaged in deceptive conduct;

28 D. Whether Defendant has converted the funds belonging to Plaintiffs  
and the Putative Class;

///

1 E. Whether Defendant has been unjustly enriched as a result of their  
2 conduct of locking out Plaintiff and the Putative Class from their  
3 Coinbase accounts; and

4 F. Whether Plaintiffs and the Putative Class are entitled to damages  
5 as a result of Defendants' wrongful conduct;

6 G. Whether injunctive relief is appropriate.

7 46. Each of the Plaintiffs' claims are typical of the claims of the members  
8 of the Putative Class which they represent, because all such claims arise out of the  
9 same policies, practices, and conduct, and the same or similar documents used by  
10 Defendants in their dealings with Plaintiffs.

11 47. Plaintiffs have no interests antagonistic to those of the Putative Class.

12 48. The Putative Class, of which Plaintiffs are each a member, is readily  
13 identifiable.

14 49. Plaintiffs will fairly and adequately protect the interests of the  
15 Putative Class and have retained competent counsel experienced in the prosecution  
16 of consumer litigation. Proposed Class Counsel has investigated and identified  
17 potential claims in the action. Proposed Class Counsel has experience in handling  
18 class actions, other complex litigation, and claims of consumers.

19 50. A class action is superior to other available methods for the fair and  
20 efficient adjudication of this controversy since joinder of all members is  
21 impracticable. While the economic damages suffered by the individual members of  
22 the Putative Class are significant, the amount is modest compared to the expense  
23 and burden of individual litigation.

24 51. The questions of law or fact common to the members of the Putative  
25 Class predominate over any questions affecting only individual members.

26 52. The prosecution of separate actions by individual members of the  
27 Putative Class would run the risk of inconsistent or varying adjudications, which  
28 would establish incompatible standards of conduct for the Defendant in this action,

1 or the prosecution of separate actions by individual members of the Putative Class  
2 would create the risk that adjudications with respect to individual members of the  
3 Putative Class would as a practical matter be dispositive of the interests of the  
4 other members not parties to the adjudications, or substantially impair or impede  
5 their ability to protect their interests. Prosecution as a class action will eliminate  
6 the possibility of repetitious litigation.

7 53. Defendant has acted, or refused to act, on grounds generally  
8 applicable to Plaintiffs and Putative Class Members, thereby making appropriate  
9 final injunctive relief or corresponding declaratory relief with respect to the  
10 Putative Class as a whole.

11 54. A class action will cause an orderly and expeditious administration of  
12 the claims of the Putative Class, and will foster economies of time, effort and  
13 expense.

14 55. Plaintiffs do not anticipate any difficulty in the management of this  
15 litigation.

### 16 **FIRST COUNT**

#### 17 **(Negligence)**

18 56. Plaintiffs reallege and incorporate by reference the preceding  
19 paragraphs of this complaint as if fully set forth herein.

20 57. Defendant knew or should have known of the likelihood of potential  
21 security breaches and other reasons that may result in Plaintiffs and Putative Class  
22 Members being locked out of their Coinbase accounts and/or being denied access  
23 to their funds.

24 58. Defendant had a duty to provide Plaintiffs and the Putative Class with  
25 access to their Coinbase accounts and/or funds.

26 59. As a company that holds itself as one that “powers the  
27 cryptoeconomy” with 56 million verified users, 8,000 institutions, and 134,000  
28 ecosystem partners in over 100 countries [that] *trust* Coinbase to *easily and*

1 *securely* invest, spend, save, earn, and use crypto,” Defendant had a duty to  
2 develop, design, test, and monitor their consumers’ access to their Coinbase  
3 accounts and/or funds, as well as to create and maintain procedures that would  
4 limit disruption to account holders’ ability to access their Coinbase accounts and/or  
5 funds. Defendant had a duty to meet its promises and obligations to its millions of  
6 consumers.

7         60. Given the nature of Defendant’s business, Defendant also owed  
8 Plaintiffs and the Putative Class a duty to provide access to their Coinbase  
9 accounts and/or funds.

10         61. Defendant breached its duties to Plaintiffs and the Putative Class by  
11 denying them access to their accounts and/ or funds for long periods of time in a  
12 market that it knows to be volatile thereby denying Plaintiffs and Putative Class  
13 Members from their own funds and assets.

14         62. Defendant further breached its duties by intentionally and/or  
15 negligently failing to provide an adequate and timely resolution to Plaintiffs’ and  
16 the Putative Class’ inability to access their accounts and/or funds and intentionally  
17 and/or negligently failing to respond in a timely fashion to the complaints of  
18 Plaintiffs and the Putative Class filed with Defendant’s Customer Support.

19         63. Defendant further breached its duties by failing to promptly enable  
20 access to Plaintiffs and the Putative Class accounts and/or funds, especially upon  
21 their compliance with Defendant’s identity verification requirements.

22         64. To the extent that Plaintiffs and the Putative Class were locked out of  
23 their Coinbase accounts and/or denied access to their funds due to a security  
24 breach, Defendant breached its duty to provide a safe and secure platform for  
25 Plaintiffs and the Putative Class and/or to inform Plaintiffs and Putative Class  
26 Members of such breach.

27 ///

28 ///



65. Defendant's conduct amounted to gross negligence where they breached the duties as alleged herein and by failing to create and enforce an adequate plan to prevent security breaches and lock outs that prevent Plaintiffs and the Putative Class from accessing their Coinbase accounts and/or funds where they know that, "[a]s a newer asset class, crypto is widely considered to be volatile – with the potential for significant upward and downward movements over *shorter* time periods," and knew or should have known that their breaches would likely inflict substantial damages upon its consumers.

66. Defendant's conduct further amounted to gross negligence where, despite its knowledge, it failed to act on the information regarding Plaintiffs and Putative Class Members being locked out of their accounts and/or denied access to their funds for extended periods of time as evidenced by multiple complaints lodged by Plaintiffs and the Putative Class.

67. Defendant's acts and omissions that resulted in Plaintiffs and the Putative Class from being locked out of their accounts and/or funds for extended periods of time, even after undergoing additional identity verification, constitute extreme departures from the ordinary standard of care, especially here where a volatile asset is involved.

68. As a direct and proximate cause of Defendant's acts and omissions, Plaintiffs and the Putative Class sustained damages as alleged herein. Plaintiffs and Putative Class Members are entitled to damages, pre-judgment interest, attorney's fees and costs pursuant to California Civil Code section 1021.5, or as otherwise provided by statute or contract.

## **SECOND COUNT**

### **(Breach of Fiduciary Duty)**

69. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this complaint as if fully set forth herein.

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1           70. As a Money Transmitter and holder of Plaintiffs' and the Putative  
2 Class's accounts, Defendant owed a fiduciary duty to act to protect the rights and  
3 interests of Plaintiffs and the Putative Class. Plaintiffs and the Putative Class  
4 trusted Defendant to provide the services it advertised and promised, including  
5 providing them with access to their accounts and funds, access to their digital  
6 wallets, or to buy, sell, use, exchange, or withdraw their cryptocurrencies.

7           71. Defendant had a duty to Plaintiffs and the Putative Class to act with  
8 the utmost good faith in the best interests of Plaintiffs and Putative Class Members.

9           72. Defendant breached those duties by failing to perform its obligations,  
10 including by actively preventing Plaintiffs and the Putative Class from accessing  
11 their accounts and/or funds.

12           73. Defendant further failed to act with utmost good faith by ignoring  
13 Plaintiffs' and the Putative Class' repeated emails and complaints to address their  
14 concerns, especially with regard to providing them access to their Coinbase  
15 accounts and/or funds. Defendant failed to act in the best interests of Plaintiffs and  
16 the Putative Class by failing to provide adequate Customer Support and allowing a  
17 long period of time, including but not limited to over a month or more, to pass  
18 before Plaintiffs and the Putative Class could regain access to their accounts and/or  
19 funds.

20           74. As a direct and proximate cause of Defendant's breach of its fiduciary  
21 duties, Plaintiffs and the Putative Class sustained damages as alleged herein.  
22 Plaintiffs and Putative Class Members are entitled to damages, pre-judgment  
23 interest, attorney's fees and costs pursuant to California Civil Code section 1021.5,  
24 or as otherwise provided by statute or contract.

### 25                                   **THIRD COUNT**

#### 26                                   **(Breach of Contract)**

27           75. Plaintiffs reallege and incorporate by reference the preceding  
28 paragraphs of this complaint as if fully set forth herein.

1           76. Plaintiff and the Putative Class entered into written agreements with  
2 Defendant, specifically a “User Agreement” upon their registration for a Coinbase  
3 account. Attached herein as “**Exhibit A**” is a true and correct copy of the  
4 “Coinbase User Agreement,” last updated April 9, 2021, *available at*  
5 [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states). Plaintiff and  
6 Putative Class Members were presented this agreement on a take-it-or-leave it  
7 basis, or slightly modified versions thereof, when opening their Coinbase accounts.

8           77. Defendant breached its User Agreements by, among other things,  
9 failing to discharge its obligations and provide services it promised such as (1)  
10 consumers’ access to their Coinbase accounts and/or funds; (2) safety and security  
11 of consumers’ accounts and funds; (3) creating and implementing an adequate plan  
12 and/or procedure that would limit disruption to account holders’ ability to access  
13 their Coinbase accounts and/or funds, and engage in their authorized use; and (4)  
14 reinstating consumers’ access to their accounts and/or funds, upon the prompt  
15 verification of their identities.

16           78. Plaintiffs and the Putative Class, as part of their agreement to open an  
17 account with Defendant, complied with Defendant’s “Identify Verification”  
18 procedures.

19           79. Plaintiffs and the Putative Class also completed additional “Identity  
20 Verification” procedures as requested by Defendant in order to regain access to  
21 their accounts and/or funds, once they had been locked out.

22           80. Defendant nevertheless failed to provide Plaintiffs and the Putative  
23 Class access to their accounts and/or funds, despite their compliance with the  
24 “Identity Verification” requirements of the User Agreement and failed to respond  
25 to Plaintiffs and the Putative Class complaints in a timely fashion to address  
26 ongoing account lock outs.

27           81. As a result of Defendant’s breach of its duties, obligations and/or  
28 promises, Plaintiffs and the Putative Class were harmed, including but not limited

1 to the loss of use of their Coinbase accounts and/or funds, for long periods of time,  
 2 inability to access their funds, inability to withdraw their funds, and diminution of  
 3 the value of their funds. Plaintiffs and the Putative Class also suffered additional  
 4 damages such as nominal damages, and damages in reliance to the agreement.

5 82. As a direct and proximate cause of Defendant's breach of its fiduciary  
 6 duties, Plaintiffs and the Putative Class sustained damages as alleged herein,  
 7 including attorney's fees and costs as provided by contract (Exhibit A). Plaintiffs  
 8 and Putative Class Members are entitled to damages, pre-judgment interest,  
 9 attorney's fees and costs pursuant to California Civil Code section 1021.5, or as  
 10 otherwise provided by statute or contract.

11 **FOURTH COUNT**  
 12 **(Unjust Enrichment)**

13 83. Plaintiffs reallege and incorporate by reference the preceding  
 14 paragraphs of this complaint as if fully set forth herein.

15 84. Plaintiffs and the Putative Class conferred a benefit upon Defendant  
 16 by depositing currency and cryptocurrency into Defendant's platform.

17 85. As part of the "User Agreement" entered into by Defendant, Plaintiffs  
 18 and Putative Class Members, Coinbase combines the balance of their customers'  
 19 "wallets" and hold such funds in a U.S. FDIC-insured bank, or invest those funds  
 20 in liquid investments, the interest and earnings from which are solely kept and  
 21 owned by Coinbase. "Legal: Coinbase User Agreement, Part 1: General Use, 2.  
 22 Wallet and Custodial Services, 2.7 USD Wallet," *available at*  
 23 [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states).

24 86. During the time in which Plaintiffs and the Putative Class were  
 25 prevented from accessing their funds, Defendant was unjustly enriched by  
 26 retaining the use of these funds, including the accrual of interest on Plaintiffs' and  
 27 the Putative Class' deposited funds and assets, such as the funds deposited by  
 28 Plaintiffs and the Putative Class' Coinbase USD Wallets.

1           87. As a result of Defendant's acts and omissions as alleged herein,  
2 Defendant has unjustly received and retained benefits at the expense of Plaintiffs  
3 and the Putative Class. Under principles of equity and good conscience, Defendant  
4 should not be permitted to retain valuable funds belonging to Plaintiffs and the  
5 Putative Class, and to disgorge the benefits and profits gained as a result of its  
6 unlawful acts and omissions.

7           88. Plaintiffs and the Putative Class are entitled to restitution of,  
8 disgorgement of, and/or the imposition of a constructive trust upon all profits,  
9 benefits, and other compensation obtained by Defendant, attorney's fees and costs  
10 pursuant to California Civil Code section 1021.5, or as otherwise provided by  
11 statute or contract and for such other relief that this Court deems just and proper.

12                                   **FIFTH COUNT**

13                                   **(Conversion)**

14           89. Plaintiffs reallege and incorporate by reference the preceding  
15 paragraphs of this complaint as if fully set forth herein.

16           90. Defendant has asserted dominion and control over Plaintiffs' and the  
17 Putative Class's accounts and funds, by preventing their access. In several such  
18 cases, where Plaintiffs and Putative Class Members regained access to their  
19 accounts, they found that their accounts had been completely depleted. Plaintiffs  
20 and the Putative Class allege that Coinbase liquidated their accounts to its own  
21 benefit.

22           91. As a direct and proximate cause of Defendant's conduct, Plaintiffs  
23 and the Putative Class have been irreparably damaged.

24           92. Plaintiffs and the Putative Class are entitled to restitution of,  
25 disgorgement of, and/or the imposition of a constructive trust upon all profits,  
26 benefits, and other compensation obtained by Defendant, attorney's fees and costs  
27 pursuant to California Civil Code section 1021.5, or as otherwise provided by  
28 statute or contract and for such other relief that this Court deems just and proper.

**SIXTH COUNT**

**(Violation of the Unfair Competition Law)**

93. Plaintiffs reallege and incorporate by reference the preceding paragraphs of this complaint as if fully set forth herein.

94. Business and Professions Code section 17200, *et seq.*, also known as the Unfair Competition Law (“UCL”), prohibits unfair competition in the form of any unlawful, unfair, or fraudulent business acts or practices.

95. Business and Professions Code section 17204 allows “any person who has suffered injury in fact and has lost money or property as a result of such unfair competition” to prosecute a civil action for violation of the UCL.

96. Defendant’s acts and omissions as alleged herein, including its breach of its fiduciary duties to its consumers, serve as unlawful predicate acts and practices for purposes of Business and Professions Code sections 17200, *et seq.*, and are not outweighed by any countervailing benefits to consumers.

97. As a result of these actions, including locking out Plaintiffs and the Putative Class from accessing their account and preventing them from having any authorized use of their funds, Defendant is able to unfairly compete with other comparable companies in violation of Business and Professions Code sections 17000, *et seq.* and 17200, *et seq.* Due to these unlawful, unfair, and/or fraudulent business practices, Defendant has gained a competitive advantage over other comparable companies.

98. The victims of these unlawful, unfair, and/or fraudulent business practices include, but are not limited to, Plaintiffs and the Putative Class, competing cryptocurrency exchange platforms providing similar services as Defendant, and the general public. Plaintiffs are informed and believe, and based thereon alleges, that Defendant performed the alleged acts with the intent of gaining an unfair competitive advantage and thereby injuring Plaintiffs and the Putative Class, other competitors, and the general public.

1           99. Plaintiff's success in this action will enforce important rights affecting  
2 the public interest and public policy. In this regard, Plaintiffs sue on behalf of  
3 themselves and the public.

4           100. Business and Professions Code section 17203 provides that a court  
5 may make such orders or judgments as may be necessary to prevent the use or  
6 employment by any person of any practice which constitutes unfair competition.  
7 Injunctive relief is necessary and appropriate to prevent Defendant from repeating  
8 their unlawful, unfair, and fraudulent business acts and business practices alleged  
9 above.

10           101. Business and Professions Code section 17203 provides that the Court  
11 may restore to any person in interest, any money or property that may have been  
12 acquired by means of such unfair competition. Plaintiff and the Putative Class are  
13 entitled to restitution pursuant to Business and Professions Code section 17203 for  
14 their funds deposited in the Coinbase platform and were unlawfully withheld from  
15 them when locked out of long periods of time, the losses incurred as a result of  
16 Plaintiffs and the Putative Class being locked out of their accounts and/or funds,  
17 and the fair value of other losses alleged herein, during the four-year period prior  
18 to the filing of this complaint. All remedies are cumulative pursuant to Business  
19 and Professions Code section 17205.

20           102. Business and Professions Code section 17202 provides:  
21 "Notwithstanding section 3369 of the Civil Code, specific or preventative relief  
22 may be granted to enforce a penalty, forfeiture, or penal law in a case of unfair  
23 competition." Plaintiffs and the Putative Class are entitled to enforce all applicable  
24 penalty provisions of the Labor Code pursuant to Business and Professions Code  
25 section 17202.

26           103. Plaintiffs and the Putative Class request injunctive relief pursuant to  
27 Business and Professions Code section 17203 to enjoin Defendant from continuing  
28 the unfair/unlawful business practices alleged herein.



**(Violations of the Consumers Legal Remedies Act)**

9           105. Plaintiffs reallege and incorporate by reference the preceding  
10 paragraphs of this complaint as if fully set forth herein.

11           106. Defendant's acts and omissions as alleged herein were intended to  
12 deceive Plaintiffs and the Putative Class, and have resulted in harm to Plaintiffs  
13 and the Putative Class.

107. Defendant's actions as alleged herein violated, and continue to violate, California Civil Code section 1750, *et seq.* also known as the Consumers Legal Remedies Act ("CLRA") including section 1770(a)(5) for making representations that their services have characteristics, uses, or benefits which they do not, section 1770(a)(7) for making representations that their services are of a particular quality, which they are not, and section 1770(a)(9) for advertising services with intent not to sell them as advertised.

108. Pursuant to California Civil Code section 1782, attached herein as “**Exhibit B**” is a true and correct copy of Plaintiff’s Notice of Violation of the California Consumer Legal Remedies Act (California Civil Code section 1750 *et seq.*) sent to Defendant on June 4, 2021. Once the time period set forth in California Civil Code section 1782(a) have expired after providing Notice and Demand to Defendant, Plaintiffs will amend this cause of action to seek recovery of damages pursuant to California Civil Code section 1782(d).

- 23 -

109. Defendant's acts and omissions occurred in the County of San Francisco and Defendant maintains its principal place of business in the County of San Francisco. This action is brought in the California Northern District Court which presides over matters in the County of San Francisco. Attached hereto as "**Exhibit C**" are affidavits from the named Plaintiffs in this action setting forth facts showing this district is the proper place for trial pursuant to California Civil Code section 1780(d).

110. Pursuant to California Civil Code section 1780(a), Plaintiff and the Putative Class are entitled to an order enjoining Defendant's wrongful acts alleged herein, an order awarding the payment of costs and attorneys' fees pursuant to California Civil Code section 1780(e), and for such other relief that this Court deems just and proper.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiffs, on behalf of themselves and all others similarly situated, respectfully pray for relief as follows:

- a. An order certifying the Class for declaratory and injunctive relief and for money damages under Federal Rules of Civil Procedure Rule 23 and California Civil Code section 1781(a), and appointing Plaintiffs as Class Representatives, and appointing their attorneys as Class Counsel;
- b. A judgment for actual damages;
- c. A judgment for compensatory damages;
- d. A judgment for disgorgement of profits;
- e. A declaratory judgment that Defendant violated the UCL and CLRA;
- f. A judgment for injunctive relief enjoining Defendant from engaging in future unlawful activities complained of herein, including violations of the UCL and CLRA; orders Defendant engage in a corrective notice campaign, and requiring Defendant to refund to

- 1 Plaintiffs and others similarly situated any funds paid;
- 2 g. An accounting of all amounts that Defendant unjustly received,
- 3 retained, and/or collected as a result of its unlawful acts and
- 4 omissions;
- 5 h. A judgment for exemplary and punitive damages for Defendant's
- 6 knowing, willful, and intentional conduct;
- 7 i. Pre-judgment and post-judgment interests;
- 8 j. A judgment for reasonable attorney fees and costs of this suit,
- 9 pursuant to contract, the UCL, California Civil Code section 1780(e),
- 10 California Civil Code section 1021.5, and any other applicable statute;
- 11 and
- 12 k. A judgment for all such other and further relief as the Court deems
- 13 equitable and just.
- 14

15 Dated: June 4, 2021

**MAHONEY LAW GROUP, APC**

16 

17

18 \_\_\_\_\_  
Kevin Mahoney, Esq.  
Katherine J. Odenbreit, Esq.  
Kate Nicole G. Blanco, Esq.  
Attorneys for Plaintiffs MICHAEL LEONE,  
19 JOSEPH TRESEDER, TRAVIS REECE, DAVID  
20 BEAVERS, FAZAL US FABOOR ALI, and  
21 KEISHA PINKNEY, as individuals and on behalf  
22 of all others similarly situated  
23  
24  
25  
26  
27  
28

**JURY DEMAND**

Plaintiffs demand a trial by jury on all issues subject to trial.

Dated: June 4, 2021

**MAHONEY LAW GROUP, APC**



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Kevin Mahoney, Esq.  
Katherine J. Odenbreit, Esq.  
Kate Nicole G. Blanco, Esq.  
Attorneys for Plaintiffs MICHAEL LEONE,  
JOSEPH TRESEDER, TRAVIS REECE, DAVID  
BEAVERS, FAZAL US FABOOR ALI, and  
KEISHA PINKNEY, as individuals and on behalf  
of all others similarly situated

# **EXHIBIT A**

# Legal

## Coinbase User Agreement

Last updated: April 9, 2021

Welcome to Coinbase! This is a User Agreement between you (also referred to herein as "Client," "User," or customer) and Coinbase Inc. ("**Coinbase**"). This User Agreement ("**Agreement**") governs your use of the services provided by Coinbase described below ("**Coinbase Services**" or "**Services**"). By signing up to use an account through [coinbase.com](https://coinbase.com), [pro.coinbase.com](https://pro.coinbase.com), APIs, or the Coinbase mobile application (collectively the "**Coinbase Site**"), you agree that you have read, understand, and accept all of the terms and conditions contained in this Agreement including Section 8.2. "Arbitration; Waiver of Class Action", as well as our [Privacy Policy](#), [Cookie Policy](#), and E-Sign Consent Policy.

As with any asset, the value of Digital Currencies can go up or down and there can be a substantial risk that you lose money buying, selling, holding, or investing in digital currencies. You should carefully consider whether trading or holding Digital Currencies is suitable for you in light of your financial condition. Coinbase is not registered with the U.S. Securities and Exchange Commission and does not offer securities services in the United States or to U.S. persons.

### Part 1: GENERAL USE

#### 1. Account Setup

**1.1. Eligibility.** To be eligible to use the Coinbase Services, you must be at least 18 years old, and reside in the United States.

**1.2. Terms.** We may amend or modify this Agreement at any time by posting the revised agreement on the Coinbase Site and/or providing a copy to you (a "**Revised Agreement**"). The Revised Agreement shall be effective as of the time it is posted but will not apply retroactively. Your continued use of the Services after the posting of a Revised Agreement constitutes your acceptance of such Revised Agreement. If you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of the Services and close your account.

**1.3. Registration of Coinbase Account.** You must register for a Coinbase account to use the Coinbase Services (a "**Coinbase Account**"). By using a Coinbase Account you agree and represent that you will use Coinbase only for yourself, and not on behalf of any third party, unless you have obtained prior approval from Coinbase. You are fully responsible for all activity that occurs under your Coinbase Account. We may, in our sole discretion, refuse to open a Coinbase Account, or limit the number of Coinbase Accounts that you may hold or suspend or terminate any Coinbase Account or the trading of specific Digital Currency in your account.

**1.4. Identity Verification.** During registration for your Coinbase Account, you agree to provide us with the information we request for the purposes of identity verification and the detection of money laundering, terrorist financing, fraud, or any other financial crimes and permit us to keep a record of such information. You will need to complete certain verification procedures before you are permitted to use the Coinbase Services. Your access to one or more Coinbase Services and the limits that apply to your use of the Coinbase Services, may be altered as a result of information collected about you on an ongoing basis. The information we request may include certain personal information, including, but not limited to, your name, address, telephone number, e-mail address, date of birth, taxpayer identification number, a government identification, and information regarding your bank account (such as the name of the bank, the account type, routing number, and account number) and in some cases (where permitted by law), special categories of personal data, such as your biometric information. In providing us with this or any

other information that may be required, you confirm that the information is accurate and authentic. You agree to keep us updated if any of the information you provide changes. **You authorize us to make inquiries, whether directly or through third parties, that we consider necessary to verify your identity or protect you and/or us against fraud or other financial crime, and to take action we reasonably deem necessary based on the results of such inquiries. When we carry out these inquiries, you acknowledge and agree that your personal information may be disclosed to credit reference and fraud prevention or financial crime agencies and that these agencies may respond to our inquiries in full. This is an identity check only and should have no adverse effect on your credit rating.** Further, you authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare



subscriber status details, if available, solely to allow verification of your identity and to compare information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship. See our [Privacy Policy](#) for how we treat your data.

**1.5. Access.** To access the Coinbase Services, you must have the necessary equipment (such as a smartphone or laptop) and the associated telecommunication service subscriptions to access the Internet. The Coinbase Services can be accessed directly using the Coinbase Site. Access to Coinbase Services may become degraded or unavailable during times of significant volatility or volume. This could result in the inability to buy or sell for periods of time and may also lead to support response time delays. Although we strive to provide you with excellent service, we do not represent that the Coinbase Site or other Coinbase Services will be available without interruption and we do not guarantee that any order will be executed, accepted, recorded, or remain open. Coinbase shall not be liable for any losses resulting from or arising out of transaction delays.

## 2. Wallet and Custodial Services

**2.1. Wallet Services.** As part of your Coinbase Account, Coinbase will provide qualifying users access to: (a) a hosted Digital Currency wallet(s) for holding Digital Currencies ("**Digital Currency Wallet**"), and (b) a hosted US Dollars ("**USD**") wallet for holding USD (a "**USD Wallet**").

**2.2. Hosted Digital Currency Wallet.** Your Digital Currency Wallet allows you to store, track, transfer, and manage your balances of Digital Currency. As used throughout, "**Digital Currency**" means only those particular digital currencies listed as available to trade or custody in your Coinbase Account (also referred to as "**Supported Digital Currency**"). Services and supported assets may vary by jurisdiction. We securely store Digital Currency private keys, which are used to process transactions, in a combination of online and offline storage. As a result of our security protocols, it may be necessary for us to retrieve private keys or related information from offline storage in order to facilitate a Digital Currency Transfers in accordance with your instructions, and you acknowledge that this may delay the initiation or crediting of such Digital Currency Transfers. You may elect to use other services, such as the Coinbase Vault, which allow you to set withdrawal time-delays and create other conditions around the custody and transfer of your Digital Currency. Additional rules associated with such product(s) and service(s) may apply.

**2.3. Supported Digital Currencies.** Your Coinbase Account is intended solely for proper use of Supported Digital Currencies as designated on the Site. ***Under no circumstances should you attempt to use your Digital Currency Wallet to store, send, request, or receive digital currencies we do not support. Coinbase assumes no responsibility in connection with any attempt to use your Digital Currency Wallet with digital currencies that we do not support. If you have any questions about which Digital Currencies we currently support, please***

visit <https://support.coinbase.com>.

**2.4. Supplemental Protocols Excluded.** Unless specifically announced on the Coinbase Site or other official public statement of Coinbase, Supported Digital Currencies excludes all other protocols and/or functionality which supplement or interact with the Supported Digital Currency. This exclusion includes but is not limited to: metacoins, colored coins, side chains, or other derivative, enhanced, or forked protocols, tokens, or coins or other functionality, such as staking, protocol governance, and/or any smart contract functionality, which may supplement or interact with a Digital Currency we support. Do not use your Coinbase Account to attempt to receive, request, send, store, or engage in any other type of transaction or functionality involving any such protocol as Coinbase is not configured to detect, secure, or process these transactions and functionality. Any attempted transactions in such items will result in loss of the item. ***You acknowledge and agree that supplemental protocols are excluded from Supported Digital Currency and that Coinbase has no liability for any losses related to supplemental protocols.***

**2.5 Operation of Digital Currency Protocols.** We do not own or control the underlying software protocols which govern the operation of Digital Currency supported on our platform. Generally, the underlying protocols are open source, and anyone can use, copy, modify, and distribute them. We assume no responsibility for the operation of the underlying protocols and we are not able to guarantee the functionality or security of network operations. In particular, the underlying protocols may be subject to sudden changes in operating rules (including “forks”). Any such material operating changes may materially affect the availability, value, functionality, and/or the name of the Digital Currency you store in your Digital Currency Wallet. Coinbase does not control the timing and features of these material operating changes. It is your responsibility to make yourself aware of upcoming operating changes and you must carefully consider publicly available information and information that may be provided by Coinbase in determining whether to continue to use a Coinbase Account for the affected Digital Currency. In the event of any such operational change, Coinbase reserves the right to take such steps as may be necessary to protect the security and safety of assets held on the Coinbase platform, including temporarily suspending operations for the involved digital currency(ies), and other necessary steps; Coinbase will use its best efforts to provide you notice of its response to any material operating change; however, such changes are outside of Coinbase’s control and may occur without notice to Coinbase. Coinbase’s response to any material operating change is subject to its sole discretion and includes deciding not to support any new digital currency, fork, or other actions. ***You acknowledge and accept the risks of operating changes to Digital Currency protocols and agree that Coinbase is not responsible for such operating changes and not liable for any loss of value you may experience as a result of such changes in operating rules. You acknowledge and accept that Coinbase has sole discretion to determine its response to any operating change and that we have no responsibility to assist you with unsupported***

***currencies or protocols.***

**2.6. Digital Currency Custody and Title.** All Digital Currencies held in your Digital Currency Wallet are custodial assets held by Coinbase for your benefit, as described in further detail below.

**2.6.1 Ownership.** Title to Digital Currency shall at all times remain with you and shall not transfer to Coinbase. As the owner of Digital Currency in your Digital Wallet, you shall bear all risk of loss

of such Digital Currency. Coinbase shall have no liability for Digital Currency fluctuations. None of the Digital Currencies in your Digital Currency Wallet are the property of, or shall or may be loaned to, Coinbase; Coinbase does not represent or treat assets in User's Digital Currency Wallets as belonging to Coinbase. Coinbase may not grant a security interest in the Digital Currency held in your Digital Currency Wallet. Except as required by a facially valid court order, or except as provided herein, Coinbase will not sell, transfer, loan, hypothecate, or otherwise alienate Digital Currency in your Digital Currency Wallet unless instructed by you.

**2.6.2 Control.** You control the Digital Currencies held in your Digital Currency Wallet. At any time, subject to outages, downtime, and other applicable policies, you may withdraw your Digital Currency by sending it to a different blockchain address. As long as you continue to custody your Digital Currencies with Coinbase, Coinbase shall retain control over electronic private keys associated with blockchain addresses operated by Coinbase, including the blockchain addresses that hold your Digital Currency.

**2.6.3 Acknowledgement of Risk.** You acknowledge that Digital Currency is not subject to protections or insurance provided by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation.

**2.6.4 Digital Currencies Not Segregated.** In order to more securely custody assets, Coinbase may use shared blockchain addresses, controlled by Coinbase, to hold Digital Currencies held on behalf of customers and/or held on behalf of Coinbase. Although we maintain separate ledgers for Client and Coinbase accounts, Coinbase shall have no obligation to segregate by blockchain address Digital Currencies owned by you from Digital Currencies owned by other customers or by Coinbase.

**2.7. USD Wallet.** Your USD Wallet allows you to hold and transfer USD with your Coinbase Account as described below. In general, we will combine the balance of your USD Wallet with other customers' balances and either hold those funds in a custodial account at a U.S. FDIC-insured bank or invest those funds in liquid investments, such as U.S. treasuries, in accordance with state money transmitter laws. Coinbase owns the interest or other earnings on these investments. Pooled customer funds are held apart from Coinbase's corporate funds and Coinbase will neither use these funds for its operating expenses or any other corporate purposes.

**2.8. USDC Wallets.** You may also elect to buy USD Coin from Coinbase, a Digital Currency fully collateralized by the US Dollar, which is issued by Circle Internet Financial ("Circle") and supported by Coinbase ("USDC"). You are the owner of the balance of your USDC Wallet. Coinbase is not the issuer of USDC, does not hold U.S. Dollars on reserve for USDC holders, and has no obligation to repurchase your USDC for USD. You can redeem your USDC with Circle, and Coinbase may also elect to repurchase your USDC in exchange for USD. You agree to be bound by the terms of the

Circle USDC Agreement (located at <https://support.usdc.circle.com/hc/en-us/articles/360001233386-Circle-USDC-User-Agreement>), which provides additional obligations, undertakings, and limitations with respect to USDC.

**2.9 Coinbase Bundle.** The Coinbase Bundle ("Bundle") is an offer to purchase multiple Digital Currencies in a single-click transaction, subject to our current fees for purchasing Bundles. The Digital Currencies included in any Bundle are made available by Coinbase in its sole discretion. The amount of each Digital Currencies in any Bundle offer is proportional to each Digital Currency's "market capitalization", calculated by multiplying its current price by the circulating supply of the Digital Currency. By purchasing a Bundle, you understand and acknowledge that you have the ability to sell and send each Digital Currency included in the Bundle at your discretion, just as if you had purchased each Digital Currency in separate transactions, by choosing to "unbundle" the Bundle. Coinbase may allow you to perform a single transaction to sell an amount proportionally across all the Digital Currencies purchased as part of a Bundle, and Coinbase may allow this only if you have not previously unbundled your purchased Bundle. A Bundle can not be reconstituted once it is unbundled. All pricing or performance data related to the Bundle is for informational purposes only. A Bundle is not an offer to purchase any single security, investment or financial instrument. A Bundle offer is not a recommendation to buy, sell or hold any Digital Currency or any amount of a Digital Currency and does not constitute investment advice, financial advice, or trading advice.

### 3. Payment Services, Purchase & Sale Transactions, Credit Transactions

**3.1. USD Funds.** You can load funds into your USD Wallet from a valid bank account via ACH transfer or wire transfer. Your USD balance is in a pending state and will not be credited to your USD Wallet until after the bank transfer has cleared, usually with 5 business days. We may debit your linked bank account as soon as you initiate payment. The name on your linked bank account and your wire transfer must match the name verified on your Coinbase Account.

**3.2. Transactions on the Coinbase Site.** When you purchase (buy) or sell Digital Currency on the Coinbase Site, you are not buying Digital Currency from Coinbase or selling Digital Currency to Coinbase. Coinbase acts as the agent, transacting on your behalf, to facilitate that purchase or

sale between you and other Coinbase customers. You can purchase (buy) Digital Currency using: (a) funds in your USD Wallet, (b) Digital Currency held in certain Digital Currency Wallets, as permitted by Coinbase, (c) a valid bank account in the name that matches the name on your Coinbase Account, or (d) a debit or credit card that matches the name on your Coinbase Account (each a "**Valid Payment Method**"). Your purchase must follow the relevant instructions on the Coinbase Site. Coinbase reserves the right to cancel any transaction not confirmed by you within five (5) seconds after Coinbase quotes a transaction price. A purchase of Digital Currency using a Valid Payment Method generally will initiate on the business day we receive your instructions. Purchased Digital Currency will be deposited in your Digital Currency Wallet as soon as funds have settled to Coinbase, which in the case of a bank account or credit or debit card may take up to five business days. You can sell Digital Currency and instruct Coinbase to deposit funds into your Coinbase USD Wallet or, where supported, a Digital Currency Wallet. Digital Currency purchases and sales are collectively referred to herein as "**Digital Currency Transactions**". If Coinbase cannot complete your Digital Currency Transaction for any reason (such as price movement, market latency, inability to find a counterparty for your transaction, or order size), Coinbase will reject the order and notify you of such rejection. You will not be charged for a rejected transaction.

**3.3. Fees.** In general, Coinbase makes money when you purchase or sell digital currency on our Site. A full list of Coinbase fees for your Coinbase Account can be found on our [Pricing and Fees Disclosures page](#). By using Coinbase Services you agree to pay all applicable fees. Coinbase

reserves the right to adjust its pricing and fees and any applicable waivers at any time. We will always notify you of the pricing and fees which apply to your transaction when you authorize the transaction and in each receipt we issue to you. We may charge network fees (miner fees) to process a Digital Currency Transaction on your behalf. We will calculate the network fee in our discretion, although we will always notify you of the network fee at or before the time you authorize the Digital Currency Transaction. Bank fees charged to Coinbase are netted out of transfers to or from Coinbase. You are responsible for paying any additional fees charged by your financial service provider. We will not process a transfer if associated bank fees exceed the value of the transfer. You may be required to deposit additional USD to cover bank fees if you desire to complete such a transfer.

**3.4. Recurring Digital Currency Transactions.** If you initiate recurring Digital Currency Transactions, you authorize us to initiate recurring electronic payments in accordance with your selected Digital Currency Transaction and any corresponding payment accounts, such as recurring automated clearing house (ACH) debit or credit entries from or to your linked bank account. Your recurring transactions will occur in identical, periodic installments, based on your period selection (e.g., daily, weekly, monthly), until either you or Coinbase cancels the recurring order. If you select a U.S. Bank Account as your payment method for a recurring transaction, and such transaction falls on a weekend or holiday, or after bank business hours, the ACH credit or debit will be



executed on the next business day, although the Digital Currency fees at the time of the regularly-scheduled transaction will apply. If your Bank is unable to process any electronic ACH debit entry, we will notify you of cancellation of the transaction and may avail itself of remedies set forth in this User Agreement to recover any amount owed to Coinbase. This authorization will remain in full force and effect until you change your recurring transaction settings at [https://www.coinbase.com/recurring\\_payments](https://www.coinbase.com/recurring_payments), or until you provide us written notification at <https://support.coinbase.com>. You agree to notify Coinbase in writing of any changes in your linked bank account information prior to a recurring transaction. Coinbase may, at any time, terminate recurring transactions by providing notice to you.

**3.5. Credit Transaction Payments.** You may use the "Make A Payment" option on the Coinbase Site from time to time to authorize payments for any credit transaction with us or any of our affiliates, including any amount owing pursuant to any credit agreement you may enter into with us or any of our affiliates, from time to time. With this option, you can authorize us or our affiliates to make a one-time charge to your linked deposit account through the ACH network (your "**Preferred Payment Method**"). You may select or approve the dollar amount and transaction date for each one-time payment you authorize using your Preferred Payment Method. We and our affiliates reserve the right to limit the amount and date of these one-time charges, screen transactions, and take other steps for our own risk management and business reasons. Although we or our affiliates will try to notify you if your depository institution is unable or unwilling to process any one-time charge using your Preferred Payment Method, you agree we are not required to do so and you are still required to make payments in the time and manner required by your credit agreement with us or any of our affiliates.

**3.6. Revocation.** When you give us instructions to purchase (buy) Digital Currency, you cannot withdraw your consent to that purchase unless the purchase is not scheduled to occur until a future date e.g. you set up a recurring purchase of Digital Currency (a "**Future Transaction**"). In the case of a Future Transaction, you may withdraw your consent up until the end of the business day before the date that the Future Transaction is scheduled to take place. To withdraw your consent to a Future Transaction, follow the instructions on the Coinbase Site.

**3.7. Unauthorized and Incorrect Transactions.** When a Digital Currency or USD transaction occurs using your credentials, we will assume that you authorized such transaction, unless you notify us otherwise. If you believe you did not authorize a particular transaction or that a transaction was incorrectly carried out, you must contact us as soon as possible either by email free of charge at <https://support.coinbase.com> or by phone at +1 (888) 908-7930 (international call charges may apply). It is important that you regularly check your USD Wallet and Digital Currency Wallet balances and your transaction history regularly to ensure you notify us as soon as possible of any unauthorized or incorrect transactions to. We are not responsible for any claim for unauthorized or incorrect transactions unless you have notified us in accordance with this section.

**3.8. Account Information.** You will be able to see your USD Wallet and Digital Currency Wallet balances using the Coinbase Site. You can also see your transaction history using the Coinbase Site, including (i) the amount (and currency) of each Digital Currency Transaction, (ii) a reference to the identify of the payer and/or payee (as appropriate), (iii) any fees charged (excluding any spread, or margin, over the prevailing market rate on Coinbase's trading platform), (iv) if applicable, the rate of exchange, and the amount (in the new currency) after exchange (where you are the payer) or the amount (in the original currency) before the exchange (where you are the payee), and (v) the date of each Digital Currency Transaction.

**3.9. Consent to access, processing and storage of your personal data.** You consent to us accessing, processing and retaining any personal information you provide to us for the purpose of us providing Coinbase Services to you. This consent is not related to, and does not affect, any rights or obligations we or you have in accordance with data protection laws, privacy laws and regulations. You can withdraw your consent at any time by closing your account with us. However, we may retain and continue to process your personal information for other purposes. Please see our [Privacy Policy](#) for further information about how we process your personal data, and the rights you have in respect of this.

**3.10. Reversals & Cancellations.** You cannot cancel, reverse, or change any transaction marked as complete or pending. If your payment is not successful, if your payment method has

insufficient funds, or if you reverse a payment made from funds in your bank account, you authorize Coinbase, in its sole discretion, either to cancel the transaction or to debit your other payment methods, including your USD Wallet or Digital Currency Wallet balances or other linked accounts, in any amount necessary to complete the transaction. You are responsible for maintaining an adequate balance and/or sufficient credit limits in order to avoid overdraft, non-sufficient funds (NSF), or similar fees charged by your payment provider. We reserve the right to refuse to process, or to cancel or reverse, any Digital Currency Transaction or Transfers in our sole discretion, even after funds have been debited from your account(s), if we suspect the transaction involves (or has a high risk of involvement in) money laundering, terrorist financing, fraud, or any other type of financial crime; in response to a subpoena, court order, or other government order; if we reasonably suspect that the transaction is erroneous; or if Coinbase suspects the transaction relates to Prohibited Use or a Prohibited Business as set forth below. In such instances, Coinbase will reverse the transaction and we are under no obligation to allow you to reinstate a purchase or sale order at the same price or on the same terms as the cancelled transaction.

**3.11. Payment Services Partners.** Coinbase may use a third party payment processor to process any US Dollar payment between you and Coinbase, including but not limited to payments in relation to your use of the Digital Currency Transactions or deposits or withdrawals from your USD Wallet or Coinbase Pro Account.



## 4. Digital Currency Transfers

**4.1. In General.** If you have sufficiently verified your identity, your Digital Currency Wallet enables you to send Supported Digital Currency to, and request, receive, and store Supported Digital Currency from, third parties by giving instructions through the Coinbase Site. Your transfer of Supported Digital Currencies between your other digital currency wallets (including wallets off the Coinbase Site) and to and from third parties is a **"Digital Currency Transfer"**.

**4.3. Pending Transactions.** Once a Digital Currency Transfer is submitted to a Digital Currency network, the transaction will be unconfirmed and remain in a pending state for a period of time sufficient to confirmation of the transaction by the Digital Currency network. A Digital Currency Transfer is not complete while it is in a pending state. Pending Digital Currency Transfers that are initiated from a Coinbase Account will reflect a pending transaction status and are not available to you for use on the Coinbase platform or otherwise while the transaction is pending.

**4.4. Inbound Digital Currency Transfers.** When you or a third party sends Digital Currency to a Coinbase wallet from an external wallet not hosted on Coinbase (**"Inbound Transfers"**), the person initiating the transaction is solely responsible for executing the transaction properly, which may include, among other things, payment of sufficient network or miner's fees in order for the transaction to be successful. Insufficient network fees may cause an Inbound Transfer to remain in a pending state outside of Coinbase's control and we are not responsible for delays or loss incurred as a result of an error in the initiation of the transaction and have no obligation to assist in the remediation of such transactions. **By initiating an Inbound Transfer, you attest that you are transacting in a Supported Digital Currency which conforms to the particular Coinbase wallet into which funds are directed. For example, if you select an Ethereum wallet address to receive funds, you attest that you are initiating an Inbound Transfer of Ethereum alone, and not any other currency such as Bitcoin or Ethereum Classic. Coinbase incurs no obligation whatsoever with regard to unsupported digital currency sent to a Coinbase Account or Supported Digital Currency sent to an incompatible Digital Currency wallet. Erroneously transmitted funds will be lost.** We recommend customers send a small amount of Supported Digital Currency as a test prior to initiating a send of a significant amount of

Supported Digital Currency. Coinbase may from time to time determine types of Digital Currency that will be supported or cease to be supported.

**4.5. Outbound Digital Currency Transfers.** When you send Digital Currency from your Coinbase Account to an external wallet (**"Outbound Transfers"**), such transfers are executed at your instruction by Coinbase. You should verify all transaction information prior to submitting

instructions to us. Coinbase shall bear no liability or responsibility in the event you enter an incorrect blockchain destination address. We do not guarantee the identity or value received by a recipient of an Outbound Transfer. Digital Currency Transfers cannot be reversed once they have been broadcast to the relevant Digital Currency network, although they may be in a pending state, and designated accordingly, while the transaction is processed by network operators. Coinbase does not control the Digital Currency network and makes no guarantees that a Digital Currency Transfer will be confirmed by the network. We may refuse to process or cancel any pending Outbound Digital Currency Transfers as required by law or any court or other authority to which Coinbase is subject in any jurisdiction. Additionally, we may require you to wait some amount of time after completion of a transaction before permitting you to use further Coinbase Services and/or before permitting you to engage in transactions beyond certain volume limits.

**4.6. Transfers to a Recipient Email Address.** Coinbase allows you to initiate a Digital Currency Transfer to a Coinbase customer by designating that customer's email address. If you initiate a Digital Currency Transfer to an email address, and the recipient does not have an existing Coinbase Account, we will invite the recipient to open a Coinbase Account. If the recipient does not open a Coinbase Account within 30 days, we will return the relevant Digital Currency to your Digital Currency Wallet.

**4.8. Third Party Merchants.** We have no control over, or liability for, the delivery, quality, safety, legality or any other aspect of any goods or services that you may purchase from a third party (including other users of Coinbase Digital Currency Services). We are not responsible for ensuring that a third party buyer or a seller you transact with will complete the transaction or is authorised to do so. If you experience a problem with any goods or services purchased from, or sold to, a third party using Digital Currency transferred using the Coinbase Digital Currency Services, or if you have a dispute with such third party, you should resolve the dispute directly with that third party. If you believe a third party has behaved in a fraudulent, misleading, or inappropriate manner, or if you cannot adequately resolve a dispute with a third party, you may notify Coinbase Support at <https://support.coinbase.com> so that we may consider what action to take, if any.

**4.9 Debts.** In the event that there are outstanding amounts owed to us hereunder, including in your Coinbase Account, Coinbase reserves the right to debit your Coinbase Account or Coinbase Pro Account accordingly and/or to withhold amounts from funds you may transfer from your Coinbase Pro Account to your Coinbase Account.

## 5. Additional Services

**5.1 Generally.** In addition to the Services above, the following services ("**Additional Services**") may be made available by Coinbase to users that fulfill certain eligibility criteria.

**5.2. Coinbase Pro Services.** Coinbase Pro Services are services related to Coinbase Pro's order matching platform. If you are eligible and elect to use the Coinbase Pro Services, you must establish a Coinbase Pro account at [pro.coinbase.com](https://pro.coinbase.com) ("**Coinbase Pro Account**"). The provisions of this Section 5.1. apply to your use of such Coinbase Pro Services in addition to the other applicable provisions of this Agreement, including without limitation the releases, indemnities, disclaimers, limitations of liability, prohibited use, dispute resolution, and cancellation policies set forth above. Additionally, you also accept and agree to be bound by the Trading Rules and the Coinbase Pro Trading Fees.

**5.2.1 Coinbase Pro Account.** You may not sell, lease, furnish or otherwise permit or provide access to your Trading Account to any other entity or to any individual that is not your employee or agent. You accept full responsibility for your employees' or agents' use of Coinbase Pro, whether such use is directly through the Coinbase Pro website or by other means, such as those facilitated through API keys, and/or applications which you may authorize. You understand and agree that you are responsible for any and all orders, trades, and other instructions entered into Coinbase Pro including identifiers, permissions, passwords, and security codes associated with your Coinbase Pro Account.

**5.2.2 Order Books.** Coinbase Pro Services offer an order book for various Digital Currency and Fiat Currency trading pairs (each an "**Order Book**"). Refer to your Coinbase Pro Account to determine which Order Books are available to you.

**5.2.3 Associated Tools.** In addition to the Wallet Services detailed in Section 2.1, your Coinbase Pro Account provides you access to associated user tools, accessible at [pro.coinbase.com](https://pro.coinbase.com) and through the Coinbase Pro API.

### **5.3. USDC Rewards.**

**USDC IS NOT LEGAL TENDER. USDC IS A DIGITAL CURRENCY CURRENCY AND COINBASE HAS NO RIGHT TO USE ANY USDC YOU HOLD ON COINBASE. COINBASE IS NOT A DEPOSITORY INSTITUTION, AND YOUR USDC WALLET IS NOT A DEPOSIT ACCOUNT. YOUR USDC WALLET IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).**

**5.3.1 Eligibility.** If you are [eligible](#), you can earn rewards for holding USDC on Coinbase.com. So long as you hold at least \$1 of USDC in your Coinbase.com account, you will automatically earn amounts of USDC as described below in the "Calculation" section ("**USDC Rewards**"). If at any time you do not hold at least \$1 of USDC in your Coinbase.com account, your enrollment in USDC Rewards will be paused until such time that you do hold at least \$1 of USDC in your Coinbase.com account. During such period you will retain all USDC Rewards previously accrued but not yet distributed. Such accrued rewards will be distributed as described below in the

“Calculation” section. If at any time you are deemed [ineligible](#), your enrollment in USDC Rewards will be similarly paused. You can opt-out of, or back into, USDC Rewards at any time by following the instructions [here](#). If you opt-out of USDC Rewards or close your Coinbase.com account, you will forfeit the rewards you have accrued (that are not yet distributed for the current calendar month) up to that time. USDC held on Coinbase Pro is not eligible for USDC Rewards.

**5.3.2 Calculation.** Rewards are earned on a daily basis in the form of USDC at the then current **USDC Rewards Rate**. Our current **USDC Rewards Rate** can be found [here](#). Our current **USDC Rewards Annual Percentage Yield**, which includes the effect of monthly compounding, can be found [here](#) and [here](#). Rewards earned in a particular month are airdropped into your Coinbase.com USDC wallet within 5 business days after the start of the next calendar month. USDC Rewards distributed to you are rounded-down to the nearest sixth decimal place. We use the **Daily Balance Method** to determine the rewards you earn for a particular day, using your average balance of USDC on that specific day as that day’s balance. The rate used to determine rewards earned for a particular day is the then current **USDC Rewards Rate** divided by 365.

**5.3.3 Changes.** We reserve the right to change the **USDC Rewards Rate Annual Percentage Yield** at any time by notification [here](#) and [here](#) and by other reasonable means of notice (including e-mail). Unless otherwise stated in the notice, no change will be effective until the first day of the calendar month after such notice is made. We reserve the right to add, change, or delete any provision of these terms and to terminate the USDC rewards program, or your participation in the program, at any time upon notice made in the same manner.

#### **5.3.4 Definitions.**

**“USDC Rewards Rate”** means the annual rate of rewards earned on a USDC wallet, which does not reflect compounding. The current USDC Rewards Rate can be found [here](#).

**“USDC Rewards Annual Percentage Yield” or “APY”** means the percentage rate reflecting the total amount of USDC Rewards earned, based on the then current USDC Rewards Rate and end of month compounding for a 365-day period. The current USDC Rewards Annual Percentage Yield can be found [here](#) and [here](#).

**“Daily Balance Method”** means the application of the daily periodic rate (derived from the APY) to the calendar day average of USDC held in your USDC wallet each day.

**“Day”** means a UTC calendar day.

**5.4 Staking Services.** When you hold Digital Currencies on Coinbase you may be given the option to “stake” these assets in a third party proof of stake network via staking services provided by Coinbase. In a proof of stake network, transaction validators are chosen using a formula based on the amount of underlying Digital Currency staked by the validator as opposed to computing power (i.e., proof of work). Please visit our [staking information page](#) for further details on how proof of stake works. Staking services are not available for Digital Currencies held on Coinbase Pro.

**5.4.1 Staking Service is Optional.** Staking services may be made available to you by default for Digital Currencies where staking functionality is available on Coinbase. YOU ARE NOT REQUIRED TO STAKE WITH COINBASE AND YOU CAN OPT-OUT OF COINBASE STAKING SERVICES AT ANY TIME THROUGH THE [SETTINGS PAGE IN YOUR ACCOUNT](#). Unless otherwise specified, if you opt-out of staking services, you can opt back in at any time with immediate effect.

**5.4.2 The Service; Rewards; Commission; Limitations.** (a) If you stake your assets with us, Coinbase, or one of its affiliates, will facilitate the staking of those assets on your behalf by acting as a transaction validator on the applicable network for the Digital Currency you stake. If Coinbase successfully validates a block of transactions in that Digital Currency, you may earn a reward granted by that Digital Currency’s network. Your reward will be determined by the protocols of the [applicable network](#). Coinbase will distribute this reward to you after receipt by Coinbase, minus a 25% commission. (b) Some Digital Currency networks subject staked assets to “slashing” if the transaction validator representing those assets incorrectly validates a transaction. Coinbase will use commercially reasonable efforts to ensure that your assets will not be slashed, but in the unlikely event they are, Coinbase will promptly replace your assets at no additional cost. Some Digital Currency networks require that a certain amount of staked assets be locked (restricted from sale or transfer) for a certain period of time while staking. Coinbase may also have additional sale or withdrawal limitations for particular staked assets if you are opted-in to staking.

**5.4.3 No Guarantee of Rewards.** You have no right to a reward until it is received by Coinbase. Rewards will be distributed to your account promptly after they are received by Coinbase. Unless otherwise stated, Coinbase will use commercially reasonable efforts to stake any Digital Currencies for which you are using Coinbase staking services. Unless otherwise specified, the

“staking rewards rate” disclosed by Coinbase for a particular Digital Currency is an annualized historical rate based on the staking rewards generated by Coinbase in providing staking services to Coinbase customers for that Digital Currency over the last 90 days. This rate is an estimate and changes over time. COINBASE DOES NOT GUARANTEE THAT YOU WILL RECEIVE STAKING REWARDS, ANY SPECIFIC STAKING REWARD, OR ANY STAKING RETURN OVER TIME, INCLUDING THE STAKING REWARDS RATES.



**5.4.4 Ethereum Staking.** Supplemental to the terms outlined above, the following terms apply to staking your ETH through the Coinbase staking services.

**(a) Eligibility.** Users who wish to stake ETH through Coinbase must meet certain requirements, as set forth [here](#). These requirements are subject to change.

**(b) Lockup Period.** If you choose to stake your ETH, your ETH will be converted to ETH2 and will be locked on the Ethereum protocol until Phase 1.5 of the Ethereum network upgrade is completed. Coinbase has no control over the duration of or end date for the lockup period, which will ultimately be determined by the success of the update to the Ethereum network. Unlike other staking services provided through Coinbase, you will be unable to “Opt Out” of ETH staking once you’ve staked your assets. Coinbase will not refund or replace any ETH you wish to unstake. Unless otherwise stated on the Coinbase interface, you will not be able to trade, transfer or otherwise access your staked ETH during the lockup period.

**(c) No Guarantee of Success of Network Upgrade.** Coinbase makes no guarantees that the upgrade to the Ethereum network will be successful, and you understand that if the network upgrade ultimately fails, you may lose all, or a portion of, your staked ETH. Coinbase will not be responsible for any ETH lost due to a network upgrade failure.

**(d) Ethereum Staking Rewards.** Any rewards earned while staking your ETH through Coinbase will, unless otherwise stated, remain locked onchain until Phase 1.5 of the Ethereum network upgrade is completed. ETH rewards reflected in your account prior to the completion of Phase 1.5 of the Ethereum network upgrade are an estimate based on a combination of reward rates and the period of time for which you’ve staked your ETH (minus any Coinbase fees). Rewards will be reflected in your account, but will not be actually credited until the end of the lockup period. Unless otherwise stated, you will not be able to trade, transfer, or otherwise access your ETH staking rewards during the lockup period.

**(e) Liquidity.** Coinbase may offer you the ability to exchange or sell your staked ETH prior to the completion of Phase 1.5 of the Ethereum network upgrade. Coinbase does not guarantee that the offering of any such option will result in a successful exchange or sale, and Coinbase will not backstop or otherwise intervene to guarantee liquidity. In the event that you take advantage of

any offered ability to exchange or sell your staked ETH, you agree to bear any risk of loss associated with taking advantage of such an offering, and Coinbase does not guarantee the value of your ETH principal or related rewards. Accessing your locked ETH may result in a loss of any rewards accrued until that point. Coinbase is not responsible for any decrease in the value of your staked ETH principal or any rewards associated with allowing you the ability to exchange or sell your staked ETH.

**(f) Tax.** The tax treatment of certain Digital Currency transactions is uncertain, including your voluntary election to convert your ETH to ETH2, and it is your responsibility to determine what taxes, if any, arise from these transactions. Users are solely responsible for reporting and paying any applicable taxes arising from staking through Coinbase staking services and all related transactions (e.g., any exchange or sale of your staked ETH), and acknowledge that Coinbase does not provide investment, legal, or tax advice to you in connection with such election to participate. You should conduct your own due diligence and consult your advisors before making any investment decision including whether to participate in ETH staking and related transactions.

## 6. Data Protection and Security

**6.1. Personal Data.** You acknowledge that we may process personal data in relation to you (if you are an individual), and personal data that you have provided or in the future provide to us in relation to your employees and other associated or other individuals, in connection with this Agreement, or the Coinbase Services. Accordingly, you represent and warrant that: (i) your disclosure to us of any personal data relating to individuals other than yourself was or will be made in accordance with all applicable data protection and data privacy laws, and those data are accurate, up to date and relevant when disclosed; (ii) before providing any such personal data to us, you have read and understood our Privacy Policy, which is available [here](#), and, in the case of personal data relating to an individual other than yourself, have (or will at the time of disclosure have) provided a copy of that [Privacy Policy](#) (as amended from time to time), to that individual; and (iii) if from time to time we provide you with a replacement version of the [Privacy Policy](#), you will promptly read that notice and provide a copy to any individual whose personal data you have provided to us.

**6.2. Security Breach.** If you suspect that your Coinbase Account or any of your security details have been compromised or if you become aware of any fraud or attempted fraud or any other security incident (including a cyber-security attack) affecting you and / or Coinbase (together a "Security Breach"), you must notify Coinbase Support as soon as possible by email free of charge at <https://support.coinbase.com> or by calling us at +1 (888) 908 7930 and continue to provide accurate and up to date information throughout the duration of the Security Breach. You must take any steps that we reasonably require to reduce, manage or report any Security Breach. Failure to provide prompt notification of any Security Breach may be taken into account in our determination of the appropriate resolution of the matter.

## 7. General Use, Prohibited Use, Death of Account Holder and Termination

**7.1. Limited License.** We grant you a limited, nonexclusive, nontransferable license, subject to the

terms of this Agreement, to access and use the Coinbase Services, Coinbase Site, and related content, materials, information (collectively, the "Content") solely for purposes approved by Coinbase from time to time. Any other use of the Coinbase Site or Content is expressly prohibited and all other right, title, and interest in the Coinbase Services, Coinbase Site or Content is exclusively the property of Coinbase and its licensors. You agree you will not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit any of the Content, in whole or in part without the prior written consent of Coinbase. "Coinbase.com", "Coinbase", "Coinbase Pro", and all logos related to the Coinbase Services or displayed on the Coinbase Site are either trademarks or registered marks of Coinbase or its licensors. You may not copy, imitate or use them without Coinbase's prior written consent.

**7.2. Website Accuracy.** Although we intend to provide accurate and timely information on the Coinbase Site, the Coinbase Site (including, without limitation, the Content) may not always be entirely accurate, complete or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide you with as complete and accurate information as possible, information may be changed or updated from time to time without notice, including without limitation information regarding our policies, products and services. Accordingly, you should verify all information before relying on it, and all decisions based on information contained on the Coinbase Site are your sole responsibility and we shall have no liability for such decisions. Information provided by third parties, including historical price and supply data for Digital Currencies, is for informational purposes only and Coinbase makes no representations or warranties to its accuracy. Links to third-party materials (including without limitation websites) may be provided as a convenience but are not controlled by us. You acknowledge and agree that we are not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible or linked to the Coinbase Site,

**7.3. Promotions.** From time to time, Coinbase may make available special offers or conduct promotions for qualifying customers. Subject to applicable laws, Coinbase or the issuer of a Digital Currency subject to an offer or promotion may establish qualifying criteria to participate in any special promotion its sole discretion. Coinbase may revoke any special offer at any time without notice. Once Digital Currency has been deposited in a user's Digital Currency Wallet, that Digital Currency becomes the property of the Coinbase user with all applicable property rights, including those noted in Section 2.2 of this Agreement. Coinbase shall have no obligation to make special offers available to all customers. Coinbase makes no recommendation and does not provide any advice about the value or utility of any Digital Currency subject to a promotion.

**7.3.1. New User Incentive.** Coinbase's New User Incentives are available exclusively to new users



who have not previously verified their ID. New User Incentives will appear in a new user's account following Coinbase's verification of such user's identification. Coinbase will verify a user's identification based on its internal guidelines and governing regulations, in its sole discretion. New User Incentives are subject to the user agreement and are not guaranteed, even upon successful verification of a user's identification. New users who were referred to Coinbase through the Referral Program or who have previously opened an account using different contact information are ineligible to receive New User Incentives. Coinbase may update the conditions for eligibility at any time, in its sole discretion.

**7.4. Third-Party Applications.** If, to the extent permitted by Coinbase from time to time, you grant express permission to a third party to access or connect to your Coinbase Account(s), either through the third party's product or service or through the Coinbase Site, you acknowledge that granting permission to a third party to take specific actions on your behalf does not relieve you of any of your responsibilities under this Agreement. You are fully responsible for all acts or omissions of any third party with access to your Coinbase Account(s). Further, you acknowledge and agree that you will not hold Coinbase responsible for, and will indemnify Coinbase from, any liability arising out of or related to any act or omission of any third party with access to your Coinbase Account(s). You may change or remove permissions granted by you to third parties with respect to your Coinbase Account(s) at any time through the tabs on the Account Settings page on the Coinbase Site.

**7.5. Prohibited Use.** In connection with your use of the Coinbase Services, and your interactions with other users, and third parties you agree and represent you will not engage in any [Prohibited Business or Prohibited Use](#) defined herein. We reserve the right at all times to monitor, review, retain and/or disclose any information as necessary to satisfy any applicable law, regulation, sanctions programs, legal process or governmental request. We reserve the right to cancel and/or suspend your Coinbase Account(s) and/or block transactions or freeze funds immediately and without notice if we determine, in our sole discretion, that your Account is associated with a Prohibited Use and/or a Prohibited Business.

**7.6. Transaction Limits.** The use of all Coinbase Services is subject to a limit on the amount of volume, stated in U.S. Dollar terms, you may transact or transfer in a given period (e.g., daily). To view your limits, login to your Coinbase Account(s) and visit <https://www.coinbase.com/verifications>. Your transaction limits may vary depending on your payment method, verification steps you have completed, and other factors. Coinbase reserves the right to change applicable limits as we deem necessary in our sole discretion. If you wish to raise your limits beyond the posted amounts, you may submit a request at <https://support.coinbase.com>. We may require you to submit additional information about yourself or your business, provide records, and arrange for meetings with Coinbase staff (such process, "Enhanced Due Diligence"). Coinbase reserves the right to charge you costs and fees associated with Enhanced Due Diligence, provided that we notify you in advance of any such

charges accruing. In our sole discretion, we may refuse to raise your limits or we may lower your limits at a subsequent time even if you have completed Enhanced Due Diligence.

**7.7. Suspension, Termination, and Cancellation.** Coinbase may: (a) suspend, restrict, or terminate your access to any or all of the Coinbase Services, and/or (b) deactivate or cancel your Coinbase Account(s) if: (i) We are so required by a facially valid subpoena, court order, or binding order of a government authority; (ii) We reasonably suspect you of using your Coinbase Account(s) in connection with a [Prohibited Use or Business](#); (iii) Use of your Coinbase Account(s) is subject to any pending litigation, investigation, or government proceeding and/or we perceive a heightened risk of legal or regulatory non-compliance associated with your Account activity; (iv) Our service partners are unable to support your use; (v) You take any action that Coinbase deems as circumventing Coinbase's controls, including, but not limited to, opening multiple Coinbase Accounts or abusing promotions which Coinbase may offer from time to time; or (vi) You breach our [Behavior Policy](#).

If Coinbase suspends or closes your account, or terminates your use of Coinbase Services for any reason, we will provide you with notice of our actions unless a court order or other legal process prohibits Coinbase from providing you with such notice. You acknowledge that Coinbase's decision to take certain actions, including limiting access to, suspending, or closing your account, may be based on confidential criteria that are essential to Coinbase's risk management and security protocols. You agree that Coinbase is under no obligation to disclose the details of its risk management and security procedures to you.

You will be permitted to transfer Digital Currency or funds associated with your Hosted Digital Currency Wallet(s) and/or your USD Wallet(s) for ninety (90) days after Account deactivation or cancellation unless such transfer is otherwise prohibited (i) under the law, including but not limited to applicable sanctions programs, or (ii) by a facially valid subpoena or court order. You may cancel your Coinbase Account(s) at any time by withdrawing all balances and visiting <https://www.coinbase.com/settings/cancel>. You will not be charged for canceling your

Coinbase Account(s), although you will be required to pay any outstanding amounts owed to Coinbase. You authorize us to cancel or suspend any pending transactions at the time of cancellation.

**7.8. Death of Account Holder.** For security reasons, if we receive legal documentation confirming your death or other information leading us to believe you have died, we will freeze your Coinbase Account and during this time, no transactions may be completed until: (i) your designated fiduciary has opened a new Coinbase Account, as further described below, and the entirety of your Coinbase Account has been transferred to such new account, or (ii) we have received proof in a form satisfactory to us that you have not died. If we have reason to believe you may have died but we do not have proof of your death in a form satisfactory to us, you

authorize us to make inquiries, whether directly or through third parties, that we consider necessary to ascertain whether you have died. Upon receipt by us of proof satisfactory to us that you have died, the fiduciary you have designated in a valid Will or similar testamentary document will be required to open a new Coinbase Account. If you have not designated a fiduciary, then we reserve the right to (i) treat as your fiduciary any person entitled to inherit your Coinbase Account, as determined by us upon receipt and review of the documentation we, in our sole and absolute discretion, deem necessary or appropriate, including (but not limited to) a Will, a living trust or a Small Estate Affidavit, or (ii) require an order designating a fiduciary from a court having competent jurisdiction over your estate. In the event we determine, in our sole and absolute discretion, that there is uncertainty regarding the validity of the fiduciary designation, we reserve the right to require an order resolving such issue from a court of competent jurisdiction before taking any action relating to your Coinbase Account. Pursuant to the above, the opening of a new Coinbase Account by a designated fiduciary is mandatory following the death of a Coinbase Account owner, and you hereby agree that your fiduciary will be required to open a new Coinbase Account and provide the information required under Section 2 of this Agreement in order to gain access to the contents of your Coinbase Account.

**7.9. Unclaimed Property.** If Coinbase is holding funds (whether fiat currency or Digital Currency) in your account, and Coinbase is unable to contact you and has no record of your use of the Services for several years, applicable law may require Coinbase to report these funds (including fiat currency and Digital Currency) as unclaimed property to the applicable jurisdiction. If this occurs, Coinbase will try to locate you at the address shown in our records, but if Coinbase is unable to locate you, it may be required to deliver any such funds to the applicable state or jurisdiction as unclaimed property.

**7.10. Relationship of the Parties.** Coinbase is an independent contractor for all purposes. Nothing in this Agreement shall be deemed or is intended to be deemed, nor shall it cause, you and Coinbase to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either you or Coinbase to be treated as the agent of the other.

**7.11. Privacy of Others; Marketing.** If you receive information about another user through the Coinbase Services, you must keep the information confidential and only use it in connection with the Coinbase Services. You may not disclose or distribute a user's information to a third party or use the information except as reasonably necessary to effectuate a transaction and other functions reasonably incidental thereto such as support, reconciliation and accounting unless you receive the user's express consent to do so. You may not send unsolicited email to a user through the Coinbase Services.

**7.12. Password Security; Contact Information.** You are responsible for creating a strong password and maintaining adequate security and control of any and all IDs, passwords, hints, personal identification numbers (PINs), API keys or any other codes that you use to access the

Coinbase Services. Any loss or compromise of the foregoing information and/or your personal information may result in unauthorized access to your Coinbase Account(s) by third-parties and the loss or theft of any Digital Currency and/or funds held in your Coinbase Account(s) and any associated accounts, including your linked bank account(s) and credit card(s). You are responsible for keeping your email address and telephone number up to date in your Account Profile in order to receive any notices or alerts that we may send you. **You should never allow remote access or share your computer screen with someone else when you are logged on to your Coinbase Account. Coinbase will never under any circumstances ask you for your IDs, passwords, or 2-factor authentication codes. We assume no responsibility for any loss that you may sustain due to compromise of account login credentials due to no fault of Coinbase and/or failure to follow or act on any notices or alerts that we may send to you.** In the event you believe your Coinbase Account(s) information has been compromised, contact Coinbase Support immediately at <https://support.coinbase.com>, or report your claim by phone at (888) 908-7930.

**7.13. Developer Tools.** If you use developer features of the Services, including but not limited to [Coinbase Connect \(OAuth2\)](#) and any other resources or services available at <https://developers.coinbase.com/> (the “**Developer Services**”), you must separately agree to our [Developer Agreement](#) upon registering your application with Coinbase.

**7.14. Taxes.** It is your sole responsibility to determine whether, and to what extent, any taxes apply to any transactions you conduct through the Coinbase Services, and to withhold, collect, report and remit the correct amounts of taxes to the appropriate tax authorities. Your transaction history is available through your Coinbase Account(s).

**7.15. No Investment Advice or Brokerage.** For the avoidance of doubt, Coinbase does not provide investment, tax, or legal advice, nor does Coinbase broker trades on your behalf. All Coinbase trades are executed automatically, based on the parameters of your order instructions and in accordance with posted Trade execution procedures, and you are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for

you based on your personal investment objectives, financial circumstances and risk tolerance. You should consult your legal or tax professional regarding your specific situation. Coinbase may provide educational information about Supported Digital Currency, as well as Digital Currency not supported by Coinbase, in order to assist users in learning more about such Digital Currency. Information may include, but is not limited to, blog posts, articles, links to third-party content, news feeds, tutorials, and videos. The information provided on this website or any third-party sites does not constitute investment advice, financial advice, trading advice, or any other sort of advice, and you should not treat any of the website's content as such. Coinbase does not recommend that any Digital Currency should be bought, earned, sold, or held by you. Before making the decision to buy, sell or hold any Digital Currency, you should conduct your own due diligence and consult your financial advisors before making any investment decision. Coinbase will not be held

responsible for the decisions you make to buy, sell, or hold Digital Currency based on the information provided by Coinbase.

## 8. Customer Feedback, Queries, Complaints, and Dispute Resolution

**8.1. Contact Coinbase.** If you have feedback, or general questions, contact us via our Customer Support webpage at <https://support.coinbase.com>. When you contact us please provide us with your name, address, and any other information we may need to identify you, your Coinbase Account(s), and the transaction on which you have feedback or questions.

If you believe your account has been compromised, you may also report your claim by calling (888) 908-7930. Coinbase requires that all legal documents (including civil subpoenas, complaints, and small claims) be served on our registered agent for service of process. Current contact information for our registered agent in each state can be found [here](#).

Please note that our registered agent will accept service only if the entity identified as the recipient of the document is identical to the entity registered with the Secretary of State and for which our registered agent is authorized to accept service. By accepting service of a legal document, Coinbase does not waive any objections we may have and may raise in response to such document.

**8.2. Formal Complaint Process.** If you have a dispute with Coinbase (a "Complaint"), you agree to contact Coinbase through our support team to attempt to resolve any such dispute amicably. **If we cannot resolve the dispute through the Coinbase support team, you and we agree to use the Formal Complaint Process set forth below.** You agree to use this process before filing any arbitration claim or small claims action. If you do not follow the procedures set out in this Section before filing an arbitration claim or suit in small claims court, we shall have the right to ask the arbitrator or small claims court to dismiss your filing unless and until you complete the following steps.

**8.2.1. Procedural Steps.** In the event that your dispute with Coinbase is not resolved through your contact with Coinbase Support, you agree to use our Complaint form to describe your Complaint, how you would like us to resolve the Complaint, and any other information related to your dispute that you believe to be relevant. The Complaint form can be found on the Coinbase

support pages, <https://support.coinbase.com> or can be requested from Coinbase Customer Support.

**8.2.2. Coinbase Response.** We will acknowledge receipt of your Complaint form after you submit



it. A Coinbase customer relations agent ("Agent") will review your Complaint. The Agent will evaluate your Complaint based on the information you have provided and information in the possession of Coinbase. Within 15 business days of our receipt of your Complaint form, the Agent will address the issues raised in your Complaint form by sending you an e-mail ("Resolution Notice") in which the Agent will: (i) offer to resolve your complaint in the way you requested; (ii) make a determination rejecting your Complaint and set out the reasons for the rejection; or (iii) offer to resolve your Complaint with an alternative solution. In exceptional circumstances, if the Agent is unable to respond to your Complaint within 15 business days for reasons beyond Coinbase's control, the Agent will send you a communication indicating the reasons for any delay in answering your Complaint, and specifying the deadline by which the Agent will respond to your Complaint, which will be no later than 35 business days from our receipt of your Complaint form.

**8.3. Arbitration; Waiver of Class Action. If we cannot resolve the dispute through the Formal Complaint Process, you and we agree that any dispute arising out of or relating to this Agreement or the Coinbase Services, including, without limitation, federal and state statutory claims, common law claims, and those based in contract, tort, fraud, misrepresentation, or any other legal theory, shall be resolved through binding arbitration, on an individual basis (the "Arbitration Agreement"). Subject to applicable jurisdictional requirements, you may elect to pursue your claim in your local small claims court rather than through arbitration so long as your matter remains in small claims court and proceeds only on an individual (non-class and non-representative) basis. Arbitration shall be conducted in accordance with the American Arbitration Association's rules for arbitration of consumer-related disputes (accessible at <https://www.adr.org/sites/default/files/Consumer%20Rules.pdf>).**

**This Arbitration Agreement includes, without limitation, disputes arising out of or related to the interpretation or application of the Arbitration Agreement, including the enforceability, revocability, scope, or validity of the Arbitration Agreement or any portion of the Arbitration Agreement. All such matters shall be decided by an arbitrator and not by a court or judge.**

**CLASS ACTION WAIVER: TO THE EXTENT PERMISSIBLE BY LAW, ALL CLAIMS MUST BE BROUGHT IN A PARTY'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE ACTION, OR REPRESENTATIVE PROCEEDING (COLLECTIVELY "CLASS ACTION WAIVER"). THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS OR ENGAGE IN ANY CLASS**

**ARBITRATION. YOU ACKNOWLEDGE THAT, BY AGREEING TO THESE TERMS, YOU AND COINBASE ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION.**

The arbitration will be conducted by a single, neutral arbitrator and shall take place in the county or parish in which you reside, or another mutually agreeable location, in the English language. The arbitrator may award any relief that a court of competent jurisdiction could award and the arbitral decision may be enforced in any court. An arbitrator's decision and judgment thereon will not have a precedential or collateral estoppel effect. At your request, hearings may be conducted in person or by telephone and the arbitrator may provide for submitting and determining motions on briefs, without oral hearings. To the extent permitted by law, the prevailing party in any action or proceeding to enforce this Agreement, any arbitration pursuant to this Agreement, or any small claims action shall be entitled to costs and attorneys' fees. If the arbitrator or arbitration administrator would impose filing fees or other administrative costs on you, we will reimburse you, upon request, to the extent such fees or costs would exceed those that you would otherwise have to pay if you were proceeding instead in a court. We will also pay additional fees or costs if required to do so by the arbitration administrator's rules or applicable law.

## 9. General Provisions

**9.1. Computer Viruses.** We shall not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses or other malicious code that may affect your computer or other equipment, or any phishing, spoofing or other attack. We advise the regular use of a reputable and readily available virus screening and prevention software. You should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks and should use care in reviewing messages purporting to originate from Coinbase. Always log into your Coinbase Account(s) through the Coinbase Site to review any transactions or required actions if you have any uncertainty regarding the authenticity of any communication or notice.

**9.2. Release of Coinbase; Indemnification.** If you have a dispute with one or more users of the Coinbase Services, you release Coinbase, its affiliates and service providers, and each of their respective officers, directors, agents, joint venturers, employees and representatives from any and all claims, demands and damages (actual and consequential) of every kind and nature arising out of or in any way connected with such disputes. You agree to indemnify and hold Coinbase, its affiliates and Service Providers, and each of its or their respective officers, directors, agents, joint venturers, employees and representatives, harmless from any claim or demand (including attorneys' fees and any fines, fees or penalties imposed by any regulatory authority) arising out of or related to your breach of this Agreement or your violation of any law, rule or regulation, or the rights of any third party.

**9.3. Limitation of Liability; No Warranty.** IN NO EVENT SHALL COINBASE, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES, BE LIABLE (A) FOR ANY AMOUNT GREATER THAN THE VALUE OF THE SUPPORTED DIGITAL CURRENCY ON DEPOSIT IN YOUR COINBASE

ACCOUNT(S) OR (B) FOR ANY LOST PROFITS, DIMINUTION IN VALUE OR BUSINESS OPPORTUNITY, ANY LOSS, DAMAGE, CORRUPTION OR BREACH OF DATA OR ANY OTHER INTANGIBLE PROPERTY OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COINBASE SITE OR THE COINBASE SERVICES, OR THIS AGREEMENT,

EVEN IF AN AUTHORIZED REPRESENTATIVE OF COINBASE HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE, EXCEPT TO THE EXTENT OF A FINAL JUDICIAL DETERMINATION THAT SUCH DAMAGES WERE A RESULT OF COINBASE'S GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR INTENTIONAL VIOLATION OF LAW. THIS MEANS, BY WAY OF EXAMPLE ONLY (AND WITHOUT LIMITING THE SCOPE OF THE PRECEDING SENTENCE), THAT IF YOU CLAIM THAT COINBASE FAILED TO PROCESS A BUY OR SELL TRANSACTION PROPERLY, YOUR DAMAGES ARE LIMITED TO NO MORE THAN THE VALUE OF THE SUPPORTED DIGITAL CURRENCY AT ISSUE IN THE TRANSACTION, AND THAT YOU MAY NOT RECOVER FOR LOST PROFITS, LOST BUSINESS OPPORTUNITIES, DIMINUTION IN VALUE OR OTHER TYPES OF SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES IN EXCESS OF THE VALUE OF THE SUPPORTED DIGITAL CURRENCY AT ISSUE IN THE TRANSACTION. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

THE COINBASE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COINBASE SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND/OR NON-INFRINGEMENT. COINBASE DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE SITE, ANY PART OF THE COINBASE SERVICES, OR ANY OF THE MATERIALS CONTAINED THEREIN, WILL BE CONTINUOUS, UNINTERRUPTED, TIMELY, OR ERROR-FREE. COINBASE DOES NOT GUARANTEE THAT ANY ORDER WILL BE EXECUTED, ACCEPTED, RECORDED OR REMAIN OPEN. EXCEPT FOR THE EXPRESS STATEMENTS SET FORTH IN THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT RELIED UPON ANY OTHER STATEMENT OR UNDERSTANDING, WHETHER WRITTEN OR ORAL, WITH RESPECT TO YOUR USE AND ACCESS OF THE COINBASE SERVICES AND COINBASE SITE. WITHOUT LIMITING THE FOREGOING, YOU HEREBY UNDERSTAND AND AGREE THAT COINBASE WILL NOT BE LIABLE FOR ANY LOSSES OR DAMAGES ARISING OUT OF OR RELATING TO: (A) ANY INACCURACY, DEFECT OR OMISSION OF DIGITAL CURRENCY PRICE DATA, (B) ANY ERROR OR DELAY IN THE TRANSMISSION OF SUCH DATA, OR (C) INTERRUPTION IN ANY SUCH DATA.

Coinbase makes no representations about the accuracy, order, timeliness or completeness of



historical Digital Currency price data available on the Coinbase Site. Coinbase will make reasonable efforts to ensure that requests for electronic debits and credits involving bank accounts, credit cards, and check issuances are processed in a timely manner but Coinbase makes no representations or warranties regarding the amount of time needed to complete processing which is dependent upon many factors outside of our control.

IF YOU ARE A NEW JERSEY RESIDENT, the provisions of this Section 9.3 are intended to apply only to the extent permitted under New Jersey law.

**9.4. Entire Agreement.** This Agreement, the Privacy Policy, E-Sign Consent, and Appendices incorporated by reference herein comprise the entire understanding and agreement between you and Coinbase as to the subject matter hereof, and supersedes any and all prior discussions, agreements and understandings of any kind (including without limitation any prior versions of this Agreement), and every nature between and among you and Coinbase. Section headings in this Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Agreement.

**9.5. Amendments.** We may amend or modify this Agreement by posting on the Coinbase Site or emailing to you the revised Agreement, and the revised Agreement shall be effective at such time. If you do not agree with any such modification, your sole and exclusive remedy is to terminate your use of the Services and close your account. You agree that we shall not be liable to you or any third party for any modification or termination of the Coinbase Services, or suspension or termination of your access to the Coinbase Services, except to the extent otherwise expressly set forth herein. If the revised Agreement includes a material change, we will endeavor to provide you advanced notice via our website and/or email before the material change becomes effective.

**9.6. Assignment.** You may not assign any rights and/or licenses granted under this Agreement. We reserve the right to assign our rights without restriction, including without limitation to any Coinbase affiliates or subsidiaries, or to any successor in interest of any business associated with the Coinbase Services. Any attempted transfer or assignment in violation hereof shall be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their successors and permitted assigns.

**9.7. Severability.** If any provision of this Agreement shall be determined to be invalid or unenforceable under any rule, law, or regulation of any local, state, or federal government agency, such provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under any applicable law and the validity or enforceability of any other provision of this Agreement shall not be affected.

**9.8. Change of Control.** In the event that Coinbase is acquired by or merged with a third party

entity, we reserve the right, in any of these circumstances, to transfer or assign the information we have collected from you as part of such merger, acquisition, sale, or other change of control.

**9.9. Survival.** All provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including, without limitation, sections pertaining to suspension or termination, Coinbase Account cancellation, debts owed to Coinbase, general use of the Coinbase Site, disputes with Coinbase, and general provisions, shall survive the termination or expiration of this Agreement.

**9.10. Governing Law.** You agree that the laws of the State of California, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between you and Coinbase, except to the extent governed by federal law.

**9.11. Force Majeure.** We shall not be liable for delays, failure in performance or interruption of service which result directly or indirectly from any cause or condition beyond our reasonable control, including but not limited to, significant market volatility, any delay or failure due to any act of God, act of civil or military authorities, act of terrorists, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophe or any other occurrence which is beyond our reasonable control and shall not affect the validity and enforceability of any remaining provisions.

**9.12. Non-Waiver of Rights.** This agreement shall not be construed to waive rights that cannot be waived under applicable state money transmission laws in the state where you are located.

## APPENDIX 1: Prohibited Use, Prohibited Businesses and Conditional Use

### Prohibited Use

You may not use your Coinbase Account(s) to engage in the following categories of activity ("Prohibited Uses"). The specific types of use listed below are representative, but not exhaustive. If you are uncertain as to whether or not your use of Coinbase Services involves a Prohibited Use, or have questions about how these requirements apply to you, please contact us at <https://support.coinbase.com>. By opening a Coinbase Account, you confirm that you will not use your Account to do any of the following:

- **Unlawful Activity:** Activity which would violate, or assist in violation of, any law, statute,

ordinance, or regulation, sanctions programs administered in the countries where Coinbase conducts business, including but not limited to the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), or which would involve proceeds of any unlawful activity; publish, distribute or disseminate any unlawful material or information

- **Abusive Activity:** Actions which impose an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information; transmit or upload any material to the Coinbase Site that contains viruses, trojan horses, worms, or any other harmful or deleterious programs; attempt to gain unauthorized access to the Coinbase Site, other Coinbase Accounts, computer systems or networks connected to the Coinbase Site, through password mining or any other means; use Coinbase Account information of another party to access or use the Coinbase Site, except in the case of specific Merchants and/or applications which are specifically authorized by a user to access such user's Coinbase Account and information; or transfer your account access or rights to your account to a third party, unless by operation of law or with the express permission of Coinbase.
- **Abuse Other Users:** Interfere with another individual's or entity's access to or use of any Coinbase Services; defame, abuse, extort, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as, but not limited to, rights of privacy, publicity and intellectual property) of others; incite, threaten, facilitate, promote, or encourage hate, racial intolerance, or violent acts against others; harvest or otherwise collect information from the Coinbase Site about others, including without limitation email addresses, without proper consent
- **Fraud:** Activity which operates to defraud Coinbase, Coinbase users, or any other person; provide any false, inaccurate, or misleading information to Coinbase
- **Gambling:** Lotteries; bidding fee auctions; sports forecasting or odds making; fantasy sports leagues with cash prizes; internet gaming; contests; sweepstakes; games of chance
- **Intellectual Property Infringement:** Engage in transactions involving items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the law, including but not limited to sales, distribution, or access to counterfeit music, movies, software, or other licensed materials without the appropriate authorization from the rights holder; use of Coinbase intellectual property, name, or logo, including use of Coinbase trade or service marks, without express consent from Coinbase or in a manner that otherwise harms Coinbase or the Coinbase brand; any action that implies an untrue endorsement by or affiliation with Coinbase

## Prohibited Businesses

In addition to the Prohibited Uses described above, the following categories of businesses, business practices, and sale items are barred from Coinbase Services ("Prohibited Businesses"). Most Prohibited Businesses categories are imposed by Card Network rules or the requirements of our banking providers or processors. The specific types of use listed below are representative, but not exhaustive. If you are uncertain as to whether or not your use of Coinbase Services involves a Prohibited Business, or have questions about how these requirements apply to you, please contact us at <https://support.coinbase.com>.

By opening a Coinbase Account, you confirm that you will not use Coinbase Services in connection with any of following businesses, activities, practices, or items:

- **Investment and Credit Services:** Securities brokers; mortgage consulting or debt reduction services; credit counseling or repair; real estate opportunities; investment schemes
- **Restricted Financial Services:** Check cashing, bail bonds; collections agencies.
- **Intellectual Property or Proprietary Rights Infringement:** Sales, distribution, or access to counterfeit music, movies, software, or other licensed materials without the appropriate authorization from the rights holder
- **Counterfeit or Unauthorized Goods:** Unauthorized sale or resale of brand name or designer products or services; sale of goods or services that are illegally imported or exported or which are stolen
- **Regulated Products and Services:** Marijuana dispensaries and related businesses; sale of tobacco, e-cigarettes, and e-liquid; online prescription or pharmaceutical services; age restricted goods or services; weapons and munitions; gunpowder and other explosives; fireworks and related goods; toxic, flammable, and radioactive materials; products and services with varying legal status on a state-by-state basis
- **Drugs and Drug Paraphernalia:** Sale of narcotics, controlled substances, and any equipment designed for making or using drugs, such as bongs, vaporizers, and hookahs
- **Pseudo-Pharmaceuticals:** Pharmaceuticals and other products that make health claims that have not been approved or verified by the applicable local and/or national regulatory body
- **Substances designed to mimic illegal drugs:** Sale of a legal substance that provides the same effect as an illegal drug (e.g., salvia, kratom)

same effect as an illegal drug (e.g., saliva, nitrite)

- **Adult Content and Services:** Pornography and other obscene materials (including literature, imagery and other media); sites offering any sexually-related services such as prostitution, escorts, pay-per view, adult live chat features
- **Multi-level Marketing:** Pyramid schemes, network marketing, and referral marketing programs
- **Unfair, predatory or deceptive practices:** Investment opportunities or other services that promise high rewards; Sale or resale of a service without added benefit to the buyer; resale of government offerings without authorization or added value; sites that we determine in our sole discretion to be unfair, deceptive, or predatory towards consumers
- **High risk businesses:** any businesses that we believe poses elevated financial risk, legal liability, or violates card network or bank policies

### Conditional Use

Express written consent and approval from Coinbase must be obtained prior to using Coinbase Services for the following categories of business and/or use ("Conditional Uses"). Consent may be requested by contacting us at <https://support.coinbase.com>. Coinbase may also require you to agree to additional conditions, make supplemental representations and warranties, complete enhanced on-boarding procedures, and operate subject to restrictions if you use Coinbase Services in connection with any of following businesses, activities, or practices:

- **Money Services:** Money transmitters, Digital Currency transmitters; currency or Digital Currency exchanges or dealers; gift cards; prepaid cards; sale of in-game currency unless the merchant is the operator of the virtual world; act as a payment intermediary or aggregator or otherwise resell any of the Coinbase Services
- **Charities:** Acceptance of donations for nonprofit enterprise
- **Games of Skill:** Games which are not defined as gambling under this Agreement or by law, but which require an entry fee and award a prize
- **Religious/Spiritual Organizations:** Operation of a for-profit religious or spiritual organization

## APPENDIX 2: Verification Procedures and Limits

As a regulated financial service company operating in the US we are required to identify users on our platform. This ensures we remain in compliance with KYC/AML laws in the jurisdictions in which we operate, something that is necessary for us to be able to continue to offer digital currency exchange services to our customers. Coinbase collects and verifies information about you in order to: (a) protect Coinbase and the community from fraudulent users, and (b) to keep appropriate records of Coinbase's customers. Your daily or weekly Conversion limits, Coinbase Pro deposit, withdrawal and trading limits, Instant Buy limits, USD Wallet transfer limits, and limits on transactions from a linked payment method are based on the identifying information and/or proof of identity you provide to Coinbase.

All U.S. customers who wish to use Coinbase Services are required to establish a Coinbase Account by:

- Providing your name and valid email address, a password and your state of residence,
- Certifying that you are 18 years or older,
- Accepting User Agreement and Privacy Policy, and
- Verifying your identity by submitting the following information:
  - Name
  - DOB
  - Physical address
  - SSN (or ID # from gov't issued ID)
  - Source of funds
  - Income/employment information (US only)
  - Explanation of activity (US only)

All U.S. customers who wish to send and received Digital Currency on to the blockchain are

required to:

- Submit a copy of an acceptable form of identification (i.e. passport, state driver's license, or state identification card), and
- Submit a picture of yourself or a selfie from your webcam or mobile phone.

Notwithstanding these minimum verification procedures for the referenced Coinbase Services, Coinbase may require you to provide or verify additional information, or to wait some amount of time after completion of a transaction, before permitting you to use any Coinbase Services and/or before permitting you to engage in transactions beyond certain volume limits. You may determine the volume limits associated with your level of identity verification by visiting your account's [Limits](#) page.

You may contact us at <https://support.coinbase.com> to request larger limits. Coinbase will require you to submit to Enhanced Due Diligence. Additional fees and costs may apply, and Coinbase does not guarantee that we will raise your limits.

## APPENDIX 3: E-Sign Disclosure and Consent

This policy describes how Coinbase delivers communications to you electronically. We may amend this policy at any time by providing a revised version on our website. The revised version will be effective at the time we post it. We will provide you with prior notice of any material changes via our website.

### **Electronic Delivery of Communications**

You agree and consent to receive electronically all communications, agreements, documents, notices and disclosures (collectively, "Communications") that we provide in connection with your Coinbase Account(s) and your use of Coinbase Services. Communications include:

- Terms of use and policies you agree to (e.g., the Coinbase User Agreement and Privacy Policy), including updates to these agreements or policies;
- Account details, history, transaction receipts, confirmations, and any other Account or transaction information;
- Legal, regulatory, and tax disclosures or statements we may be required to make available to you; and



- Responses to claims or customer support inquiries filed in connection with your Account.

We will provide these Communications to you by posting them on the Coinbase website, emailing them to you at the primary email address listed in your Coinbase profile, communicating to you via instant chat, and/or through other electronic communication such as text message or mobile push notification.

### **Hardware and Software Requirements**

In order to access and retain electronic Communications, you will need the following computer hardware and software:

- A device with an Internet connection;
- A current web browser that includes 128-bit encryption (e.g. Internet Explorer version 9.0 and above, Firefox version 3.6 and above, Chrome version 31.0 and above, or Safari 7.0 and above) with cookies enabled;
- A valid email address (your primary email address on file with Coinbase); and
- Sufficient storage space to save past Communications or an installed printer to print them.

### **How to Withdraw Your Consent**

You may withdraw your consent to receive Communications electronically by contacting us at <https://support.coinbase.com> . If you fail to provide or if you withdraw your consent to receive Communications electronically, Coinbase reserves the right to immediately close your Account or charge you additional fees for paper copies.

### **Updating your Information**

It is your responsibility to provide us with a true, accurate and complete e-mail address and your contact information, and to keep such information up to date. You understand and agree that if Coinbase sends you an electronic Communication but you do not receive it because your primary email address on file is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive electronic Communications, Coinbase will be deemed to have provided the Communication to you.



You may update your information by logging into your account and visiting settings or by contacting our support team at <https://support.coinbase.com>.

## APPENDIX 4: State License Disclosures

Coinbase maintains licenses to engage in money transmission activities in many states, and these licenses may impact our provision and your use of certain Coinbase Services depending on where you live. Coinbase's licenses and corresponding required disclosures can be found on the [Coinbase Licenses](#) page, which is incorporated by reference.

If you live in the following jurisdictions, we are required to provide you with the following information:

**Alaska** Please note that this license does not cover the transmission of virtual currency.

For Alaska Residents Only: If your issue is unresolved by Coinbase, Inc. & 1-888-908-7930, please submit formal complaints with the State of Alaska, Division of Banking & Securities. Formal complaints must be in writing, please download the form here: <https://www.commerce.alaska.gov/web/portals/3/pub/DBSGeneralComplaintFormupdated.pdf>

Formal complaint forms may be submitted via: 1. Fax: 907-465-1230 2. Email: [msb\\_licensing@alaska.gov](mailto:msb_licensing@alaska.gov) 3. Mail: Division of Banking & Securities PO Box 110807 Juneau, AK 99811-0807

If you have questions regarding formal complaints, please call 907-465-2521

**Colorado** Colorado State Banking Commissioner

CUSTOMER NOTICE Entities other than FDIC insured financial institutions that conduct money transmission activities in Colorado, including the sale of money orders, transfer of funds, and other instruments for the payment of money or credit, are required to be licensed by the Colorado Division of Banking pursuant to the Money Transmitters Act, Title 11, Article 110, Colorado Revised Statutes.

If you have a Question about or Problem with YOUR TRANSACTION - THE MONEY YOU SENT You must contact the Money Transmitter who processed your transaction for assistance. The Division of Banking does not have access to this information.

If you are a Colorado Resident and have a Complaint about THE MONEY TRANSMITTER – THE COMPANY THAT SENT YOUR MONEY ALL complaints must be submitted in writing. Please fill out the Complaint Form provided on the Colorado Division of Banking's website and return it and any documentation supporting the complaint via mail or email to the Division of Banking at:

Colorado Division of Banking 1560 Broadway, Suite 975 Denver, CO 80202  
email: [DORA\\_BankingWebsite@state.co.us](mailto:DORA_BankingWebsite@state.co.us) website: [www.dora.colorado.gov/dob](http://www.dora.colorado.gov/dob)

Section 11-110-120, C.R.S. requires that money transmitters and money order companies post this notice in a conspicuous, well-lighted location visible to customers.

### Colorado Customer Notice (MO7)

**Florida** If you have a question or complaint, please contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or 1-888-908-7930.

Florida residents may contact the Florida Office of Financial Regulation with any unresolved questions or complaints about Coinbase, Inc. at 200 E. Gaines Street, Tallahassee, FL 32399-0376, telephone number: (850) 487-9687 (toll free).

**Illinois** Illinois residents may contact the Illinois Department of Financial Institutions, Consumer Credit Section with any unresolved questions or complaints about Coinbase, Inc. at (888) 473-4858 (toll-free).

**Louisiana** Please note the license issued to Coinbase by the Louisiana Office of Financial Institutions does not cover the exchange or transmission of virtual currency.'

**Maryland** The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints from Maryland residents regarding Coinbase, Inc. (License No. 12-1163082 and NMLS ID: 1163082) by contacting the Commissioner's office at: 500 North Calvert Street, Suite 402, Baltimore, Maryland 21202, or (888) 784-0136.

**Nevada** Coinbase, Inc. is licensed by the Nevada Department of Business and Industry as a money transmitter. At this time, the Nevada Department of Business and Industry does not license or regulate services related to virtual currency, including but not limited to virtual currency transmission or exchange which may be conducted by Coinbase.

**New York** Please note the following disclosures associated with virtual currency:

- Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor

balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.

- Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency.
- Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.
- Some virtual currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.
- The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear.
- There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future.
- The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time.
- The nature of virtual currency may lead to an increased risk of fraud or cyber attack.
- The nature of virtual currency means that any technological difficulties experienced by Coinbase may prevent the access or use of a customer's virtual currency.
- Any bond or trust account maintained by Coinbase for the benefit of its customers may not be sufficient to cover all losses incurred by customers.

Coinbase, Inc., located at 100 Pine St Suite 1250, San Francisco, CA 94111, is regulated and licensed as a money transmitter by the New York State Department of Financial Services. If you have a question or complaint, please contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or 1-888-908-7930.

For unresolved complaints, you may mail a complaint to New York State Department of Financial Services, Consumer Services Division, One State Street, New York, NY 10004-1417, (212) 709-5470.

**Tennessee** Please note that this license and the required surety bond do not cover the

transmission of virtual currency. Coinbase is licensed by the Tennessee Department of Financial Institutions as a money transmitter. The Tennessee Department of Financial Institutions does not regulate virtual currency.

**Texas** If you have a complaint, first contact the consumer assistance division of Coinbase at <https://support.coinbase.com> or (888) 908-7930. If you still have an unresolved complaint regarding the company's money transmission or currency exchange activity, please direct your complaint to: Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, 1-877-276-5554 (toll free), [www.dob.texas.gov](http://www.dob.texas.gov).

**Virginia** Coinbase, Inc. is licensed by the Virginia State Corporation Commission as a money transmitter, but such license does not cover the transmission of virtual currency (Bitcoin).

**Washington** If you have a complaint, first contact the consumer assistance division of <https://support.coinbase.com> or 1-888-908-7930, and if you still have an unresolved complaint regarding the company's money transmission activity, please contact the Washington State Department of Financial Institutions, Division of Consumer Services using one of the following methods:

File a complaint online, mail or fax: <https://dfi.wa.gov/consumers/loan-complaints> Call us: 1-877-RING DFI (1-877-746-4334) Email us: [CSEnforceComplaints@dfi.wa.gov](mailto:CSEnforceComplaints@dfi.wa.gov)

## Part 2. COINBASE PRO

### 1. Coinbase Pro Accounts

**1.1 Access to Coinbase Pro.** Eligible users may establish an account at Coinbase Pro (at [pro.coinbase.com](https://pro.coinbase.com)), an order book exchange platform for Digital Currencies. Coinbase does not offer Coinbase Pro to customers in all jurisdictions. This Part 2 of the User Agreement applies to you if you access Coinbase Pro.

**1.2 Order Books.** Coinbase Pro offers an order book for various Digital Currency and Fiat Currency trading pairs (each an 'Order Book'). Refer to your Coinbase Pro account to determine which Order Books are available to you.

**1.3 Your Coinbase Pro Account.** Your Coinbase Pro Account consists of the following.

- A dedicated Hosted Digital Currency Wallet for each Digital Currency offered on Coinbase Pro.
- A dedicated Fiat Currency Wallet.
- Associated user tools, accessible at [pro.coinbase.com](https://pro.coinbase.com) and through Coinbase Pro API.

**1.4 Deposits.** You may fund your Coinbase Pro Account by depositing Digital Currency and/or Fiat Currency from your basic Coinbase Account, Bank Account or an external Digital Currency address into your Coinbase Pro Account. Funds in your Coinbase Pro Account can be used only to trade on Coinbase Pro.

**1.5 Withdrawals.** You may withdraw Digital Currency from your Coinbase Pro Account by transfer to your basic Coinbase Account or to an external Digital Currency address. You may withdraw Fiat Currency from your Coinbase Pro Account to your basic Coinbase Account or directly to your Bank Account.

**ALL DEPOSITS AND WITHDRAWALS MAY BE SUBJECT TO LIMITS. ALL LIMITS WILL BE DISPLAYED IN YOUR Coinbase Pro ACCOUNT.**

**1.6 Withdrawal Fees.** Coinbase may also charge a fee on certain Fiat Currency deposit or withdrawal methods (e.g. bank wire). All such fees will be clearly displayed in your Coinbase Pro Account.

## 2. Trading Rules and Trading Fees

**2.1 Trading Rules.** By accessing Coinbase Pro through [pro.coinbase.com](https://pro.coinbase.com) or Coinbase Pro API, you accept and agree to be bound by the [Trading Rules](#)

**2.2. Trading Fees.** By placing an order on Coinbase Pro, you agree to pay all applicable fees and you authorize Coinbase to automatically deduct fees directly from your Coinbase Pro Account. Trading Fees are set forth in the Trading Rules and at [pro.coinbase.com/fees](https://pro.coinbase.com/fees)

## 3. General Use, Restrictions, and Cancellation

**3.1. Trading Account Use.** By using a Coinbase Pro Account you agree and represent that you will use Coinbase Pro only for yourself as Account owner, and not on behalf of any third party, unless you have obtained prior approval from Coinbase. You may not sell, lease, furnish or

otherwise permit or provide access to your Trading Account to any other entity or to any individual that is not your employee or agent. You accept full responsibility for your employees' or agents' use of Coinbase Pro, whether such use is directly through Coinbase Pro website or by other means, such as those facilitated through API keys, and/or applications which you may authorize. You understand and agree that you are responsible for any and all orders, trades, and other instructions entered into Coinbase Pro including identifiers, permissions, passwords, and security codes associated with your Coinbase Pro Account.

**3.2. Suspension and Cancellation.** We may suspend your Coinbase Pro Account or your access to any one for more Order Books in accordance with the User Agreement Account suspension and termination provisions. Suspension or termination of your Coinbase Pro Account shall not affect the payment of fees or other amounts you owe to Coinbase. In the event that your Basic Coinbase Account is suspended or terminated, we will immediately cancel all open orders associated with your Coinbase Pro Account, block all withdrawals and bar the placing of further orders until resolution or Account cancellation.

**3.3. No Warranty.** We do not represent that Coinbase Pro and/or its constituent Coinbase Pro Accounts, APIs, and related services, will be available without interruption. Although we will strive to provide you with continuous operations, we do not guarantee continuous access or that there will be no delays, failures, errors, omissions or loss of transmitted information, nor do we guarantee that any order will be executed, accepted, recorded, or remain open. Coinbase reserves the right to cancel any open trades and/or suspend Coinbase Pro activity in accordance with the Trading Rules.

**3.4. No Investment Advice or Brokerage.** For the avoidance of doubt, Coinbase does not provide investment, tax, or legal advice, nor does Coinbase broker trades on your behalf. All Coinbase Pro trades are executed automatically, based on the parameters of your order

instructions and in accordance with posted Trade execution procedures, and you are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for you based on your personal investment objectives, financial circumstances and risk tolerance. You should consult your legal or tax professional regarding your specific situation.

**3.5. Debts.** In the event that there are outstanding amounts owed to us hereunder, including in your Coinbase Account, Coinbase reserves the right to debit your Coinbase Pro Account accordingly and/or to withhold amounts from funds you may transfer from your Coinbase Pro Account to your Coinbase Account.





## PART 1. GENERAL USE

Account Setup

Wallet and Custodial Services

Payment Services, Purchase & Sale Transactions, Credit Transactions

Digital Currency Transfers

Additional Services

Staking

Data Protection and Security

General Use, Prohibited Use, Death of Account Holder and Termination

Customer Feedback, Queries, Complaints, and Dispute Resolution

General Provisions

Appendix 1: Prohibited Use, Prohibited Businesses and Conditional Use

Appendix 2: Verification Procedures and Limits

Appendix 3: E-Sign Disclosure and Consent

Appendix 4: State License Disclosures

## PART 2. COINBASE PRO

Coinbase Pro Accounts

Trading Rules and Trading Fees

General Use, Restrictions, and Cancellation

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# **EXHIBIT B**



Katherine Odenbreit  
562.590.5550 phone  
562.590.8400 facsimile  
kodenbreit@mahoney-law.net

June 4, 2021

**SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

COINBASE, INC.  
430 California Street  
San Francisco, CA 94104  
Certified Mail No.: 7019 2280 0002 0214 1803

COINBASE, INC.  
c/o CT CORPORATION SYSTEM  
818 West Seventh Street, Suite 930  
Los Angeles, CA 90017  
Certified Mail No.: 7019 2280 0002 0214 1797

**Re: Notice of Violation of the California Consumer Legal Remedies Act,  
California Civil Code Section 1750 *et seq.***

To Whom it May Concern:

**PLEASE TAKE NOTICE** that on behalf of MICHAEL LEONE, JOSEPH TRESEDER, TRAVIS REECE, DAVID BEAVERS, FAZAL US SABOOR ALI, KEISHA PINKNEY (“Plaintiffs”), and all other similarly situated (“Putative Class”), this letter is to notify COINBASE, INC. (“Coinbase”) that it has violated the California Consumer Legal Remedies Act (“CLRA”) by employing or committing methods, acts, or practices declared unlawful under California Civil Code (“Civil Code”) section 1770 as it relates to its representations of the services it provides to consumers in its Coinbase platform as provided in detail below.

**PLEASE TAKE FURTHER NOTICE** that Plaintiffs will file a Complaint for injunctive relief under the CLRA, as well as other applicable California and federal laws. If Coinbase fails to respond to this Notice within thirty (30) days of Coinbase’s receipt of this Notice as provided herein, Plaintiffs intend to amend their existing complaint to seek damages under the CLRA.

**STATEMENT OF VIOLATIONS**

Plaintiffs allege that Coinbase violated Civil Code sections section 1770(a)(5) for making representations that its services have characteristics, uses, or benefits which they do not, section 1770(a)(7) for making representations that its services are of a particular quality, which they are not, and section 1770(a)(9) for advertising services with intent not to sell them as advertised.

Coinbase, Inc. Notice of CLRA Violations

June 4, 2021

Page 2 of 4

Specifically, Coinbase has made the following representations and advertising regarding its services:

1. Coinbase advertises that “[a]pproximately 56 million verified users, 8,000 institutions, and 134,000 ecosystem partners in over 100 countries *trust* Coinbase to *easily and securely* invest, spend, save, earn, and use crypto.” “About Coinbase, Coinbase powers the cryptoeconomy,” *available at* <https://www.coinbase.com/about> (emphasis added).

2. Coinbase holds itself out as a regulated and fully compliant entity, registered with the United States Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) as a Money Services Business, as that term is defined by FinCEN. “Legal, Is Coinbase regulated?,” *available at* <https://www.coinbase.com/legal/faq>.

3. Coinbase further proclaims that it is “building the cryptoeconomy – a more fair, *accessible*, efficient, and transparent financial system enabled by crypto.” “About Coinbase,” *available at* <https://www.coinbase.com/about> (emphasis added). Coinbase further touts,

The company started in 2012 with the radical idea that anyone, anywhere, should be able to easily and securely send and receive Bitcoin. Today, Coinbase offers a trusted and easy-to-use platform for accessing the broader cryptoeconomy.  
*Ibid.*

4. In advertising its platform to potential consumers, Coinbase claims that consumers should choose Coinbase because of its secure storage, and that it takes “careful measures to ensure that [Coinbase users’] bitcoin is as safe as possible.” “Security for Your Peace of Mind,” *available at* <https://www.coinbase.com/security>.

5. As part of the “User Agreement” entered into by Coinbase, Plaintiffs and the Putative Class, Coinbase owed Plaintiffs and the Putative Class a duty to provide access to the Coinbase platform to conduct authorized transactions, including but not limited to, accessing, investing, spending, saving, earning, using, selling, and/or withdrawing their funds.

Coinbase’s representations are false, and had no intent to sell them as advertised, for the following reasons:

1. Plaintiffs and the Putative Class have been locked out of their own accounts and/or denied access to their funds by Coinbase for reasons not disclosed to Plaintiff and the Putative Class, and/or claiming that their accounts were not secure and must thereby undergo another identity verification process despite completing that same process during initial account registration. “Legal: Coinbase User Agreement, Part 1: General Use, 1. Account Setup, 1.4 Identity Verification,” *available at* [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states).

2. Plaintiffs and the Putative Class remained locked out of their accounts and/or denied access to their accounts despite numerous attempts at contacting Coinbase’s customer support, even after full compliance with Coinbase’s identity verification requirements.

Coinbase, Inc. Notice of CLRA Violations

June 4, 2021

Page 3 of 4

3. Cryptocurrency is considered volatile, as is known by Coinbase and expressly stated in Coinbase's website: "As a newer asset class, crypto is widely considered to be volatile — with the potential for significant upward and downward movements over *shorter time periods*." "Crypto Basics: What is volatility?," available at <https://www.coinbase.com/learn/crypto-basics/what-is-volatility> (emphasis added). Despite this knowledge, Plaintiffs and the Putative Class that Coinbase locked out of their accounts and/or denied access to their funds were often unable to access their accounts for a month or more. As a result, Plaintiffs and the Putative Class who were locked out and were eventually permitted access to their accounts find that the value of their cryptocurrency had dropped significantly in the interim and/or they had no ability to sell or in any way use the cryptocurrency held in their Coinbase accounts.

4. As further result of Coinbase locking Plaintiffs and the Putative Class out of their accounts and/or denying access to their funds, Plaintiffs and the Putative Class were victims of Coinbase's actions were deprived use of their funds for long periods of time, and could not engage in any authorized transactions including but not limited to, investing, spending, saving, earning, using, selling or withdrawing their cryptocurrencies or cash.

5. Despite claiming to implement safety measures to ensure that cryptocurrency is kept as safe as possible, in some cases, Plaintiffs and the Putative Class who eventually regained access to their accounts and/or funds found that cryptocurrency had disappeared from their accounts. In some circumstances, Plaintiffs and the Putative Class' accounts are erased in their entirety without explanation from Coinbase.

Coinbase's actions have resulted in irreparable harm to Plaintiffs and the Putative Class.

#### STATEMENT OF REMEDIES

**IT IS HEREBY DEMANDED** that within thirty (30) days of Coinbase's receipt of this Notice, you remedy the violations as follows:

A. Identify or make reasonable attempts to identify all consumers who have been locked out of their accounts and/or deprived of access to their funds kept in Coinbase within the past three (3) years;

B. Notify all consumers described above that upon request, Coinbase will reinstate access to their accounts and/or funds within three (3) business days upon the completion of an Identity Verification process as provided under the User Agreement and which will be completed within one (1) business day;

C. Notify all consumers described above that upon request and reasonable proof, Coinbase will pay for all foreseeable losses incurred as a result of having been locked out of their accounts, and any and all diminution in value of their funds and/or cryptocurrencies held in the Coinbase accounts during the lock-out period;



Coinbase, Inc. Notice of CLRA Violations

June 4, 2021

Page 4 of 4

D. Undertake the actions described above for all affected consumers within a reasonable period of time, to commence no less than thirty (30) days upon receipt of this Notice or within a reasonable time if it cannot be done immediately;

E. Provide an accounting of all amounts that Coinbase unjustly received, retained, and/or collected as a result of its actions as alleged herein, and disgorge of any such profits, to be returned to the consumers as described herein, including interest and earnings accrued from consumers' deposited funds and assets.

F. Pay all attorneys' fees and costs.

Please direct all communications and responses regarding this Notice to Plaintiffs' counsel as follows:

Kevin Mahoney, Esq.  
Katherine J. Odenbreit, Esq.  
Kate Nicole G. Blanco, Esq.  
MAHONEY LAW GROUP, APC  
249 E. Ocean Boulevard, Suite 814  
Long Beach, CA 90802  
Telephone: (562) 590-5550  
Email: [kmahoney@mahoney-law.net](mailto:kmahoney@mahoney-law.net)  
[kodenbreit@mahoney-law.net](mailto:kodenbreit@mahoney-law.net)  
[kblanco@mahoney-law.net](mailto:kblanco@mahoney-law.net)

If we do not hear from you within thirty (30) days of the date of Coinbase's receipt of this Notice, we will promptly amend Plaintiffs' existing Complaint to seek damages under the CLRA, in addition to other related causes of action. We await your response.

Yours very truly,  
**MAHONEY LAW GROUP, APC**



Katherine J. Odenbreit, Esq.

# **EXHIBIT C**

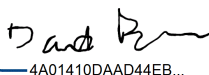
**AFFIDAVIT OF DAVID BEAVERS**

I, DAVID BEAVERS, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.
2. If called as a witness I could and would competently testify to the matters included herein.
3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this <sup>3</sup>\_\_\_\_ day of June, 2021 in Detroit, Michigan.

DocuSigned by:



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DAVID BEAVERS

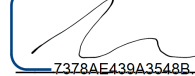
**AFFIDAVIT OF MICHAEL LEONE**

I, MICHAEL LEONE, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.
2. If called as a witness I could and would competently testify to the matters included herein.
3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this <sup>3rd</sup> day of June, 2021 in Carlsbad, California.

DocuSigned by:

  
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MICHAEL LEONE

**AFFIDAVIT OF KEISHA PINKNEY**

I, KEISHA PINKNEY, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.
2. If called as a witness I could and would competently testify to the matters included herein.
3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this <sup>3</sup>\_\_\_\_ day of June, 2021 in Fairless Hills, Pennsylvania.

DocuSigned by:

*Keisha Pinkney*

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KEISHA PINKNEY

**AFFIDAVIT OF TRAVIS REECE**

I, TRAVIS REECE, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.
2. If called as a witness I could and would competently testify to the matters included herein.
3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this <sup>3rd</sup> day of June, 2021 in Warner, Oklahoma.

DocuSigned by:  
  
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TRAVIS REECE



**AFFIDAVIT OF JOSEPH TRESEDER**

I, JOSEPH TRESEDER, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.
2. If called as a witness I could and would competently testify to the matters included herein.
3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this <sup>3rd</sup> day of June, 2021 in Broken Arrow, Oklahoma.

DocuSigned by:



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JOSEPH TRESEDER

**AFFIDAVIT OF FAZAL US SABOOR ALI**

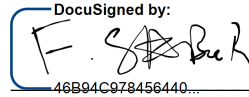
I, FAZAL US SABOOR ALI, submit this Affidavit pursuant to §1780(d) of the California Civil Code, Consumer Legal Remedies Act, and declare the following:

1. I am a named plaintiff in this litigation.

2. If called as a witness I could and would competently testify to the matters included herein.

3. I am informed and believe that the Defendant in this action, Coinbase, Inc., conducts substantial business activity, and has its principal place of business, in the state of California and the County of San Francisco, which is located in the Northern District of California, and therefore this District is a proper place for trial of this action.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct. Executed this 4<sup>th</sup> day of June, 2021 in Richmond Hill, New York.

DocuSigned by:  
  
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FAZAL US SABOOR ALI

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Claims Coinbase Locked Users Out of Accounts, Blocked Access to Funds](#)

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