

Coinbase to bring bitcoin to the masses



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The Bitcoin Industry has definitely seen some bad months. Fred Ehrsam and Brian Armstrong look like the type of people who could help the digital currency recover.

Brian Armstrong is a 31 year old and a former software engineer at Airbnb Inc. Fred Ehrsam is a 26 year old and worked as a foreign-exchange trader for Goldman Sachs Group Inc. previously.

Their seriousness in the matter is understandable, as together, Armstrong and Ehrsam are founders of Coinbase Inc, a leading Bitcoin Payment Processor.

The start-up's main mission is to convince the world that Bitcoin is not an Internet scam, a libertarian scheme against the government, or a digital form of gold-buggery.

While many skeptics think of the digital currency as a scam, it is in fact the best thing that has happened to money since the 7th century when Lydians began minting coins.

Coinbase is a Bitcoin Payment Processor but not a bank; it is a brokerage that behaves a lot like a bank. They use these accounts to buy bitcoins using dollars. The bitcoins are also held in Coinbase.

Customers can spend their bitcoins using a smartphone application or a computer.

The company business model is to charge customers with a 1% fee for the exchange between bitcoins and dollar. All other transactions can be carried out for free.

The company also allows merchants to process bitcoins for a tiny or zero fee.

Coinbase has a goal to take a curio currency which only exists as bits on the Internet and then turn it into a coin of every realm. This is because bitcoin's main appeal is that it can cross different borders very easily.

For a currency, reputation is crucial. Bitcoin's reputation has taken some major hits in its short run. In the year 2013, Silk Road, an online drug market which ran on bitcoins, was busted by the FBI.

There were many more heists before and after these, most of which were blamed on hackers. Some people even lose their bitcoins simply by forgetting their codes which proves ownership.

Ehrsam said in an interview that their main aim right now is to make the community feel secure. Coinbase might look like a normal start-up with rows of Apple computers placed on Ikea tables, but it is different.

Bitcoin needs a makeover and it deserves it, according to Armstrong and Ehrsam. With bitcoin there are many advantages. Users can carry our shopping without giving away names, credit card information, etc. As far as security is concerned, the bitcoin system has thwarted all attacks made.

Coinbase can be described as a bitcoin blue chip. Both Armstrong and Ehrsam have earned money and immense support from Y Combinator, which is the hyperselective start-up booster in Silicon Valley.

Union Square Ventures, a New York-based company led a \$5 million investment back in May 2013.