# *The Social Radars*

## S2: Brian Armstrong, Co-Founder & CEO of Coinbase

**Released Sept 27, 2023**

Jessica: I'm Jessica Livingston and Carolynn Levy and I are the Social Radars. In this podcast, we talk to some of the most successful founders in Silicon Valley about how they did it. Carolynn and I have been working together to help thousands of startups at Y Combinator for almost 20 years come be a fly on the wall as we talk to founders and learn their true stories. Today we're talking with Brian Armstrong of Coinbase, a startup Y Combinator funded in 2012 and is now a publicly traded company. Coinbase is literally in the middle of the exciting new world of cryptocurrency, and it's particularly interesting to explore this world with Brian, who's unusually candid even for Silicon Valley. Hope you enjoy it. So today we're so excited to have Brian Armstrong, the founder and CEO of Coinbase with us on the show. Welcome, Brian.

Brian: Yeah, thanks for having me. It's good to see you both again.

Jessica: Oh my gosh, thanks for being here. Got to indulge me for a moment. I need to set the scene a little bit. This time I'm going to go back to 2012 because Coinbase was in our summer 2012 batch, and I had a little look at your application and the interview notes, and I thought this would be funny to bring up. Back then we didn't do a great job capturing all of our feedback from the interviews, but there were two notes, one from PG and one from Trevor, and in it they both said Hi beta about the interview about Coinbase. And I love that because high beta is exactly what you were, and it's exactly the kind of betts y Combinator loves making and continues to make these potential outliers that could easily fail or they could be a huge success and go public like Coinbase did back in 2021. And you are the success story of this high beta. So what I'd love to do is go back in your mind a little bit to when you were first getting started on the application. You did describe it very succinctly, I might add as PayPal for Bitcoin. Let's go back to that time.

Brian: So the first version of the app did not have any ability to buy or sell crypto. That actually came later and we can talk about how that happened because it’s not, it seems obvious now, but it actually was not at that time. So I guess just zooming out a little bit, in 2010, I had come across the Bitcoin White paper and I actually first saw it on Hacker News.

Jessica: Really?

Brian: Yeah, I was checking daily as my daily reading, and there were a few things in my background that allowed me to read that paper and I think get interested in it. I won't claim that I understood everything in it the first time. It's pretty dense and I had to actually go subsequently read it a bunch of times and I couldn't stop thinking about it for about six or 12 months, which is how Coinbase eventually came to be. But before I even get to that part, I mean, what was it that kind of caught my attention when I first read the Bitcoin white paper? Well, number one, I had studied computer science and economics. So kind of the intersection of those things in school helped me understand a

little bit of what the paper was talking about. I also had lived for a year in Argentina and I had seen that country had gone through hyperinflation.

And so it gave me a little bit of an appreciation that what we take for granted sometimes in the US, which is that we have relatively stable currency and financial infrastructure is really not the norm in most places of the world. And then I had also been an early employee at Airbnb and I had seen how difficult it was for them to move money to 190 countries all over the world, both receiving payments in and then paying out to hosts. And I was actually one of the engineers working on a little bit of that infrastructure, and it was broken. It was very broken. The global financial system is really a patchwork quilt of different proprietary systems in each country. It's very slow, it's expensive. There's high fraud, it's opaque sometimes. I remember we were at Airbnb one time and we were trying to integrate Uruguay of all places and we were trying to find these local payout methods in Uruguay where hosts on Airbnb could get paid.

And we were reading the documentation and it was kind of inscrutable. And at some point we realized we have no idea. I don't think they had any idea either. And so we just had to literally try sending a hundred dollars, find someone on the other side who would pick it up, and how many Uruguay and pesos even showed up. We have no idea what price to quote the customer. That's crazy. And it was kind of opaque by design because each of these, they were small oligopoly local players. Anyway, the global financial system I realized was very broken and the internet was this global decentralized thing that I could not imagine if the internet had to run where every country was running their own proprietary system of the internet and there was an exchange fee when you wanted to load a website from another country or something.

Jessica: Yeah, crazy.

Brian: Yeah. So WhatsApp was taking off at that time and I was like, well, what if every payment was as fast, cheap, and global as WhatsApp? That would be pretty cool. And so that's what got me excited about Bitcoin when I first read that white paper and the initial idea was Bitcoin seems pretty cool, but it's a very complicated protocol. Let's just try to make it easy to use for the average person. That's kind of why I wrote PayPal for Bitcoin on the application.

Jessica: And did you own Bitcoin at that time when you read the white paper and stuff?

Brian: Yeah, I think so. It was towards the end of 2010. I read the white paper in 2011. I was going to early bitcoin meetups in San Francisco. I started working on a prototype which would eventually become Coinbase, but I also went and bought some of the early Bitcoin. I remember, I think I bought the first Bitcoin on Mount Gox that I got was probably around $11. And then it promptly crashed down to about $2. And I thought I was a total idiot for buying it at the top. And that was the first Bitcoin that I ended up getting.

Jessica: Oh wow. On Mount Gox. Wow. You're at Airbnb, you're working on, some parts of it are on fraud prevention. I know that there's one of the parts that ties into Y Combinators

that Jason Tan of SIF Science. You were working with him on installing his product at Airbnb and you were working with him at two in the morning making sure this would work. And he wrote this wonderful recommendation to some partners at Y Combinator saying, Brian's applying, I just can vouch for, he is a really hard worker and very determined. So you're at Airbnb, you're becoming a Bitcoin expert. You read the white paper, you say this should be more accessible to people, or you say people should be able to store their Bitcoin in a wallet on their phone. Tell me how that came to pass.

Brian: Yeah, so I had a couple analogies in my head that I was sort of basing it off of. One was email is based on another decentralized protocol called ss M T p, Paul buka y com. Miter had created Gmail. Gmail, you could run your own email server on your own computer, but most people don't want to do that. They don't want to worry about the backups and the security aspects of it and everything. So most people use Gmail or Outlook or something like that. And it's a hosted email provider. It's in the cloud, and so you can run it on your phone and on the desktop you lose your phone, all your email's not gone, all these kinds of things. So I was like, Bitcoin's another decentralized protocol, kind of like SMTP, someone's going to make the Gmail for this. And then the other kind of analogy that I had was GitHub, because GIT is actually another decentralized protocol where people do code storage, but you can sort of have a repository on a server on your client, it can be decentralized.

And then GitHub of course just made it much easier to use GIT for the average developer. So those were my two analogies. I was like, all right, someone's going to have to make this. This is a funny story about how sometimes your first idea is the wrong idea, but it helps you get to the right idea. So I was working at Airbnb, this was not a company or I hadn't left my job or anything. And so this was basically just me tinkering on the side while I was trying to learn this. And the first version of it that I built with a friend of mine who I had gone to school with, it was a mobile Bitcoin wallet. And actually it's probably still on GitHub. I think it's just called Bitcoin Android. And we basically made it where the whole Bitcoin node would run on your phone.

And the reason I did that was I thought, well, this is not a company. I can't start hosting people's Bitcoin and running this stuff in the cloud and that would require a lot of money and security. And so I just built it on the phone where everybody can run this on your phone if you want, just store your own crypto, but I'm not really responsible for it, it was kind of the idea. And it was all open source. So he and I worked on this on our nights and weekends and we put it out there and it was in some ways it got people interested. Wired, I think wrote a small article about it. To me that was a really big deal at the time. But what I realized almost the minute that we released it, literally I think like an hour after we released it, I realized we had architected it wrong because everybody was running this on their phone.

But it started to be more and more data that had to come down to your phone. And if you didn't have the app open for a while when you reopened it, it would take sometimes 10, 15 minutes to resync with the blockchain. So you couldn't really do anything with the app for 15 minutes while you were waiting for it to resync with the network. And I realized someone's going to have to build this thing in the cloud because the phone was just not powerful enough to run a full Bitcoin node. And I kind of couldn't help myself

after that, I started tinkering on the cloud version, if you will, even though I wasn't really sure if it was even going to be a company yet. And it was interesting. I just kind of couldn't help it. I couldn't stop thinking about it.

Carolynn : It was the itch you had to scratch.

Brian: Yeah,

Jessica: That is sort of the canonical way so many successful founders get going. They're solving their own problem and they build something just to kind of see if it'll work and solve their own problems. So you were building this for yourself. At what point then, I'm just trying to get the exact timeline down. At what point did you apply to YC?

Brian: Yeah, so I think I actually applied twice.

Jessica: You did?

Brian: Yeah. Well, actually no, three times. I think before I even saw Bitcoin. I think I applied maybe in 2009 or something like that with this tutoring company that I was working on at the time. But I didn't get invited to interview for that. And then I think it was like mid 2011, I applied with the Coinbase idea, but I didn't have a co-founder. I was at Airbnb and I remember talking, I think I talked with Garry Tan at that time and I was debating whether to leave Airbnb and I had a very beginning of a prototype, but it wasn't very substantial and I had no co-founder. And so I think I talked to Garry and I decided, all right, I'm going to reapply in six months. So they invited me to interview, but I declined it and I said, I want to come in and interview in six months from now and hopefully I've made more progress or something like that. And then it was probably towards the end of 2011 or early 2012 that I applied, I guess technically the third time, although I didn't really come into interview the second time, and that's when I decided to go make, by the

Carolynn : Way, in 2010, it looks like it was crowdsourced product reviews,

Jessica: Reviews, buyers vote. Does that sound right?

Brian: Oh yeah, you're right. It wasn't even the tutoring company. I forgot about that product. Interesting.

Jessica: So this is just for people listening. This is another example. A lot of successful founders have a lot of early ideas that don't work out or they don't pursue, so don't get disheartened. I had a lot

Brian: Of them.

Jessica: By the way, your biggest fan before you were accepted was Garry Tan. I was looking through the notes and he was just like, we're a hundred percent interviewing him. This is amazing. He was super bullish on Brian Armstrong.

Brian: Well, I'm so glad Garry's now back in YC, because he was incredibly helpful at Coinbase. I mean, even after we went through YC, he was basically meeting with me I think every couple of weeks, almost like my CEO coach for the first year or two of Coinbase. So he really played a huge role in helping us get off ground.

Jessica: So you get in, you're in the summer batch, which I will also point out was the largest batch we had had to date. There were I think 84 startups in that batch. And we jokingly kind of refer to it as the batch that broke YC because we had had 67 the batch before, and just that leap from 67 to 84 the way we were running YC, where all the partners had to know what was going on with every single startup. That one broke us and we made some changes. You were now part of the largest batch we had had to date. What were you first working on? Tell us what you got started on when we accepted you.

Brian: Yeah, well actually I remember one of the first things I did, Carolynn, you may not even remember this, but I think it was with you and John or maybe just you, I can't remember. And the original name for the app I was working on at that time was called Bit Bank.

Jessica: I do

Brian: Remember, and I liked the name Bit Bank because it iterates, it had a double B sound, kind of like PayPal. And I remember one of the first things you told me was, it's illegal to have the word bank in your name. If you're not a bank, you're going to have to change the name. And I was so disappointed because I really liked that name. So one of the first things I had to do was go figure out a new name and did the typical thing where you just search and make a list and try to narrow it down. And this sounds funny in hindsight, but I actually didn't really like the name Coinbase. And once a name is out there and it means something in your head, you tend to like it. But when you're naming something new for the first time, everything sounds terrible, is my experience. So I actually kind of begrudgingly settled on Coinbase and the domain was available for about $2,000, so the.com. So I bought it and I was like, all right, I just got to keep making forward progress. I'll find a better name later, something like that. And then of course now I love it. I

Jessica: Love it too, by the way.

Brian: The other thing was that this story is, it's been talked about publicly somewhat, but not widely. I, so I actually did apply the second time with a co-founder, and it was a shotgun wedding in the sense that I reached out to this individual who had another crypto app at that time. He had been creating blockchain info, and we somehow decided to apply at the same time after really only meeting each other a few days ahead of time, which was a mistake and not something I would not recommend. But that was another one of the big challenges in the early days when I had first gotten into YC, you all were helping me sort of get it incorporated. Let's change the name, make sure you kind of do the 83 B election, all these kinds of things that founders need to make sure they get right.

But I also had this issue where the person I had applied with was not seeming to, he was fully engaged and he hadn't bought his plane ticket, and there were all these red flags.

And so I unfortunately had to have an awkward conversation with him about maybe we shouldn't do this together. So suddenly I was now a solo founder in YC, and there were a bunch of messy details behind the scenes on that, which I won't get into, but it was stressful to say the least. I remember I was not sleeping well, I was not eating enough. I thought maybe the whole company was over before it had even started. And so yeah, it was a stressful time, but it also built a lot of character because going through stressful times helps you prepare for the next big challenge.

Carolynn : Brian, I'll tell you just on that note, John Levy credits you to this day as handling that founder breakup better than most founders ever handle those stressful breakups. And he was like, that guy was destined to be a c e O. He was so professional about that and made such good decisions. So for what that's worth, and by the way, since it was my first batch, that was my first co-founder breakup, and I thought they were all going to be that way, and I was like, oh, man, what did I get myself into? But yeah,

Brian: I have to say YC was incredibly helpful during that. I was feeling pretty lost and just having the right lawyers around you at that time can actually be hugely beneficial. Yeah, I remember Paul, I was meeting with him regularly. This was in the lead up to the batch. I think he was the first one who told me, he's like, you gotta ask this guy to resign because if he does join the batch and you break up in the middle after you've kind of incorporated and raised all this money or whatever, he's like, it's going to be way worse if he's not committed. You got to ask him now. And that was a really valuable piece of advice too.

Jessica: How much time did that take up? Are we talking a month or how much

Brian: Of the batch? Yeah, I mean I feel like that whole thing, yeah, it probably took about a month in total, but it felt like it derailed everything, but it managed to work out

Jessica: Well. That's always frustrating when a setback is about a co-founder breakup. We've seen so many at YC, and I always feel like it feels like a waste of time, but a big lesson for people like inorganic sort of co-founder matching that happens suddenly and often doesn't work out.

Brian: Yeah, yeah.

Jessica: Okay. So you're going through YC. Tell me after you have that behind you, how did you keep going forward?

Brian: Yeah, so I was really a solo founder at that point, and I kind of just poured myself into following the YC advice, which was go talk to customers and try to improve the product and then run that on repeat as much as you can. So I launched a very simple early version of it. I wasn't a designer, I was more of a software engineer, so I just used Twitter bootstrap. I didn't really have another design or resources to hire someone, so I just used Twitter bootstrap, got it out there. I think I posted a link on Reddit and Hacker News and I said, Hey, come check out my Bitcoin wallet. So that got maybe, I don't know, maybe 200 people or something like that to come check it out and sign up. And basically

nobody came back. So it was the proverbial chart goes up and the chart comes down and I said, okay, well that's great.

This is the first version, soft blanche. And I started just emailing some of the people who had signed up and saying, Hey, I created this app. Can I get on the phone with you? I'd love to hear your advice about what could be better. So I remember I did this a handful of times, and one day I did this with three people and I was talking to this gentleman on the phone and he said, well, the app seems okay, but I didn't really have any Bitcoin, so I didn't come back. And I remember asking him on the phone, well, some kind of light bulb went off after a number of these conversations. I was like, well, if there was a buy button for Bitcoin in the app, would you have used it? And he's like, yeah, maybe he's, I guess the only other way I could have gotten it was to wire money to Japan with Mount Gox, and it just seemed kind of inconvenient.

So I was busy with other stuff, I didn't come back. So I started to then think about, okay, maybe this killer feature is the buy button. I started to think about how that would actually be possible to create that because you would need to be able to accept payments and then you would need to go acquire the Bitcoin and you would need to make sure that you had some sort of a positive margin on it so you weren't acquiring it for more than you were charging. And so I started to think about, okay, how do I start to accept payments for crypto? And at that time, I don't think anybody had really done that in the US and it was kind of one of these things that compliance people are often skeptical of these new things that you're buying. I think this also happened through YC actually.

I remember talking with the partners there and somebody introduced me to Silicon Valley Bank. That's actually I guess the default place that people were creating their corporate bank accounts at that time. And somebody connected me to an account rep a little bit higher up at Silicon Valley Bank. And I said, well, I want to be able to accept bank transfers using the ACH network in the US. And I remember their first question to me on the phone was, what's your AML policy? And I remember I was googling on the phone call live, I Googled, I typed into Google AML, and I was like, what the hell is AML? I don't know what that is. I'm kind of skimming the Wikipedia article during the call and it's like, okay, anti-money laundering, okay, you have to have these programs and the transaction.

I'm like, right, right. Okay, this is something that we're working on right now. I can come back to you with a more clear in-depth answer on that. But we're definitely committed to compliance. And I knew early on that that was something we were going to have to do because some of these other firms, like small crypto companies, I admit at that time, were sort of trying to fly under the radar. And I knew that that would work for a little while, but if you got big, it would never work. And so I was like, we're going to do this the trusted legitimate way. And so at that point I then started reaching out to, again, our lawyers that YC had kind of helped me get connected to a couple of different partners at different law firms. And I think at that time we were working with ORIC, John Batista at ORIC was one of the people that YC had connected us to.

And so I started to reach out to lawyers and I started, all right, how do we create an AML policy? What does that even mean? And then somebody I remember asked me this question, are you a money transmitter? And I was like, I don't know. Are we a money transmitter? I had to go research all these laws. And so I remember John Batiste at one point, he came to me and he said, there's some reasonable arguments that you're not a money transmitter at this stage, but it's not like a lot of lawyers, it's like it's a maybe Silicon Valley Bank. They came to me and they said, we're not going to allow you to accept payments for crypto until you can demonstrate to us that you're not a money transmitter. And the way you could do that is to get a legal opinion. And so I basically found this lawyer who would write us a legal opinion subject to the following. If this is true, then you're not a money transmitter that would allow me to get the bank account open that would allow me to accept the payments that would allow me to put a buy button in this website.

And I remember calling this lawyer on the phone and they said they wanted like $30,000 for this legal opinion letter. And at the time, you have to remember, I had only raised 150 K and I had to pay myself with that and everything. And you've

Carolynn : Blown two grand on Coinbase. You've two grand already on the domain. Yeah,

Brian: Two grand on Coinbase, and now it was $30,000 for this piece of paper that was five

Carolynn : By that's an insurance policy. So that price actually sounds cheap to me, but I understand the context. It was a lot of money.

Brian: I mean, given our legal bills, now it's quat. It's remarkable that

Yeah, we probably spend that any given hour at this point. But no, but at that time it was a big decision. I remember I went back to YC to get the advice, and I talked to Sam Altman on that particular day, and I remember asking him, I was like, is it worth spending $38,000 of my 150 to get this five page piece of paper? And he was like, well, if it helps you get the bank account open that allows you to launch the feature that your customers want, it's probably worth it. And so I held my nose, I paid the 30 grand, I got the account open. We launched this. I say we actually, this was right around the time the real co-founder of Coinbase, Fredericks, was joining, which is its own story. I can come back to you if you want. Anyway, we launched that buy button and it really kind of immediately took off. That was when we first had product market fit every month thereafter, it started to grow organically to a place where we had really trouble keeping up with it.

Jessica: I have to interject for a second because you had tremendous foresight in my opinion, recognizing that it would be very important for people operating in the crypto world to be squeaky clean above board, and you took measures very early on to be very legitimate. How did you know it was going to be so important?

Brian: Yeah, well, there's a couple of things. One is I had read this book about the history of PayPal. I think it was called PayPal Wars, actually. It's written by one of the early

employees there. And then I had sort of studied the history of Square as well, which was another, of course, FinTech company in the Bay Area. And my time at Airbnb, actually, I had seen this as well where they had launched, they'd gotten some traction and then all kinds of regulatory policy matters started to come to the forefront where, and Uber was very big at that time too, and it was like there was all these news articles being written at that time. Is uber illegal? Is Airbnb illegal? And obviously as an early employee, my view was these things should not be illegal. They're clearly helping people want them. In fact, they're disrupting incumbents that are inefficient, and that's kind of partly why they're getting this backlash.

But at the same time, to win in the public debate and probably eventually get new laws written, you have to show good faith effort that you're doing the right thing. You can't just be an anarchist and kind of flout the law or be so anti-authoritarian that you rub people the wrong way. You have to show that you're trying to do something good in the world. And so I realized early on that if Coinbase was going to hold customer funds, if it was going to transact in crypto, we were going to have to go out and be a regulated financial service business. And I saw other companies at that time really taking a different approach and they kept getting shut down after a year or two. It happened subsequently, actually from Coinbase launching. I saw lots of other small crypto firms go through that. But even when our communication with Silicon Valley Bank, for instance, which was an important partner at that time, we realized that kind of transparency was the key to trust.

And so I had to go in there and tell them everything that was actually happening, even especially the bad stuff. There were certainly errors and mistakes that were made where it was like, oh, okay, we found out that these thousand customers were able to onboard and we actually didn't collect the thing that we should have. And so we're now working to remediate that, but we just want to proactively tell you, and the proactive communication, especially about the mistakes was one of the things that built trust. Another thing that I learned was by default, most people would be skeptical of what we were doing. In fact, I had some people kind of like they wouldn't even talk to us on the phone and these kinds of things, but some people even hung up on me. But when I got a chance to meet people in person, they would typically trust me a lot more.

And this is partly just human nature. It's like everything on the internet you trust a little bit less and you meet somebody person, you like them. But it was also something about I would put on a suit and tie for instance, and go meet with the California Department of Financial Services. And there's something about my personality where people would talk to me and they would think, well, I have no idea if this is going to work, but this guy, he's definitely not lying to me. There's something that allowed me to sort of endear myself to people by just showing up in person. Those kinds of things helped make sure that the company got off on the right foot. And we can talk about some recent policy and legal challenges we've had at some point too, but I think in general that's been a really good strategy for us and it's helped us work with regulators all over the world.

Jessica: I mean, I think it's important in the current context, the lawsuit from the S E C that from the very beginning you were laying the groundwork for being above board and saying, we want to do the right thing. We're here. Please regulate us. Please give us feedback.

It's always been part of Coinbase d n a, and I think that's really important in light of the current situation. Do you agree?

Brian: Yeah, absolutely. I think you're right. I think most people know that they sort of inherently think of Coinbase as the trusted brand in the space, but they may not know that that's not like a new thing. I mean, that really came back even in 2012. We proactively went out to state regulators and sought to become a money transmitter to get as that because that was the only license that was really there at the time. We subsequently went on to get New York issued a bit license. We were one of the first people to get that. Now we got regulated by the CFTC, we even acquired a broker dealer license that the SEC issues, but it's dormant currently because the SEC won't allow us to activate it. And we've now done this all over the world. I mean, the sort of recent history with the SEC has been difficult in the sense that we've really been proactively asking them for more clarity in this space for quite a long time.

And we actually formally filed a petition with them outlining maybe 40 different areas of the law where it's not clear today around how they apply to cryptocurrencies. And we asked them for their feedback on that they have yet to respond. Over the last year, we met with them probably about 30 times actually. We never once got a piece of feedback from them on what we could be doing better. And then we received this enforcement action. The chair Gensler actually, I've never actually been able to get a meeting with him in person, which is incredibly rare for the regulators that we work with all over the world. And so yeah, it's been pretty frustrating. He seems quite just antagonistic to crypto at this point. I don't think he's necessarily trying to regulate it as much as maybe curtail it. And so we're trying to avail ourselves of other options, including the courts to get some case law created.

And then Congress is very interested in this issue as well. And so we're seeing draft legislation now come out of Congress. Of course, the regulator's job is to enforce the law. It's not to create new laws. And since there really isn't clarity about what the law should be here in the absence of that, the regulator is sort of overstepping if you were to ask a number of people in Congress. And so Congress feels that they need not need to step in and actually tell the regulator what is the law and that that's of course required by the Constitution. So anyway, suddenly the role of founder changes as you go from hacker on your laptop to eventually walking the halls of Congress, I guess trying to lobby for new legislation.

Carolynn : Do you think that things would've gone down exactly the way they're going down now in the absence of FTX or do you think FTX was the thing that just made all this kind of explode and you're a knock on effect of that? What's happening to Coinbase?

Brian: Yeah. Well, FTX certainly didn't help. And so the black eye for the industry, and I think we have to be honest and say unfortunately, crypto has attracted a number of different scammers, and that's been really unfortunate. It's not entirely unprecedented. The internet had a lot of scams in the early days, still does, but it is also a powerful technology that 99% of people are using for good purposes. Basically, crypto has gone through this period over the last 11 years where it'll have a big runup and then a correction down and a big runup. So it's almost like what happened with the internet in

2001, the dotcom bubble and bust. But it's had four of those, which is kind of surprising over a decade. And so typically what we've seen is in the down markets when crypto will crash down, we'll see a lot of negative rhetoric. People who have an interest in not seeing crypto succeed will come out and use that to their advantage. And then in the up markets, we see irrational exuberance and euphoria that's also kind of unfounded and it intends to attract people for the wrong reasons. So it's been rare to see technologies that have gotten that much hype and then despair over and over again. I guess AI is actually kind of another one where they've had AI summers, AI winters, and we're in a summer. Now

Jessica: I need to interrupt. Since Carolynn referenced SSBF, I have one question about him that I'm really curious to know because you're an insider. Carolynn and I, we're not in the crypto world. You're an insider. This was your next door neighbor being let off to jail in handcuffs. What do people like me and Carolynn and even reporters who are reporting on it, what do they not get or what do they not understand about that whole story? Because right now, just so you know, I'm in the middle of listening to the series spellcaster, that podcast, and it's really gripping and I'm thinking, does this reporter know everything? I don't know.

Brian: Yeah, so I think F T X got started around 2019 and I started to have periodic interactions with Sam maybe in 2021 or something around there. And he always came across to me as highly intelligent. He was a bit young and I thought maybe he's a bit reckless here and there, but I definitely didn't ever think that he was fraudulent in the sense of, kind of stealing customer funds to put it in his own hedge fund.

And I've thought back on that a lot. Were there any red flags that I should have seen? One thing is that he's kind of did a speed run of the halls of power or something like that, and he was kind of on the cover of Forbes and he was suddenly showing up at, I don't really go to that many events, but the events that I was at, he was at all of them. And then he was kind of getting invited to speak and there was this kind of aura of founder worship or something that was happening around him. And I'm someone who's a little more introverted. I've always kind of tried to be mostly focused on product and things like that, but I'll go put on the suit and tie and go to DC when I need to. I guess one thing is it made me more skeptical of people who have meteoric rises and suddenly are on the cover of these magazines.

I think it's almost like an antis signal at this point. And partially I had to keep my ego in check a little bit too, because there was definitely part of me that was like, I've been doing this for 10 years. Suddenly this guy comes out of nowhere and he's like the new darling. And I'm like, man, maybe I'm missing something. What am I missing? One other small example is that I think in 2021, our revenue, I knew what it was, and I think we were actually a small investor in them too, unfortunately. I think we had access to their financials. We knew their revenue was about one fifth of ours, and we knew what our budget was to do venture investments and all kinds of things in the space. And he was writing these massive checks. I couldn't really put it together. I was like, where is he getting this much money, this much liquidity? We didn't have that much money, but people kept telling me, well, he's also running this hedge fund Alameda, and that thing is just printing cash in this environment. And I remember thinking, well, okay, I always felt

like it's a conflict of interest to run a hedge fund and an exchange at the same time. Then you're trading against your customers.

We're not going to do that, but I mean maybe we should have done it or something like this guy, if he's making that much money off this thing, it turned out it was customer money. It wasn't even really his money. So I'm trying to think what the biggest thing to learn from it is. I mean, it's definitely made me more skeptical of people that have these meteoric rises. I think there was definitely some interesting phone calls there right towards the end too, where he was kind of desperately trying to raise money and he was calling me and CC at finance and everybody, and it was certainly interesting from a historical point of view where I was like, we're not going to invest in this company, but I got to take this call just to hear what the hell is going on. And it was interesting.

Jessica: It's weird that you're talking about a meteoric rise, because here I am off in the English countryside, I'm not following crypto that closely, and last spring it's all I heard about sand backman, fried sand Backman freed. And this reporter came to interview Paul and was like, well, I'm interviewing the intellectuals of Silicon Valley and of course Sand Bankman free. I was like, who is this guy? I've never heard of him. Then I am at the airport, he's on the cover of a magazine, blah, blah, blah, blah, blah. And it was meteoric. And I said to YC partners, I'm like, am I missing something or does it feel like this guy's been in Silicon Valley for a decade, but it's really only been two years or something? I don't know. It was weird.

Brian: The media, we can have a whole hour long conversation about media and my views on that have kind of evolved over time too. But I used to really think, well, we need to seek out media for the company because that's how it's our reputation. We needed people to become aware of it. It's a good way to acquire customers. And in some ways those things are all still true. I've also become to be more skeptical of a lot of things that I have personal knowledge of and I see in the media. I'm like, that's 50% true at best. So I kind of default assume everything I read in the media at this point is 50% accurate. Well,

Jessica: That's why I asked you, Brian, that's why I asked you as an insider, what do you know that we're not seeing in the media or I'm not seeing in this gripping podcast that I'm listening to?

Brian: Yeah, well, you're talking about in hindsight on FTX or you're saying about right now in this moment, what are they not?

Jessica: In hindsight, on FTX,

Brian: There was a very strange phenomenon that happened also where after the whole fraud came out and it was exposed largely by citizen journalists, by the way I should say, there was a lot of this was happening on Twitter with various firms contacting employees, and you could see that customer funds were paused and people were not getting their money back. And then it started to all kind of unravel. And a very strange thing happened, which was that a number of media organizations wrote almost positive articles about it in the subsequent month. And this was a very peculiar thing to me.

I still don't fully understand it to be honest to this date, but he was a large donor to various politicians. They were almost like protecting him in a way. And there were people who were confused about it or maybe deliberately or intentionally, I can't tell sort of saying, well, he was a victim of there was a run on the bank or his biggest competitor, Binance caused the company to be killed. And if you're storing a hundred percent of customer funds, which is what they were claiming they were doing because they're not licensed as a bank that can do fractional reserve, there should be no concept of a run. If you have a hundred percent of the funds and a hundred percent of people want their money back, you just give them a hundred percent of the money and you close the company down and it's maybe you file for bankruptcy or whatever, but every customer gets their money back.

That's sort of the worst case scenario where it might be embarrassing, but it's not illegal. But in this case, a bunch of customers were not getting their money back, which was very clear that customer funds had been misappropriated. Yet we kind of saw a number of these articles come out that were talking about him as a victim or he tried to save the world, but he was unable to do it or something like it was really truly bizarre. And he got invited to this New York Times DealBook conference even after it was clear he was criminally going to be charged here and people applauded on stage and it was kind of bizarre. So I still don't know quite what to make of that. There's actually a good article that came out in, I think it was called Tablet Magazine about the elite and the Counter Elite or something, and there's sort of this world of people who go to big fancy conferences and he was very ingratiate by the elite. He donated to all the right people. He had all the right causes in mind. He was making the right political mission statements and things like that. And so somehow he was one of these chosen people and he was almost protected by that. But it turned out he was

Carolynn : Totally, maybe the way you summarize that is he may be a criminal, but he's our criminal. He's our guy. And then it's not until it's so obvious that he has done so many horrible things that you finally have to disavow, but it sounds like that's what you're saying. People just were very unwilling to completely drop him as their poster child until it became really, really clear that it got really, really bad.

Brian: And he basically admitted by the way that there was an interview somebody did with him over text or direct message or something like that where he basically admitted that a lot of that stuff he was saying was fake. He didn't even really believe it. He described them as these are shi bliss that you now need to say in society to be accepted and achieve status. And he basically was working the system. It was almost like a reputation laundering or something like that. So if you say that you're advocating for all these causes, somehow he was able to ingratiate himself with these high status institutions and then unfortunately, he conned them and utilized it to his advantage.

Jessica: Thank you for that answer. I have one other question. Back in 2020 when you announced that Coinbase was going to be a mission-driven company and what that means for my family members who don't understand startup stuff, that means that basically your company is going to focus on achieving its mission, working on the product, and it is explicitly not going to engage in broader societal or political issues. And at the time, that was very controversial and you said, if you are an employee and that's

not what you want, we will help you find a new job. But that's the way it's going to be three years later. Did it have any sort of long-term measurable effect at this point that you can talk about or were there any drawbacks? Because I'll tell you why I'm asking. Paul told me just yesterday when we were talking about this podcast that a lot of founders he's talking to in Silicon Valley, many are de facto doing what you're doing, but they're just not announcing it publicly.

Brian: Yeah, I mean I do think that we were early on that trend and subsequently others have followed it, and generally it's worked really well. I think by the way, it's better to just follow it and you don't have to make a big announcement about it. I didn't really want to make an announcement about it either, but unfortunately we did because we were having internal conflict and we actually had an employee walkout that happened over one of these controversies that was happening in the world. And so it was like literally people just weren't coming into work. It was a huge distraction. And I realized at that point I had made a mistake as a leader, which is that I had not been clear with everybody about the type of company we were going to be and what we were going to focus on. And so I think you can actually have both kinds of companies.

I know there are lots of companies that do choose to engage in all these societal issues. I personally think it's a distraction from the company. It potentially makes it even a lot less successful. I think if you look at what happened with Google, for instance, and OpenAI, part of the reason that they, I mean Google apparently had a lot of this technology internally and they just weren't releasing it. They were afraid of societal backlash and it's actually arguably put them in an existential risk now versus open ai. So I think it's quite dangerous to have activists infiltrate the company and hold it hostage to whatever their ideals are. You have to be clear with people about what the company is about and just move towards that. This was a leadership lesson for me where I was walking on eggshells around a lot of these issues.

I was not really sure how to respond to people. A lot of these issues are very complex. I don't even really know what the solution would be and reasonable people could disagree on it. But by sort of avoiding the issue, avoiding conflict not being clear, I was allowing this lack of clarity to fester within the organization. And we had a divide. Some people felt like, okay, well we're here to create economic freedom in the world with crypto. We should just be focused on that. Other people felt we actually have a responsibility to engage in these broader issues and the walkouts, the tension, everything. So what I had to do was since I wasn't clear upfront, I had to remedy it, make it clear we did help employees move on who were not in line with it. And to your question about what's been the impact of that now over the last few years, there's a few pieces we can quantify, but most of it is anecdotal.

I'll just tell you up front. So anecdotally, I think it feels much better. The company is more aligned. We are making good progress towards our goals. There is not a lack of clarity, there's not infighting. The workplace is kind of a refuge from the division that's out there in the world where people respect each other and lots of different people from lots of different backgrounds are welcome. At Coinbase, we all focus on the work and we know that we each have different things we're interested in outside of work. That's totally fine. And also I have to say my job as CEO is a lot better in the sense that if I go do a q and a

with the employees, I'm not sort of being held hostage at the microphone with somebody asking me an impossible question about society, which I don't personally have a solution to. Because I remember when I was contemplating putting out this announcement, which a number of people within the company were very adamant that I should not do by the way they felt that it would

Jessica: Going to rescue. Some people advised against it.

Brian: Yeah, because they could see that there was conflict and everything, but they were just keeping the peace, just get people back to work. I remember somebody told me, if you publish this, people from underrepresented backgrounds will never work at Coinbase again. And I was like, is that true? I'm not sure if that's true because I feel like people from lots of different backgrounds are interested in working in an environment where they just want to be respected and do good things and learn from their colleagues and focus on the mission. There's people from all backgrounds who are interested in our mission at Coinbase. So I actually went and met with some of our ERGs at that time, the employee resource groups, for instance, I met with our black E R G, and I kind of asked them directly and I was like, how do you feel about this?

And they said, we just want to come to work and beer spic and have an opportunity to grow in our career. It was like all the same things that other people wanted. My instinct was, this is not accurate, that it's going to cause some irreparable damage. I actually think it's going to help us get more aligned. That is one measurable thing. We looked at about a year after we put that announcement out, we looked at some of the diversity metrics and things like that, and basically, every single metric was about the same or slightly better. It actually did not have a negative impact. That was good that it validated what I had talked to the ERGs about, and I think just generally it's made the company pretty healthy and productive. So I am a fan.

Jessica: Great. Oh, I'm glad to hear that. It sounds like it's been a good thing for Coinbase might not be the right choice for every company, but it's been good for Coinbase and possibly could be good for other companies. You would not have been able to do that. Brian, if you are not in the quadrant of the aggressively independent minded people. Paul's written about this. I'm not in that quadrant and I think I'm more independent-minded, but you're definitely aggressive. How do you think you became that way? Is it inborn or do you just sort of get that way with more confidence or what?

Brian: Yeah, I mean, this is a really interesting topic because it, I think you're right, it's actually overrepresented potentially in founders even going back to just the idea of Bitcoin, when I first saw that, I went and talked to a number of my friends about it and I was like, this Bitcoin paper seems pretty cool. What do you think about it? And most of my smart friends who I talked to about it, they said, I don't get it. This seems like kind of a scam or something. And so it definitely was contrarian. By the way, founders can go too far with this too. If you question everything from first principles, then it's like, well, we should redo our HR system or we should redo. It's like you kind of want to focus the company on a few key things where you can be differentiated and you want to be contrarian, but, and then a lot of the other stuff, you should probably just take the best practices.

I drive the team nuts sometimes if I question everything too much. But to your question about where this comes from, I guess the intellectually honest answer is, I don't know. I do think that one interesting theory is that I think Asperger's is overrepresented in founders, and that is probably arguably genetic. We don't know exactly the cause of it. If you look at Larry Page, Elon, maybe Zuck, I don't know if he would label self-identify as that, but you can see characteristics of that across a lot of founders. I think that I've never been formally diagnosed or anything like that, but I think that there's certainly traits of that that I have where I have trouble reading sometimes people's emotion or sarcasm. And sometimes I have to ask people, how are you feeling one to 10 on this? I just intuitively can't read it as well. Or for instance, sometimes in loud environments I'll sort of feel overstimulated by sounds and lights and things like that. I've taken these online tests before. I'm like, okay, I think I'm somewhere on the spectrum here. And I've developed coping mechanisms for a lot of it where it's really not something that hinders me I don't think in everyday life. But there's a couple of books on this actually, also about how you can have a certain degree of social oblivion. I don't know what the right word is, you can be slightly oblivious, but also it allows you to question things from first principles.

But it's a complicated thing because definitely it's not like I have no desire for social cohesion. In fact, in general, if there's, I'm at a dinner or a bunch of friends, and if some people are getting into some debate, I'm always like, oh, but really you're kind of saying the same thing. And I'm trying to bring people together. So I don't know what it is, but I've always kind of enjoyed this idea of questioning things. And if I find something that's the conventional view is X, but I really kind of think it might be Y, to me, that always feels like an opportunity to create something new. And so I'm guessing it's partially genetic, but I don't know the answer.

Jessica: Interesting. I don't know if this is an offensive question or not, but have you ever thought about getting formally diagnosed, or do you not care if you're on the spectrum or,

Brian: Yeah, it's never really been a priority for me, but I wouldn't mind doing it. I've taken online tests where I'm kind of convinced I'm somewhere on there. But yeah, I've never done it formally. It might be interesting at some point.

Jessica: Well, we've definitely had a lot of YC founders who are, I'm sure, somewhere on the spectrum.

Brian: I mean, actually, I'd be curious if you have a thought on this too, because you've seen so many founders is Asperger's or somewhere on the spectrum, overrepresented in founders and one other area that I see it as sort of being kind of very emotionally steady, where that's a trait that I've noticed in myself too, where oftentimes in the company, some crazy thing will be happening and I'm usually just very calm and I'm like, all right, how do we solve it? What's the next step? But then on the flip side, if something really great happens, I don't get really excited and go celebrate it in some massive way. I am a very steady person. I don't really have huge highs and huge lows. But do you think Asperger's is overrepresented in founders?

Jessica: Yeah, I definitely do. I do. I think, and first of all, definitely in programmers, hands down. Go on, Carolynn. Sorry. Oh, I was just going to say, I tend to just say like, oh, socially awkward. But I think if I really thought about it, what it really is is exactly what you're describing, Brian. Socially awkward is just sort of a cheesy word for it, but I think it's just exactly what you said. I don't even notice it anymore, honestly. I really don't. It seems very natural to me. And I mean, I think that if you're running a huge company and you were saying you have coping mechanisms for certain things, if you're running a big company managing a lot of people, you probably do have to work harder at some of the interpersonal stuff. But I mean, I think it's possibly an asset. I definitely think it's overrepresented in the founder community for sure. But anyway, I know we don't have tons of time left, so I just have a couple more questions. And by the way, I am having so much fun chatting with you. This is why Carolynn and I are doing this podcast. We love catching up with founders and hearing their stories.

Brian: You wrote the book on it, founders at Work. I read it before I even applied to YC. I feel like, is this kind of a continuation of Founders at Work? It seems similar. It's

Jessica: A little bit of a continuation. I love showing the world that startups are filled with challenging hardships that regular people overcome. Like anyone could do this if they're determined and resilient enough. And I know you were super resilient, you're super determined. You got tons of rejection early on in that time. I came to speak at Coinbase, you told me that during demo day in the summer 2012 batch, some investors were mocking you for your idea and you weren't really sure on the Asperger's subject. You couldn't really tell. But I mean, you must have overcome so much skepticism. Was it because you felt like I'm building this product for me and my early employees, a lot of them I believe were Bitcoin fanatics, right? Your team was building this product. Did you just have so much confidence in what you were building to help you overcome the early rejection?

Brian: I wouldn't say it was confidence. I mean, actually, I think all young people have some amount of self-doubt and maybe all people, period. Not just young people. I mean, I certainly fit in that category. I had read Founders at Work and I had read Paul Graham's articles on his blog and all these things. Part of the reason why that's so valuable, and I think just the fact that YC wrote that first check to me was that at that time I was really filled with self-doubt. I was not sure if I could be a c E O. I thought of myself as really more of an engineer and not really good with people. I thought maybe I was crazy because I thought this idea with crypto seemed kind of cool, but all the smart people who I talked to didn't really get it, and they didn't think it was a good idea. So I thought maybe I was the crazy one.

And frankly, if YC had not written me that first check, I don't think I would've started the company because I was working at Airbnb. Airbnb was a rocket ship. This sounds like really silly in hindsight, but I had to call my parents and tell them that I was going to quit my job and go start this company. And now that I'm older and everything, I've looked back on it fondly. But at that time, it was a big deal. I was deathly afraid of, they were going to be really disappointed to me. You quit your job at this great company to go do something on your own. In my parents' mind, my parents are brilliant and they love me, but in their mind, an entrepreneur is someone who starts a local shop and usually it fails.

And their whole advice to me growing up was work at a big legitimate company that can make sure you have healthcare. They would've loved it if I had worked at Google or IBM or something like that.

Jessica: Yeah, parents are conservative on behalf of their kids, aren't they?

Brian: Yeah. Yeah, for good reason. I mean, a lot of startups can be a little risky, but in Silicon Valley, that's not really the case. If you raise a bit of money, you can pay yourself a salary. And even if it doesn't work, you often have gained valuable experience that makes you even more employable. But that's not true in most places of the world still. And it may not be fully embedded in the parental wisdom. So I guess the heart of your question though was about determination. Where did it come from? I mean, one thing is that I had tried starting a company before in the education space, and I'd tried a handful of other ideas that didn't work out. And I definitely was filled with this desire. I really want to do something important in the world. I wanted to have an impact. It was probably, you can get into the psychology of this, but it was probably the root of it was, I was always kind of a shy kid.

I felt like I had good ideas, but I couldn't get people to really listen to me. They didn't think of me as a natural leader. They didn't really look up to me. And so I was not confident or charismatic in that way. And so there was something about, it was probably a deep insecurity really, that was like, okay, I need to build something that is valuable in the world that people recognize so that I can show the people I have good ideas or something like that feeling worthwhile. You have to find motivation in whatever you can get. And then that pushed me through a lot of the early years. I think we worked incredibly hard. We've worked kind of 9, 9, 6 type hours, even though we didn't call it that at that time, there was a lot of rejection. Like nine out of every 10 investors we pitched, they said no.

As you pointed out, some of them even, there was only one example I can think of where it might've been laughing at us a little bit, but banks would hang up on us or shut down our account. There were early lawsuits, there were early employees who quit. There were a lot of dark days actually where we had thousands of people, customers upset at me. People would leak my phone number on the internet, and I'd have just a stream of angry phone calls and I'd have to delete the number and get a new one. Yeah, getting sued, getting employees quit, just feeling like the whole thing was going to fail. There's lots of moments like that, and as a company grows and it starts to have more success, your source of motivation I think has to change. You have a fear of running away from something like this fear of never being valued, and suddenly you have a company that's worth a billion dollars or something.

Some of that stuff starts to go away. And I've seen this happen to some founder friends of mine where I think their motivation actually just kind of evaporates, and it's stressful to run a company. And so why am I going through all this pain if I now have filled whatever gap that is? And so they have to migrate to some other thing. It's like you, you're moving towards something because it's fun or it brings you joy or fulfillment or love or whatever. I've seen people have to cross this divide of, okay, running away from fear and anger or whatever and towards something they actually love at a certain point.

And that's I think hopefully how you can have longevity as a founder and start to just make it fun. Okay, what do I get to build today? What do I get to do? How can I learn from this experience? And of course, not every part of the job is going to be fun. There's no job where it's a hundred percent fun, but hopefully it's majority fun and there's still things I get to learn and do at Coinbase that make it really fun.

Jessica: Last question for me. You referenced Founders at work. I had interviewed Max Luin about the early days of PayPal, and what I was always struck by was basically PayPal was like this fraud prevention company that you could make payments with. Did you have in the early days any crazy fraud stories?

Brian: Oh yeah, lots of them. And so I had read about that issue at PayPal. I knew how big of an issue it was. And then at Airbnb they had similar issues and I had worked on some of them implementing the solutions. So I had enough experience with it to be dangerous at least. So that was one of the things that Coinbase did well early on, was that actually ended up being a big advantage for us. We were able to accept payments and offer people higher limits to give people a sense of the kind of crazy stuff that would happen and the risk of it. So imagine you're charging a 1% fee, so if someone buys a hundred dollars of Bitcoin, you make $1. Well, what people will come in and try to do is put in stolen credit cards and bank accounts and credentials and things like that, or take over someone else's account by getting malware on their computer, things like that.

And so if a fraudster comes in and buys a hundred dollars of crypto and then they take the crypto and they move it off the platform and they have it scot free, you'll get a chargeback within maybe 60 to 90 days on the credit card or bank count for the full a hundred dollars. So it means you have to have 100 legitimate transactions, a dollar a piece in profit to make up for that one chargeback. So if you have even a 1% fraud rate, it's evaporating all of your revenue. Wow. You can't just be right 99% of the time you need to be right, 99.9% of the time or something. You start to measure it in basis points. And it was a constant sort of cat and mouse game where we would identify patterns that fraudsters were using and feed it into the machine learning algorithm.

And the machine learning algorithm kind of eventually came to incorporate hundreds if not thousands of different variables. And you could imagine everything from simple things like the IP address where they are or what type of browser or computer they're using, but people would start to have all sorts of methods to port that and they would use VPNs and things. I remember one of the funny ones that we signals that we added in there was improbable travel velocity, which meant if you had just accessed the site from an IP address in the us but five minutes later you accessed it from an IP address in Romania, you couldn't have traveled on a plane that fast. And so we had to kind of create all of these calculations that would sort of identify people. And it was a very fun cat and mouse game, but it was very scary because there was times where you might go home on a Friday night and if a ring of some of these people work in office buildings in certain areas of the world, if they had discovered a vulnerability could almost, the company could be insolvent by Monday when you arrive if you didn't detect it fast enough.

And there was actually one instance where we were sitting around having lunch in the San Francisco office. We were just looking at our computer. That's weird. There's a lot of refunds going out right now. And we had the ability in our admin tools for customer support agents to go in and give a refund to customers under certain circumstances. And we said, that's weird. A lot of refunds are happening. We start to sign on. And we saw a live kind of vulnerability, it was a hack basically in process. They had taken over one of the customer support accounts using malware. If we had been asleep at that time, even like a six hour window, 12 hour window or something like that, it could have, I think the losses were maybe like $30,000 in that period of time, roughly the price of that early.

But if we had been asleep in San Francisco, the company might not exist today. There were definitely a couple incidents like that that were a coin flip, not to pardon the pun, but early on where the company could have gone either way. But as you become a bigger and bigger company, you obviously build more and more robust systems and checks and balances. And we live to stand the test of time, and I sleep much better at night knowing all the things we have in place. But the early days, you don't have this stuff built, you don't have the teams. Nope.

Jessica: Awesome. Well, I am so glad we got to catch up with you. I'm so glad the high beta wound up on the side of the success. I'm so happy for you.

Brian: Thank you so much for what you're doing. It definitely changed my life, and I think I always will have a soft spot in my heart for Y Combinator because I feel like you're the first people who saw a potential in me, took a bet on me, and it helped me get on my way. And I've talked to a lot of people, what's the thing they're most grateful for in life? And they've said it's somebody in their career who took a bet on them and kind of gave them a little more responsibility than maybe they even deserved at that time. And that was definitely the case for me. So I'll always be grateful for that.

Jessica: Excellent. Thank you, Brian. Thank you so much. That's so nice. Well take care and we'll see you soon, I hope.

Brian: Amazing.

Carolynn : Thanks Brian. Thank

Brian: You both for the time. Good

Jessica: To see you. Okay, thank you, Carolynn. That was so interesting. Yeah, that

Carolynn : Was great.

Jessica: I love talking to Brian. I mean, we had a lot of meat in that conversation and I feel like he was very candid, especially for a public company. Well, exactly.

Carolynn : I always think public company CEOs really don't get to be very candid ever. And so getting a lot of good information or just an interesting conversation with one is definitely great.

Jessica: Yeah, and I had totally forgotten when we interviewed him back in 2012, how the room was kind of divided. Crypto was brand new, and should we fund this company? And I love how sort of the feedback from the people who took notes was high beta because that's exactly what it was. And in this case it was high beta and the way an investor wants it to be. Exactly. I love when stories end like that.

Carolynn : Exactly. Yeah, that's exactly it.

Jessica: And I also just sort of feel like, I mean, I'm no expert on the crypto industry at all, but obviously a lot of bad things have happened in it, and I feel like there's a lot of good that can happen too. And that has happened, and I think that, I feel like, Coinbase sort of stands for the more upstanding side of the industry, and I hope it continues to do so as the industry matures.

Carolynn : Oh, and I think it actually absolutely is going to, because obviously that's been Brian's sort of thing from the get-go. So I'm sure it's going to continue to be the company that is the upstanding one in the crypto industry. So what I really liked about that was that Brian just admitted that he had FOMO about S B F. And I think that kind of candor is really nice when people like Brian admit that. I thought that was great.

Jessica: Well, I mean, let's be honest. I think all of us have at one point in time had FOMO when it comes to a competitor and you sort of think when he said, I've been in the business for years. For years. Why is he on the cover of all these magazines? What's he done? Yeah. Why is this guy there? And that's definitely true. Everyone thinks that.

Carolynn : It's nice to say it loud

Jessica: Though. I love that he admitted it.

Carolynn : Yeah, exactly. Exactly,

Jessica: Exactly. No one would ever say it out loud. So I just loved it and I just loved how candid he was and it was just an interesting conversation and I can't wait for it to come out.

Carolynn : Same.

Jessica: So thanks Carolynn, that was a lot of fun. And I will be you next time.

Carolynn : See you next time. Bye.

Jessica: Bye.