



# Coinbase

## Lesson 24

As people in prison become more familiar with the digital economy, they may want examples of entrepreneurs who succeeded in building innovative businesses that succeeded. One example is Coinbase, a service that Ryan recommended I use when I began writing this course.

Coinbase has become one of the most prominent cryptocurrency exchanges globally. The company has a history marked by rapid growth and significant milestones in the digital currency space.

Brian Armstrong and Fred Ehrsam founded Coinbase in June, 2012. Initially, they created a simple platform for users to buy, sell, and store Bitcoin. Over the years, they evolved the company into a comprehensive ecosystem for various cryptocurrencies, offering a range of services including trading, custody, and more.

### Early Years and Growth

- » 2012: Coinbase launches, offering an easy way for people to buy and sell Bitcoin.

- » 2013: The company raises \$5 million in Series A funding led by Fred Wilson of Union Square Ventures, indicating early confidence in its business model.
- » 2014: Coinbase claims to have reached 1 million users and secures additional funding, including a \$25 million Series B round, which was one of the largest investments in a Bitcoin company at that time.
- » 2015: Expands its services by launching Coinbase Exchange, a platform for professional traders, and later rebrands it to GDAX (Global Digital Asset Exchange).

### Expansion and New Services

- » 2016-2017: Diversification begins, with Coinbase adding support for Ethereum, Litecoin, and other cryptocurrencies. The company also introduces Coinbase Custody for institutional investors, signaling its commitment to attracting large-scale investment into the cryptocurrency space.
- » 2018: Rebrands GDAX to Coinbase Pro, offering enhanced trading features. Despite the crypto market downturn, Coinbase continues to grow, adding more cryptocurrencies and exploring new markets.
- » 2020: Amidst a booming cryptocurrency market, Coinbase hits a major milestone by going public on April 14, 2021, through a direct listing on the NASDAQ, a first for a cryptocurrency exchange. This event was seen as a significant moment of validation for the entire crypto industry.

### Challenges and Regulatory Environment

Throughout its history, Coinbase has navigated a complex regulatory landscape, facing scrutiny from various regulatory bodies globally. It has made efforts to comply with laws and regulations, often leading to debates within the crypto community about the balance between regulation and innovation.

### Recent Developments

- » 2021-2022: Continues to expand its offerings, including the launch of Coinbase NFT, a platform for trading non-fungible tokens, although facing challenges in a fluctuating market environment.
- » 2023: As of my last update, Coinbase remains a key player in the cryptocurrency exchange market, despite facing ongoing challenges such as regulatory scrutiny, market volatility, and competition from other exchanges.

### **Coinbase and Advocacy for Cryptocurrency:**

- » Coinbase has played a significant role in advocating for the broader acceptance of cryptocurrency and the digital economy through various channels and initiatives. Here are some of the ways Coinbase has contributed to the promotion and acceptance of cryptocurrencies:

### **User-Friendly Platform**

- » Coinbase has been instrumental in making cryptocurrencies accessible to a wider audience by providing a user-friendly platform. By simplifying the process of buying, selling, and storing cryptocurrencies, Coinbase has lowered the barrier to entry for individuals new to the digital economy.

### **Educational Resources**

- » The exchange has invested in educational initiatives to increase awareness and understanding of cryptocurrencies. Through Coinbase Earn and other educational programs, users can learn about different cryptocurrencies and blockchain technology while earning crypto rewards, thereby encouraging more people to participate in the digital economy.

### **Compliance and Regulation Advocacy**

- » Coinbase has been a proponent of regulatory clarity and compliance within the cryptocurrency space. By actively engaging with policymakers and regulatory bodies, Coinbase seeks to foster a safe and regulated environment for cryptocurrency trading and use. This approach not only protects consumers but also legitimizes the use of digital assets in the eyes of the broader public and institutional investors.

### **Partnerships and Integration**

- » Coinbase has formed partnerships with various traditional financial institutions and payment processors to facilitate easier access to cryptocurrencies. For instance, integrating with payment gateways to allow merchants to accept cryptocurrencies as payment is a significant step toward mainstream adoption.

### **Institutional Services**

- » The platform has developed services targeted at institutional investors, such as Coinbase Custody and Coinbase Prime. These services provide



secure storage and trading solutions for larger entities, thereby encouraging institutional participation in the cryptocurrency market.

### Advocacy and Public Policy Efforts

- » Coinbase has been active in public policy discussions and advocacy efforts aimed at shaping a positive regulatory landscape for cryptocurrencies. The company engages with legislators and participates in various forums and discussions to advocate for policies that support the growth and acceptance of the digital economy.

### Innovation and Expansion

- » Coinbase continually innovates and expands its offerings to include new cryptocurrencies, financial products, and services that cater to the evolving needs of the market. This includes supporting DeFi (Decentralized Finance) projects, NFTs (Non-Fungible Tokens), and other emerging areas within the crypto space.

By taking these actions, Coinbase not only advances its business interests but also plays a pivotal role in advocating for the broader acceptance and integration of cryptocurrencies into the global financial system. Their efforts help to demystify digital assets for the general public, encourage regulatory frameworks that protect consumers while fostering innovation, and ultimately contribute to the growth of the digital economy.

### Coinbase as Inspiration for Prison Professors Charitable:

Although we're a nonprofit striving to introduce controversial concepts like prison reform, our team at Prison Professors learns a great deal about effective advocacy. We need to create more educational content to persuade stakeholders on the value of reforms that will allow people in prison to work toward earning freedom. It's the reason we invite all users to build their professors on [PrisonProfessorsTalent.com](https://PrisonProfessorsTalent.com). We want to highlight people who use time in prison to pursue excellence, striving to improve their mindset and prepare for success in the digital economy.

### Critical Thinking Questions:

1. How do you think regulatory frameworks could be designed to both protect consumers and encourage technological advancement?

2. How do you think Coinbase's transition to a publicly traded company has influenced public and institutional perception of cryptocurrencies?
3. What future strategies could Coinbase or similar companies employ to further promote the adoption of digital currencies?

### Advocacy Initiative:

Prison Professors encourages the exploration of blockchain technology to create positive social changes, such as improved access to education. We invite you to be a part of our initiative by documenting all that you're learning through our MasterClass on the Digital Economy.

Please share your story and responses through the manner that works best for you:

- » Email: [Interns@PrisonProfessorsTalent.com](mailto:Interns@PrisonProfessorsTalent.com)
- » Regular mail: Prison Professors, ☒ Digital Economy Course, 32565 Golden Lantern, Suite B-1026, Dana Point, CA 92629
- » Edovo tablet: Prison Professors, ☒ Digital Economy Course, 32565 Golden Lantern, Suite B-1026, Dana Point, CA 92629

### Investment:

On Tuesday morning, Bitcoin continued to rise after a huge jump yesterday. At 6:03 am, on February 27, 2024, the Coinbase Exchange showed Bitcoin valued at \$57,032.70.

- » Total investment in BTC: \$192,202.76.
- » Total holdings: 4 BTC
- » Total value: \$228,130.80
- » Gain or Loss: \$35,928.04

The value of my holdings surpassed the total amount that I had paid by \$35,928.04 since I began investing in cryptocurrency, on January 31, 2024.

Separately, I purchased 1 ETH. It was valued at \$2,954.74 and Coinbase charged me a fee of \$66.48. My total investment: \$3,021.22. Value of ETH at end of day: \$3,258.32