

No. 23-3

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IN THE  
**Supreme Court of the United States**

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COINBASE, INC.,  
*Petitioner,*

v.

DAVID SUSKI, *et al.*,  
*Respondents.*

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**On Writ of Certiorari to the  
United States Court of Appeals for the Ninth  
Circuit**

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**JOINT APPENDIX – VOLUME I OF II**

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## TABLE OF CONTENTS

Page

### **VOLUME I:**

Relevant Pleadings in <i>Suski et al. v. Marden-Kane, Inc., et al.</i> , No. 3:21-cv-04539-SK (N.D. Cal.):	
Initial Class Action Complaint (Dkt. 1) (June 11, 2021).....	1
First Amended Class Action Complaint (Dkt. 22) (Aug. 31, 2021) .....	28
Dogecoin Sweepstakes Official Rules (Dkt. 22-1) (Aug. 31, 2021) .....	98
Declaration of Carter McPherson-Evans in Support of Motion To Compel Arbitration (Dkt. 33-1) (Oct. 19, 2021) .....	111
Exhibit 6 to McPherson-Evans Declaration – Suski User Agreement (Dkt. 33-7) (Oct. 19, 2021) .....	119
Exhibit 7 to McPherson-Evans Declaration – Martin User Agreement (Dkt. 33-8) (Oct. 19, 2021) .....	178
Exhibit 8 to McPherson-Evans Declaration – Calsbeek User Agreement (Dkt. 33-9) (Oct. 19, 2021) .....	231
Exhibit 9 to McPherson-Evans Declaration – Maher User Agreement (Dkt. 33-10) (Oct. 19, 2021) .....	297

### **VOLUME II:**

Second Amended Class Action Complaint (Dkt. 36) (Oct. 20, 2021) .....	352
--	-----

**TABLE OF CONTENTS—Continued**

	<u>Page</u>
Plaintiffs’ Opposition to Motion to Compel Arbitration (Dkt. 40) (Nov. 16, 2021) .....	422
Plaintiffs’ Request for Judicial Notice (Dkt. 41) (Nov. 16, 2021) .....	471
Exhibit C to Plaintiffs’ Request for Judicial Notice – Coinbase November 2021 Trading Sweepstakes Official Rules (Dkt. 41-3) (Nov. 16, 2021) .....	475
Transcript of Hearing on Coinbase’s Motion to Compel Arbitration (Dkt. 62) (Feb. 16, 2022) .....	492
Transcript of Hearing on Coinbase’s Motion for a Stay Pending Appeal (Dkt. 78) (Apr. 22, 2022) .....	526
District Court Opinion (N.D. Cal. Jan. 11, 2022) .....	557
Ninth Circuit Opinion (Dec. 19, 2022) .....	579
Ninth Circuit Order Denying Rehearing (Feb. 23, 2023) .....	590

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

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DAVID SUSKI, Individually and On Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

COINBASE GLOBAL, INC. and MARDEN-KANE,  
INC.,

Defendants.

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Case No.:

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CLASS ACTION COMPLAINT FOR:

- (1) VIOLATIONS OF CALIFORNIA FALSE ADVERTISING LAW, Cal. Bus. & Prof. Code §§ 17500, *et seq.*;
- (2) VIOLATIONS OF CALIFORNIA UNFAIR COMPETITION LAW, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

**JURY TRIAL DEMANDED**

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Filed 06/11/21

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Pursuant to Fed. R. Civ. P. 23, Plaintiff David Suski brings this class action individually and on behalf of all other persons who opted into Coinbase’s \$1.2 million Dogecoin (DOGE) Sweepstakes, and who purchased or sold Dogecoins on a Coinbase exchange for \$100 or more between June 3, 2021 and June 10, 2021, inclusive of both of those dates. Plaintiff makes the following allegations based on the investigation of his counsel, and based on personal knowledge as to himself and his own acts and dealings with the Defendants. Plaintiff and his counsel believe that substantial, additional evidentiary support will exist for the allegations herein after a reasonable opportunity for discovery.

### **INTRODUCTION**

1. Founded in 2012, Defendant Coinbase Global, Inc. (hereinafter “Coinbase,” or the “Company”) is a newly public company and one of the largest online cryptocurrency exchanges in the world. Coinbase has approximately 60 million active users worldwide, consisting primarily of retail consumers, who buy and sell cryptocurrencies online through the Company’s website, [www.coinbase.com](http://www.coinbase.com).

2. While Coinbase is informally known as a cryptocurrency “exchange,” it is not actually an exchange in the mold of stock exchanges or other, traditional securities and commodities exchanges. Rather than facilitating cryptocurrency purchases and sales between users, Coinbase itself buys and sells its “cryptos” to and from its users as a counterparty. Thus, Coinbase is more like a cryptocurrency “dealership” than a true “exchange.” Coinbase collects commissions from its users for each crypto purchase or sale they execute on Coinbase, with the commission being calculated as a

percentage of the dollar price (or Euro price, or Yen price, etc.) of the crypto volume purchased or sold. The Company's financial and operational health depends upon its ability to sell and resell its "cryptos" to consumers in exchange for traditional currencies like U.S. dollars.

3. Among the many different cryptocurrencies that Coinbase buys and sells is a purported cryptocurrency called "Dogecoin," or "DOGE." Dogecoin was purportedly created in December 2013 by two software engineers named Billy Markus and Jackson Palmer, who decided to create a new digital payment system as a joke: making light of speculative trading that was occurring in other, seemingly worthless cryptocurrencies at the time (like Bitcoin). If entirely arbitrary computer codes like Bitcoins could be invented and sold for up to \$1,000 each in 2013, then why not a Dogecoin?



4. The software engineers' intended joke has since become quite a hit, especially among millennials and younger generations. As the retail prices of many cryptocurrencies have skyrocketed since 2013, so too has the retail price of the "coin" known as "DOGE."

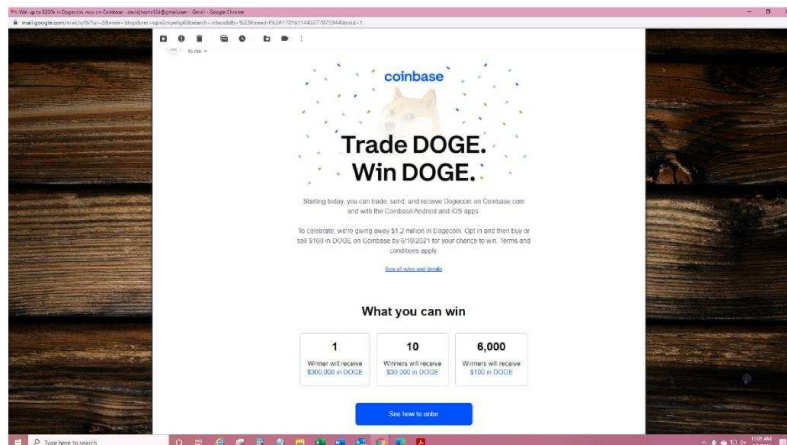
The price of one Dogecoin was less than one U.S. penny as of January 2021, before spiking as high as \$0.70 per Dogecoin in May 2021.

5. Coinbase took notice of DOGE’s meteoric ascent in popularity this year, and quickly decided to add the intended satire known as Dogecoin to the list of cryptos it would sell to customers. On June 1, 2021, Coinbase started allowing its customers to transfer any DOGE they might own into their Coinbase accounts. The Company announced that it would begin buying and selling DOGE to its users beginning on or after June 3, 2021, “if liquidity conditions [were] met.” See <https://blog.coinbase.com/dogecoin-doge-is-launching-on-coinbase-pro-1d73bf66dd9d> (last visited Jun. 9, 2021). Given, however, the huge amount of commissions that Coinbase would earn from any surge in DOGE trading, Coinbase had no intention of leaving DOGE’s “liquidity conditions” up to chance or up to *natural* consumer sentiment. Instead, Coinbase chose to affirmatively incentivize large, early trading volumes in DOGE among its users. And to do so, the Company hired Defendant Marden-Kane Inc. (“MKI”) to design, market, and execute a \$1.2 million “Dogecoin Sweepstakes,” beginning on June 3, 2021.

6. On June 3, 2021 (the first day that DOGE trading became possible), Coinbase directly emailed to millions of its users, and also displayed to them on its website and mobile app, advertisements of a \$1.2 million Dogecoin “Sweepstakes.” Coinbase’s direct-to-user emails (designed in substantial part if not entirely by MKI) displayed large, colorful graphics and large print stating: “Trade DOGE. Win DOGE. Starting today, you can trade, send, and receive Dogecoin on Coinbase.com and with the Coinbase Android and

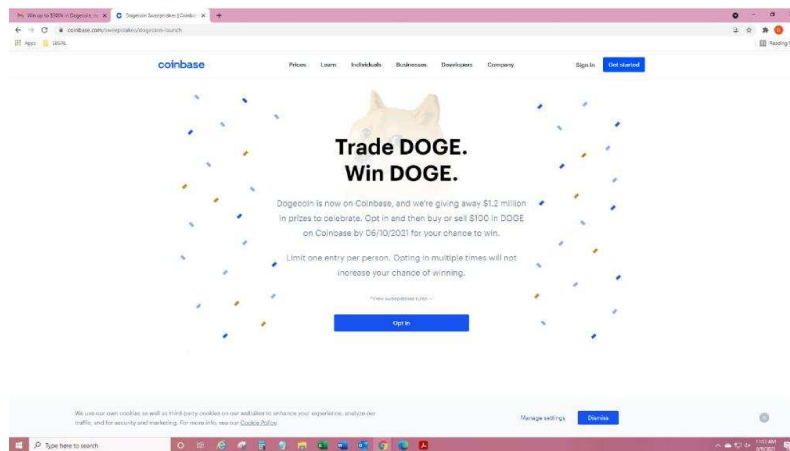


iOS apps. To celebrate, we're giving away \$1.2 million in Dogecoin. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Terms and conditions apply.” The email further highlighted in large, bold text, “What you can win”: including the facts that “1 Winner will receive \$300,000 in DOGE,” that “10 Winners will receive \$30,000 in DOGE,” and that “\$6,000 Winners will receive \$100 in DOGE.” Sandwiched between those large, prominent statements was a smaller-font link stating, “See all rules and details.” Immediately below the bold statements about prizes was a large, bright blue button saying, “See how to enter.” That first screen-page of the email advertisement looked like the following image.



7. After Plaintiff and other consumers clicked the big, bright “See how to enter” button before clicking the much smaller “See all rules and details” link, they were taken to a Coinbase web advertisement containing similar, prominent instructions on how to enter the Company’s DOGE Sweepstakes. Once again, the ad stated in large, bold letters, with graphics: “Trade

DOGE. Win DOGE.” This web ad reiterated the main assertions in the email ad, stating that “Dogecoin is now on Coinbase, and we’re giving away \$1.2 million in prizes to celebrate. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Limit one entry per person. Opting in multiple times will not increase your chance of winning.” Once again, there was a much smaller, fainter link, beneath the prominent text, that said “View sweepstakes rules,” and then a much larger, bright-blue button prompting the customer to “Opt-in.”



8. Upon clicking “Opt-in,” Plaintiff and other consumers would see both the large text and the bright blue button change. The largest text changed to say: “You’re one step closer to winning. You’ve successfully opted in to our Dogecoin Sweepstakes. Remember, you’ll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.” At the same time, the large, blue button changed to say: “Make a trade.” All other aspects of the webpage remained unchanged. After opting in and clicking “Make a trade,” customers were taken to Coinbase’s trading

platform, where they could sell or buy Dogecoins to or from Coinbase, and would pay Coinbase “commissions” for the privilege of buying or selling.

9. If customers scrolled down a bit *before* “opting in” or “making a trade,” then they would see other large, bold statements with graphics. The digital ad’s second and third “screen pages” once again highlighted the Sweepstakes prizes, and the specific process for entering to win.

The image displays two screenshots of the Coinbase website during a Dogecoin sweepstakes promotion. The top screenshot shows the main promotional banner with the headline "YOU'RE ONE STEP closer to winning." and a sub-headline "What you can win". Below this, three prize tiers are listed: 1 winner receives \$300,000 in DOGE, 10 winners receive \$30,000 in DOGE, and 6,000 winners receive \$100 in DOGE. The bottom screenshot shows the "How to enter" section, which outlines four steps: 1. Sign in to Coinbase, 2. Opt in to the sweepstakes, 3. Make a trade, and 4. Watch your inbox. Each step includes a brief description of the action required. The website also features a navigation bar with links for Prices, Learn, Individuals, Business, Developers, and Company, along with a "Sign in" button and a "Get started" button.

10. Thus, according to Coinbase’s prominent, repeated instructions, the four-step process for entering its DOGE Sweepstakes was stated as follows.

(a) “**Sign in to Coinbase.** Not logged in? Sign in or create an account at [coinbase.com](https://coinbase.com). Then follow the prompts to opt in.”

(b) “**Opt in to the sweepstakes.** If you’re signed in, you can opt in above. You’ll get an email confirming that you’ve successfully opted in after about 24 hours.”

(c) “**Make a trade.** Buy or sell \$100 or more in DOGE on Coinbase between 6/3/21 and 6/10/21. You can trade \$100 all at once, or a little at a time.”

(d) “**Watch your inbox.** Once you opt in and trade, you’ll be officially entered to win. Winners will hear from us via email on or around 6/17.”

11. Coinbase’s email and website advertisements were materially false and misleading to Plaintiff and other Class members. The truth was that users could enter the Company’s DOGE Sweepstakes by buying or selling \$100 in DOGE, *or by mailing Coinbase a 3x5-inch index card with the customer’s name, address, email address, phone, and date of birth written on it.* While Coinbase ultimately disclosed this truth on its separate, official “rules and details” webpage, Coinbase and its Sweepstakes “Administrator,” MKI, specifically designed their email and website ads with the knowledge and intent that the ads’ text, structure and design would cause most members of the public to “opt in” and “make a trade” (*i.e.*, pay Coinbase \$100 or more, plus commissions) without seeing the “rules and details” (or at least *before* seeing those “rules and details”). Defendants’ intentionally false and misleading

digital ad campaigns caused Plaintiff and the Class to pay Coinbase many millions of dollars in purchases and commissions, which they would not otherwise have spent absent Defendants' deceptive digital ad campaign.

12. This nationwide class action seeks financial and equitable relief from Defendants' wrongful conduct, on behalf of Plaintiff and millions of other damaged Class members.

### **PARTIES**

13. Plaintiff David Suski is a citizen of New York, and has a personal account with Coinbase that allows him to sell and buy cryptocurrencies directly to and from Coinbase via [www.coinbase.com](http://www.coinbase.com), as well as the Company's mobile app.

14. Founded in 2012, Defendant Coinbase Global, Inc. ("Coinbase") is a Delaware corporation with its primary offices located in San Francisco, California. Coinbase is one of the largest online cryptocurrency dealers in the world. Coinbase has approximately 60 million active users worldwide, consisting primarily of consumers who buy and sell cryptocurrencies through the Company's website, [www.coinbase.com](http://www.coinbase.com). In 2021, Coinbase's common stock began trading publicly on the NASDAQ global stock exchange under ticker symbol "COIN."

15. Defendant Marden-Kane, Inc. ("MKI") is a New York corporation with its primary offices located in Manhasset, New York (*i.e.*, Long Island). MKI specializes in designing, creating, executing, and analyzing various advertising and promotional campaigns for corporate clients: and specifically, digital sweepstakes offers and operations. Defendant MKI contracted with

Defendant Coinbase to serve as the start-to-finish “Administrator” of Coinbase’s June 2021 Dogecoin Sweepstakes and Coinbase’s attendant advertising campaign.

### **JURISDICTION AND VENUE**

16. This Court has jurisdiction under 28 U.S.C. § 1332(d) because the aggregate amount in controversy exceeds \$5,000,000, and Plaintiff and most Class members are citizens of States different from the Defendants.

17. This Court has, at minimum, specific personal jurisdiction over both Defendants because Defendants’ official Sweepstakes rules provide that “the California courts (state and federal) shall have sole jurisdiction of any controversies regarding the [Sweepstakes,] and the laws of the State of California shall govern the promotion.”

18. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1), because a substantial part of the events and omissions giving rise to the claims occurred in this district, and a substantial part of the property at issue in this action is situated within this district.

### **SUBSTANTIVE ALLEGATIONS**

#### **Plaintiff’s Experience in Defendants’ DOGE Sweepstakes**

19. On or about June 8, 2021, Plaintiff viewed Coinbase’s email and internet ads, without realizing that he could enter the Company’s DOGE Sweepstakes simply by mailing Coinbase an index card with his name, birthday, phone, mailing and email addresses on it. Before seeing all of Defendants’ Sweepstakes

“rules and details,” Plaintiff followed the more conspicuous assertions and action buttons contained in Defendants’ ads: to “opt in” to the Sweepstakes, and to “make a trade” on Coinbase’s platform by paying Coinbase the advertised \$100 to acquire some Dogecoins. Nowhere did Defendants’ ads make clear that there was a 100% free, mail-in option for entering the Sweepstakes, an option that required no DOGE purchases or sales on Coinbase.

20. If Coinbase’s digital ads had made clear to Plaintiff that there was a 100% free entry option, then Plaintiff would not have given Coinbase his \$100, or paid Coinbase any commissions to acquire Dogecoins. In fact, as of June 8, 2021, Plaintiff already owned over 1,000 Dogecoins, which he maintained in his personal account with a different company, popular online-broker Robinhood Markets, Inc. The *only* reason that Plaintiff undertook to buy more Dogecoins from Coinbase was because the Company led him to believe that doing so was necessary to enter Coinbase’s \$1.2 million Sweepstakes.

21. Plaintiff did not see the Sweepstakes’ “rules and details” until after he had already given his money to Coinbase. This is because Defendants’ ads were *specifically known and designed by Defendants* to deceive and confuse Plaintiff and most other layperson-consumers into believing that they would have to trade DOGE on Coinbase to enter the Sweepstakes, and to further induce them into paying Coinbase on that false pretense *before* they were likely to view the Sweepstakes’ official “rules and details” to the contrary.

**Defendants’ Knowledge and Intent in Crafting its Misleading Sweepstakes Ads**

22. Coinbase and its Sweepstakes “Administrator,” MKI, actually knew that their ads had the likelihood, tendency and capacity to deceive, distract and confuse many ordinary consumers like Plaintiff because Defendants had already executed, and analyzed the results of, a nearly identical Coinbase “sweepstakes” campaign just two months prior to the DOGE Sweepstakes.

23. Specifically, in April 2021, the two companies had collaborated on and executed a very similar, \$2 million *Bitcoin* Sweepstakes. The only substantive difference was that instead of purporting to require people to “make a trade” to enter, the companies’ Bitcoin Sweepstakes ads purported to require people to “[s]ign up for an account at coinbase.com,” and “verify [their] identity.”

24. However, just like in the later DOGE Sweepstakes, there was another, less intrusive option that Defendants’ buried into the “rules” and “details” of their Bitcoin Sweepstakes. Specifically, rather than providing their social security numbers, drivers’ licenses, and other sensitive personally identifying information (“PII”) to Coinbase, users also had the option to enter simply by mailing Coinbase a 3x5-inch index card with only the customer’s name, address, email address, phone, and birthday on it.

25. The digital ads that Coinbase and MKI used in the Bitcoin Sweepstakes were designed and presented to consumers in a manner *substantially identical* to the digital ad campaign they used in the subsequent Dogecoin Sweepstakes.



26. Moreover, in executing their Bitcoin Sweepstakes, Coinbase and MKI had collected, reviewed and analyzed a wealth of detail about consumers' specific behaviors and reactions to various parts of this ad campaign. Specifically, in addition to knowing how many consumers had created a Coinbase account and rigorously verified their identities (Coinbase's desired outcome), versus how many had simply mailed in an index card with their name, birthday, and contact information on it (*not* Coinbase's desired ad outcome), Defendants also knew from their Bitcoin Sweepstakes: (a) how many of the total entrants had actually clicked on the official "rules and details" upon viewing these ads, (b) whether entrants view the "rules and details" page before or after creating a new Coinbase account and verifying their identities, and (c) how entrants and other consumers navigated the various "web paths" that one might take to go from viewing the ads to actually entering the Sweepstakes.

27. Indeed, MKI's own website touts MKI's in-depth, Sweepstakes data analyses and reporting as follows:

#### Tracking and Reporting

Each client promotion includes two levels of tracking and reporting: (1) website traffic and (2) promotion registration database tracking. Information we provide via website traffic analysis includes aggregate and daily information on key metrics, such as site hits, unique visitors, top pages, operating systems, entry and exit paths, and top promotion referrers. Promotion registration data analysis includes the aggregate and daily number of unique registrants and entries. At the close of each promotion, we provide clients with a detailed analysis of how

their promotion performed in the marketplace, including the effectiveness of media tactics in driving engagement, demographics, age and gender, opt-ins, and responses to any survey questions related to brand awareness and purchase intent.

See <http://www.mardenkane.com/sweepstakes> (last visited Jun. 11, 2021). Thus, as of June 2021 (at the latest), Coinbase and MKI already knew—based on detailed, empirical data from the substantially identical, April 2021 Sweepstakes campaign—that the precise ways they were wording, designing, and presenting their digital ads to consumers in the DOGE Sweepstakes would have a high likelihood, capacity and tendency *to cause the vast majority of consumers to never see their separate “rules and details” page, the only page where Defendants’ disclosed their trade-free, mail-in option for entering*. Defendants were not merely guessing or predicting that their DOGE Sweepstakes ads would tend to conceal the true entry options from most entrants. Instead, Defendants actually knew as a matter of empirical proof and statistical near-certainty—from their substantially identical, Bitcoin Sweepstakes campaign in April—that their DOGE Sweepstakes ads would have the capacity, tendency, and likelihood to conceal the true entry options from many entrants’ eyes: at least until *after* entrants had spent their money on false pretenses.

28. It is not now, nor was it ever, any surprise to Defendants that their Sweepstakes ad campaign against Plaintiff and the Class would achieve—and did achieve—a result in which many entrants would pay many millions of dollars collectively, without knowing that they could enter the same Sweepstakes simply by

mailing Coinbase an index card with their name on it. Defendants' digital Sweepstakes ads were not only objectively false and misleading to Plaintiff and the Class, but also known and intended by Defendants' to be misleading and damaging to Plaintiff and the Class.<sup>1</sup>

### **No Arbitration**

29. Pursuant to Coinbase's "Official Rules" for its Dogecoin Sweepstakes, "[p]articipation [in the Sweepstakes] constitutes entrant's full and unconditional agreement to these Official Rules and [Coinbase's] and [its] Administrator's decisions, which are final and binding in all matters related to the Sweepstakes." See Official Rules, ¶1, *available at* <https://www.coinbase.com/sweepstakes-doge-terms> (last visited Jun. 11, 2021). The Official Rules further provide that "THE CALIFORNIA COURTS (STATE AND FEDERAL) SHALL HAVE SOLE

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<sup>1</sup> The reason why Coinbase included a free-entry option in the first place, in both Sweepstakes, was the Company's desire to avoid the conclusion that it was conducting unlawful lotteries. The elements of a lottery are: (i) consideration given by an entrant; (ii) in exchange for a chance; (iii) to win a prize. See, e.g., *Trinkle v. California State Lottery*, 105 Cal.App.4th 1401, 1406 (Cal. Ct. App. 2003). The goals of these two Sweepstakes were to drive new users, and to drive Dogecoin trading volume. Coinbase offered six-figure prizes to persuade consumers to take those two actions, yet knew that most consumers would not give up their social security numbers or buy DOGE to enter a random drawing: if they didn't have to. Thus, Coinbase attempted to conduct a profitable "non-lottery" with a free mail-in option that most consumers would never know about. That scheme may or may not constitute a lottery, but it certainly constitutes deceptive advertising.

JURISDICTION OF ANY CONTROVERSIES REGARDING THE PROMOTION AND THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN THE PROMOTION. EACH ENTRANT WAIVES ANY AND ALL OBJECTIONS TO JURISDICTION AND VENUE IN THOSE COURTS FOR ANY REASON AND HEREBY SUBMITS TO THE JURISDICTION OF THOSE COURTS.” *Id.*, ¶10. Although the same paragraph provides that “[c]laims may not be resolved through any form of class action,” *id.*, such class action waivers are unenforceable as a matter of law (in the absence of an agreement to arbitrate), where, as here, a class action waiver “is found in a consumer contract of adhesion in a setting in which disputes between the contracting parties predictably involve small amounts of damages, and when it is alleged that a party with the superior bargaining power has carried out a scheme to deliberately cheat large numbers of consumers out of individually small sums of money, then, at least to the extent the obligation at issue is governed by California law, the waiver becomes in practice the exemption of the party from responsibility for its own fraud, or willful injury to the person or property of another. Under these circumstances, such waivers are unconscionable under California law and should not be enforced.” *Discover Bank v. Superior Court*, 36 Cal.4th 148, 162-63 (2005) (internal quotes and citations omitted), *abrogated on other grounds by AT&T Mobility LLC v. Concepcion*, 563 U.S. 333 (2011).

### **CLASS ACTION ALLEGATIONS**

30. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of all persons who opted into

Coinbase's \$1.2 million Dogecoin (DOGE) Sweepstakes, and who purchased or sold Dogecoins on a Coinbase exchange for \$100 or more between June 3, 2021 and June 10, 2021, inclusive. Excluded from the Class are Defendants, the officers and directors of Defendants at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Coinbase has or had a controlling interest.

31. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time, and can be ascertained only through appropriate discovery, Plaintiff believes that there are at least many thousands and potentially millions of members of the proposed Class. Members of the Class may be identified and located from database records maintained by Defendants, and may be notified of the pendency of this action by electronic mail and/or regular mail, using the form of notice similar to that customarily used in class actions.

32. Plaintiff's claims are typical of other Class members' claims, as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of law, as complained of herein.

33. Plaintiff will fairly and adequately protect the interests of Class members and has retained counsel competent and experienced in class action litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

34. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class.

Among the questions of law and fact common to the Class are:

a. whether Defendants' uniform, digital advertising campaign for the June 2021 DOGE Sweepstakes was materially and objectively false, deceptive, and misleading when disseminated to Plaintiff and the Class;

b. whether Defendants, individually and together, violated California's False Advertising Law, by designing, drafting, creating, analyzing, and presenting to Class members a uniform advertising campaign that was materially false, deceptive, and misleading when disseminated to all Class members;

c. whether Defendants violated the unlawful or unfair prongs of California's Unfair Competition Law when they designed, drafted analyzed and presented to Class members a uniform digital advertising campaign that was materially false, deceptive, and misleading when disseminated to all Class members;

d. whether Plaintiff and the Class suffered damages as a result of Defendants' conduct, and the proper measure of such damages, and whether the Class is entitled to equitable relief, including but not limited to public and permanent injunctive relief, restitution of the money Class members paid to Coinbase, and disgorgement of Defendants' ill-gotten gains; and

e. whether Plaintiff and the Class are entitled to reasonable attorneys' fees and expenses as a result of Defendants' wrongful conduct as set forth herein.

35. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy, as the joinder of all members is impracticable. Furthermore, because the damages suffered by individual Class members may be relatively small, the

expense and burden of individual litigation would make it difficult if not impossible for members of the Class to redress the wrongs done to them on an individual basis. There will likely be no substantial difficulty in the management of this case as a class action.

### **FIRST CAUSE OF ACTION**

#### **Violation of CAL. BUS. & PROF. CODE §§ 17500, *et seq.* –**

##### **Untrue, Misleading and Deceptive Advertising**

36. Plaintiff hereby incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

37. California Business and Professional Code, Section 17500, makes it unlawful for any person:

to make or disseminate or cause to be made or disseminated before the public in this state, or to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet, any statement, concerning that real or personal property or those services, professional or otherwise, or concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.

38. At all material times, Defendants engaged in a scheme of advertising that consumers' entry into

Defendants' Dogecoin Sweepstakes was, in fact, contingent upon such consumers "opting in" online, and purchasing or selling Dogecoins for \$100 more on coinbase.com, between June 3, 2021 and June 10, 2021, when in fact no Dogecoin or other cryptocurrency transaction whatsoever was required for entry into Defendants' Sweepstakes.

39. Defendants' advertisements of their June 2021 DOGE Sweepstakes misrepresented and/or concealed the true requirements for Sweepstakes entry. Defendants' advertisements were made to consumers and emanated from Coinbase's primary offices within the State of California, to millions of consumers within the State of California and nationally or internationally, and are within the meaning of advertising as provided in Cal. Bus. & Prof. Code §§ 17500, *et seq.*, in that such promotional materials were intended as inducements to purchase products and services on Coinbase.com and are statements disseminated by Defendants to Plaintiff and other members of the Class. Defendants knew, or in the exercise of reasonable care should have known, that their advertising statements about their June 2021 DOGE Sweepstakes would be and were false, misleading, confusing, and deceptive to a substantial segment if not a vast majority of consumer recipients.

40. In furtherance of Defendants' plan and scheme, Coinbase and MKI, both individually and in collaboration, designed, created, prepared, structured, tested, reviewed, analyzed and disseminated via the internet digital advertisements misleadingly suggesting, and overtly and falsely stating, that their June 2021 DOGE Sweepstakes in fact required entrants to purchase or sell Dogecoins for \$100 more on



coinbase.com, between June 3, 2021 and June 10, 2021. Consumers, including Plaintiff and members of the Class, necessarily and reasonably relied on Defendants' statements regarding the Sweepstakes entry requirements because all members of the Class were demonstrably exposed to such statements, and demonstrably *not* exposed to the truth that they could enter the Sweepstakes by mail, for free instead of paying Coinbase significant amounts of money to enter. Consumers, including Plaintiff and members of the Class, were among the specifically intended targets of such direct misrepresentations.

41. Defendants' above acts, in designing, creating, preparing, structuring, testing, reviewing, analyzing and disseminating via the internet such misleading and deceptive statements throughout the United States to Plaintiff and members of the Class, were and are demonstrably likely to deceive and confuse reasonable consumers by obfuscating the true requirements (and non-requirements) for entry into Defendants' Sweepstakes, and thus were violations of Cal. Bus. & Prof. Code §§ 17500, *et seq.*

42. Defendants' materially false and misleading Sweepstakes ad campaign caused Plaintiff and other members of the Class to personally suffer substantial injuries, in the form of paying Coinbase many millions of dollars in purchases and commissions that they would not otherwise have spent to enter the DOGE Sweepstakes. Had Plaintiff and members of the Class known that Defendants' materials, advertisements and inducements misrepresented, obfuscated and concealed the true entry requirements for Defendants' Sweepstakes, they would not have purchased or sold

Dogecoins for \$100 more on coinbase.com, between June 3, 2021 and June 10, 2021.

43. Plaintiff, on behalf of himself and all other similarly situated persons, and as appropriate, on behalf of the general public of the state of California, seeks injunctive relief prohibiting Defendants from continuing the unlawful practices alleged herein, and financial relief in the form of actual and punitive damages, and any other relief deemed improper by the Court.

### **SECOND CAUSE OF ACTION**

#### **Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* –**

##### **Unlawful Business Acts and Practices**

44. Plaintiff hereby incorporates by reference all allegations contained in the preceding paragraphs of this complaint as if fully set forth herein.

45. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiff and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 more and paying the attendant purchase and sale commissions on coinbase.com, between June 3, 2021 and June 10, 2021, when in fact no Dogecoin or other cryptocurrency transactions whatsoever were required for entry into Defendants' Sweepstakes.

46. As a result of Defendants' above unlawful acts and practices of false and misleading advertising detailed herein, Plaintiff, on behalf of himself and the Class, and as appropriate, on behalf of the general public, seeks permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full

restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE Sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

### **THIRD CAUSE OF ACTION**

#### **Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* –**

##### **Unfair Business Acts and Practices**

47. Plaintiff hereby incorporates by reference all allegations contained in the preceding paragraphs of this complaint as if fully set forth herein.

48. Defendants' actions alleged herein violate the laws and public policies of California, as set out in the preceding paragraphs of this complaint.

49. There is no benefit to consumers, competition or the general public from allowing Defendants to deceptively market million-dollar Sweepstakes promotions to millions of people in violation of law, under the false guise of executing a sales "promotion."

50. The gravity of harm suffered by Plaintiff and the Class, who have unnecessarily lost at least millions of dollars collectively, and at least \$100 each, outweighs any legitimate justification, motive or reason for Defendants' deceptive Sweepstakes' marketing to millions of people nationwide. Accordingly, Defendants' actions are immoral, unethical, unscrupulous and offend the public policies of California, and are substantially injurious to Plaintiff and the Class.

51. Defendants' above acts and practices were and are likely to deceive—and in fact, did deceive—reasonable consumers as to the true requirements for

entering Defendants' \$1.2 million DOGE Sweepstakes, and further, were likely to conceal and did conceal from reasonable consumers the true Sweepstakes entry requirements.

52. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiff and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 more and paying the attendant purchase and sale commissions on coinbase.com, between June 3, 2021 and June 10, 2021, when in fact no Dogecoin or other cryptocurrency transactions whatsoever were required for entry into Defendants' Sweepstakes.

53. Plaintiff, on behalf of himself and all others similarly situated, and as appropriate, on behalf of the general public, seeks permanent injunctive relief prohibiting Defendants from continuing their wrongful advertising practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE Sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as Class Representative, and the law firm of Finkelstein & Krinsk LLP as Class Counsel;

B. Requiring Defendants to pay the actual damages sustained by Plaintiff and the Class by reason of the

acts and transactions alleged herein, plus punitive damages;

C. For an award of restitution, and an order for the disgorgement of all of Defendants' ill-gotten gains from the unlawful conduct alleged herein;

D. For an order permanently and publicly enjoining Defendants from continuing to engage in the unlawful and unfair business acts and practices alleged herein; and

E. Awarding Plaintiff and other members of the Class prejudgment and post-judgment interest, as well as reasonable attorneys' fees, expert fees and other costs and expenses of this litigation; and

F. Awarding such other relief as the Court may deem just and proper.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury.

Dated: June 11, 2021

Respectfully submitted,

FINKELSTEIN & KRINSK LLP

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*Counsel for Plaintiffs and  
the Putative Class*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

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DAVID SUSKI, JAIMEE MARTIN, JONAS  
CALSBEEK, and THOMAS MAHER, Individually  
and On Behalf of All Others Similarly Situated,  
Plaintiffs,

v.

COINBASE GLOBAL, INC. and MARDEN-KANE,  
INC.,  
Defendants.

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Case No.: 3:21-cv-04539-SK

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**FIRST AMENDED CLASS ACTION  
COMPLAINT FOR:**

- (1) VIOLATIONS OF CALIFORNIA FALSE ADVERTISING LAW, Cal. Bus. & Prof. Code §§ 17500, *et seq.*;
- (2) VIOLATIONS OF CALIFORNIA UNFAIR COMPETITION LAW, Cal. Bus. & Prof. Code §§ 17200, *et seq.*;
- (3) VIOLATIONS OF CALIFORNIA CONSUMER LEGAL REMEDIES ACT, Cal. Civ. Code §§ 1750, *et seq.*

**JURY TRIAL DEMANDED**

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Filed 08/31/21

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*“When you see these sort[s] of practices done by both scammers and legitimate entities, it makes it really hard to distinguish between the two of them.”*

-Benjamin Powers, Coindesk.com (June 4, 2021)

Pursuant to Fed. R. Civ. P. 23, Plaintiffs David Suski, Jaimee Martin, Jonas Calsbeek and Thomas Maher bring this class action individually and on behalf of all other persons who opted into Coinbase’s \$1.2 million Dogecoin (DOGE) sweepstakes in June 2021, and who purchased or sold Dogecoins on a Coinbase exchange for a total of \$100 or more between June 3, 2021 and June 10, 2021, inclusive. Plaintiffs make the following allegations based upon the investigation of their counsel, and based upon personal knowledge as to themselves and their own acts and dealings with the Defendants. Plaintiffs and their counsel believe that substantial, additional



evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **INTRODUCTION**

1. Founded in 2012, Defendant Coinbase Global, Inc. (“Coinbase,” or the “Company”) is a newly public company and one of the largest online cryptocurrency exchanges in the world. Coinbase has approximately 60 million active users worldwide, consisting primarily of retail consumers, who buy and sell cryptocurrencies online through the Company’s website, [www.coinbase.com](http://www.coinbase.com), and through the Coinbase mobile app.

2. Coinbase collects trading fees (or “commissions”) from its users for each crypto purchase or sale they execute with Coinbase. Trading fees are generally calculated as a percentage of the dollar price (or Euro price, or Yen price, etc.) of the cryptocurrencies being bought or sold. Coinbase’s financial health depends upon its ability to buy, offer, sell, and resell cryptos to consumers in exchange for traditional currencies, like U.S. dollars.

3. Among the many different cryptocurrencies that Coinbase buys and sells is a cryptocurrency called “Dogecoin,” or “DOGE.” Dogecoin was created in December 2013 by two software engineers, who decided to create a new digital payment system as a joke, making light of the speculative trading that was occurring in cryptocurrencies generally. After all, if arbitrary computer codes like “Bitcoins” could be invented out of thin air, and sold for thousands of dollars each, then why not invent and sell “Dogecoins” too?



4. The software engineers' joke eventually became a hit, especially among millennials and younger generations. As the retail prices of many cryptocurrencies skyrocketed in recent years, so too did the retail price of the "coin" known as "DOGE." The retail price of one Dogecoin was less than a penny as of January 2021, before spiking as high as \$0.70 per DOGE in May 2021.

5. Coinbase, one of the world's preeminent crypto dealers, took notice of DOGE's meteoric ascent in popularity, and in response, decided to add Dogecoins to the list of cryptos that Coinbase would offer to its customers.

6. On June 1, 2021, for the first time, Coinbase started allowing users to transfer "Dogecoins" into their Coinbase trading accounts. Coinbase announced that it would start allowing its users to buy and sell Dogecoins on or after June 3, 2021, "if liquidity conditions are met." See <https://blog.coinbase.com/dogecoin-doge-is-launching-on-coinbase-pro-1d73bf66dd9d> (last visited Jun. 9, 2021). Given the huge amount of commissions that Coinbase could earn from millions of users buying and selling DOGE on its platform, Coinbase had no intention of leaving DOGE's

“liquidity conditions” up to chance, or up to natural consumer sentiment. Instead, Coinbase decided to incentivize as much Dogecoin trading as possible on its platform. To do this, Coinbase hired Defendant Marden-Kane Inc. (“MKI”) to design, market, and execute a \$1.2 million “Dogecoin sweepstakes,” which began on June 3, 2021.

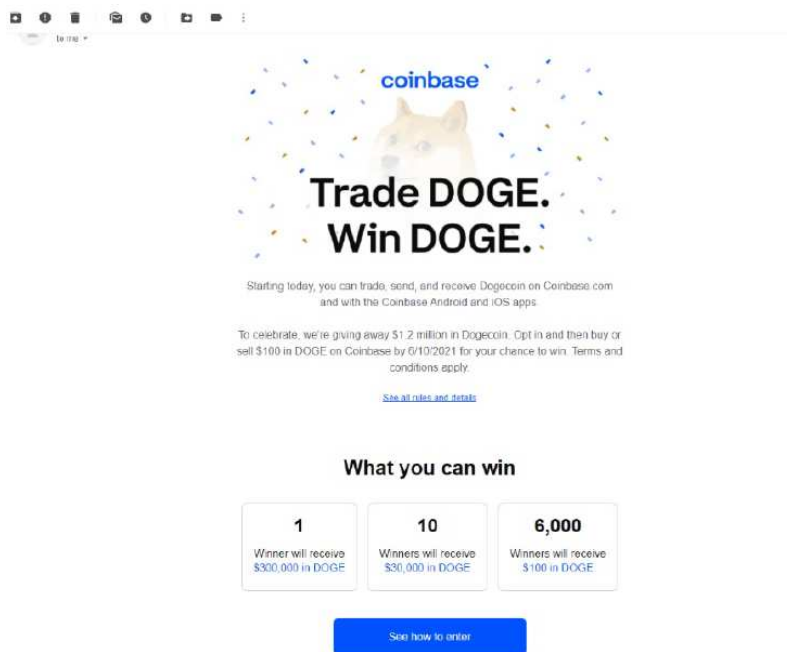
7. On June 3, 2021 (the first day that Coinbase opened for Dogecoin trading), Coinbase directly emailed Plaintiffs and millions of its users, and also displayed to them on its website and mobile app, advertisements of a \$1.2 million Dogecoin “sweepstakes.” Defendants’ direct-to-user emails and digital ads were drafted, structured and designed collaboratively by MKI and Coinbase, and then ultimately transmitted to users by Coinbase.

8. Defendants’ direct-to-user emails and digital ads displayed large, colorful graphics and large print stating:

Trade DOGE. Win DOGE. Starting today, you can trade, send, and receive Dogecoin on Coinbase.com and with the Coinbase Android and iOS apps. To celebrate, we’re giving away \$1.2 million in Dogecoin. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Terms and conditions apply.

Defendants’ email solicitations also displayed large, bold text, showing “What you can win,” highlighting that “1 Winner will receive \$300,000 in DOGE,” that “10 Winners will receive \$30,000 in DOGE,” and that “6,000 Winners will receive \$100 in DOGE.” Immediately below those flashy statements about prizes was

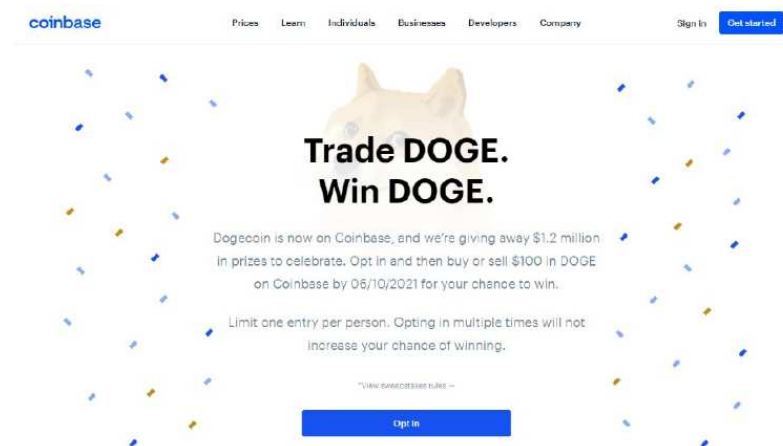




9. Defendants’ “sweepstakes” ads on Coinbase’s website and mobile app were substantially identical.

10. When Plaintiffs and other consumers clicked the big, bright blue “See how to enter” button (before clicking the smaller, “See all rules and details” link), they were taken to a Coinbase web advertisement containing similar, prominent instructions on how to enter the Company’s sweepstakes. Once again, the ad stated in large, bold letters, with graphics: “Trade DOGE. Win DOGE.” This web ad reiterated the main assertions in the email ad, stating that “Dogecoin is now on Coinbase, and we’re giving away \$1.2 million in prizes to celebrate. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Limit one entry per person. Opting in multiple times will not increase your chance of winning.” Once again, there was a much smaller, fainter link, beneath the

prominent text, that said “View sweepstakes rules,” and then a much larger, bright-blue button prompting the customer to “Opt-in.”<sup>1</sup>



11. Upon clicking “Opt-in,” Plaintiffs and other consumers would see the large text and the bright blue button change. The large text changed to say:

“You’re one step closer to winning. You’ve successfully opted in to our Dogecoin Sweepstakes. *Remember, you’ll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.*” (emphasis added)

At the same time, Defendants’ large, bright blue button changed from saying “Opt in,” to saying “Make a trade.” All other aspects of this digital ad remained unchanged upon clicking the “Opt in” button. Thus, Defendants affirmatively represented to Plaintiffs and the Class that “buy[ing] or sell[ing] \$100 in

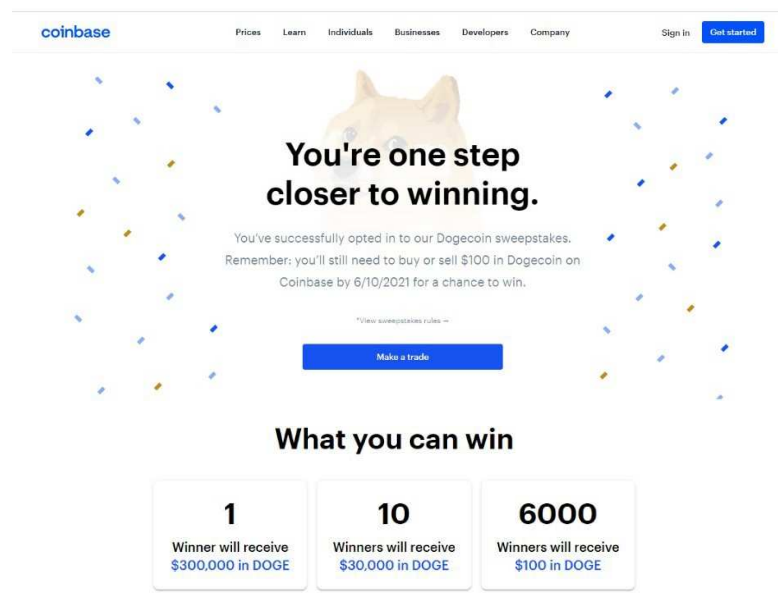
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<sup>1</sup> The faint and tiny “View sweepstakes rules” link displayed above did not even link to the sweepstakes rules, but rather, to a footnote at the bottom of the page containing generalized, ambiguous statements about some aspects of the sweepstakes rules.

Dogecoin on Coinbase by 6/10/2021” was necessary to enter “for a chance to win.” (See the image below.)

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12. Upon clicking “Make a trade,” customers were taken directly to Coinbase’s trading platform, where they could sell or buy Dogecoins for \$100 or more on Coinbase, minus trading commissions.

13. If users happened to scroll down Defendants’ digital ads a bit before “opting in” or “making a trade,” they would see other large, bold-font statements. The digital ads’ second and third “screen pages” further highlighted the sweepstakes prizes, and the process for entering to win.

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coinbase Prices Learn Individuals Businesses Developers Company Sign In [Get started](#)

**WINNERS WILL RECEIVE \$300,000 in DOGE**

**WINNERS WILL RECEIVE \$30,000 in DOGE**

**WINNERS WILL RECEIVE \$100 in DOGE**

### How to enter

- Sign in to Coinbase**  
Not logged in? Sign in or create an account at [coinbase.com](https://coinbase.com). Then follow the prompts to opt in.
- Opt in to the sweepstakes**  
If you're signed in, you can opt in above. You'll get an email confirming that you've successfully opted in after about 24 hours.
- Make a trade**  
Buy or sell \$100 or more in DOGE on Coinbase between 6/3/21 and 6/10/21. You can trade \$100 all at once, or a little at a time.
- Watch your inbox**  
Once you opt in and trade, you'll be officially entered to win. Winners will hear from us via email on or around 6/17.

**Important security notice:** Be on the lookout for scammers. You will get a confirmation email within 24 hours. We will only notify you about prizes via [no-reply@coinbase.com](mailto:no-reply@coinbase.com). See a fraudulent giveaway? Report it to [security@coinbase.com](mailto:security@coinbase.com).

14. Thus, according to Defendants' prominent, repeated instructions, the process for entering their Dogecoin sweepstakes was as follows.

(a) “**Sign in to Coinbase.** Not logged in? Sign in or create an account at [coinbase.com](https://coinbase.com). Then follow the prompts to opt in.”

(b) “**Opt in to the sweepstakes.** If you're signed in, you can opt in above. You'll get an email confirming that you've successfully opted in after about 24 hours.”

(c) “**Make a trade.** Buy or sell \$100 or more in DOGE on Coinbase between 6/3/21 and 6/10/21. You can trade \$100 all at once, or a little at a time.”

(d) “**Watch your inbox.** Once you opt in and trade, you'll be officially entered to win. Winners will hear from us via email on or around 6/17.”



15. Defendants' above email, web, and mobile app advertisements to Plaintiffs and the Class were materially false and misleading when disseminated. The truth was that users did *not* "need" to buy or sell "\$100 or more in DOGE" to enter Defendants' sweepstakes. Instead, users could buy or sell *almost* \$100 in DOGE, or simply mail the Defendants a 3x5-inch index card stating the user's name, contact information, and date of birth.

16. Defendants ultimately stated those truths on their separate "rules and details" webpage. Defendants, however, specifically crafted their digital ads with the knowledge and intent that their ads' text, structure, and design would lead *most* consumers to "Opt in" and "Make a trade" before discovering any free entry option. As detailed herein, Defendants made other false and misleading statements to Class members, all to deceive Class members into believing that buying or selling \$100 or more "in Dogecoin" was necessary to enter the sweepstakes.

17. Defendants directly and affirmatively deceived Plaintiffs and the Class for the purposes of extracting hundreds of millions of dollars from them, thereby ensuring that Coinbase's "liquidity conditions" would be met as soon as the Company's platform opened for Dogecoin trading. <https://blog.coinbase.com/dogecoin-doge-is-launching-on-coinbase-pro-1d73bf66dd9d> (last visited Jun. 9, 2021) ("Trading will begin on or after 9AM Pacific Time (PT) Thursday June 3, if liquidity conditions are met.").

18. Defendants' deceptive digital ad campaign caused Plaintiffs and millions of Class members to pay hundreds of millions of dollars in "Dogecoin" purchases and trading fees to Coinbase, which they would

not otherwise have paid absent Defendants' affirmative misstatements and omissions. This nationwide class action seeks judicial relief from Defendants' wrongful conduct, on behalf of Plaintiffs and all other Class members.

### **PARTIES**

19. Plaintiff David Suski is a citizen of New York, and has a personal account with Coinbase that allows him to sell and buy cryptocurrencies directly to and from Coinbase via [www.coinbase.com](http://www.coinbase.com), as well as the Company's mobile app.

20. Plaintiff Jaimee Martin is a citizen of Oregon, and has a personal account with Coinbase that allows her to sell and buy cryptocurrencies directly to and from Coinbase via [www.coinbase.com](http://www.coinbase.com), as well as the Company's mobile app.

21. Plaintiff Jonas Calsbeek is a citizen of California, and has a personal account with Coinbase that allows him to sell and buy cryptocurrencies directly to and from Coinbase via [www.coinbase.com](http://www.coinbase.com), as well as the Company's mobile app.

22. Plaintiff Thomas Maher is a citizen of Missouri, and has a personal account with Coinbase that allows him to sell and buy cryptocurrencies directly to and from Coinbase via [www.coinbase.com](http://www.coinbase.com), as well as the Company's mobile app.

23. Founded in 2012, Defendant Coinbase Global, Inc. ("Coinbase") is a Delaware corporation with its primary offices located in San Francisco, California. Coinbase is one of the largest online cryptocurrency dealers in the world. Coinbase has approximately 60 million active users worldwide, consisting primarily of consumers who buy and sell cryptocurrencies through

the Company's website, [www.coinbase.com](http://www.coinbase.com). In 2021, Coinbase's common stock began trading publicly on the NASDAQ global stock exchange under ticker symbol "COIN."

24. Defendant Marden-Kane, Inc. ("MKI") is a New York corporation with its primary offices located in New York. MKI specializes in designing, creating, executing, and analyzing various advertising and promotional campaigns for corporate clients, and specializes particularly in administering digital sweepstakes campaigns. In or before 2021, Defendant MKI contracted with Defendant Coinbase to serve as Coinbase's "Administrator" for the June 2021 Dogecoin sweepstakes.

#### **JURISDICTION AND VENUE**

25. This Court has jurisdiction under 28 U.S.C. § 1332(d) because the aggregate amount in controversy exceeds \$5,000,000, and Plaintiffs and most Class members are citizens of States different from the Defendants' home States.

26. This Court has, at minimum, specific personal jurisdiction over both Defendants because Defendants' official sweepstakes rules and terms provide that "the California courts (state and federal) shall have sole jurisdiction of any controversies regarding the [sweepstakes] promotion, and the laws of the State of California shall govern the promotion." See Ex. A, Official Rules, ¶10, *available at* <https://www.coinbase.com/sweepstakes-doge-terms> (last visited Jun. 11, 2021).

27. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1), because a substantial part of the events and omissions giving rise to the claims

occurred in this district, and a substantial part of the property at issue in this action is situated within this district.

### **SUBSTANTIVE ALLEGATIONS**

#### **Plaintiffs' Experiences With Defendants' DOGE Sweepstakes**

28. On or about June 8, 2021, Plaintiff David Suski viewed Defendants' email and internet ads, without knowing that he could enter the Dogecoin sweepstakes simply by mailing in a 3x5 index card stating his name, birthday, and contact information. Before seeing all of Defendants' sweepstakes "rules and details," Plaintiff Suski followed the more conspicuous statements and action buttons contained in Defendants' ads to "See how to enter," to "Opt in" to the sweepstakes, and to "Make a trade" on Coinbase's platform by buying Dogecoins from Coinbase for \$100. Nowhere did Defendants' ads make clear to Plaintiff Suski that there was a 100% free, mail-in option for entering the sweepstakes: an option that required no Dogecoin purchases or sales. In fact, as soon as he clicked the big blue button to "Opt in" to the sweepstakes, Defendants' digital ad affirmatively misrepresented to Plaintiff Suski that he would "*need* to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win."<sup>2</sup> Plaintiff Suski relied upon Defendants' material misrepresentations and omissions to his own detriment.

29. If Defendants' ads had made clear to Plaintiff Suski that there was a trade-free entry option, then

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<sup>2</sup> All emphasis within quotations marks is added unless otherwise stated herein.

he would not have given Coinbase his \$100, or paid any trading commissions to buy Dogecoins from Coinbase. The only reason that Plaintiff Suski undertook to buy Dogecoins from Coinbase was because Defendants led him to believe that doing so was necessary to enter a \$1.2 million sweepstakes.

30. On or about June 4, 2021, Plaintiff Jaimee Martin viewed a screenshot of Defendants' email advertisement for the Dogecoin sweepstakes. Upon reviewing the screenshot of Defendants' email ad, Plaintiff Martin reasonably believed that buying or selling \$100 or more in DOGE was necessary to enter the sweepstakes. In reliance upon Defendants' misleading email advertisement, Plaintiff Martin immediately went on Coinbase and bought Dogecoins she would not otherwise have purchased, for a total of approximately \$120 (including commissions). She had not yet opted into the sweepstakes at this time.

31. Days later, on or about June 9, 2021, Plaintiff Martin once again viewed Defendants' Dogecoin sweepstakes ad, but this time on her Coinbase mobile app. Defendants' digital sweepstakes ad again led Plaintiff Martin to believe that buying or selling \$100 or more in DOGE was necessary to enter the sweepstakes. In reliance upon Defendants' false and misleading ads, Plaintiff Martin clicked Defendants' prominent "Opt in" button, and then purchased additional Dogecoins from Coinbase for a total of \$100 (including commissions). She made this purchase even after making her prior, \$120 purchase because: (a) when she clicked Defendants' prominent "Opt in" button, the ad falsely represented to her that *"you'll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win"*; and because (b) she

had still not received any email from Coinbase confirming her sweepstakes entry, despite her \$120 Dogecoin purchase from Coinbase days earlier.<sup>3</sup>

32. Plaintiff Martin opted into the sweepstakes, and made each of her Dogecoin purchases, without knowing that she could have entered the Dogecoin sweepstakes simply by mailing Coinbase an index card stating her name, birthday, and contact information. Before seeing all of Defendants' sweepstakes "rules and details," Plaintiff Martin followed the more conspicuous statements and action buttons in Defendants' ads to "See how to enter," to "Opt in" to the sweepstakes, and to "Make a trade" on Coinbase's platform, by buying Dogecoins from Coinbase for a total of \$220. Nowhere did Defendants' ads make clear to Plaintiff Martin that there was a 100% free, mail-in option for entering the sweepstakes, an option that required no Dogecoin purchases or sales. Indeed, as soon as she clicked the big blue button to "Opt in" to the sweepstakes, Defendants' digital ad affirmatively misrepresented to Plaintiff Martin that she would "need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win." Plaintiff Martin relied upon Defendants' material misrepresentations and omissions, to her own detriment.

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<sup>3</sup> Coinbase sent Plaintiff Martin an email confirmation of her "opting in" almost instantly after she clicked "Opt in," yet Coinbase inexplicably delayed for several days in sending her an email confirmation of her *entry*. Coinbase's delayed entry-confirmation email left Plaintiff Martin unsure of whether she had successfully entered the sweepstakes with her first purchase, so she made a second purchase to ensure that she would be entered. Coinbase did not send her entry-confirmation email until June 10, 2021.

33. If Defendants' digital ads had made clear to Plaintiff Martin that there was a 100% free, mail-in entry option, then she would not have given Coinbase her \$120, or her subsequent \$100, or paid any trading commissions to buy Dogecoins from Coinbase.

34. On or about June 3, 2021, Plaintiff Jonas Calsbeek viewed Coinbase's email and internet ads, without knowing that he could enter the Dogecoin sweepstakes simply by mailing Coinbase an index card with his name, birthday, and contact information on it. Before seeing all of Defendants' sweepstakes "rules and details," Plaintiff Calsbeek followed Defendants' more conspicuous statements and action buttons in the ads to "See how to enter," to "Opt in" to the sweepstakes, and to "Make a trade" on Coinbase's platform by buying Dogecoins for a total of \$125 (including trading fees). Nowhere did Defendants' digital sweepstakes ads make clear to Plaintiff Calsbeek that there was a 100% free, mail-in option for entering this sweepstakes, an option that required no Dogecoin purchases or sales. In fact, as soon as Plaintiff Calsbeek clicked the big blue button to "Opt in" to the sweepstakes, Defendants' digital ad affirmatively misrepresented to Plaintiff Calsbeek that he would "*need* to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win." Plaintiff Calsbeek relied upon Defendants' misrepresentations and omissions to his own detriment.

35. If Defendants' ads had made clear to Plaintiff Calsbeek that there was a 100% free, mail-in entry option, which did not require any DOGE trading, then he would not have given Coinbase his \$125 or paid Coinbase any trading fees. In fact, the only reason Plaintiff Calsbeek undertook to buy Dogecoins from

Coinbase was that Defendants led him to believe that doing so was necessary to enter a \$1.2 million sweepstakes.

36. On or about June 3, 2021, Plaintiff Thomas Maher viewed Coinbase’s email and internet ads, without knowing that he could enter the Dogecoin sweepstakes simply by mailing Coinbase an index card with his name, birthday, and contact information on it. Before seeing all of Defendants’ sweepstakes “rules and details,” Plaintiff Maher followed Defendants’ more conspicuous statements and action buttons to “See how to enter,” to “Opt in” to the sweepstakes, and to “Make a trade” on Coinbase’s platform by buying Dogecoins for a total of \$105 (including trading fees). Nowhere did Defendants’ digital sweepstakes ads make clear to Plaintiff Maher that there was a 100% free, mail-in option for entering this sweepstakes, an option that required no Dogecoin purchases or sales. In fact, as soon as Plaintiff Maher clicked the big blue button to “Opt in” to the sweepstakes, Defendants’ digital ad affirmatively misrepresented to Plaintiff Maher that he would “*need* to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.” Plaintiff Maher relied upon Defendants’ misrepresentations and omissions to his own detriment.

37. As with Plaintiff Martin, Coinbase delayed in sending Plaintiff Maher a contemporaneous (or even same-day) email confirming his opt-in and entry into the sweepstakes. Coinbase’s delayed email confirmations left Plaintiff Maher unsure of whether he had successfully entered the sweepstakes with his \$105 purchase, so he made a *second* DOGE purchase from Coinbase on June 4, 2021, spending an additional \$100, to ensure that he would be entered. Coinbase



eventually sent Maher an email confirmation of his opt-in on June 5, 2021, and an email confirmation of his sweepstakes entry on June 6, 2021.

38. If Defendants' ads had made clear to Plaintiff Maher that there was a 100% free, mail-in entry option, which did not require any DOGE trading, then he would not have given Coinbase his \$205 or paid Coinbase any trading fees. In fact, the only reason Plaintiff Maher undertook to buy Dogecoins from Coinbase was that Defendants led him to believe that doing so was necessary to enter a \$1.2 million sweepstakes.

39. Defendants' sweepstakes ads were specifically known and designed by Defendants to deceive and confuse each Plaintiff, and most layperson-consumers, into believing that they would "need" to buy or sell Dogecoins on Coinbase's platform to enter the sweepstakes. Defendants' ads were designed to deceptively induce, and did deceptively induce, Plaintiffs and the Class to pay \$100 or more to Coinbase on that false pretense.

#### **Defendants' Additional False And Misleading Statements And Omissions To Class Members**

40. In addition to misrepresenting the necessity of "making a trade," Defendants also misrepresented the dollar amount of purchase or sale transactions that would be (purportedly) necessary to enter.

41. Specifically, Defendants' ads stated that "[W]e're giving away \$1.2 million in Dogecoin. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win." See ¶¶9-12, *supra*. Likewise, upon clicking Defendants' "Opt in" button, Defendants' ads stated that "you'll still need to buy or sell

*\$100 in Dogecoin* on Coinbase by 6/10/2021 for a chance to win.” These statements reasonably conveyed the message that the total value of *the Dogecoins* purchased or sold during the entry period must be greater than or equal to \$100.

42. When purchasing cryptocurrencies on Coinbase, users select the digital token that they wish to buy (e.g., Bitcoin, Litecoin, Dogecoin, etc.) and input the dollar amount that they wish to spend. Coinbase then shows users the dollar amount of trading commissions that will be deducted from their purchase (or sale), and then displays the quantity of cryptocurrency that will be purchased with the remaining dollar amount.

43. For example, if a Coinbase user goes to purchase Dogecoins, and enters a dollar amount of \$100, Coinbase displays to that user a “preview” of the transaction. Coinbase’s transaction preview will show a “Total” price of \$100, a “Coinbase fee” of approximately \$3 to \$4, and a “Purchase” price of approximately \$96 to \$97. The transaction preview also shows the user how many Dogecoins will be purchased with the \$96 or \$97 that remain *after* deducting commissions.

44. Thus, when Defendants advertised to Class members that they “need[ed]” to buy or sell “\$100 in *DOGE*” or “\$100 in *Dogecoin*” to enter, Defendants effectively communicated that users would have to pay a transaction “Total” of *more than* \$100 to account for the transaction fee, and ensure that the previewed *DOGE* “Purchase” price was greater than or equal to \$100.

45. Indeed, that is why Plaintiff Martin made a purchase “Total” of \$120, instead of \$100 even. That is also why Plaintiff Calsbeek’s purchase “Total” was

\$125, instead of \$100 even. That is also why Plaintiff Maher’s June 3, 2021 purchase “Total” was \$105, instead of \$100 even. Based on the plain language in Defendants’ ads, each of them believed they needed to buy “\$100 in Dogecoin,” *after* deducting the “Coinbase fee,” because that fee was *not* part of the previewed “Purchase” price for the Dogecoins. Once again, Defendants’ sweepstakes ads were both untrue and materially misleading.

46. The truth was that a purchase or sale transaction “Total” of *\$100 even*—and hence, a Dogecoin “Purchase” price of less than \$100 (in other words, *less than* “\$100 in DOGE”)—would have sufficed for Plaintiffs and the Class to enter the sweepstakes. Defendants buried this truth only in the fine print of their official sweepstakes rules, which provided:

Existing account holders and new\* account holders must opt-in to participate in the Sweepstakes and must complete \$100usd (*cumulative the transaction fee*) in trade (buy/sell) of Dogecoin on Coinbase.com (.com and/or Coinbase app) during the Promotion Period to earn one (1) entry into the Sweepstakes.

(emphasis added).

47. The false and misleading “\$100 in DOGE” and “\$100 in Dogecoin” language in Defendants’ ads caused most Class members to make purchases totaling *more than* \$100, to avoid having their “Coinbase fee” reduce the previewed value of their Dogecoin “Purchase” below \$100. This subtle deception by the Defendants allowed Coinbase to fleece millions of Class members out of several more dollars each, which Class members never needed to spend to enter.

Defendants' deception in this regard further inflated Coinbase's fee-based profits by at least millions of dollars, and further ensured that Coinbase's "liquidity conditions" for DOGE trading would be immediately satisfied on June 3, 2021.

48. In sum, Defendants successfully deployed multiple, misleading and deceptive advertising tactics to induce millions of consumers to spend *over* \$100 that they did not need to spend to enter Defendants' \$1.2 million sweepstakes.

**Defendants' Knowledge and Intent in Crafting Their Misleading "Sweepstakes" Solicitations**

49. Coinbase and its sweepstakes "Administrator," Defendant MKI, knew that their ads had the likelihood, tendency and capacity to mislead and confuse consumers like Plaintiffs because Defendants had already executed and analyzed a nearly identical, digital "sweepstakes" on Coinbase just two months prior to this DOGE Sweepstakes.

50. Specifically, in April 2021, Defendants had collaborated to execute a \$2 million *Bitcoin* sweepstakes. The only substantive difference between this Bitcoin sweepstakes and Defendants' subsequent Dogecoin sweepstakes was that, instead of purporting to require people to "make a trade" to enter, Defendants' Bitcoin sweepstakes ads purported to require people to "[s]ign up for an account at coinbase.com," and "verify [their] identity." Aside from that one difference, the digital structure, aesthetic design, and language that Defendants' used in their Bitcoin sweepstakes ads were identical to what they used in their Dogecoin sweepstakes ads.

51. In Defendants' earlier Bitcoin sweepstakes—just like in the subsequent Dogecoin sweepstakes—there was a different, less intrusive entry-option provided *not* on the ads or on the entry webpages, but instead on a separate “rules” and “details” webpage. Rather than providing social security numbers, drivers' licenses, and other sensitive, personally identifying information (“PII”) to Coinbase (i.e., “verify[ing] [their] identity”), users had the *alternative* option to enter by mailing Coinbase a 3x5-inch index card with the customer's name, contact information, and birthday on it.

52. The digital ads that Defendants used in their earlier Bitcoin sweepstakes were designed and presented to consumers in a manner substantially identical to the digital ads they used in their June 2021 Dogecoin sweepstakes.

53. In executing their April 2021 Bitcoin sweepstakes, Defendants had collected, reviewed and analyzed a wealth of data about consumers' specific behaviors and reactions to various parts of this ad campaign. Both Coinbase and MKI knew exactly how many consumers had “create[d] a Coinbase account” and rigorously “verif[ied] [their] identities” (Coinbase's desired outcome), versus how many had simply mailed in an index card with their name, birthday, and contact information on it (*not* Coinbase's desired outcome). Even more specifically, however, Defendants collected and analyzed the following consumer-behavior data from their Bitcoin sweepstakes: (a) how many Bitcoin sweepstakes entrants had navigated to the “rules and details” webpage upon reviewing these sweepstakes ads; and (b) how ad recipients navigated the various “web paths” that one might take from

reviewing the ads, to ultimately entering the sweepstakes.

54. Indeed, MKI's own website touts its sophisticated, in-depth data analysis and reporting capabilities as follows:

#### Tracking and Reporting

Each client promotion includes two levels of tracking and reporting: (1) website traffic and (2) promotion registration database tracking. Information we provide via website traffic analysis includes aggregate and daily information on key metrics, such as site hits, unique visitors, top pages, operating systems, entry and exit paths, and top promotion referrers. Promotion registration data analysis includes the aggregate and daily number of unique registrants and entries. At the close of each promotion, we provide clients with a detailed analysis of how their promotion performed in the marketplace, including the effectiveness of media tactics in driving engagement, demographics, age and gender, opt-ins, and responses to any survey questions related to brand awareness and purchase intent.

*See* <http://www.mardenkane.com/sweepstakes> (last visited Jun. 11, 2021). As of June 2021, Defendants already knew—based on in-depth, empirical data from their Bitcoin sweepstakes in April 2021—that the precise ways they were wording, designing, and presenting their Dogecoin sweepstakes ads to users would have a high likelihood, capacity, and tendency to cause most users to never see their separate “rules and details” webpage. Yet Defendants’ separate,

“rules and details” webpage was the *only* place where they disclosed their free, mail-in entry option for this “sweepstakes.”

55. Defendants were not merely guessing that their digital sweepstakes ads would tend to conceal the true sweepstakes-entry options from most viewers’ eyes. Instead, Defendants knew as a matter of empirical proof (from their earlier Bitcoin sweepstakes) that their substantially identical, digital ads for the DOGE sweepstakes would have a likelihood, capacity, and tendency to conceal the free, mail-in entry option from most consumers’ eyes.

56. It was never any surprise to Defendants that their digital sweepstakes ads to Class members would achieve (and did achieve) an outcome in which consumers would unwittingly pay hundreds of millions of dollars collectively, just to enter a sweepstakes that they could have entered for free. Defendants’ digital sweepstakes ads were not only objectively false and misleading to Plaintiffs and the Class, but also known and specifically intended by Defendants’ to be misleading (and damaging) to Plaintiffs and the Class.<sup>4</sup>

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<sup>4</sup> The only reason why Defendants inconspicuously slipped a free entry option into their separate, “rules and details” webpage was that Defendants sought to avoid the legal conclusion that they were conducting an unlawful “lottery,” as opposed to a “sweepstakes.” The elements of a “lottery” are: (i) consideration given by an entrant; (ii) in exchange for a chance; (iii) to win a prize. *See, e.g., Trinkle v. California State Lottery*, 105 Cal.App.4th 1401, 1406 (Cal. Ct. App. 2003). Defendants here attempted to conduct a profitable *non*-lottery by offering a free entry option *that most reasonable consumers would never know about*. As detailed *infra*, Defendants’ attempt was and remains insufficient

**Contemporaneous Media Reports Further Suggest That Defendants' Ads Were Materially Misleading to Reasonable Viewers**

57. Defendants' Dogecoin sweepstakes ads were communicated to and publicized by several online media outlets in June 2021.

58. For example, on June 3, 2021, *Business Insider* published an online news article regarding Defendants' sweepstakes. The headline stated: "Coinbase is giving away \$1.2 million in dogecoin as it starts letting users trade the meme cryptocurrency." See <https://www.businessinsider.com.au/coinbase-dogecoin-sweepstakes-users-can-trade-meme-cryptocurrency-2021-6> (last visited Aug. 9, 2021). The entire body of the article read as follows:

Coinbase said on Thursday that it plans to give away \$1.2 million in dogecoin to encourage users to take advantage of its newest cryptocurrency trading option.

***Users must buy or sell \$100 in DOGE through Coinbase by June 10 to be eligible for the sweepstakes, the company said.***

Coinbase said it plans to give out one prize worth \$300,000, 10 prizes worth \$30,000, and 6,000 prizes worth \$100 by around June 17.

The sweepstakes follows the company's announcement on Tuesday that it would start letting Coinbase Pro users trade dogecoin on its platform.

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to avoid California's "lottery" laws, and was additionally insufficient to comply with California's "sweepstakes" laws.



The announcement, along with a tweet from Elon Musk referencing the meme currency, sent dogecoin's value climbing by as much as 41%.

At \$52.3 billion, dogecoin had the sixth-largest market cap among all cryptocurrencies as of Thursday evening, according to CoinMarketCap, after seeing a massive rally in May that sent its market cap soaring to more than \$85 billion.

Dogecoin was started as a joke by two engineers in 2013, but has since gained immense popularity thanks to Redditors as well as endorsements from Musk and other high-profile celebrities, leading other crypto trading platforms like Robinhood, eToro, and Gemini to start accepting trades in recent weeks.

*Id.* (emphasis added). Nowhere did this *Business Insider* article reference any free, mail-in entry option for the sweepstakes, because nowhere did Defendants' sweepstakes ads state that such a free entry option existed.

59. Similarly, on June 7, 2021, *InvestorPlace.com* published an online article regarding Defendants' sweepstakes. That article was titled, "Coinbase Dogecoin Sweepstakes: What to Know About the \$1.2M DOGE Giveaway." See <https://investorplace.com/2021/06/coinbase-dogecoin-sweepstakes-what-to-know-about-the-1-2m-doge-giveaway> (last visited Aug. 9, 2021). The article's subtitle said, "Here's what crypto investors may want to know about the Coinbase Dogecoin Sweepstakes taking the

market by storm today.” The body of the article stated as follows:

Today, investors in **Coinbase** (NASDAQ:COIN) are seeing a green day. For everyone’s favorite Shiba Inu-inspired meme currency, **Dogecoin** (CCC:DOGE- USD) not so much. However, any green day is a good day for investors in COIN stock, given the recent ride Coinbase has been on. One might be curious as to the primary reason for today’s move. Perhaps part of the answer is the recently launched Coinbase Dogecoin Sweepstakes.



Source: Shutterstock.

Most investors know how popular Dogecoin has become of late. Whether due to the incessant tweeting of Elon Musk, or simply the momentum of this moonshot cryptocurrency, Dogecoin is still ranked No. 6 among all cryptocurrencies in market capitalization. That’s right, a meme cryptocurrency with no real utility is valued at nearly \$50 billion.

There are a variety of reasons for this. However, most investors know just how catchy the

simplistic marketing behind this digital coin has been. Today's recent moves reflect yet another marketing stunt from Dogecoin and its purveyors.

Whether this maneuver ultimately pays off for investors remains to be seen. However, news of the Coinbase Dogecoin sweepstakes certainly has the DOGE crowd barking.

### **What Is the Coinbase Dogecoin Sweepstakes All About?**

Last week, Coinbase announced the launch of a Dogecoin giveaway. This sweepstakes is in honor of Dogecoin's recent listing on Coinbase Pro. Indeed, that's news in and of itself. But when an exchange like Coinbase offers \$1.2 million in prizes to celebrate such an announcement, crypto investors perk up.

What's the catch?

***Well, crypto investors simply need to opt in to the sweepstakes and buy or sell \$100 in DOGE on Coinbase by June 10. That's it.***

Each crypto investor gets one entry per person. One winner will receive \$300,000 in DOGE, 10 winners will receive \$30,000 in DOGE, and 6,000 winners will receive \$100 in DOGE.

The simplicity of this sweepstakes makes this a no-brainer for most investors to get in on the action. For those bullish on DOGE, adding an additional \$100 in exposure sure seems like a good idea, given the recent dip in Dogecoin prices. For those bearish on DOGE, selling \$100 worth of this digital token still provides an

entry. There's really no downside to entering, for those interested.

**Of course, Coinbase's business model is one which is fee-based. The more volume Coinbase can generate, the more money this platform stands to earn. Those behind this marketing stunt have undoubtedly done the math.** However, if it proves successful, this could pave the way for future giveaways in an attempt to rekindle retail investor enthusiasm in this sector.

*Id.* (underlined emphasis added).

60. Like the June 3 article from *Business Insider*, this June 7 article from *InvestorPlace* failed to mention any free, mail-in entry option because nowhere did Defendants' sweepstakes ads—to which the article directly linked—state that such a free entry option existed.

61. Moreover, on June 5, 2021, the Business webpage on *NJ.com* published a similar article stating that: "Coinbase is giving away \$1.2 million worth of Dogecoin. **To be eligible, you have to 'opt in' and buy or sell \$100 worth of the meme-inspired cryptocurrency by June 10.**" See <https://www.nj.com/business/2021/06/dogecoin-coinbase-giveaway-how-to-opt-in-to-sweepstakes-and-how-to-buy-dogecoin.html> (last visited Aug. 9, 2021) (emphasis added) (linking to Coinbase's sweepstakes advertisement). Nowhere did this *NJ.com* article reference any free, mail-in entry option for the sweepstakes because nowhere did Defendants' sweepstakes ads state that such an entry option existed.

62. Finally, even after Defendants’ Dogecoin sweepstakes ended, *Newsweek* published an online article materially misstating the sweepstakes entry requirements. In a June 18, 2021 article titled, “Why Coinbase Dogecoin Sweepstake[s] Winners Haven’t Been Announced Amid Confusion Online,” *Newsweek* stated that “[t]he sweepstake[s] ended on June 10 at 11:59 p.m. PDT, **by which time entrants needed to have opted in and completed a \$100 trade of Dogecoin to be eligible. Coinbase said entrants would receive an email once they had met both requirements.**” See <https://www.newsweek.com/why-coinbase-dogecoin-sweepstake-winners-havent-been-announced-confusion-online-1601996> (last visited Aug. 9, 2021). Like the other three articles referenced above, nowhere did this *Newsweek* article reference any free entry option because nowhere did Defendants’ sweepstakes ads state that any free entry option existed.

63. In sum, numerous, reasonable viewers of Defendants’ sweepstakes ads—including members of the media and the public—were misled into believing that buying or selling \$100 worth of Dogecoins on Coinbase was necessary to enter Defendants’ June 2021 sweepstakes.

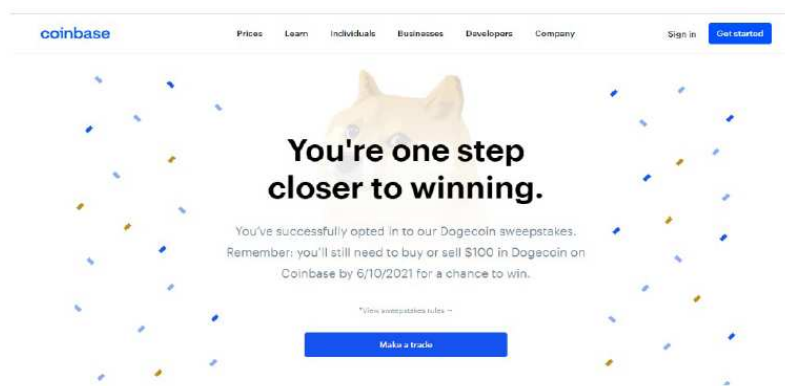
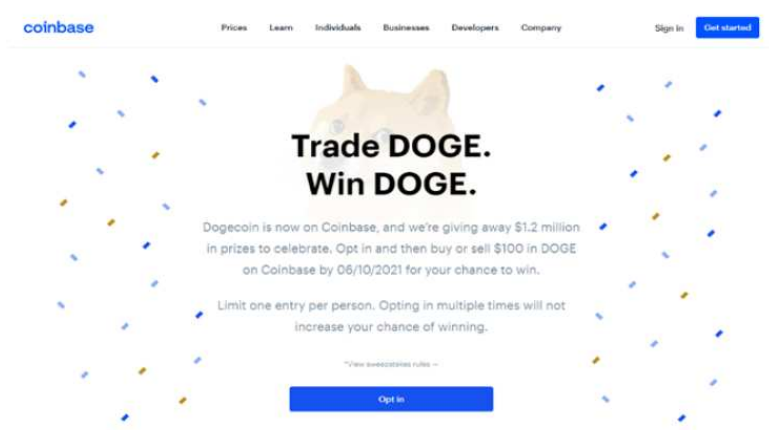
**The Ambiguous Fine Print in Defendants’ “Sweepstakes” Solicitations Did Not Comply With California Law, and Did Not Correct Defendants’ More Conspicuous Misstatements**

64. California law provides specific requirements for “solicitation materials containing sweepstakes entry materials,” such as Defendants’ sweepstakes ads here.

*Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall include a clear and conspicuous statement of the no-purchase-or-payment-necessary message, in readily understandable terms, in the official rules included in those solicitation materials and, if the official rules do not appear thereon, on the entry-order device included in those solicitation materials.*

Cal. Bus. & Prof. Code § 17539.15(b). Defendants’ “sweepstakes” ads were “solicitation materials” containing both “sweepstakes entry materials” and “entry-order device[s].” *Id.* The “sweepstakes entry materials” contained in Defendants’ ads consisted of Defendants’ plain-text sweepstakes entry instructions. *E.g.*, ¶¶9-12, *supra*. The “entry-order devices” contained in Defendants’ ads consisted of the bright blue “Opt in” and “Make a trade” buttons, the webpages and mobile app screens on which those buttons appeared, and Coinbase’s online crypto trading interface (to which Defendants’ “Make a trade” button directly routed users). See the images below.

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Defendants' were required by statute to include "a clear and conspicuous" statement of the "no-purchase-or-payment-necessary message" in their official rules. *Id.* Moreover, because Defendants' "official rules d[id] not appear" on their "solicitation materials," Defendants were also required to "include a clear and conspicuous statement of the no-purchase-or-payment-necessary message . . . on the entry-order device included in those solicitation materials containing

sweepstakes entry materials.”<sup>5</sup> If Defendants’ Dogecoin “sweepstakes” did *not* constitute an unlawful lottery<sup>6</sup>, then Defendants’ sweepstakes ads violated Cal. Bus. & Prof. Code § 17539.15(b) in several, independent respects.

65. The statute expressly required Defendants’ “statement of the no-purchase-or- payment-necessary message” on the “entry-order device” to be “clear and conspicuous,” and to be made “in readily understandable terms.” Cal. Bus. & Prof. Code § 17539.15(b). The statute defines the “no-purchase-or-payment-necessary message” to mean “the following statement or a statement substantially similar to the following statement: ‘No purchase or payment of any kind is necessary to enter or win this sweepstakes.’” Cal. Bus. & Prof. Code § 17539.15(k)(1).

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<sup>5</sup> The statute defines “official rules” as “the formal printed statement, however designated, of the rules for the promotional sweepstakes appearing in the solicitation materials.” Cal. Bus. & Prof. Code § 17539.15(k)(2). Defendants’ “formal printed statement . . . of the rules for the [Dogecoin] sweepstakes” did not “appear” on Defendants’ email, website, or mobile app ads for the DOGE sweepstakes. Instead, what “appeared” on Defendants’ ads was only a small hyperlink to the “formal printed statement . . . of the rules,” which “appeared” on a separate webpage, and not on the “solicitation materials” themselves.

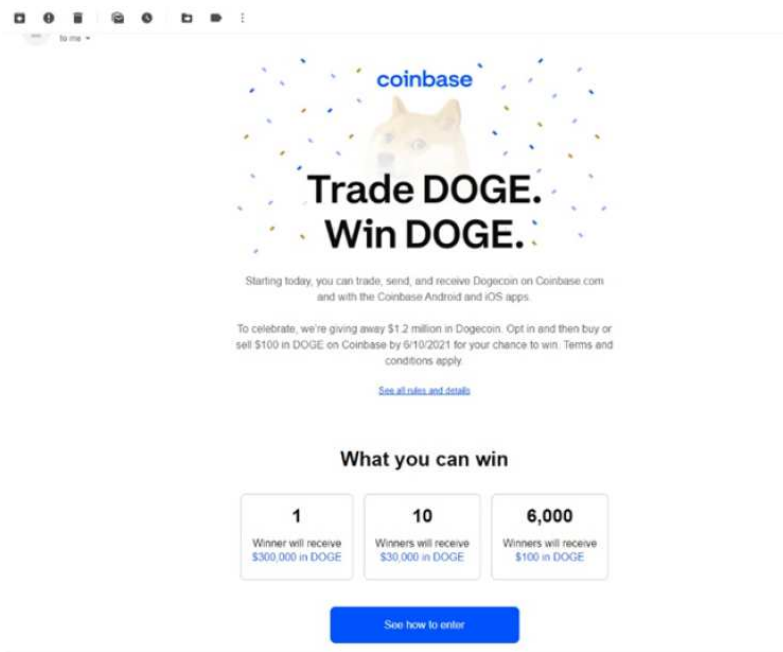
<sup>6</sup> An unlawful “lottery” is excluded from the statutory definition of a “sweepstakes.” Cal. Bus. & Prof. Code § 17539.5(a)(12) (“Sweepstakes” means any procedure for the distribution of anything of value by lot or chance that is not unlawful under other provisions of law including, but not limited to, the provisions of Section 320 of the Penal Code.”); *see also* Cal. Penal Code § 320 (“Every person who contrives, prepares, sets up, proposes, or draws any lottery, is guilty of a misdemeanor.”).



66. To the extent that Defendants made such a statement *at all* in their sweepstakes email, web, or mobile app ads, they made it using the following text.

Not investment advice or a recommendation to trade Dogecoin. NO PURCHASE NECESSARY TO ENTER OR WIN. PURCHASES WILL NOT INCREASE YOUR CHANCES OF WINNING. Opt-in required. Alternative means of entry available. Sweepstakes open to legal residents of the fifty (50) United States and the District of Columbia (excluding Hawaii). Void where prohibited by law. Must be age of majority in state of residence as of 6/3/21. Promotion ends 11:59 PM (PT) on 6/10/21. Winners must have a Coinbase account on Coinbase.com to receive a prize. Receipt and use of prizes subject to Coinbase terms and conditions. Odds of winning depend on the number of eligible entries received. One entry per person. Sponsor: Coinbase: Coinbase Sweepstakes, 100 Pine Street, Suite #1250, San Francisco, CA 94111. See Official Rules for details.

**First**, the above text was not stated “conspicuously” on or around Defendants’ solicitation materials or “entry-order device[s].” Instead, this text appeared in faint, fine print at the bottom of Defendants’ multi-page/multi-screen email solicitations. To view the above text at all, recipients would have to have scrolled down to the bottom of the email, which did not require any scrolling before clicking the “See how to enter button.”



The image shows a promotional email from Coinbase. At the top, there is a navigation bar with icons for home, search, and other functions. The main content features the Coinbase logo at the top, followed by a central graphic of a dog's face surrounded by confetti. Below this, the text reads "Trade DOGE. Win DOGE." in large, bold letters. Underneath, it states: "Starting today, you can trade, send, and receive Dogecoin on Coinbase.com and with the Coinbase Android and iOS apps." A paragraph follows: "To celebrate, we're giving away \$1.2 million in Dogecoin. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Terms and conditions apply." A link "See all rules and details" is provided. A section titled "What you can win" contains three boxes: the first for 1 winner receiving \$300,000 in DOGE, the second for 10 winners receiving \$30,000 in DOGE, and the third for 6,000 winners receiving \$100 in DOGE. At the bottom, there is a blue button that says "See how to enter".

coinbase

**Trade DOGE.  
Win DOGE.**

Starting today, you can trade, send, and receive Dogecoin on Coinbase.com and with the Coinbase Android and iOS apps.

To celebrate, we're giving away \$1.2 million in Dogecoin. Opt in and then buy or sell \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Terms and conditions apply.

[See all rules and details](#)

**What you can win**

<b>1</b> Winner will receive \$300,000 in DOGE	<b>10</b> Winners will receive \$30,000 in DOGE	<b>6,000</b> Winners will receive \$100 in DOGE
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[See how to enter](#)

Only upon scrolling down to the bottom of this email would recipients see Defendants' "NO PURCHASE NECESSARY" statement in fine, gray-colored print.

**What you can win**

<b>1</b> Winner will receive \$300,000 in DOGE	<b>10</b> Winners will receive \$30,000 in DOGE	<b>6,000</b> Winners will receive \$100 in DOGE
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[See how to enter](#)

coinbase   

Not investment advice or a recommendation to trade Dogecoin. NO PURCHASE NECESSARY TO ENTER OR WIN. PURCHASES WILL NOT INCREASE YOUR CHANCES OF WINNING. Tax is required. Alternative means of entry available. Sweepstakes open to legal residents of the 50 United States and the District of Columbia (excluding Hawaii). Void where prohibited by law. Must be age of majority in state of residence as of 6/21. Promotion ends 11:59 PM (PT) on 6/30/21. Winners must have a Coinbase account on Coinbase.com to receive a prize. Receipt and use of prizes subject to Coinbase terms and conditions. Odds of winning depend on the number of eligible entries received. One entry per person. Sponsor: Coinbase, Coinbase Sweepstakes, 191 Pine Street, Suite 1250, San Francisco, CA 94111. See [Official Rules](#) for details.

© Coinbase 2021 | Coinbase Inc.  
191 Pine Street Suite 1250  
San Francisco CA 94111 | US  
(888) 968-7939

If you no longer wish to receive these emails, unsubscribe [here](#)

[DOGE Sweepstakes](#) | June 04, 2021 | [View Online](#)

This was not a “conspicuous” statement of the “no-purchase-or-payment-necessary message” on (or near) Defendants’ “entry-order device”—as required by § 17539.15(b)—because users’ eyes might not even see Defendants’ fine print *at all* before clicking “See how to enter,” and thereby being taken immediately to a separate webpage (or mobile app screen) containing Defendants’ “Opt in” and “Make a trade” buttons.

67. Similarly, Defendants buried the same faint, fine-print text at the bottom of their “Opt in” and “Make a trade” webpages and mobile screens, requiring users to scroll down several pages to see the above text at all. Below is the sequence of screen-pages that users would see, *if* they scrolled to the bottom of the page before clicking Defendants’ “Opt in” and “Make a trade” buttons.

coinbase Prices Learn Individuals Business Developers Company Sign In [Get started](#)

## You're one step closer to winning.

You've successfully opted in to our Dogecoin sweepstakes. Remember, you'll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.

— Dogecoin Sweepstakes 2021 —

[Make a trade](#)

## What you can win

coinbase Precios Recursos Personas físicas Negocios Desarrolladores Acerca de Iniciar sesión [Get started](#)

<p><b>1</b></p> <p>Winner will receive \$300,000 in DOGE</p>	<p><b>10</b></p> <p>Winners will receive \$30,000 in DOGE</p>	<p><b>6000</b></p> <p>Winners will receive \$100 in DOGE</p>
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## How to enter

<p><b>Sign in to Coinbase</b></p> <p>Not logged in? Sign in or create an account at <a href="https://coinbase.com">coinbase.com</a>. Then follow the prompts to opt in.</p>	<p><b>Opt in to the sweepstakes</b></p> <p>If you're signed in, you can opt in above. You'll get an email confirming that you've successfully opted in after about 24 hours.</p>	<p><b>Make a trade</b></p> <p>Buy or sell \$100 or more in DOGE on Coinbase between 6/3/21 and 6/10/21. You can trade \$100 all at once, or a little at a time.</p>	<p><b>Watch your inbox</b></p> <p>Once you opt in and trade, you'll be officially entered to win. Winners will hear from us via email on or around 6/17.</p>
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**Important security notice:** Be on the lookout for scammers. You will get a confirmation email within 24 hours. We will only notify you about prizes via [no-reply@coinbase.com](mailto:no-reply@coinbase.com). See a fraud/ent giveaway? Report it to [security@coinbase.com](mailto:security@coinbase.com).

coinbase Prices Learn Individuals Businesses Developers Company Sign In [Get started](#)



### There's no such thing as too much security

**2-step verification**  
We require an extra layer of security for all Coinbase accounts.

**Secure storage**  
We store the majority of digital assets in secure offline storage.

**Encryption at every step**  
We use bank-level security: SSL and AES-256 encryption.

coinbase Prices Learn Individuals Businesses Developers Company Sign In [Get started](#)

## Buy, sell, and manage your crypto anywhere

With 56M+ verified users, you're in good company when you trade with Coinbase.

### Start buying



**Manage your portfolio**

See how your crypto performs, and stay on top of the market.



**Set automatic recurring buys**

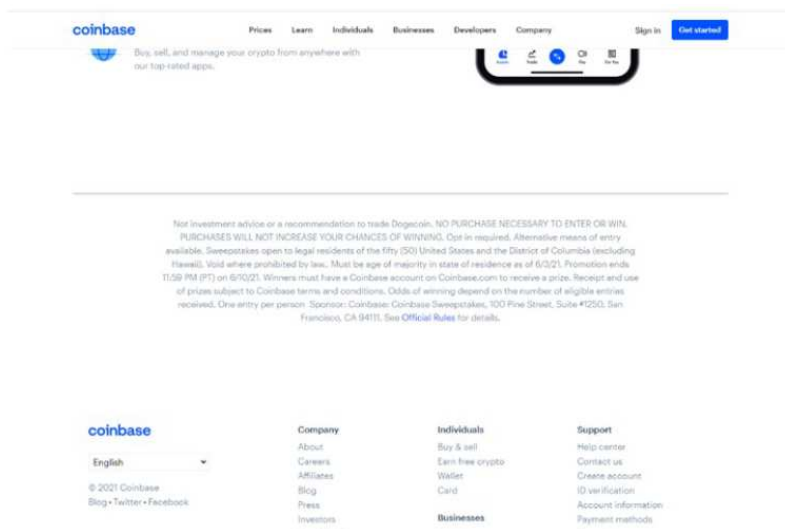
Invest in cryptocurrencies slowly over time by scheduling buys daily, weekly, or monthly.



**Access your crypto on the go**

Buy, sell, and manage your crypto from anywhere with our top-rated apps.



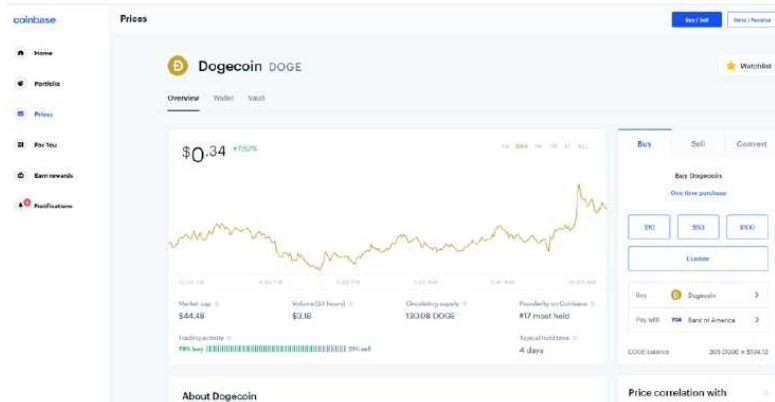


This was by no means a “conspicuous” statement of the “no-purchase-or-payment- necessary message” on (or near) Defendants’ “entry-order device,” as required by § 17539.15(b). Many users’ eyes would not see this fine print, at the bottom of a multi-page site, before clicking the large, blue “Opt in” and “Make a trade” buttons at the very top of the website or mobile-app screen.

68. Upon clicking Defendants’ prominent “Make a trade” button, users were rerouted directly to Coinbase’s trading platform, which contained no sweepstakes-related disclosures at all.

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Defendants’ above-pictured trading interface also constituted an “entry-order device,” as each Class member *completed* their sweepstakes “entry” by executing a purchase or sale “order” on this interface. Yet this crypto trading interface (this “entry-order device”) did not contain any “no- purchase-or-payment-necessary message,” let alone a “clear and conspicuous” one. Cal. Bus. & Prof. Code § 17539.15(b).

69. **Second**, Defendants’ faintly colored, fine-print disclaimer was not stated “clear[ly]” or in “readily understandable terms” when read within the context of Defendants’ more prominent statements in their sweepstakes ads. Defendants’ “NO PURCHASE NECESSARY” statement was at best *ambiguous* when read in context, and could be reasonably understood as *consistent* with Defendants’ more prominent misstatements in their sweepstakes ads.

Not investment advice or a recommendation to trade Dogecoin. NO PURCHASE NECESSARY TO ENTER OR WIN. PURCHASES WILL NOT INCREASE YOUR CHANCES OF WINNING. Opt-in required. Alternative means

of entry available. Sweepstakes open to legal residents of the fifty (50) United States and the District of Columbia (excluding Hawaii). Void where prohibited by law. Must be age of majority in state of residence as of 6/3/21. Promotion ends 11:59 PM (PT) on 6/10/21. Winners must have a Coinbase account on Coinbase.com to receive a prize. Receipt and use of prizes subject to Coinbase terms and conditions. Odds of winning depend on the number of eligible entries received. One entry per person. Sponsor: Coinbase: Coinbase Sweepstakes, 100 Pine Street, Suite #1250, San Francisco, CA 94111. See Official Rules for details.

70. Specifically, Defendants' direct-to-user email ads stated:

Trade DOGE. Win DOGE. Starting today, you can trade, send, and receive Dogecoin on Coinbase.com and with the Coinbase Android and iOS apps. To celebrate, we're giving away \$1.2 million in Dogecoin. Opt in and then buy *or sell* \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Terms and conditions apply.

Similarly, Defendants' webpage and mobile app screens prominently stated the following, right above the big, blue "Opt in" in button:

Dogecoin is now on Coinbase, and we're giving away \$1.2 million in prizes to celebrate. Opt in and then buy *or sell* \$100 in DOGE on Coinbase by 6/10/2021 for your chance to win. Limit one entry per person. Opting in multiple times will not increase your chance of winning.



Thus, Defendants’ most prominent text made clear that either a DOGE purchase *or* sale on Coinbase would suffice for entry into the sweepstakes. So when Defendants’ faint, fine-print disclaimer at the bottom of each page said “NO PURCHASE NECESSARY”—and that “PURCHASES WILL NOT INCREASE YOUR CHANCES OF WINNING”—readers could reasonably understand that statement to be consistent with Defendants’ more prominent entry instructions, which made clear that a DOGE *sale* transaction of \$100 or more would suffice for entry. The same is true of Defendants’ fine-print disclaimer that “[alternative means of entry [were] available.” In context, reasonable recipients (who were fortunate enough to even see this fine print at the bottom of Defendants’ solicitation materials) could fairly understand the “[alternative means of entry” to be exactly what Defendants’ had advertised more prominently: (a) buy \$100 or more in DOGE; or, “alternatively],” (b) sell \$100 or more in DOGE. There was simply nothing in the text of Defendants’ faint, fine-print disclaimer that clearly corrected Defendants’ main assertion: namely, that users must “Trade DOGE” (*i.e.*, either buy *or* sell DOGE) for a chance to win.

71. Defendants’ fine-print disclaimer was particularly “[un]clear” regarding any free entry option, when read in conjunction with the *large*-print statement directly above Defendants’ big “Make a trade” button.

You’re one step closer to winning. You’ve successfully opted in to our Dogecoin Sweepstakes. *Remember, you’ll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.*

Defendants conspicuously stated that a Dogecoin purchase or sale *was* necessary to enter “for a chance to win.” So when Defendants later said only that no “*purchase*” was “necessary,” reasonable readers could well understand that disclaimer to be *consistent with* Defendants’ (false) statement that a Dogecoin purchase *or* sale was necessary to enter. Obviously, no purchase transaction is necessary if—as Defendants had already highlighted—a sale transaction suffices.

72. In sum, Defendants’ “NO PURCHASE NECESSARY” statement was not only designed and placed *inconspicuously* away from Defendants’ “entry-order device[s],” but in addition, Defendants’ “NO PURCHASE NECESSARY” statement was *unclearly* worded and *not* “readily understandable,” when read in the context of Defendants’ more prominent instructions and misstatements regarding sweepstakes entry. Cal. Bus. & Prof. Code § 17539.15(b). Nothing in Defendants’ fine-print disclaimer clearly or objectively corrected the false and misleading nature of the most prominent, material misstatements and omissions in Defendants’ sweepstakes solicitations.

73. **Third**, the “NO PURCHASE NECESSARY” statement in Defendants’ sweepstakes solicitations was not “substantially similar” to the statement required by statute. The “no-purchase-or-payment-necessary message” required by § 17539.15 “means the following statement or a statement substantially similar to the following statement: ‘No purchase or *payment of any kind* is necessary to enter or win this sweepstakes.’” Cal. Bus. & Prof. Code § 17539.15(k)(1). By contrast, the “NO PURCHASE NECESSARY” statement at the bottom of Defendants’ sweepstakes ads left open the possibility that

payments of some kind, other than DOGE purchases might be necessary to enter: such as the “payment” of a *transaction fee* to Coinbase for *selling* \$100 or more worth of Dogecoins.

74. Defendants omitted the required “payment of any kind” language from their “NO PURCHASE NECESSARY” message to avoid contradicting their more prominent assertions to users that trading Dogecoins (and paying Coinbase’s customary transaction fees) was necessary for entry.<sup>7</sup>

75. **Fourth**, Defendants’ fine-print disclaimer expressly stated “*Opt-in required*,” while presenting users with a big, bright “*Opt in*” button on the entry webpage and mobile app screen. This was materially false and misleading, as it created a reasonable impression that clicking Defendants’ conspicuous “*Opt in*” button was “required” for entry. But in fact, clicking Defendants’ “*Opt in*” button was *not* necessary for entry.

76. Instead, mailing in a 3x5 index card with one’s name, contact information, and birthdate on it would suffice for entry. Defendants’ “*Opt in required*” disclaimer was thus affirmatively misleading when read within the context of the entire solicitation email, webpage, and mobile app screen.

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<sup>7</sup> Defendants did include the required “payment of any kind” language in their “official rules,” but because those official rules did not “appear” on Defendants’ “[s]olicitation materials containing sweepstakes entry materials,” Defendants were also required to include the “payment of any kind” language “on the entry-order device included in those solicitation materials.” Cal. Bus. & Prof. Code § 17539.15(b). Defendants failed to do so.

77. Moreover, upon (unnecessarily) clicking the “Opt-in” button, that button would transform into a big, bright “Make a trade” button topped off with the following large-font text: “Remember, you’ll still need to buy or sell \$100 in Dogecoin on Coinbase by 6/10/2021 for a chance to win.” This statement was flatly untrue.

78. Defendants’ ambiguous, fine-print disclaimer at the very bottom of their “entry-order device[s]” (*i.e.*, the emails, webpages and mobile app screens containing the “See how to enter,” “Opt in,” and “Make a trade” buttons) was not just legally insufficient under § 17539.15(b). It was also affirmatively false and materially misleading, when read in the full context of Defendants’ solicitation materials.

#### **No Arbitration Or Class Action Waiver**

79. Pursuant to Coinbase’s “Official Rules” for its Dogecoin Sweepstakes, “[p]articipation [in the Sweepstakes] constitutes entrant’s full and unconditional agreement to these Official Rules and [Coinbase’s] and [its] Administrator’s decisions, which are final and binding in all matters related to the Sweepstakes.” *See* Ex. A, Official Rules, ¶1, *available at* <https://www.coinbase.com/sweepstakes-doge-terms> (last visited Jun. 11, 2021). The Official Rules further provide that “THE CALIFORNIA COURTS (STATE AND FEDERAL) SHALL HAVE SOLE JURISDICTION OF ANY CONTROVERSIES REGARDING THE PROMOTION AND THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN THE PROMOTION. EACH ENTRANT WAIVES ANY AND ALL OBJECTIONS TO JURISDICTION AND VENUE IN THOSE COURTS FOR ANY REASON

AND HEREBY SUBMITS TO THE JURISDICTION OF THOSE COURTS.” *Id.*, ¶10. Although the same paragraph provides that “[c]laims may not be resolved through any form of class action,” *id.*, such class action waivers are *unconscionable and unenforceable* as a matter of California law (in the absence of an agreement to arbitrate), where, as here, a class action waiver “is found in a consumer contract of adhesion in a setting in which disputes between the contracting parties predictably involve small amounts of damages, and when it is alleged that a party with the superior bargaining power has carried out a scheme to deliberately cheat large numbers of consumers out of individually small sums of money, then, at least to the extent the obligation at issue is governed by California law, the waiver becomes in practice the exemption of the party from responsibility for its own fraud, or willful injury to the person or property of another. Under these circumstances, such waivers are unconscionable under California law and should not be enforced.” *Discover Bank v. Superior Court*, 36 Cal.4th 148, 162-63 (2005), *abrogated on other grounds by AT&T Mobility LLC v. Concepcion*, 563 U.S. 333 (2011) (internal citations omitted).

### **CLASS ACTION ALLEGATIONS**

80. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of themselves and all other persons who opted into Coinbase’s \$1.2 million Dogecoin (DOGE) sweepstakes in June 2021, and who purchased or sold Dogecoins on a Coinbase exchange for a total of \$100 or more between June 3, 2021 and June 10, 2021, inclusive. Excluded from the Class are Defendants, the officers and directors of Defendants at

all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which either Defendant has or had a controlling interest.

81. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time, and can be ascertained only through appropriate discovery, Plaintiffs believe that there are millions of members of the proposed Class. Members of the Class may be identified and located from database records maintained by Defendants, and may be notified of the pendency of this action by electronic mail and/or regular mail, using the form of notice similar to that customarily used in class actions.

82. Plaintiffs' claims are typical of other Class members' claims, as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of law, as complained of herein.

83. Plaintiffs will fairly and adequately protect the interests of Class members and have retained counsel competent and experienced in class action litigation. Plaintiffs have no interests antagonistic to or in conflict with those of the Class.

84. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

a. whether Defendants' uniform, digital advertising campaign for the June 2021 DOGE sweepstakes was materially false, deceptive, and misleading when disseminated to Plaintiffs and the Class;

b. whether Defendants' June 2021 Dogecoin "sweepstakes" in fact constituted an unlawful "lottery" within the meaning of California Penal Code § 320;

c. whether Defendants violated Cal. Bus. & Prof. Code § 17539.15 by, *inter alia*, failing to make the required "clear and conspicuous statement[s]" of the "no-purchase-or-payment-necessary message";

d. whether Defendants, individually and together, violated California's False Advertising Law, by designing, drafting, creating, analyzing, and presenting to Class members a uniform advertising campaign that was materially false, deceptive, and misleading when disseminated to Class members;

e. whether Defendants violated the unlawful or unfair prongs of California's Unfair Competition Law when they designed, drafted analyzed and presented to Class members a uniform digital advertising campaign that was materially false, deceptive, and misleading when disseminated to Class members;

f. whether Plaintiffs and the Class suffered harm as a result of Defendants' conduct, and the forms of judicial relief to which Class members are entitled, including, but not limited to, public and permanent injunctive relief, restitution of the money Class members paid to Coinbase, and disgorgement of Defendants' ill-gotten gains; and

g. whether Plaintiffs and the Class are entitled to reasonable attorneys' fees and expenses as a result of Defendants' wrongful conduct as set forth herein.

85. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy, as the joinder of all members is impracticable. Furthermore, because the financial harm

suffered by individual Class members may be relatively small, the expense and burden of individual litigation would make it difficult if not impossible for members of the Class to redress the wrongs done to them on an individual basis. There will likely be no substantial difficulty in the management of this case as a class action.

### **FIRST CAUSE OF ACTION**

#### **Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* –**

##### **Unlawful Business Acts and Practices (Unlawful Lottery)**

86. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this Complaint.

87. California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”), prohibits “unfair competition,” meaning “any unlawful, unfair or fraudulent business act or practice.”

88. California Penal Code § 320 provides that “[e]very person who contrives, prepares, sets up, proposes, or draws any lottery” is guilty of a misdemeanor. Defendant Coinbase committed an “unlawful” business act or practice by “contriv[ing], prepar[ing], set[ting] up,” and “propos[ing]” and conducting an unlawful “lottery” within the meaning of Cal. Penal Code § 320, when it contrived, prepared, set up, broadly advertised, and then ultimately conducted its \$1.2 million Dogecoin “sweepstakes” in June 2021. Defendant MKI likewise committed an “unlawful” business act or practice by “contriv[ing], prepar[ing], set[ting] up, propos[ing],” and randomly “draw[ing]” the winners of an unlawful “lottery” at its offices in



Syosset, NY on or about June 17, 2021, within the meaning of Cal. Penal Code § 320, as it contrived, prepared, set up, and ultimately administered, and randomly drew the winners of, Defendants’ \$1.2 million Dogecoin “sweepstakes.”

89. The elements of a “lottery” are: (i) consideration given by an entrant; (ii) in exchange for a chance; (iii) to win a prize. *See, e.g., Trinkle v. California State Lottery*, 105 Cal.App.4th 1401, 1406 (Cal. Ct. App. 2003). Defendants’ Dogecoin “sweepstakes” solicitations sent to Plaintiffs and the Class affirmatively represented that consideration (in the form of buying or selling Dogecoins on Coinbase for \$100 or more, and paying Coinbase the attendant transactions fees) “need[ed]” to be given for Plaintiffs and other Class members to enter for a chance to win prizes of various dollar values. Relying upon Defendants’ affirmative representations that paying consideration to Coinbase was necessary to enter—and being reasonably and subjectively unaware of the omitted truth that a free, mail-in entry option existed—Plaintiffs and other Class members in fact paid consideration to Coinbase in the forms described herein, in exchange for a chance to win one of Defendants’ advertised prizes.

90. Defendants’ unlawful Dogecoin “sweepstakes” was structured by Defendants to distribute the advertised prizes by chance, within the meaning of a “lottery,” as all prize winners (none of whom are Plaintiffs here) were randomly selected from among millions of eligible entrants on or about June 17, 2021. Defendant MKI, as “administrator,” conducted the random prize drawings at its offices in Syosset, New York. Defendant MKI also assisted Coinbase in “contriv[ing], prepar[ing], [and] set[ting] up” the June 2021

Dogecoin “sweepstakes” by collaborating with Coinbase to draft, design and structure Defendants’ digital ad campaign for the “sweepstakes,” and to draft and finalize the “official rules,” a copy of which is attached hereto as “Exhibit A.”

91. The lottery “prizes” distributed by the Defendants to their randomly drawn winners included: (a) to one winner, a large number of Dogecoins priced at a retail value of approximately \$300,000; (b) to ten other winners, a large number of Dogecoins priced at a retail value of approximately \$30,000; and (c) to six thousand other “winners,” a number of Dogecoins priced at a retail value of approximately \$100.

92. Hence, Defendants conducted an unlawful “lottery” within the meaning of Cal. Penal Code § 320 because Defendants, by fraud, affirmatively induced Plaintiffs and the Class to pay “consideration” to Coinbase in exchange for a random “chance” to win a “prize” of some dollar value. Defendants’ June 2021 Dogecoin “sweepstakes” was, in substance, an unlawful, million-dollar “lottery,” which Plaintiffs and the Class unwittingly paid many millions of dollars to enter.

93. As a result of Defendants’ unfair and unlawful conduct as described herein, Plaintiffs and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 more on [coinbase.com](https://www.coinbase.com), and by paying the attendant transaction fees to Coinbase, between June 3, 2021 and June 10, 2021. Plaintiffs, on behalf of themselves and the Class, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full restitution of all monetary

payments that Class members made in consideration of their entries into Defendants’ June 2021 DOGE “sweepstakes,” and of all other ill-gotten gains derived from Defendants’ wrongful conduct to the fullest extent permitted by law.

**SECOND CAUSE OF ACTION**<sup>8</sup>

**Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq. - Unlawful Business Acts and Practices (Violations of Cal. Bus. & Prof. Code § 17539.15)**

94. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this Complaint.

95. California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”), prohibits “unfair competition,” meaning “any unlawful, unfair or fraudulent business act or practice.”

96. Under California law, a “[s]weepstakes” is “any procedure for the distribution of anything of value by lot or chance that is not unlawful under other

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<sup>8</sup> Plaintiffs hereby plead this, their Second Cause of Action, in the alternative to their First Cause of Action, in case the Court (or a jury) ultimately finds that Defendants’ June 2021 Dogecoin sweepstakes did *not* constitute a “lottery” within the meaning of Cal. Penal Code § 320. Plaintiffs’ First Cause of Action and Second Cause of Action are pled in the alternative because, as a matter of California statutory law, the definitions of the terms “lottery” and “sweepstakes” are mutually exclusive. Cal. Bus. & Prof. Code § 17539.5(a)(12) (“‘Sweepstakes’ means any procedure for the distribution of anything of value by lot or chance *that is not unlawful under other provisions of law including, but not limited to, the provisions of Section 320 of the Penal Code.*”) (emphasis added).

provisions of law including, but not limited to, the provisions of Section 320 of the Penal Code.” Cal. Bus. & Prof. Code § 17539.5(a)(12); *see also* Cal. Penal Code § 320 (“Every person who contrives, prepares, sets up, proposes, or draws any lottery, is guilty of a misdemeanor.”). Thus, an unlawful “lottery” is excluded from the statutory definition of a “sweepstakes.”

97. If the Court or a jury in this case ultimately concludes that Defendants’ June 2021 Dogecoin sweepstakes did *not* constitute a “lottery” within the meaning of Cal. Penal Code § 320, then Plaintiffs hereby allege, in the alternative, that Defendants’ June 2021 Dogecoin sweepstakes constituted a “sweepstakes” within the meaning of Cal. Bus. & Prof. Code § 17539.15(b), which provides that:

*Solicitation materials containing sweepstakes entry materials or solicitation materials selling information regarding sweepstakes shall include a clear and conspicuous statement of the no-purchase-or-payment-necessary message, in readily understandable terms, in the official rules included in those solicitation materials and, if the official rules do not appear thereon, on the entry-order device included in those solicitation materials.*

Cal. Bus. & Prof. Code § 17539.15(b) (emphasis added). Defendants’ “sweepstakes” ads were “solicitation materials” containing both “sweepstakes entry materials” and “entry-order device[s].” *Id.* The “sweepstakes entry materials” contained in Defendants’ solicitations consisted of Defendants’ plain-text sweepstakes entry instructions. *E.g.*, ¶¶9-12, *supra*. The “entry-order devices” contained in Defendants’ solicitations consisted of Defendants’ bright blue “Opt in”

and “Make a trade” buttons, the webpages and mobile app screens on which those buttons appeared, and Coinbase’s online crypto trading interface (to which the “Make a trade” button immediately rerouted users). *E.g.*, ¶¶65-69, *supra*.

98. The term “official rules” means “the formal printed statement, however designated, of the rules for the promotional sweepstakes appearing in the solicitation materials.” Cal. Bus. & Prof. Code § 17539.15(k)(2).

99. The term “no-purchase-or-payment-necessary message” means “the following statement or a statement substantially similar to the following statement: ‘No purchase or payment of any kind is necessary to enter or win this sweepstakes.’” Cal. Bus. & Prof. Code § 17539.15(k)(1).

100. Defendants Coinbase and MKI were each a “sweepstakes sponsor” within the meaning of Cal. Bus. & Prof. Code § 17539.15, as each Defendant was a “person or entity that operate[d] or administer[ed] a sweepstakes as defined in paragraph (12) of subdivision (a) of Section 17539.5.” Cal. Bus. & Prof. Code § 17539.15(l)(2)(A).

101. The “formal printed statement” of Defendants’ “official rules” did not “appear” on Defendants’ sweepstakes entry “solicitation materials.” Consequently, Defendants were required to include “a clear and conspicuous statement of the no-purchase-or-payment-necessary message, in readily understandable terms,” on “*the entry-order device*”: namely, on their direct-to-user emails, webpages and mobile app screens displaying the “See how to enter,” “Opt in,” and “Make a trade” buttons, on which Plaintiffs and each Class

member clicked to enter Defendants' digital sweepstakes. Defendants failed to satisfy this statutory requirement for several, independent reasons.

102. **First**, the “NO PURCHASE NECESSARY” statement on Defendants’ entry-order devices was not “substantially similar” to the statement required by statute. The “no-purchase-or-payment-necessary message” required by § 17539.15 “means the following statement or a statement substantially similar to the following statement: ‘No purchase or payment of any kind is necessary to enter or win this sweepstakes.’” Cal. Bus. & Prof. Code § 17539.15(k)(1). By contrast, the “NO PURCHASE NECESSARY” statement at the bottom of (some of) Defendants’ entry-order devices omitted the material fact that that no “payment of any kind” was necessary to enter, such as the “payment” of a transaction fee for *selling* Dogecoins on Coinbase. Defendants’ unlawfully omitted the required “payment of any kind” language from their sweepstakes entry emails, webpages, and mobile app screens, for the particular purpose of concealing any truly free, sweepstakes-entry option from Plaintiffs’ and the Class’s eyes. *E.g.*, ¶¶74-75, *supra*.

103. **Second**, Defendants’ “NO PURCHASE NECESSARY” statement on their “entry-order devices” was not stated “clear[ly],” or in “readily understandable terms,” when read within the context of Defendants’ more prominent statements in their sweepstakes solicitation materials. *E.g.*, ¶¶70-73, *supra*.

104. **Third**, Defendants’ “NO PURCHASE NECESSARY” statement on their “entry-order devices” was not stated “conspicuously” on or around Defendants’ solicitation materials or “entryorder

device[s].” Instead, Defendants’ textually inadequate statement appeared only in faint, fine print at the very bottom of Defendants’ multi-page emails, webpages and mobile app screens. To view Defendants’ textually inadequate statement at all, recipients would have to have scrolled down to the bottom of Defendants’ entry-order webpages and mobile app screens, which did *not* require any scrolling to click Defendants’ far more conspicuous “See how to enter,” “Opt in,” and “Make a trade” buttons. *E.g.*, ¶¶65-69, *supra*.

105. **Fourth**, Defendants’ Dogecoin trading interface also constituted an “entry-order device,” as each Class member *completed* their sweepstakes “entry” by executing a Dogecoin purchase or sale “order” on this interface. Yet this crypto trading interface (this “entry-order device”) did not contain any “no-purchase-or-payment-necessary message,” let alone a “clear and conspicuous” message. Cal. Bus. & Prof. Code § 17539.15(b). *See* ¶69, *supra*.

106. For each of the above, independent reasons, Defendants violated Cal. Bus. & Prof. Code § 17539.15(b) by failing to include the required “clear and conspicuous statement” of the “no-purchase-or-payment-necessary message” in or on the “entry-order devices” included in their “solicitation materials containing sweepstakes entry materials.” Cal. Bus. & Prof. Code § 17539.15(b). Defendants’ failure to make the clear and conspicuous disclosures expressly required by statute caused Plaintiffs and other Class members (as well as members of the media) to remain unaware of any purchase-free, payment-free option for entering Defendants’ advertised sweepstakes in June 2021.

107. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiffs and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 more on coinbase.com, and by paying the attendant transaction fees to Coinbase, between June 3, 2021 and June 10, 2021. Plaintiffs, on behalf of themselves and the Class, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and other equitable relief, including full restitution of all monetary payments that Class members made in consideration of their entries into Defendants' June 2021 DOGE sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

### **THIRD CAUSE OF ACTION**

#### **Violation of CAL. BUS. & PROF. CODE §§ 17500, *et seq.* -**

#### **Untrue, Misleading and Deceptive Advertising**

108. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this Complaint.

109. California Business and Professions Code, Section 17500, makes it unlawful for any person:

to make or disseminate or cause to be made or disseminated before the public in this state, or to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet,



any statement, concerning that real or personal property or those services, professional or otherwise, or concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.

110. Before and during the June 2021 Dogecoin sweepstakes alleged herein, Defendant Coinbase made and disseminated from this state to the public nationwide, over the Internet and through wireless phone networks, digital advertising devices which falsely and misleadingly asserted to consumers that entry into Defendants' Dogecoin sweepstakes was, in fact, contingent upon such consumers "opting in" online, and purchasing or selling Dogecoins for \$100 more on Coinbase's digital trading platform, between June 3, 2021 and June 10, 2021, when in fact, no Dogecoin purchase or sale transaction was required for entry into Defendants' sweepstakes.

111. Likewise, before and during the June 2021 Dogecoin sweepstakes alleged herein, Defendant MKI caused such materially false and misleading advertising to be made and disseminated from this state to the public nationwide, over the Internet and through wireless phone networks. Defendant MKI caused such false and misleading advertising statements to be made and disseminated nationwide, from California, because MKI personally created, drafted, designed and structured Defendants' digital sweepstakes ads, including but not limited to the direct-to-consumer email, website and mobile app advertisements depicted and alleged herein, with the full knowledge and

intent that Coinbase would electronically disseminate MKI's false and misleading ads to members of the public nationwide.

112. Defendants' advertisements of their June 2021 DOGE Sweepstakes affirmatively misrepresented, concealed and omitted the material truth regarding the requirements for sweepstakes entry. Defendants' advertisements were made to consumers and emanated from Coinbase's primary offices within the State of California, to millions of consumers within the State of California and nationally or internationally, and are within the meaning of advertising as provided in Cal. Bus. & Prof. Code §§ 17500, *et seq.*, in that such promotional materials were intended as inducements to purchase products and services on Coinbase.com and are statements made and disseminated by Defendants, and caused by Defendants to be made and disseminated, to Plaintiffs and other members of the Class. Each Defendant knew, or in the exercise of reasonable care should have known, that their advertising statements about their June 2021 DOGE Sweepstakes would be and were false, misleading, confusing, and deceptive to a substantial segment if not the vast majority of layperson-consumers

113. In furtherance of Defendants' false and misleading advertising scheme, Coinbase and MKI, individually and in collaboration, designed, created, prepared, structured, tested, reviewed, analyzed and disseminated via the Internet digital advertisements misleadingly suggesting, and overtly and falsely stating, that their June 2021 DOGE Sweepstakes in fact *required* entrants to purchase or sell Dogecoins for \$100 more on Coinbase, between June 3, 2021 and June 10, 2021. Defendants also materially falsified

their digital sweepstakes ads and misled consumers by representing that sweepstakes entrants had to buy or sell “\$100 in DOGE” or “\$100 in Dogecoin,” when in fact consumer purchases or sales of marginally less than “\$100 in Dogecoin” would have sufficed for entry. See ¶¶41-49. *supra*. Consumers, including Plaintiffs and members of the Class, reasonably relied on Defendants’ multiple, material misstatements regarding their sweepstakes entry requirements because all members of the Class were demonstrably exposed to such statements. Consumers, including Plaintiffs and members of the Class, were among the specifically intended targets of Defendants’ material misrepresentations.

114. Defendants’ above acts—in designing, creating, preparing, structuring, testing, reviewing, analyzing and disseminating via the Internet such misleading and deceptive statements throughout the United States to Plaintiffs and the Class—were demonstrably likely to deceive, mislead, and confuse, and did deceive, mislead and confuse, reasonable consumers by obfuscating the true requirements (and non-requirements) for entry into Defendants’ Dogecoin sweepstakes, and thus were violations of Cal. Bus. & Prof. Code §§ 17500, *et seq.*

115. Defendants’ materially false and misleading sweepstakes advertising devices caused Plaintiffs and other members of the Class to suffer personal financial injuries, in the form of paying Coinbase hundreds of millions of dollars in purchases and commissions that they would not otherwise have spent to enter the sweepstakes. Had Plaintiffs and members of the Class known that Defendants’ solicitation materials, advertisements and inducements misrepresented,

obfuscated and concealed the true entry requirements for Defendants' sweepstakes, they would not have purchased or sold Dogecoins for \$100 or more on Coinbase's trading platform between June 3, 2021 and June 10, 2021 (inclusive).

116. Plaintiffs, on behalf of themselves and the Class, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE sweepstakes, and disgorgement of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

#### **FOURTH CAUSE OF ACTION**

#### **Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq. - Unlawful Business Acts and Practices (False Advertising)**

117. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this complaint, as if fully set forth herein.

118. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiffs and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 or more and paying the attendant purchase and sale transaction fees on Coinbase between June 3, 2021 and June 10, 2021, when in fact no Dogecoin purchase or sale transactions were required for entry into Defendants' sweepstakes.

119. As a result of Defendants' above unlawful acts and practices of false and misleading advertising detailed herein, Plaintiffs, on behalf of themselves and

the Class, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE Sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

**FIFTH CAUSE OF ACTION**

**Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* -  
Unfair Business Acts and Practices**

120. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this complaint, as if fully set forth herein.

121. Defendants' actions alleged herein violate the laws and public policies of California, as set out in the preceding paragraphs of this complaint.

122. There is no benefit to consumers, competition or the general public from allowing Defendants to deceptively market and sell million-dollar "sweepstakes" (really, "lottery") entries to millions of consumers, in violation of California law, and under the false guise of executing a cryptocurrency sales "promotion."

123. The gravity of harm suffered by Plaintiffs and the Class, who have unnecessarily lost hundreds of millions of dollars collectively, outweighs any legitimate justification, motive or reason for Defendants' deceptive sweepstakes marketing. Accordingly, Defendants' actions are immoral, unethical, unscrupulous and offend the public policies of California, and are substantially injurious to Plaintiffs and the Class.

124. Defendants' above acts and practices were and are likely to deceive—and in fact, did deceive—reasonable consumers as to the true requirements for entering Defendants' \$1.2 million Dogecoin sweepstakes, and further, were likely to conceal and did conceal from reasonable consumers the true options and requirements for sweepstakes entry.

125. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiffs and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 more and paying the attendant transaction fees on Coinbase, between June 3, 2021 and June 10, 2021, when in fact no Dogecoin purchase or sale transactions were required for entry into Defendants' sweepstakes.

126. Plaintiffs, on behalf of themselves and all others similarly situated, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing their wrongful advertising practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

#### **SIXTH CAUSE OF ACTION**

#### **Violation of Cal. Civ. Code §§ 1750, *et seq.* - (Misrepresenting That a “Transaction” Involves Certain “Obligations”)**

127. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this complaint, as if fully set forth herein.

128. California’s Consumer Legal Remedies Act, Cal. (“CLRA”) provides that “[t]he following unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or that results in the sale or lease of goods or services to any consumer are unlawful: . . . (14) [r]epresenting that a transaction confers or involves rights, remedies, or *obligations* that it does not have or involve, or that are prohibited by law.” Cal Civ. Code § 1770(a)(14).

129. Plaintiffs’ and the Class’s entries into Defendants’ June 2021 Dogecoin sweepstakes constituted “transactions” which Defendants “intended to result,” and which did result, in the sale of goods and services to consumers (“goods” in the form of Dogecoins, and “services” in the form of cryptocurrency trade-execution, for a fee). As detailed throughout this complaint, Defendants’ June 2021 Dogecoin sweepstakes solicitations—including, but not limited to, Defendants’ direct-to-user email, website, and mobile app advertisements—affirmatively “represent[ed] that” Plaintiffs’ and the Class’s sweepstakes entries “involved” and “conferred” on all entrants the “obligation” to buy or sell “\$100 in DOGE” on Coinbase’s trading platform between June 3 and June 10, 2021, when in fact, entry into Defendants’ DOGE sweepstakes did *not* involve or confer that “obligation” on any Class member, because Defendants in fact made available an alternative, *free* mail-in option for entering their sweepstakes. In representing to Plaintiffs and the Class that they “need[ed]” to trade Dogecoins on Coinbase to enter for a chance to win one of Defendants’ sweepstakes prizes, Defendants affirmatively misrepresented the “obligations” involved in Class members’ sweepstakes

entry transactions, in violation of Cal Civ. Code § 1770(a)(14).

130. In addition, Defendants’ affirmative misrepresentation to Plaintiffs and the Class that they “need[ed] to” buy or sell Dogecoins on Coinbase—and pay Coinbase’s attendant trading commissions—constituted an affirmative representation to Plaintiffs and the Class that they were obligated to pay *consideration* to Coinbase for a *chance* to win a *prize*. In making that representation to Plaintiffs and the Class, Defendants represented that a “transaction” (Plaintiffs’ and the Class’s entries) involved and conferred on all Class members an “obligation” that was and remains “prohibited by law” (*i.e.*, an “obligation” to pay consideration, in exchange for a chance, to win a prize). See Cal. Penal Code § 320 (providing that “[e]very person who contrives, prepares, sets up, proposes, or draws any lottery” is guilty of a misdemeanor); *see also Trinkle v. California State Lottery*, 105 Cal.App.4th 1401, 1406 (Cal. Ct. App. 2003) (explaining that the elements of an unlawful “lottery” are (i) consideration given by an entrant; (ii) in exchange for a chance; (iii) to win a prize). Thus, Defendants independently violated Cal Civ. Code § 1770(a)(14) in this second way.

131. Moreover, Defendants’ affirmatively misrepresented that sweepstakes entrants had an “obligation” to buy or sell “\$100 in DOGE” or “\$100 in Dogecoin,” when in fact, the truth was that consumer purchases or sales of marginally *less than* “\$100 in Dogecoin” would have sufficed for entry. *See* ¶¶41-49. *supra*. Defendants thus independently violated Cal Civ. Code § 1770(a)(14) in a third way, as they misrepresented the *dollar value* of DOGE trades that Class members



were (purportedly) “obligat[ed]” to make in exchange for their sweepstakes entries.

132. Plaintiffs and members of the Class reasonably relied on Defendants’ multiple, material misstatements regarding their sweepstakes entry “obligations,” as all members of the Class were demonstrably exposed to such statements, and each paid \$100 or more to Coinbase as a direct result of Defendants misrepresentations, which were prohibited by Cal Civ. Code § 1770(a)(14) in several respects.

133. On account of Defendants’ unlawful acts and misrepresentations detailed herein, Plaintiffs, on behalf of themselves and the Class, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into Defendants’ June 2021 DOGE Sweepstakes, and disgorgement of all other ill-gotten gains derived from Defendants’ wrongful conduct to the fullest extent permitted by law.

134. At this time, Plaintiffs and the Class do *not* seek their actual damages at law for violations of Cal Civ. Code § 1770(a)(14), but instead, reserve their statutory rights to amend this complaint to include a request for damages and other relief at law after complying with Cal. Civ. Code § 1782(a). At this time, Plaintiffs and the Class request *only* injunctive and other *equitable* relief. Plaintiffs and the Class, however, do intend to request monetary damages for Defendants’ violations of the CLRA, *after* Plaintiffs have fully complied with Cal. Civ. Code § 1782(a).

**SEVENTH CAUSE OF ACTION****Violations of Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq. -****Unlawful Business Acts and Practices (Violations of Cal Civ. Code § 1770(a)(14))**

135. Plaintiffs hereby incorporate by reference the allegations contained in all other paragraphs of this complaint, as if fully set forth herein.

136. As a result of Defendants' unfair and unlawful conduct as described herein, Plaintiffs and the Class have lost money and property by purchasing and/or selling Dogecoins for \$100 or more and paying the attendant purchase and sale transaction fees on Coinbase between June 3, 2021 and June 10, 2021, when in fact no Dogecoin purchase or sale transactions were required for entry into Defendants' sweepstakes.

137. As a result of Defendants' above unlawful acts and practices in violation of Cal. Civ. Code § 1770(a)(14), Plaintiffs, on behalf of themselves and the Class, and as appropriate, on behalf of the general public, seek permanent injunctive relief prohibiting Defendants from continuing such wrongful practices, and such other equitable relief, including full restitution of all payments Class members made to Coinbase to facilitate their entries into the June 2021 DOGE Sweepstakes, and of all other ill-gotten gains derived from Defendants' wrongful conduct to the fullest extent permitted by law.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal

Rules of Civil Procedure, and certifying Plaintiffs as Class Representatives, and the law firm of Finkelstein & Krinsk LLP as Class Counsel;

B. For an order of restitution necessary to restore to Plaintiffs and each Class member all money and personal property that Defendants have acquired from Plaintiffs and the Class by means of Defendants' unlawful conduct as described herein, and an order for the disgorgement of all of Defendants' ill-gotten gains from the unlawful conduct alleged herein;

C. For an order permanently and publicly enjoining Defendants from continuing to engage in the unlawful and unfair business acts and practices alleged herein;

D. Ordering Defendants to pay Plaintiffs' and the Class's reasonable attorneys' fees, expert fees, and other costs and expenses of this litigation; and

E. Ordering such other equitable relief as this Court may deem just and proper.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury.

Dated: August 31, 2021      Respectfully submitted,

FINKELSTEIN & KRINSK LLP

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David J. Harris, Jr., Esq.

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97

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*Counsel for Plaintiffs and the Putative Class*

**EXHIBIT A**

**COINBASE DOGECOIN SWEEPSTAKES  
OFFICIAL RULES**

**NO PURCHASE NECESSARY. A PURCHASE  
OR PAYMENT OF ANY KIND WILL NOT  
INCREASE YOUR CHANCES OF WINNING.**

**PARTICIPATION IS LIMITED TO LEGAL  
RESIDENTS OF THE 50 UNITED STATES  
(EXCLUDING HAWAII) & THE DISTRICT OF  
COLUMBIA.**

**VOID IN HAWAII AND WHERE PROHIBITED  
BY LAW.**

**THIS PROMOTION SHALL BE CONSTRUED  
ACCORDING TO AND GOVERNED  
EXCLUSIVELY BY U.S. LAW.**

**1. Eligibility:** Coinbase - Dogecoin Sweepstakes (the "**Sweepstakes**" or "**Promotion**") is open only to legal residents of the fifty (50) United States (excluding Hawaii) and the District of Columbia, who are at least 18 years of age or older and legal age of majority in their jurisdiction of residence. Coinbase (the "**Sponsor**"), Marden-Kane Inc. (the "**Administrator**"), their parent, affiliates, subsidiaries, promotion agencies and each of their respective directors, officers, employees and assigns (collectively "**Released Parties**") and their immediate family members and/or those living in the same household of each (whether related or not) are not eligible. For purposes of this Promotion, the term "family member" is defined as spouse, partner, parent, legal guardian, in-law, grandparent, child, or grandchild. The Sweepstakes is subject to all applicable federal, state and

local laws and regulations. Void where prohibited. Participation constitutes entrant's full and unconditional agreement to these Official Rules and Sponsor's and Administrator's decisions, which are final and binding in all matters related to the Sweepstakes. Winning a prize is contingent upon fulfilling all requirements set forth herein.

**2. Timing:** The Promotion begins on June 3, 2021 at 1:00 p.m. Pacific Time ("PT"), ends on June 10, 2021 at 11:59 p.m. PT (the "**Promotion Period**"). Administrator's computer systems is the official time-keeping device for the Sweepstakes.

**3. How to Enter:**

Two methods of entry:

Method 1: Existing account holders and new\* account holders must opt-in to participate in the Sweepstakes and must complete \$100usd (cumulative the transaction fee) in trade (buy/sell) of Dogecoin on Coinbase.com (.com and/or Coinbase app) during the Promotion Period to earn one (1) entry into the Sweepstakes.

This is not a recommendation to buy or sell dogecoin. Investing in cryptocurrency comes with risk. The price of a given cryptocurrency may increase or decrease based on market conditions and participants may lose money, including their original purchase amount. See below for instructions on alternative means of entry.

\*To create a new Coinbase account on Coinbase.com during the Promotion Period, provide required information as requested online at [www.Coinbase.com](http://www.Coinbase.com) (inclusive of Social Security number) and complete the required ID verification process (upload a valid and current driver's license or state ID or complete a set of

identity-verification questions). There is no fee or charge to create an account and become a registered Coinbase user. By submitting your information and creating an account, you agree to the respective terms of use and privacy notice. If you do not agree to such terms of use and privacy notice, you cannot create a respective account, and will be ineligible to receive a prize.

Method 2: To enter via mail, hand write the following on the front of a 3x5 card, your name, address, city, state, zip, e-mail address, telephone number and date of birth. Insert single card in an envelope and mail with sufficient postage to: Coinbase Dogecoin Sweepstakes, PO Box 738, Syosset, NY 11791-0738 – return address and mailing address on envelope must be handwritten. Mail-in entries must include all requested information (as stated above) to be considered an entry. Mail-in entries must be postmarked by June 10, 2021 and received by June 15, 2021. Only one (1) entry per person. Requests for confirmation of receipt of mail-in entries will not be acknowledged. No photocopies, facsimiles or reproductions of mail-in entry will be accepted. Sponsor is not responsible for late, lost, damaged, stolen, incomplete, illegible, postage due, or misdirected entries. Proof of mailing does not constitute proof of delivery. Winners that entered via mail will be required to create a new Coinbase account on Coinbase.com and agree to the respective terms of use and privacy notice, or have a valid Coinbase account standing, to receive their prize. If you do not create a new Coinbase account and agree to such terms of use and privacy notice within the timeframe indicated by Sponsor, you will be ineligible to receive a prize.

**Note: Your chances of winning are the same regardless of method of entry.**

**Note: To claim a prize in this Sweepstakes, all potential winners will be required to create a Coinbase account (free to create an account) or have a valid Coinbase account standing. Creating an account will require the collection of personal information for identity verification purposes (including a valid and current driver's license or state ID, tax ID number, or completion of a set of identity-verification questions). If a winner sells the Dogecoin, you will need to link a bank account to withdraw fiat. Potential winners that do not create a Coinbase account and/or if their Coinbase account is not approved by Sponsor will be disqualified. ALL POTENTIAL WINNERS ARE SUBJECT TO VERIFICATION BY SPONSOR, WHOSE DECISIONS ARE FINAL AND BINDING. A PARTICIPANT IS NOT A WINNER OF ANY PRIZE UNLESS AND UNTIL THAT PARTICIPANT'S ELIGIBILITY AND COMPLIANCE WITH ALL REQUIREMENTS TO CLAIM A PRIZE HAVE BEEN VERIFIED AND FULFILLED, AND THE PARTICIPANT HAS BEEN NOTIFIED THAT VERIFICATION IS COMPLETE.**

**Participants must comply with these Official Rules and the Conditions of Entry.** Determination of compliance will be in the sole discretion of the Sponsor/Administrator.

**Limit: Limit one entry per person/email address no matter the means of entry. Entries**



received from any person in excess of the stated limitation will be void, and that person may be disqualified from entry and/or winning. Entries received from any person who attempts to cancel and create a new account, or who attempts to create an additional account, during the promotion period will be disqualified. Any attempt by any entrant to obtain more than the stated number of entries by using multiple/different email addresses or any other methods will void that entrant's entries and that entrant may be disqualified. Use of any automated system to participate is prohibited and will result in disqualification. In the event of a dispute over the identity of a potential winner, the entry will be declared made by the authorized account holder of the email address associated with the entrant's Coinbase account (or submitted with the mail-in entry, as applicable) "**Entrant's Email Address**", and potential winner may be required to provide identification sufficient to show that he/she is the authorized account holder of the email account.

The "authorized account holder" is the natural person assigned to the applicable email account. Proof of submission of an entry does not constitute proof of delivery.

**4. Drawings:** Winners will be randomly selected from all eligible entries received on or about **June 17, 2021**. The random drawings will be conducted by the Administrator at their offices in Syosset, NY, USA, an independent judging organization whose decisions are final. The odds of winning a prize depend upon the number of eligible entries received for each drawing. **Limit one prize per person/household in this Promotion.**

**5. Winner Notification:** Potential winners will be contacted via email at Entrant's Email Address by a representative of Coinbase with instructions on how to claim their prize and will be required to respond to such email within 48 hours of date/time email was sent by Sponsor. Potential winners will be required to complete and return an Affidavit of Eligibility, Release of Liability or any other document needed to validate eligibility ("**Documents**") within five (5) days (including Saturdays, Sundays and Holidays) of first attempted delivery of same. In the event a potential winner cannot be contacted, fails to respond to the email within the allotted time, refuses the prize, or fails or refuses to timely return completed Documents, or if a prize/prize notification is returned as undeliverable, potential winner will be disqualified without further notice and an alternate winner may be selected. Potential winners that entered the Sweepstakes by mail that do not create a new Coinbase account timely will forfeit the prize. Winners must have an active Coinbase account at the time of awarding the prize. Prizes will be fulfilled within approximately 6-8 weeks of winner verification. Sponsor assumes no responsibility for undeliverable emails resulting from any form of active or passive filtering by an email client or for insufficient space in user's account to receive an email. Sponsor reserves the right to modify the notification procedures and applicable deadlines for responding in connection with the selection of any alternate. If a prize is legitimately claimed it will be awarded. Upon prize forfeiture or inability to use a prize or portion thereof, no compensation will be given, and Sponsor will have no further obligation to that participant.

## **6. Prizes.**

**Tier 1:** one (1) winner will receive Three Hundred Thousand Dollars (\$300,000) in Dogecoin.

**Tier 2:** ten (10) winners will each receive Thirty Thousand Dollars (\$30,000) in Dogecoin.

**Tier 3:** six thousand (6,000) winners will each receive One Hundred Dollars (\$100) in Dogecoin.

**Estimated total retail value of all prizes is approximately \$1,200,000 usd.**

**All prize values stated herein are in USD.** Winners of Tier 1 and Tier 2 prizes may elect to receive prize in US Dollars instead of Dogecoin. All prizes will be fulfilled via an upload of Dogecoin (or US Dollars, if applicable) to winner's Coinbase account. Access to Dogecoin and US Dollar prizes is subject to the Coinbase Terms and Conditions of the Coinbase account. Restrictions may apply. Fees apply when you buy and sell digital currency on the Coinbase site (these fees are at the discretion and responsibility of the Winner and will not be reimbursed by Sponsor). Cryptocurrency conversions from Dogecoin to US Dollars are treated as cryptocurrency "sales", and all the forgoing transactions are charged a spread and a Coinbase Fee as described in the Coinbase pricing and fee disclosures at <https://help.coinbase.com/en/coinbase/trading-and-funding/pricing-and-fees/fees.html>. Value of Dogecoin prizes determined by Sponsor's set rate on a date and time selected by Sponsor at its discretion prior to upload of prize to winner's Coinbase account.

**DISCLOSURE: THE VALUE OF DOGECOIN IS SUBJECT TO CHANGE, IT CAN GO UP OR DOWN AND THERE CAN BE A SUBSTANTIAL RISK THAT IT COULD LOSE VALUE**

**(POSSIBLY ALL VALUE) AS A RESULT OF BUYING, SELLING, OR HOLDING DOGECOIN.**

Prizes are non-transferable and no substitution will be made except as provided herein at the Sponsor's sole discretion. Sponsor reserves the right where lawful to substitute a prize for one of equal or greater value if the designated prize should become unavailable for any reason. Prizes consist of only the items specifically listed as part of the prize. In no event will more than the stated number of prizes be awarded. Winners are solely responsible for any/all applicable federal, state and local taxes and any other expenses related to the acceptance and use of a prize not specified herein. Prize details not specifically stated in these Official Rules will be determined in Sponsor's sole discretion. Sponsor is not responsible for, and will not replace, any lost, damaged or stolen prize or prize component or any prize that is undeliverable. Winners acknowledge that Sponsor is subject to U.S. economic restrictions and trade sanctions; as such, Sponsor reserves the right to deny distribution of any prize when required by applicable law. Participants waive the right to assert as a cost of winning a prize, any costs associated with claiming or seeking to claim a prize, or using a prize.

**7. Taxes:** Each winner is solely responsible for reporting and paying any and all applicable taxes related to the prize(s). Each winner will be subject to an onboarding verification process and is required to provide any requested tax reporting information before any prize is awarded including name, date of birth, address, phone numbers and social security number or taxpayer identification number. The value of any prize awarded to a winner will be reported for tax

purposes as required by law. Any person receiving at least six hundred dollars (USD600) from the Sponsor will receive an IRS Form 1099 at the end of the calendar year and a copy of such form will be filed with the IRS. Each winner is required to notify the Sponsor if any information provided hereunder changes, including the winner's address. **Potential winner should consult an accountant or tax professional to determine tax implications in accepting and using (including conducting transactions of) any Prize.**

**8. Release:** Entrants/winners agree to release, discharge and hold harmless Released Parties from and against any claim or cause of action or liability (including but not limited to, personal injury, death or damage to or loss of property as well as claims based on publicity rights, defamation and/or invasion of privacy) arising out of or in connection with participation in the Sweepstakes or acceptance/receipt/use or misuse of any prize, and agree to be bound by the Official Rules and the decisions of the Sponsor, the Administrator and/or Sponsor's representatives, which are final. Acceptance of a prize constitutes permission for the Sponsor and its agencies to use winner's name, likeness, photograph and/or hometown and state for purposes of complying with obligations as described in Section 11 below, and for advertising and trade without further compensation, in any media, worldwide, unless prohibited by law.

**9. General:** ANY ATTEMPT BY AN INDIVIDUAL TO DELIBERATELY UNDERMINE THE LEGITIMATE OPERATION OF THIS PROMOTION IS A VIOLATION OF CRIMINAL AND CIVIL LAWS, AND SHOULD SUCH AN ATTEMPT

BE MADE, SPONSOR RESERVES THE RIGHT TO SEEK DAMAGES FROM ANY SUCH INDIVIDUAL TO THE FULLEST EXTENT PERMITTED BY LAW. Sponsor will not be responsible for lost, late, damaged, misdirected or mutilated mail, misdirected email, or for any technical problems, faulty, lost, garbled, incomplete, incorrect or mistranscribed data transmissions, incorrect announcements of any kind, malfunctions, technical hardware or software failures of any kind including any injury or damage to any person's computer/mobile device related to or resulting from participating in or experiencing any materials in connection with this Sweepstakes. Sponsor is not responsible for malfunctions or breakdown of any network systems, unavailable service connections, lost, incomplete, faulty network connectivity of any kind, failures of any service providers, or any combination thereof, which may limit a person's ability to participate in this Promotion. Sponsor reserves the right to suspend, cancel or modify the Promotion if it cannot be executed as planned for any reason including, but not limited to, if fraud, human error, technical failures, or any other factor impairs the integrity or proper functioning of the Promotion; or if a virus, bug or other technical problem corrupts the administration, security, or proper play of the Promotion as determined by Sponsor in its sole discretion. If the Promotion is so cancelled or modified, Sponsor may award prizes from among all eligible participants prior to such action and Sponsor shall have no further obligation to any participant in connection with this Promotion. Sponsor reserves the right to prohibit the participation of an individual if fraud or tampering is suspected or if the participant fails to comply with any requirement

of participation as stated herein or with any provision in these Official Rules. In the event there is a discrepancy or inconsistency between disclosures or other statements contained in promotional materials and the terms and conditions of the Official Rules, the Official Rules shall prevail, govern and control. Sponsor will not be responsible for any typographical or other error in the printing of the offer, administration of the Sweepstakes or in the announcement of the prizes.

**10. Disputes:** All federal, state and local laws and regulations apply. THE CALIFORNIA COURTS (STATE AND FEDERAL) SHALL HAVE SOLE JURISDICTION OF ANY CONTROVERSIES REGARDING THE PROMOTION AND THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN THE PROMOTION. EACH ENTRANT WAIVES ANY AND ALL OBJECTIONS TO JURISDICTION AND VENUE IN THOSE COURTS FOR ANY REASON AND HEREBY SUBMITS TO THE JURISDICTION OF THOSE COURTS. Claims may not be resolved through any form of class action. Entrant agrees that any and all claims, judgments, and awards shall be limited to the lower of either reasonable or actual out of pocket costs incurred, including any costs associated with participation in this Promotion but in no event attorneys' fees; and under no circumstances will entrants/winners be permitted to obtain awards for and entrants/winners hereby waive all rights to claim punitive, incidental and consequential damages and any other damages, other than for the lower of either reasonable or actual out-of-pocket expenses and any and all rights to have damages multiplied or otherwise increased. SOME JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY

FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE MAY NOT APPLY TO YOU. In addition to the tax liability disclosures in these Rules, winners are subject to abide by the income reporting and, if applicable, the payment of any taxes due per the laws, rules and regulations of the winner's state of residence. By entering and participating in the Promotion, Entrants hereby expressly agree and accept that for all that is related to the interpretation, performance and enforcement of these Official Rules, each of them expressly submit themselves to the laws of the United States of America and the State of California, expressly waiving to any other jurisdiction that could correspond to them by virtue of their present or future domicile or by virtue of any other cause.

**11. Entrant's Personal Information:** Information collected from entrants is subject to Coinbase's Privacy Policy, which can be found at <https://www.coinbase.com/legal/privacy>. Sponsor assures that your information will be kept confidential in accordance with applicable data protection laws and regulations. Data will be stored in the United States and may be shared with a third-party fulfillment company only to administer this Sweepstakes, verify winners and fulfill prizes unless you have given your prior express consent to receive additional information from Sponsor or a third party.

**12. Winner List:** For a list of winners, send an email to [winnerslist@mkpromosource.com](mailto:winnerslist@mkpromosource.com) with "WINNERS - Coinbase Sweepstakes" as the subject line. Requests must be received by July 15, 2021. The winners list will be available after all winners have been verified.



**SPONSOR:** Coinbase, 100 Pine Street, Suite #1250,  
San Francisco, CA 94111, USA

**ADMINISTRATOR:** Marden-Kane Inc., 575 Un-  
derhill Blvd., Suite 222, Syosset, NY 11791, USA.

Google and Apple are not participants or sponsors of  
this promotion.

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

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DAVID SUSKI, JAIMEE MARTIN, JONAS  
CALSBEEK, and THOMAS MAHER, Individually  
and On Behalf of All Others Similarly Situated,  
Plaintiffs,

v.

COINBASE GLOBAL, INC. and MARDEN-KANE,  
INC.,  
Defendants.

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**DECLARATION OF CARTER MCPHERSON-EVANS IN  
SUPPORT OF COINBASE GLOBAL, INC.'S MOTION TO  
COMPEL ARBITRATION, OR, ALTERNATIVELY, TO  
DISMISS PLAINTIFFS' COMPLAINT**

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I, Carter McPherson-Evans, declare:

1. I am a Regulatory Program Manager at Coinbase. I have been employed by Coinbase since February 2017. I submit this declaration based on personal knowledge and following reasonable investigation. If called upon as a witness, I could competently testify to the truth of each statement.
2. Coinbase provides an online platform that allows users to buy, sell, and transfer digital currency (e.g., Bitcoin or Dogecoin) and to store digital currency in a Coinbase-hosted digital wallet.
3. As a Coinbase Regulatory Program Manager, I ensure compliance with Coinbase's money licensing requirements, routinely review customer records to resolve customer disputes, and respond to regulatory inquiries.
4. As part of my job at Coinbase, I am familiar with the process by which customers sign up for Coinbase accounts and accept the terms of the Coinbase User Agreement. I am also familiar with the way user account information is logged and stored in the ordinary course of business, and I understand how to retrieve such records and information.

5. I understand that this lawsuit is brought by Plaintiffs David Suski, Jaimee Martin, Jonas Calsbeek, and Thomas Maher.

6. Coinbase provides its online platform and services to its users exclusively under the terms of a Coinbase User Agreement. I understand that before a prospective Coinbase user can access Coinbase's platform or services, the user must first create a Coinbase account and affirmatively agree to the Coinbase User Agreement.

7. I am familiar with the user acceptance flows via Coinbase's website and mobile app at the time Plaintiffs accepted the Coinbase User Agreement.

8. I am familiar with the user acceptance flow at the time Plaintiffs David Suski, Jonas Calsbeek, and Thomas Maher accepted the User Agreement on Coinbase's website. Based on that understanding, the screenshot attached as **Exhibit 1**, which is a true and correct copy of the User Agreement acceptance as it exists today, is substantively identical to what these users would have seen when they signed up. Specifically, the screen would have said "I certify that I am over 18 years of age and I accept the User Agreement and Privacy Policy." Both the User Agreement and Privacy Policy would have been hyperlinked on the screen for these users just as they are today. And the users would have needed to select a checkbox confirming their assent, just as they would need to if they signed up today.

9. In 2018 (and continuing through today), it was impossible for users to create Coinbase accounts on Coinbase's website without checking the box to expressly indicate their acceptance of the Coinbase User

Agreement. If a customer attempted to click the “Create Account” button without clicking the checkbox, the signup page would reload and display text at the top of the page that stated: “Please accept the user agreement.”

10. I am also familiar with the user acceptance flow at the time Plaintiff Jaimee Martin accepted the User Agreement on Coinbase’s mobile app. That procedure, which is substantially similar to the procedure in place today, is as follows. To create a Coinbase account via the mobile app, a customer had to first download the Coinbase mobile app onto their mobile device. Upon opening the mobile app, the prospective user was directed to input his or her first and last name, email address, and newly created password. Then, upon receiving that information, the mobile app presented each prospective user with the full text of the User Agreement in its entirety and prompted the prospective user to tap either “I Agree” or “Cancel.”

11. To proceed with creating an account, each prospective user had to complete each of the above fields—including tapping “I Agree” when presented with the full text of the User Agreement. It was impossible for a customer to create a Coinbase account without expressly indicating his or her agreement to the User Agreement by tapping “I Agree.” Should a prospective user tap “Cancel” or attempt to create an account without tapping “I Agree,” the account would not be created.

12. In the regular course of its business, Coinbase maintains a log of certain actions taken by users in connection with their Coinbase accounts (the “User Activity Log”). I am personally familiar with these records and use them to perform my job functions at

Coinbase. The entries in the User Activity Log related to account creation and user acceptance of the User Agreement are recorded automatically via an internal software application known internally as “Admin” at or near the time of the events that the entries record. Whenever a Coinbase user creates a Coinbase account and accepts the User Agreement, that information is recorded in the User Activity Log, which is stored and maintained in Admin. It is Coinbase’s regular practice to use Admin to record entries in the User Activity Log, including a user’s acceptance of the Coinbase User Agreement.

13. I have reviewed Coinbase’s User Activity Log in Admin for event entries related to Plaintiffs, and have confirmed that each Plaintiff accepted the User Agreement as follows:

(a) The log for Mr. Suski shows that he “accepted user agreement” on January 24, 2018 at 11:12 a.m. Pacific time. A true and correct copy of this entry in the Coinbase log for Mr. Suski is attached as **Exhibit 2**. This transaction event indicates that he clicked the checkbox on the signup webpage indicating that he agreed to the Coinbase User Agreement on January 24, 2018.

(b) The log for Ms. Martin shows that she “accepted user agreement” on February 12, 2021 at 2:58 p.m. Pacific time. A true and correct copy of this entry in the Coinbase log for Ms. Martin is attached as **Exhibit 3**. This transaction event indicates that she tapped “I Agree” on the registration page in the Coinbase mobile app indicating that she agreed to the Coinbase User Agreement on February 12, 2021.

(c) The log for Mr. Calsbeek shows that he “accepted user agreement” on May 13, 2021 at 7:05 p.m. Pacific time. A true and correct copy of this entry in the Coinbase log for Mr. Calsbeek is attached as **Exhibit 4**. This transaction event indicates that he clicked the checkbox on the signup webpage indicating that he agreed to the Coinbase User Agreement on May 13, 2021.

(d) The log for Mr. Maher shows that he “accepted user agreement” on April 5, 2020 at 10:40 p.m. Pacific time. A true and correct copy of this entry in the Coinbase log for Mr. Maher is attached as **Exhibit 5**. This transaction event indicates that he clicked the checkbox on the signup webpage indicating that he agreed to the Coinbase User Agreement on April 5, 2020.

14. True and correct copies of the Coinbase User Agreement in effect at the time the Plaintiffs accepted the terms of the User Agreement are attached as follows:

(a) **Exhibit 6** is the User Agreement that Mr. Suski accepted. It is the agreement that was located at [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states) in January of 2018 (effective as of September 14, 2017), and is the agreement that the customers were able to review at that time by clicking on the “User Agreement” hyperlink on the Coinbase signup webpage.

(b) **Exhibit 7** is the User Agreement that Ms. Martin accepted. It is the agreement that was located at [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states) in February of 2021 (effective as of January 25, 2021), and is the agreement that the

customers were able to review at that time by clicking on the “User Agreement” hyperlink on the Coinbase signup webpage.

(c) **Exhibit 8** is the User Agreement that Mr. Calsbeek accepted. It is the agreement that was located at [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states) in May of 2021 (effective as of March 31, 2021), and is the agreement that the customers were able to review at that time by clicking on the “User Agreement” hyperlink on the Coinbase signup webpage.

(d) **Exhibit 9** is the User Agreement that Mr. Maher accepted. It is the agreement that was located at [https://www.coinbase.com/legal/user\\_agreement/united\\_states](https://www.coinbase.com/legal/user_agreement/united_states) in April 2020 (effective as of December 3, 2019), and is the agreement that the customers were able to review at that time by clicking on the “User Agreement” hyperlink on the Coinbase signup webpage.

15. Coinbase maintains archives of its user agreements in text-only format in a centralized repository in the ordinary course of business. Provisions of the User Agreement that appeared to users in bold are signified by double asterisks in the attached text-only version in Exhibits 6, 7, 8, and 9. In other words, any text that is situated between double asterisks would have appeared in bold in the live version on Coinbase’s website and mobile app.

I declare under penalty of perjury that the foregoing is true and correct. Executed at Phoenix, Arizona on October 18, 2021.



118

/s/ Carter McPherson-Evans  
Carter McPherson-Evans

**EXHIBIT 6**

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**# COINBASE USER AGREEMENT**

This is a contract between you and Coinbase, Inc. ("Coinbase"). By signing up to use an account through coinbase.com or gdax.com, or any associated websites, APIs, or mobile applications (collectively the "Coinbase Site"), you agree that you have read, understood, and accept all of the terms and conditions contained in this Agreement, as well as our [Privacy Policy](<https://www.coinbase.com/legal/privacy>) and E-Sign Consent.

\_Last updated: August 23, 2017\_

**# PART 1: GENERAL USE****## 1. Basic Coinbase Services.**

**\*\*1.1. Eligibility.\*\*** To be eligible to use the Coinbase Services, you must be at least 18 years old.

**\*\*1.2. Coinbase Services\*\*.** Your Coinbase account ("Coinbase Account") encompasses the following basic Coinbase services: One or more hosted Digital Currency wallets that allow users to store certain supported digital currencies, like Bitcoin or Ethereum ("Digital Currency"), and to track, transfer, and manage supported Digital Currencies (the "Hosted Digital Currency Wallet"); Digital Currency conversion services through which users can buy and sell Digital Currencies in transactions with Coinbase (the "Conversion Services"); and a U.S. Dollar account for use in connection with other Coinbase Services (a "USD Wallet" or "Currency Wallet") and for eligible users, a Digital Currency exchange platform ("GDAX") (collectively the "Coinbase Services"). **\*\*The risk of loss in**

trading or holding Digital Currency can be substantial. You should therefore carefully consider whether trading or holding Digital Currency is suitable for you in light of your financial condition.\*\*

## ## 2. Creating a Coinbase Account.

**\*\*2.1. Registration of Coinbase Account.\*\*** In order to use any of the Coinbase Services, you must first register by providing your name, an e-mail address, password, and affirming your acceptance of this Agreement. Coinbase may, in our sole discretion, refuse to allow you to establish a Coinbase Account, or limit the number of Coinbase Accounts that a single user may establish and maintain at any time.

**\*\*2.2. Identity Verification.\*\*** In order to use certain features of the Coinbase Services, including certain transfers of Digital Currency and/or government-issued currency ("Fiat Currency"), you may be required to provide Coinbase with certain personal information, including, but not limited to, your name, address, telephone number, e-mail address, date of birth, taxpayer identification number, government identification number, and information regarding your bank account (e.g., financial institution, account type, routing number, and account number). In submitting this or any other personal information as may be required, you verify that the information is accurate and authentic, and you agree to update Coinbase if any information changes. **\*\*You hereby authorize Coinbase to, directly or through third parties make any inquiries we consider necessary to verify your identity and/or protect against fraud, including to query identity information contained in public reports (e.g., your name, address, past addresses, or date of birth), to query account information associated with**

your linked bank account (e.g., name or account balance), and to take action we reasonably deem necessary based on the results of such inquiries and reports. You further authorize any and all third parties to which such inquiries or requests may be directed to fully respond to such inquiries or requests. This includes authorizing 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 information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship. See our Privacy Policy to learn more about how we treat your data.\*\*

### ## 3. Hosted Digital Currency Wallet.

\*\*3.1. In General\*\*\*\*.\*\* The Hosted Digital Currency Wallet services allow you to send supported Digital Currency to, and request, receive, and store supported Digital Currency from, third parties pursuant to instructions you provide through the Coinbase Site (each such transaction is a "Digital Currency Transaction").\*\*Coinbase reserves the right to refuse to process or to cancel any pending Digital Currency Transaction as required by law or in response to a subpoena, court order, or other binding government order or to enforce transaction limits. Coinbase cannot reverse a Digital Currency Transaction which has been broadcast to a Digital Currency network. The Hosted Digital Currency Wallet services are available only in connection with those Digital Currencies that Coinbase,

in its sole discretion, decides to support. The Digital Currencies that Coinbase supports may change from time to time. If you have any questions about which Digital Currencies Coinbase currently supports, please contact [support@coinbase.com](mailto:support@coinbase.com). Under no circumstances should you attempt to use your Hosted Digital Currency Wallet services to store, send, request, or receive digital currencies in any form that are not supported by Coinbase. Coinbase assumes no responsibility or liability in connection with any attempt to use Coinbase Services for digital currencies that Coinbase does not support.\*\*

**\*\*3.2. Digital Currency Transactions.\*\*** Coinbase processes supported Digital Currency according to the instructions received from its users and we do not guarantee the identity of any user, receiver, requestee or other party. You should verify all transaction information prior to submitting instructions to Coinbase. In the event you initiate a Digital Currency Transaction by entering the recipient's email address and the recipient does not have an existing Coinbase Account, Coinbase will email the recipient and invite them to open a Coinbase Account. If the designated recipient does not open a Coinbase Account within 30 days, Coinbase will return the supported Digital Currency associated with the transaction to your Coinbase Account. Once submitted to a Digital Currency network, a Digital Currency Transaction will be unconfirmed for a period of time pending sufficient confirmation of the transaction by the Digital Currency network. A transaction is not complete while it is in a pending state. Funds associated with transactions that are in a pending state will be designated accordingly, and will not be included in your Coinbase Account balance

or be available to conduct transactions. Coinbase may charge network fees (miner fees) to process a Digital Currency transaction on your behalf. Coinbase will calculate the network fee in its discretion, although Coinbase will always notify you of the network fee at or before the time you authorize the transaction. Coinbase reserves the right to delay any Digital Currency Transaction if it perceives a risk of fraud or illegal activity.

**\*\*3.3. Digital Currency Storage & Transmission Delays.\*\*** Coinbase securely stores all Digital Currency private keys in our control in a combination of online and offline storage. As a result, it may be necessary for Coinbase to retrieve certain information from offline storage in order to facilitate a Digital Currency Transaction in accordance with your instructions, which may delay the initiation or crediting of such Digital Currency Transaction for 48 hours or more. You acknowledge and agree that a Digital Currency Transaction facilitated by Coinbase may be delayed.

**\*\*3.4. Third Party Payments.\*\*** Coinbase has no control over, or liability for, the delivery, quality, safety, legality or any other aspect of any goods or services that you may purchase or sell to or from a third party (including other users of Coinbase Services). Coinbase is not responsible for ensuring that a buyer or a seller you may transact with will actually complete the transaction or is authorized to do so. If you experience a problem with any goods or services purchased from, or sold to, a third party in connection with Digital Currency transferred using the Coinbase Services, or if you have a dispute with such third party, you must 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 [support@coinbase.com](mailto:support@coinbase.com) so that we may consider what action to take, if any.

**\*\*3.5. Coinbase Vault\*\*.** You may elect to use the Coinbase Vault to store supported Digital Currency. The Coinbase Vault allows users to set withdrawal time-delays and/or to require the electronic approval of multiple individuals designated by the user before transfers may be completed. Coinbase also offers an advanced Vault which allows users the option to view, control, and distribute private keys of associated Digital Currency to multiple third parties whose majority approval will be required to transfer associated Digital Currency (the "Multisig Vault"). **\*\*Coinbase cannot restore encrypted private keys or otherwise recover private keys which are not within Coinbase's control. If you use the Multisig Vault you acknowledge that Coinbase is not responsible for transferring, safeguarding, or maintaining private keys and/or Digital Currency associated with the Vault.\*\*** If you and/or co-signing authorities lose, mishandle, or have stolen associated Digital Currency private keys, or if your co-signers refuse to provide requisite authority, you acknowledge that you may not be able to recover associated Digital Currency, and that Coinbase is not responsible for such loss.

**\*\*3.6. Customized Coinbase Payment Page.\*\*** In some cases, you may establish a customizable payment page ("Payment Page") which will allow others to easily send Digital Currency to your Coinbase Account. You may establish and customize your Payment Page through your Coinbase Account settings,

which will allow you to establish a user handle and associated Payments Page URL, upload a photo, and provide a short description. In establishing your Payment Page and uploading or adding any text, photo, or other material, you agree that you will not (i) post misleading materials or misappropriate the identity of another person or entity, (ii) post any copyrighted material which you are not authorized to post, or (iii) post any profane, unlawful, or offensive materials. Coinbase, in its sole discretion, may disable your Payment Page and take other action in accordance with this Agreement if we believe you are in violation of the foregoing or abusing this service. Coinbase may reclaim user handles associated with dormant Coinbase Accounts. Coinbase does not guarantee or endorse the purported identity, message, or other information posted by a user to the user's Payment Page.

**\*\*3.7 Advanced Protocols.\*\*** Unless specifically announced on our website or through some other official public statement of Coinbase, we do not support meta-coins, colored coins, side chains, or other derivative, enhanced, or forked protocols, tokens, or coins which supplement or interact with a Digital Currency supported by Coinbase (collectively, “Advanced Protocols”). Do not use your Coinbase Account or GDAX account to attempt to receive, request, send, store, or engage in any other type of transaction involving an Advanced Protocol. The Coinbase platform is not configured to detect and/or secure Advanced Protocol transactions and Coinbase assumes absolutely no responsibility whatsoever in respect to Advanced Protocols.

**\*\*3.8 Operation of Digital Currency Protocols.\*\*** Coinbase does not own or control the underlying software protocols which govern the operation of Digital



Currencies supported on our platform. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. By using the Coinbase or GDAX platforms, you acknowledge and agree (i) that Coinbase is not responsible for operation of the underlying protocols and that Coinbase makes no guarantee of their functionality, security, or availability; and (ii) that the underlying protocols are subject to sudden changes in operating rules (a/k/a “forks”), and that such forks may materially affect the value, function, and/or even the name of the Digital Currency you store in the Coinbase platform. In the event of a fork, you agree that Coinbase may temporarily suspend Coinbase operations (with or without advance notice to you) and that Coinbase may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. You acknowledge and agree that Coinbase assumes absolutely no responsibility whatsoever in respect of an unsupported branch of a forked protocol.

#### ## 4. Conversion Services.

**\*\*4.1. In General.\*\*** Eligible users in certain jurisdictions may buy or sell supported Digital Currency through the Conversion Services. The Conversion Services are subject to the Coinbase "Conversion Rate" for the given transaction. "Conversion Rate" means the price of a given supported Digital Currency amount in terms of Fiat Currency or other Digital Currency as quoted on the Coinbase Site. The Conversion Rate is stated either as a "Buy Price" or as a "Sell Price," which is the price in terms of Fiat Currency or Digital Currency at which you may buy or sell supported Digital Currency to Coinbase. You acknowledge that the quoted Buy Price Conversion Rate may not be the

same as the Sell Price Conversion Rate at any given time, and that Coinbase may add a margin or “spread” to the quoted Conversion Rate. You agree, as a condition of using any Coinbase Conversion Services, to accept the Conversion Rate as the sole conversion metric. Coinbase reserves the right to delay any Conversion Service transaction if it perceives a risk of fraud or illegal activity. Coinbase does not guarantee the availability of its Conversion Service, and the act of purchasing supported Digital Currency from Coinbase does not result in a guarantee that you may sell your supported Digital Currency to Coinbase.

**\*\*4.2. Purchase Transactions.\*\*** After successfully completing the [Verification Procedures]([https://www.coinbase.com/legal/user\\_agreement#appendix-2:-verification-procedures-and-limits](https://www.coinbase.com/legal/user_agreement#appendix-2:-verification-procedures-and-limits)), you may purchase supported Digital Currency by linking a valid payment method. You authorize Coinbase to initiate debits from your selected payment method(s) in settlement of purchase transactions. A Conversion Fee (defined below) applies to all purchase transactions. Although Coinbase will attempt to deliver supported Digital Currency to you as promptly as possible, funds may be debited from your selected payment method before Digital Currency is delivered to your Coinbase Account. We will make best efforts to fulfill all transactions, but in the rare circumstance where Coinbase cannot fulfill your purchase order, we will notify you and seek your approval to fulfill the purchase order at the contemporaneous Buy Price Conversion Rate. To secure the performance of your obligations under this Agreement, you grant to Coinbase a lien on and security interest in and to the balances in your account.

**\*\*4.3. Sale Transactions.\*\*** After successfully completing the [Verification Procedures]([https://www.coinbase.com/legal/user\\_agreement#appendix-2:-verification-procedures-and-limits](https://www.coinbase.com/legal/user_agreement#appendix-2:-verification-procedures-and-limits)), you may sell supported Digital Currency by linking a valid payment method. You authorize Coinbase to debit your Coinbase Account(s) and initiate payments to your selected payment method(s) in settlement of sell transactions. An applicable Conversion Fee (defined below) applies to all sale transactions. Your receipt of funds will depend on the payment type, and may take up to three or more business days.

**\*\*4.4. Conversion Fees.\*\*** Each Conversion Service transaction is subject to a fee (a "Conversion Fee"). The applicable Conversion Fee is displayed to you on the Coinbase Site prior to you completing a Conversion Service transaction. Coinbase will not process a conversion transaction if the Conversion Fee and any other associated fees as may apply, such as wire transfer fees, exceed the value of your transaction. Coinbase may waive some portion of the Conversion Fee depending on the payment method you select. The availability of each Payment Method depends on a number of factors, including but not limited to your location, the identification information you have provided to us, and limitations imposed by third party payment processors.

You can view the current fee applicable to your location and payment method at our [Fees page](<https://support.coinbase.com/customer/portal/articles/2109597-buy-sell-bank-transfer-fees>).

Coinbase reserves the right to adjust its Conversion Fees and any applicable waivers at any time. We will always notify you of the Conversion Fee which applies

to your transaction when you authorize the transaction and in each receipt we issue to you.

**\*\*4.5. Reversals; Cancellations.\*\*** You cannot cancel, reverse, or change any transaction marked as complete or pending. If your payment is not successful or if your payment method has insufficient funds, you authorize Coinbase, in its sole discretion, either to cancel the transaction or to debit your other payment methods, including Coinbase 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, NSF, or similar fees charged by your payment provider. Coinbase reserves the right to refuse to process, or to cancel or reverse, any purchases or sales of Digital Currency in its sole discretion, even after funds have been debited from your account(s), if Coinbase suspects 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 Coinbase reasonably suspects 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 restate a purchase or sale order at the same price or on the same terms as the cancelled transaction.

**\*\*4.6. Recurring Transactions.\*\*** If you initiate recurring Conversion Service transactions, you authorize Coinbase to initiate recurring electronic payments in accordance with your selected Conversion Service 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 Conversion Rate at the time of the regularly-scheduled transaction will apply. If your Bank is unable to process any electronic ACH debit entry, Coinbase 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)]([https://www.coinbase.com/recurring\\_payments](https://www.coinbase.com/recurring_payments)), or until you provide us written notification at [[support@coinbase.com](mailto:support@coinbase.com)](<mailto: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.

**\*\*4.7. 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 Conversion Service or deposits or withdrawals from your USD Wallet or GDAX Account.

**## 5. USD Wallet.**

**\*\*5.1. USD Wallets\*\*.** Certain approved users may establish and fund a U.S. Dollar balance ("USD Wallet") to facilitate transactions on the Coinbase or GDAX platforms. You are the owner of the balance of your USD Wallet. Coinbase holds your USD balance in dedicated custodial accounts with a financial institution.

**\*\*5.2. Deposits and Withdrawals\*\*.** You may initiate a transfer from your linked bank account to fund your USD Wallet. Coinbase will not charge a fee for you to transfer funds to or from Coinbase, but bank transfer fees may apply. Funds sent via bank wire (if permitted by Coinbase) are subject to additional wire fees. For deposits, Coinbase will credit your USD Wallet a corresponding amount of dollars after funds are delivered to Coinbase, typically within two to three business days after you authorize a deposit. For withdrawals, Coinbase will immediately debit your USD Wallet when you authorize a withdrawal and funds will typically settle to you within two to three business days. Bank fees are netted out of transfers to or from Coinbase. We will not process a transfer if associated bank fees exceed the value of the transfer.

## **## 6. General Use, Prohibited Use, and Termination.**

**\*\*6.1. Limited License.\*\*** We grant you a limited, nonexclusive, nontransferable license, subject to the terms of this Agreement, to access and use the Coinbase Site, and related content, materials, information (collectively, the "Content") solely for approved purposes as permitted 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 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. "Coinbase.com", "Coinbase", "GDAX", "gdax.com" 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.

**\*\*6.2. 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. 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,

**\*\*6.3. 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, 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. 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. You may change or remove permissions granted by you to third parties with respect to your Coinbase Account at any time through the Account Settings (Integrations) page on the Coinbase Site.

**\*\*6.4. 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]([https://www.coinbase.com/legal/user\\_agreement#appendix-1:-prohibited-businesses-and-prohibited-use](https://www.coinbase.com/legal/user_agreement#appendix-1:-prohibited-businesses-and-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 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.



**\*\*6.5. Transactions 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 and visit [<https://www.coinbase.com/verifications>](<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 to [[support@coinbase.com](mailto:support@coinbase.com)](<mailto: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.

**\*\*6.6. 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 if:

- We are so required by a facially valid subpoena, court order, or binding order of a government authority; or
- We reasonably suspect you of using your Coinbase Account in connection with a [Prohibited Use or

Business]([https://www.coinbase.com/legal/user\\_agreement#appendix-1:-prohibited-businesses-and-prohibited-use](https://www.coinbase.com/legal/user_agreement#appendix-1:-prohibited-businesses-and-prohibited-use)); \_or\_

- Use of your Coinbase Account 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; \_or\_

- Our service partners are unable to support your use; \_or\_

- 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.

- You breach our [Behavior Policy](<https://support.coinbase.com/customer/portal/articles/2704120>)

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 at any time by withdrawing all balances and visiting [<https://www.coinbase.com/settings/cancel>](<https://www.coinbase.com/settings/cancel>). You will not be charged for canceling your Coinbase Account, 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.

**\*\*6.7. 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.

**\*\*6.8. 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.

**\*\*6.9. Password Security; Contact Information.\*\*** You are responsible for 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 by third-parties and the loss or theft of any Digital Currency and/or funds held in your Coinbase Account 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. **\*\*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 information has been compromised, contact Coinbase Support immediately at [support@coinbase.com](mailto:support@coinbase.com), or report your claim by phone at (888) 908-7930.

**\*\*6.10. 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.

**\*\*6.11. Unclaimed Property\*\*.** If Coinbase is holding funds 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 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. Coinbase reserves the right to deduct a dormancy fee or other administrative charges from such unclaimed funds, as permitted by applicable law.

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

**\*\*7.1. Contact Coinbase.\*\*** If you have any feedback, questions, or complaints, contact us via our Customer Support webpage at [<https://support.coinbase.com>](<https://support.coinbase.com/>) or write to us at Coinbase Customer Support, 548 Market Street, #23008, San Francisco, CA 94104, USA. When you contact us please provide us with your name, address, and any other information we may need to identify you, your Coinbase Account, and the transaction on which you have feedback, questions, or complaints. If you believe your account has been compromised, you may also report your claim by calling (888) 908-7930.

**\*\*7.2. Arbitration; Waiver of Class Action.\*\*** If you have a dispute with Coinbase, we will attempt to resolve any such disputes through our support team. **\*\*If we cannot resolve the dispute through our support team, you and we agree that any dispute arising under this Agreement shall be finally settled in binding arbitration, on an individual basis, 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>) and you and Coinbase hereby expressly waive trial by jury and right to participate in a class action lawsuit or class-wide arbitration\*\*.** 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, including attorneys' fees when authorized by law, and the arbitral decision may be enforced in any court. 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. The prevailing party in any action or proceeding to enforce this agreement shall be entitled to costs and attorneys' fees.

If the arbitrator(s) 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. Apart from the foregoing, each Party will be responsible for any other fees or costs, such as attorney fees that the Party may incur. If a court decides that any provision of this section 7.2 is invalid or unenforceable, that provision shall be severed and the other parts of this section 7.2 shall still apply. In any case, the remainder of this User Agreement, will continue to apply.

#### ## 8. General Provisions.

**\*\*8.1. Computer Viruses.\*\*** We shall not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware 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 through the Coinbase Site to review any transactions or required actions if you have any uncertainty regarding the authenticity of any communication or notice.

**\*\*8.2. 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.

**\*\*8.3. 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 OR (B) FOR ANY LOST PROFITS 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. 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 OPPORTUNITES, OR OTHER TYPES OF SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, 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 makes no representations about the accuracy or completeness of historical Digital Currency price data available on the 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 8.3 are intended to apply only to the extent permitted under New Jersey law.

**\*\*8.4. 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.

**\*\*8.5. 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.

**\*\*8.6. 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.

**\*\*8.7. Severability\*\***. If any provision of this Agreement shall be determined to be invalid or

unenforceable under any rule, law or regulation or any governmental agency, local, state, or federal, 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.

**\*\*8.8. 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.

**\*\*8.9. 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.

**\*\*8.10. 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.

**\*\*8.11. 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, 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.

**\*\*8.12. English Language Controls.\*\*** Notwithstanding any other provision of this Agreement, any translation of this Agreement is provided for your convenience. The meanings of terms, conditions and representations herein are subject to definitions and interpretations in the English language. Any translation provided may not accurately represent the information in the original English.

**\*\*8.13. 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 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 [support@coinbase.com](mailto: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 [support@coinbase.com](mailto: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 bongos, 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)
  - **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 [support@coinbase.com](mailto: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 non-profit 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

Coinbase uses multi-level systems and procedures to collect and verify information about you in order to protect Coinbase and the community from fraudulent users, and to keep appropriate records of Coinbase's customers. Your daily or weekly Conversion limits, GDAX 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. users who wish to buy Digital Currency using Coinbase's Standard Conversion Service, at minimum, must:

- Establish a Coinbase Account by providing your name, authenticating your e-mail address, and accepting the Coinbase User Terms
- Add and verify a phone number
- Add and verify a bank account

All U.S. users who wish to use other Coinbase Services may be required to:

- Add personal details (full name, date of birth, residential address)
- Add an alternative payment method
- Complete identity verification by answering a few questions

Users based in the state of New York using Coinbase's Hosted Digital Currency Wallet Service who wish to execute a Digital Currency Transaction valued at or over \$3,000 at the time the transaction is requested, at a minimum, must:

- Establish a Coinbase Account by providing your name and residential address, authenticating your e-mail address, and accepting the Coinbase User Terms, and
- Submit a copy of an acceptable form of identification (i.e. passport, state driver's license, or state identification card)

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](<https://www.coinbase.com/verifications>) page.

You may contact [support@coinbase.com](mailto: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 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 e-mailing us at [support@coinbase.com](mailto: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 via e-mail at

[support@coinbase.com](mailto: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](<https://coinbase.com/legal/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. If you have a complaint or other concern about Alaska money services licensees, authorized delegates, and the money services provided by money services licensees and authorized delegates, you may contact the Alaska Department of Commerce, Community, and Economic Development, Division of Banking and Securities at (907) 465-2521.

**\*\*Florida\*\*** If you have a question or complaint, please contact the consumer assistance division of Coinbase at [\[support@coinbase.com\]](mailto:support@coinbase.com)(mailto:support@coinbase.com) or 1-888-908-7930.

NOTICE by the Florida Office of Financial Regulation: BY GRANTING COINBASE A LICENSE, THE FLORIDA OFFICE OF FINANCIAL REGULATION IS NOT ENDORSING THE USE OF DIGITAL OR VIRTUAL CURRENCIES.

- U.S. currency is legal tender backed by the U.S. government.

- Digital and virtual currencies are not issued or backed by the U.S. government, or related in any way to U.S. currency, and have fewer regulatory protections.

- The value of digital and virtual currencies is derived from supply and demand in the global marketplace which can rise or fall independently of any fiat (government) currency.

- Holding digital and virtual currencies carries exchange rate and other types of risk.

POTENTIAL USERS OF DIGITAL OR VIRTUAL CURRENCIES, INCLUDING BUT NOT LIMITED TO BITCOIN, SHOULD BE FOREWARNED OF A POSSIBLE FINANCIAL LOSS AT THE TIME THAT SUCH CURRENCIES ARE EXCHANGED FOR FIAT CURRENCY DUE TO AN UNFAVORABLE EXCHANGE RATE. A FAVORABLE EXCHANGE RATE AT THE TIME OF EXCHANGE CAN RESULT IN A TAX LIABILITY. PLEASE CONSULT YOUR TAX ADVISOR REGARDING ANY TAX CONSEQUENCES ASSOCIATED WITH YOUR HOLDING OR USE OF DIGITAL OR VIRTUAL CURRENCIES.

**\*\*Louisiana\*\*** Coinbase is licensed by the Louisiana Office of Financial Institutions as a money transmitter. The Louisiana Office of Financial Institutions does not license or regulate services related to virtual currency, including but not limited to transmission or exchange which may be conducted by Coinbase.

**\*\*Maryland\*\*** The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints from Maryland residents regarding Coinbase by contacting the Commissioner's office at: 500 North Calvert Street, Suite 402, Baltimore, Maryland 21202, or (888) 784-0136.

**\*\*New York\*\*** Coinbase holds licenses issued by the New York State Department of Financial Services ("NYDFS") to engage in money transmission and virtual currency business activity, respectively. If you have a complaint, please contact [support@coinbase.com](mailto:support@coinbase.com) or 1-888-

908-7930. New York consumers may also direct unresolved complaints directly to NYDFS at the [NYDFS Consumer Complaint Portal](<https://myportal.dfs.ny.gov/web/guest-applications/consumer-complaint?hn=1&forward=new>) or by contacting the NYDFS as follows: NYDFS Consumer Assistance Unit, One Commerce Plaza, Albany, NY 12257, 1-800-342-3736.

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 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.

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

**\*\*Tennessee\*\*** Please note that Coinbase's Tennessee 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.

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

## # PART 2. ADDITIONAL TERMS FOR MERCHANTS

### ## 1. Merchant Services.

**\*\*1.1. Merchant Services.\*\*** Users who intend to sell goods and/or services (each, a "Merchant") and who wish to accept Digital Currency from purchasers as a method of payment may use a suite of tools and related services for this purpose (the "Merchant Services"). Through the Merchant Services, Coinbase enables Merchants to accept Digital Currency from customers as a method of payment, and processes the transfer of Digital Currency to Merchants from their customers. Merchants may also sell Digital Currency to, or buy Digital Currency from, Coinbase, and otherwise utilize the Coinbase Services, in the same manner as any other user. Use of Merchant Services is subject to this Part 2 and is also subject to General Use terms, including without limitation the releases, indemnities, disclaimers, limitations of liability, prohibited use, dispute resolution, and cancellation policies set forth above.

**\*\*1.2. Merchant Profile\*\*.** Each Merchant user is required to provide accurate information necessary to complete a merchant profile associated with the user's Coinbase Account. This information may include business name, address and other contact information, website URL, taxpayer or other government ID, corporate documents, and other information Coinbase may request. Coinbase may limit Merchant

transaction volumes depending on (\_i\_) the Merchant's historical activity on Coinbase, (\_ii\_) satisfactory completion of a Merchant profile; (\_iii\_) satisfaction of reasonable requests for additional information; (\_iv\_) perceived risks; (\_v\_) repeated customer complaints; and/or (\_vi\_) any indication that the Merchant has violated this Agreement. Newly on-boarded Merchants may be required to submit to additional verification procedures as necessary to verify that the Merchant operates a legitimate business.

## **## 2. Merchant Transactions and Settlement.**

**\*\*2.1. Transaction Confirmation.\*\*** Coinbase will provide users of Merchant Services with an order notification indicating when or whether the Merchant has been paid by its customer.

**\*\*2.2. Completed Order Notifications.\*\*** Upon Merchant's customer's submission of a valid and completed payment through Merchant Services, Coinbase will send a callback to Merchant's designated callback URL to confirm successful transfer of the customer's payment to Merchant—so designated as a "completed" order. Except on suspicion of fraud, error, or abusive use, Coinbase will not reverse a payment and/or corresponding Digital Currency credit which it has designated as completed.

**\*\*2.3. Timing of Completed Order.\*\*** If the Merchant's customer uses a Hosted Digital Currency Wallet to successfully initiate its purchase, Coinbase will issue the completed callback order immediately to the Merchant. If the Merchant's customer does not use a Hosted Digital Currency Wallet to effect its purchase, Coinbase will initiate an order status callback when Coinbase detects that the corresponding Digital

Currency transaction has been confirmed by the corresponding Digital Currency network.

**\*\*2.4. Mispaid Order Notifications.\*\*** A callback may also indicate an order status as "mispaid," meaning Coinbase has detected transfer of an amount of Digital Currency which does not correspond with the Digital Currency Price and/or that the customer transferred Digital Currency after expiration of a checkout window. "Mispaid" orders may result in transfer of Digital Currency to Merchant's Coinbase Wallet for further processing by Merchant in accordance with Merchant's refund and order processing policies, but shall not be deemed completed by Coinbase.

**\*\*2.5. Limitations.\*\*** Coinbase may delay order verifications if Merchant has not provided its legal name, logo, website, phone number, address, taxpayer identification number, designation of business location and type. Until completion of such applicable verification procedures, newly-boarded Merchants may experience delayed processing of Digital Currency Transactions or Conversion Service transactions. Coinbase will designate any such delayed transaction as "pending," and funds will not be available in the Merchant's Coinbase Account and/or Currency Account until the pending transaction is completed. Coinbase reserves the right to refuse to process, cancel, or to reverse any Merchant transaction (i) as required by law, (ii) in response to a facially valid subpoena, court order, or other government order, or (iii) if Coinbase reasonably suspects that the transaction is erroneous, or related to [Prohibited Use or Prohibited Business]([https://www.coinbase.com/legal/user\\_agreement#appendix-1:-prohibited-businesses-and-prohibited-use](https://www.coinbase.com/legal/user_agreement#appendix-1:-prohibited-businesses-and-prohibited-use)) as defined in the User Agreement.

**\*\*2.6. Instant Conversion.\*\*** Merchants who have successfully linked a payout method to their Coinbase Account may use the Instant Conversion Service. The Instant Conversion Service will allow Merchants to designate the price of their goods and services in Fiat Currency (e.g., USD) and customers to pay for their purchases from such Merchant in Digital Currency based on the Sell Price Conversion Rate quoted by Coinbase on the Coinbase Site and displayed to the customer at the time that the customer approves the purchase. In connection with the Instant Conversion Service, the Merchant, as merchant of record for each transaction, shall: (i) use Coinbase to calculate an appropriate amount of Digital Currency (a "Digital Currency Price") to be transferred to Merchant as payment for a good or service with reference to the Sell Price Conversion Rate at the time Merchant's customer visits the Merchant's checkout page; Coinbase will lock the Digital Currency Price for a period of time, but if the customer does not initiate a transfer within a certain payment window, Coinbase will recalculate the Digital Currency Price based on an updated Sell Price Conversion Rate; (ii) accept Digital Currency into its corresponding Hosted Digital Currency Wallet; (iii) immediately sell such Digital Currency to Coinbase using the Instant Conversion Service, and (iv) subsequently receive the proceeds from such Digital Currency sale transaction from Coinbase in the relevant Fiat Currency in an amount equal to the original USD price of the item, less applicable fees. By using this service, Coinbase guarantees that regardless of any change in the price of Digital Currency between the time of purchase and settlement, the Merchant will receive the fixed purchase price as

designated by the Merchant in Fiat Currency at the time the customer approved the purchase, less applicable fees.

**\*\*2.7. Settlement.\*\*** Settlements to Merchant in connection with the Merchant's sale of Digital Currency to Coinbase will generally take a minimum of two to three business days, following Coinbase's transmission to Merchant of confirmation of the relevant transaction, although exceptions may apply.

### **## 3. Release, Restrictions, and General Use.**

**\*\*3.1 Merchant Transactions.\*\*** Each Merchant acknowledges and agrees that Coinbase has no control over, or liability for, the delivery, quality, safety, legality or any other aspect of any goods or services that the Merchant may sell to customers using the Coinbase Services. Each Merchant is responsible for handling customer inquiries related to the goods and/or services it sells to customers through the Coinbase Services, except for inquiries related to payment for such goods or services which will be handled by Coinbase. Each Merchant warrants that it will not use any Coinbase Services in connection with any [Prohibited Use or Business]([https://www.coinbase.com/legal/user\\_agreement#appendix-1:-prohibited-businesses-and-prohibited-use](https://www.coinbase.com/legal/user_agreement#appendix-1:-prohibited-businesses-and-prohibited-use)), as described herein. Each Merchant confirms that by opening a Coinbase Account, the Merchant will not use the Coinbase Services to accept payments in connection with any of the Prohibited Businesses. Each Merchant further warrants that it will not use Coinbase Services in connection with transactions which involve pre-payment of an order which the Merchant does not intend to fulfill within thirty (30) days. When a Merchant must issue a refund to a customer, Coinbase will debit the

Merchant's Hosted Digital Currency Wallet for the relevant amount of Digital Currency (or, in the event the Merchant uses the Instant Conversion Service, the Merchant shall purchase the relevant amount of Digital Currency in Fiat Currency before Digital Currency is debited from the Merchant's Hosted Digital Currency Wallet) and provide a refund to the customer in Digital Currency having a value equal to the transaction amount being refunded, as expressed in Fiat Currency (e.g., USD), based on the then current Conversion Rate.

**\*\*3.2. Obligations of Merchants.\*\*** In addition to the obligations set forth elsewhere in this Agreement, Merchants agree to:

(1) At all times maintain all licenses, registrations, authorizations and approvals required to operate their business, conduct all activities related thereto, and utilize the Coinbase Services in connection therewith.

(2) Ensure that all aspects of their business, including (i) all Merchant activities, and the activity of any third party engaged by the Merchant, (ii) the goods and services offered for sale by Merchant, and (iii) the acts or omissions of each Merchant in connection with their use of Coinbase Services comply with applicable law at all times.

(3) Promptly provide, and cause third parties under its control to promptly provide, such information as Coinbase may request from time to time regarding (i) the Merchant, its policies, procedures, and activities, (ii) any good or service offered for sale and for which the Merchant may accept payment by use of Coinbase Services, or (iii) any transaction conducted

through the use of Coinbase Services, to the extent Coinbase deems such information reasonably necessary to comply with its policies or procedures, applicable law, an audit, or the guidance or direction of, or request from, any regulatory authority or financial institution.

(4) Within the Coinbase-hosted payment page, accurately identify the sale item in the Item Name field and provide an accurate and succinct description of the same sale item in the Item Description Field.

(5) Authorize Coinbase to, directly or through third parties, (\_i\_) make any inquiries we consider necessary to verify your identity and/or account information, and (\_ii\_) request and obtain any consumer report, credit report or similar information relating to you and to take action we reasonably deem necessary based on the results of such inquiries and reports, and hereby authorize any and all third parties to which such inquiries or requests may be directed to fully respond to such inquiries or requests.

### # PART 3. GDAX

#### ## 1. GDAX Accounts.

**\*\*1.1 Access to GDAX.\*\*** Eligible users may establish an account at GDAX (at [www.gdax.com](http://www.gdax.com)), an order book exchange platform for Digital Currencies. Coinbase does not offer GDAX to customers in all jurisdictions. This Part 3 of the User Agreement applies to you if you access GDAX.

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



**\*\*1.3 Your GDAX Account\*\*.** Your GDAX Account consists of the following.

- A dedicated Hosted Digital Currency Wallet for each Digital Currency offered on GDAX.
- A dedicated Fiat Currency Wallet.
- Associated user tools, accessible at [www.gdax.com](http://www.gdax.com) and through GDAX API.

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

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

## **## 2. Trading Rules and Trading Fees**

**\*\*2.1 Trading Rules\*\*.** By accessing GDAX through www.gdax.com or GDAX API, you accept and agree to be bound by the [Trading

Rules]([https://support.gdax.com/customer/en/portal/articles/2725970-trading-rules?b\\_id=13522](https://support.gdax.com/customer/en/portal/articles/2725970-trading-rules?b_id=13522))

**\*\*2.2. Trading Fees\*\*.**

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

**## 3. General Use, Restrictions, and Cancellation.**

**\*\*3.1. Trading Account Use\*\*.** By using a GDAX Account you agree and represent that you will use GDAX 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 GDAX, whether such use is directly through GDAX 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 GDAX including identifiers, permissions, passwords, and security codes associated with your GDAX Account.

**\*\*3.2. Suspension and Cancellation\*\*.** We may suspend your GDAX 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 GDAX 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 GDAX 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 GDAX and/or its constituent GDAX 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 GDAX 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 GDAX 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 GDAX Account accordingly and/or to

withhold amounts from funds you may transfer from your GDAX Account to your Coinbase Account.

#### # PART 4. ADDITIONAL TERMS FOR DEVELOPERS

##### ## 1. Developer's Tools License.

**\*\*1.1. Developer's Tools.\*\*** This Agreement governs your use of any and all development applications provided by Coinbase, including, but not limited to Coinbase's application programming interface and any accompanying or related documentation, source code, executable applications and other materials (the "Coinbase API"), the Coinbase Sandbox, available at [<https://sandbox.coinbase.com/>](<https://sandbox.coinbase.com/>), and any other resources or services available at [<https://developers.coinbase.com/>](<https://developers.coinbase.com/>) ("Coinbase Services") provided to you pursuant to this Agreement (collectively, the "Developer's Tools"). Use of the Developer's Tools is subject to this Part 4 and is also subject to General Use terms, including without limitation the releases, indemnities, disclaimers, limitations of liability, prohibited use, dispute resolution, and cancellation policies set forth above.

**\*\*1.2. License Grant.\*\*** Subject to the terms and restrictions set forth in this Agreement, Coinbase grants you a limited, revocable, non-exclusive, non-transferrable and non-sublicensable license solely to use and integrate the Developer's Tools and underlying content into your website or application (your "Application") so that your Application can interface directly with Coinbase devices, applications, or services.

**\*\*1.3. Restrictions and Responsibilities.\*\*** By using the Developer's Tools, you agree to the following terms:

**\*\*1.3.1. You shall:\*\***

- (1) Register for a Coinbase Account.
- (2) Comply with the terms of this Agreement and the Privacy Policy incorporated herein by reference, and which may be amended from time to time (the "Terms"). If you continue to use the Developer's Tools and Coinbase Marks after any such amendment, you will be deemed to have accepted any modifications.
- (3) Comply with all applicable laws, regulations, licensing requirements, and third party rights (including, without limitation, data privacy laws).
- (4) Represent and warrant that your Application, including but not limited to the name of the Application and all content in your Application, does not infringe the Intellectual Property rights of Coinbase or any third party.
- (5) Disclose in your Application, through a privacy policy or otherwise, how you collect, use, store, and disclose data collected from end users, as described in Section 6.2 of this Part 4.
- (6) Use the Coinbase Marks only as expressly authorized in this Agreement.
- (7) Obtain prior written approval from Coinbase prior to releasing any statements, written media releases, public announcements and public disclosures, including promotional or marketing materials, relating to Coinbase, the Coinbase Marks, or this Agreement.

(8) Comply with additional verification procedures in the event that your Application seeks OAuth permissions to transfer Digital Currency in an amount greater than predefined limits.

(9) Take steps to adequately secure your API Keys and OAuth Tokens, including the measures specified at [\[https://developers.coinbase.com/docs/wallet/api-key-authentication\]](https://developers.coinbase.com/docs/wallet/api-key-authentication)(<https://developers.coinbase.com/docs/wallet/api-key-authentication>) and <https://developers.coinbase.com/docs/wallet/coinbase-connect/security-best-practices>

**\*\*1.3.2. You shall not:\*\***

(1) Copy, rent, lease, sell, sublicense, or otherwise transfer your rights in the Developer's Tools to a third party.

(2) Alter, reproduce, adapt, distribute, display, publish, reverse engineer, translate, disassemble, decompile or otherwise attempt to create any source code that is derived from the Developer's Tools.

(3) Cache, aggregate, or store data or content accessed via the Developer's Tools other than for purposes allowed under this Agreement.

(4) Use the Developer's Tools for any Application that constitutes, promotes or is used in connection with spyware, adware, or any other malicious programs or code.

(5) Use the Developer's Tools to encourage, promote, or participate in illegal activity, violate third party rights, including intellectual property rights or privacy rights, or engage in any Prohibited Use or Prohibited Business as defined in the Terms.

(6) Use the Developer's Tools in a manner that exceeds reasonable request volume, constitutes excessive or abusive usage, or otherwise impacts the stability of Coinbase's servers or impacts the behavior of other applications using the Developer's Tools.

(7) Display Developer's Tools or Coinbase Marks in a manner that could reasonably imply an endorsement, relationship or affiliation with or sponsorship between you or a third party and Coinbase, other than as expressly permitted in writing by Coinbase.

(8) Attempt to cloak or conceal your identity or your Application's identity when requesting authorization to the Developer's Tools.

#### **\*\*1.3.3 Indemnification\*\***

To the maximum extent permitted by law, you agree to defend, indemnify and hold harmless Coinbase, its affiliates and their respective directors, officers, employees and agents from and against any and all third party claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or accruing from (a) your use of the Coinbase API or your Coinbase Account in violation of this Agreement, (b) your Application that infringes any copyright, trademark, trade secret, trade dress, patent or other intellectual property right of any person or defames any person or violates their rights of publicity or privacy, or (c) your failure to secure and keep secret your OAuth Token(s) or API key(s).

#### **## 2. Activities Subject to Additional Restrictions.**

**\*\*2.1. Activities Subject to Additional Restrictions.\*\*** Coinbase may require you to obtain written consent and complete enhanced on-boarding

procedures, and/or may restrict your Application if you would like to create/offer an Application which is designed for or results in any of the following:

**\*\*2.1.1. Provide International Remittance Services.\*\*** Any Application which involves a service that provides for: (i) an international (cross border) transfer of funds from a Sender to a Recipient, (ii) without an underlying sale or other bona fide commercial purpose for the transfer.

**\*\*2.1.2. Provide Banking or Other Licensed Financial Services.\*\*** Any Application which either holds money for eventual payment or which offers or provides credit, either directly or as a broker or arranger between third parties, or any Application that would require licensing as a bank, money services business, or other financial service provider, or as an escrow service in the jurisdiction where the service's users reside, unless such Application falls within the definition of a Prohibited Business under the Terms.

**\*\*2.1.3. Provide Gaming Services.\*\*** Any Application which involves the payment of funds by a customer in exchange for the chance to earn or win a prize, reward, or other payment.

**\*\*2.1.4. Provide Digital Currency Exchange Services.\*\*** Any Application which involves a business engaged in the exchange of Digital Currency for Fiat Currency, funds, or other Digital Currency and which accepts and transmits a convertible Digital Currency or buys or sells convertible Digital Currency for any reason.

**\*\*2.1.5 Provide Donation Acceptance Services.\*\*** Any Application which involves a service which allows



for the acceptance of donations on behalf of a charity or other religious or spiritual organization.

### ## 3. Intellectual Property and Ownership; Use of Marks.

As between Coinbase and you, the Developer's Tools, Coinbase Marks, and all intellectual property rights therein and thereto are and shall at all times remain the sole and exclusive property of Coinbase and are protected by applicable intellectual property laws and treaties. You have no rights with respect to Developer's Tools or Coinbase Marks except as expressly set forth herein. If you obtain Coinbase's prior written consent, you may use and display Coinbase's name and logo ("Coinbase Marks") solely to attribute the Developer's Tools as the source of your Application.

### ## 4. API Calls and Compliance

Coinbase may set limits on the number of API calls that you can make at its sole discretion, for example in the interest of service stability. If you exceed these limits, Coinbase may moderate your activity or cease offering you access to the Coinbase APIs altogether in Coinbase's sole discretion. You agree to such limitations and will not attempt to circumvent such limitations. Coinbase may immediately suspend or terminate your access to the Developer's Tools without notice if Coinbase believes, in its sole discretion, that you are in violation of this Agreement or the Terms.

### ## 5. Updates and Support

Coinbase may elect to provide you with support or modifications for the Developer's Tools, in its sole discretion, and may terminate such support at any time without notice. Coinbase may change, suspend, or discontinue any aspect of the Developer's Tools at any

time, including the availability of any Developer's Tools.

## ## 6. Security and Privacy

**\*\*6.1 Security.\*\*** You will use all reasonable efforts to protect Customer Data (as defined below) collected by your Application, including without limitation any personally identifiable information ("PII"), from unauthorized access or use. In the event your systems or infrastructure that are used for storage, processing or hosting Customer Data are breached or compromised, or if Customer Data is inadvertently exposed to non-authorized third parties, you shall notify Coinbase promptly of such a breach or exposure including root cause, remediation steps, and compensating controls to ensure such a breach does not occur in the future. You are responsible for providing customer notification under the state breach notification statutes and any other applicable privacy laws and you will bear the costs incurred by Coinbase resulting from your breach or exposure. You acknowledge that you are solely responsible for any personal injury or property damage arising from or relating to your use of any Developer's Tools or any authorized or unauthorized use of your Application.

**\*\*6.2. Privacy and PII.\*\*** "Customer Data" means any and all technical information, PII, device usage information, or other information derived from access to or use of any of the Developer's Tools, including but not limited to data that relates to any end users of any Coinbase products or services or pertains to use of any Coinbase products or services by such end users. You acknowledge and agree that you are solely responsible for obtaining all required consents from end users in connection with any use of your Application and the

Developer's Tools, which consent shall be compliant with all applicable data protection legislation and other privacy laws, rules, and regulations. Without limiting the foregoing, before collecting any Customer Data or other information from end users of your Application, you must provide adequate notice of what Customer Data and other information you collect and how it will be used and/or shared and obtain any necessary consents. You and your Application will comply with all privacy laws and regulations (including those applying to PII) in connection with your access and use of the Developer's Tools. You will provide and adhere to a privacy policy for your Application that: (i) complies with all applicable laws, rules, and regulations, (ii) is conspicuously displayed to all end users of your Application, and (iii) clearly and accurately describes to end users of your Application what data and user information you collect (such as PII, login information, etc.) and how you use and share such information (including for advertising) with Coinbase and third parties. If a user requests of you or Coinbase to have any Customer Data that may be considered PII under any law, rule, or regulation throughout the world deleted, you agree to promptly honor the user's or Coinbase's request and to delete all such data and information from your servers and other assets, including back-ups, to the extent reasonably possible, or to anonymize all user data so it cannot be tied back to a user's identity.

**\*\*6.3. Data Use.\*\*** You will not sell any Customer Data or disclose any Customer Data to any third party. Your Application may use Customer Data only as required for use and access to your Application by the end user to whom such Customer Data relates.

You shall not sublicense the Customer Data to any third party, and you shall not use or disclose any information derived directly or indirectly from the Customer Data for any purpose other than as set forth above. Without limiting the generality of the foregoing, you shall not use any part of the Customer Data to create a database separate from your Application or transmit all or part of the Customer Data to any third party for any use separate from your Application. Any use of Customer Data other than as expressly permitted by this Agreement is strictly prohibited.

<% end %>

**EXHIBIT 7**

\* \* \* \* \*

**# Coinbase User Agreement**

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://www.coinbase.com/), [pro.coinbase.com](http://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](https://www.coinbase.com/legal/privacy), [Cookie Policy](https://www.coinbase.com/legal/cookie), 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.\*\***

\_Last updated: December 8, 2020\_

**# 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 information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship. See our [Privacy Policy](<https://www.coinbase.com/legal/privacy>) 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](<https://support.coinbase.com/customer/portal/articles/2109597-buy-sell-bank-transfer-fees>).

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](<https://www.coinbase.com/legal/privacy?country=US>) 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](http://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 [\[pro.coinbase.com\]\(http://pro.coinbase.com\)](http://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 [\[eligible\]\(https://support.coinbase.com/customer/portal/articles/2980181\)](https://support.coinbase.com/customer/portal/articles/2980181), 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](<https://support.coinbase.com/customer/portal/articles/2980181>), 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](<https://support.coinbase.com/customer/portal/articles/2980181>). 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](<https://support.coinbase.com/customer/portal/articles/2980181>). Our current **USDC Rewards Annual Percentage Yield**, which includes the effect of monthly compounding, can be found [here](<https://coinbase.com/accounts>) and [here](<https://support.coinbase.com/customer/portal/articles/2980181>). 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](<https://coinbase.com/accounts>) and [here](<https://support.coinbase.com/customer/portal/articles/2980181>) 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](<https://support.coinbase.com/customer/portal/articles/2980181>).

**“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](https://coinbase.com/accounts) and  
 [here](https://support.coinbase.com/customer/portal/articles/2980181).

**\*\*“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 ownership of the underlying Digital Currency as opposed to computing power (i.e., proof of work). Please visit our [staking information page](https://support.coinbase.com/customer/portal/articles/2981942) 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 will 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.]**(https://coinbase.com/settings/financial-services) 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 stake these on your behalf, 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.](<https://support.coinbase.com/customer/portal/articles/2981942#supported-currencies>)

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 (prohibited 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.\*\*** 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. Coinbase will use commercially reasonable efforts to stake any Digital Currencies for which you are using Coinbase staking services. 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 RATE.

#### ## 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](<https://www.coinbase.com/legal/privacy?locale=en-US>), 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](<https://www.coinbase.com/legal/privacy?locale=en-US>) (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](<https://www.coinbase.com/legal/privacy?locale=en-US>), 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](#appendix-1-prohibited-use-prohibited-businesses-and-conditional-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](#appendix-1-prohibited-

use-prohibited-businesses-and-conditional-use); (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](<https://support.coinbase.com/customer/portal/articles/2704120>).

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)](<https://developers.coinbase.com/docs/wallet/coinbase-connect>) and any other resources or services available at <https://developers.coinbase.com/> (the “\*\*Developer Services\*\*”), you must separately agree to our [Developer Agreement](<https://developers.coinbase.com/docs/wallet/terms/2>) 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](<https://ct.wolterskluwer.com/sop-locations>).

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

**EXHIBIT 8****Coinbase User Agreement  
As of March 31, 2021**

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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, 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.

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**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 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 ownership of the underlying Digital Currency 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 will 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.** 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 stake these on your behalf, 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 (prohibited 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.** 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. Coinbase will use commercially reasonable efforts to stake any Digital Currencies for which you are using Coinbase staking services. 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 RATE.**

## 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, non-exclusive, 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.

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## 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 bongos, 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)
- **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 non-profit 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 website:  
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 323990376, 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 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: 1877-RING DFI (1-877-746-4334) Email us: [CSEnforceComplaints@dfi.wa.gov](mailto:CSEnforceComplaints@dfi.wa.gov)

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## 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 or 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.

**EXHIBIT 9**

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\* \* \* \* \*

**# Coinbase User Agreement**

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://www.coinbase.com/), [pro.coinbase.com](http://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](https://www.coinbase.com/legal/privacy), [Cookie Policy](https://www.coinbase.com/legal/cookie), 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.\*\***

\_Last updated: November 6, 2019\_

**# 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 information you have provided to Coinbase with your wireless operator account profile information for the duration of the business relationship. See our [Privacy Policy](<https://www.coinbase.com/legal/privacy>) 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**

**\*\*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. Purchase or Sale of Digital Currency.\*\*** When you purchase (buy) Digital Currency from Coinbase (or from a third-party using Coinbase Pro) this transaction is intended to effect a sale of Digital Currency. 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, failure of Pro to respond, or an order exceeding the maximum 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](<https://support.coinbase.com/customer/portal/articles/2109597-buy-sell-bank-transfer-fees>).

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. 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.

**\*\*3.6. 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.

**\*\*3.7. 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.

**\*\*3.8. 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](<https://www.coinbase.com/legal/privacy?country=US>) for further information about how we process your personal data, and the rights you have in respect of this.

**\*\*3.9. 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.

**\*\*3.10. 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](http://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](http://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](https://support.coinbase.com/customer/portal/articles/2980181), 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](<https://support.coinbase.com/customer/portal/articles/2980181>), 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](<https://support.coinbase.com/customer/portal/articles/2980181>). 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](<https://support.coinbase.com/customer/portal/articles/2980181>). Our current **\*\*USDC Rewards Annual Percentage Yield\*\***, which includes the effect of monthly compounding, can be found [here](<https://coinbase.com/accounts>) and [here](<https://support.coinbase.com/customer/portal/articles/2980181>). 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](<https://coinbase.com/accounts>) and [here](<https://support.coinbase.com/customer/portal/articles/2980181>) 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](<https://support.coinbase.com/customer/portal/articles/2980181>).

**“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](<https://coinbase.com/accounts>)

and [here](<https://support.coinbase.com/customer/portal/articles/2980181>).

**“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 ownership of the underlying Digital Currency as opposed to computing power (i.e., proof of work). Please visit our [staking information page](https://support.coinbase.com/customer/portal/articles/2981942) 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 will 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 OPTOUT OF**

**COINBASE STAKING SERVICES AT ANY TIME THROUGH THE**

**[SETTINGS PAGE IN YOUR ACCOUNT.]**(https://coinbase.com/settings/financial-services) If you opt-out of staking services, you can opt back in at any time.

**\*\*5.4.2 The Service; Rewards; Commission.\*\*** If you stake your assets with us, Coinbase or one of its affiliates will stake these on your behalf, 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.](<https://support.coinbase.com/customer/portal/articles/2981942#supported-currencies>)

Coinbase will distribute this reward to you after receipt by Coinbase, minus a 25% commission.

**\*\*5.4.3 No Guarantee.\*\*** 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. Coinbase will use reasonable efforts to stake any Digital Currencies for which you are using Coinbase staking services. 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 RATE.

## **## 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](<https://www.coinbase.com/legal/privacy?locale=en-US>), 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](<https://www.coinbase.com/legal/privacy?locale=en-US>) (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](<https://www.coinbase.com/legal/privacy?locale=en-US>), 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.

**\*\*7.4. 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](#appendix-1-prohibited-use-prohibited-businesses-and-conditional-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](#appendix-1-prohibited-use-prohibited-businesses-and-conditional-use); (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](<https://support.coinbase.com/customer/portal/articles/2704120>).

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)](<https://developers.coinbase.com/docs/wallet/coinbase-connect>) and any other resources or services available at <https://developers.coinbase.com/> (the “**Developer Services**”), you must separately agree to our [Developer Agreement](<https://developers.coinbase.com/docs/wallet/terms/2>) 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 [\[here\]\(https://ct.wolterskluwer.com/sop-locations\)](https://ct.wolterskluwer.com/sop-locations).

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 bong, 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)
  - **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 non-profit 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](<https://www.coinbase.com/verifications>) 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;

351

- 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 b