



Jake 00:16

Thanks for joining me on the podcast today, you are the creator of bass and Aetherium L two incubated by Coinbase. Where you've worked since 2017. Bass has quickly become the leading out to buy a bunch of metrics. And I'm really looking forward to talking about I've been enjoying being a user on it. And I'm hoping to be a little bit of a build there. I'm not really a technical guy, but got a bunch of ideas. I'm starting to do some things. So very excited to have you on the podcast today. For those who don't know, you maybe don't even know base. Can we get your origin story sort of from there as you're willing to start to where you're talking about some of the decisions you made along the way? Yeah,

Jesse Pollak 00:52

absolutely. Hey, everyone, I'm Jessie. I've been building for as long as I can remember, I was born and raised in Washington, DC, you know, started building businesses, when I was, you know, in single digits, whether that was snow shoveling business, or gardening business working in local toy store, always just like interest in finding ways to make money and do cool things. So I always had that kind of itch to scratch from the beginning. But I didn't really know how to write code until my senior year of high school I learned about in a math class that was kind of this like, mind blown moment for me where I love technology from a very young age. I loved watching, you know, the Steve Jobs, keynotes and took apart iPhones jailbroke them did all sorts of things. But I never really realized there was kind of a substrate underneath the devices that you could actually build things. And so learning that blew my mind. It kind of opened up this whole new world for me. And so by the time I was heading to my first year of college, I was kind of like, builder, build pilled. I just wanted to build things, using this new skill that I learned. So started building things in college. In my first like year at school, I built a rideshare app for getting people to and from the airport of college. And then I built a dating app that was like, basically, Tinder was like swipe Yes. If you like people know, if you don't, if you both swipe, you are matched. It wasn't a mobile. It's just like desktop. But it was funny. It's funny looking back and be like, oh, yeah, those were good ideas. I was maybe just like not building them in the right way. So did that for a couple years in college started a business



after my first year of college that was doing kind of logins and identity. And then dropped out after my second year of college to work on that full time with a couple of friends moved up to the Bay Area, did that for five years, it was called class we built password lists two factor authentication, kind of like pass keys today, but 10 years too early, but learned a lot worked with a lot of crypto companies folks like bid for next bit max for customers of ours back in 2013 2014. And then when that business didn't work out, we went through kind of an aqua hire process, my whole team decided to sell to Twilio, which had been doing a lot of identity stuff and felt like a nice fit for them. But Coinbase had also made an offer. And I was way more excited about crypto. And so I kind of decided to go my own way and join Coinbase that was the beginning of 2017. And the beginning of what has become like, you know, an incredible journey working at and around Coinbase. And all sorts of things across the kind of crypto and blockchain world. I spent the first five years going from being just an engineer writing code, to managing a team to managing a team of teams to managing all of the teams building all of the consumer products on the engineering side at Coinbase. So Coinbase Coinbase, pro Coinbase wallet, a couple 100 engineers. And then after doing that, for five years, I felt like I wanted to get closer to the middle of crypto and so took some time off, thought I was going to leave and then decided to come back and try my hand at starting something inside of the business. And after a year long journey of a lot of just chewing glass and trying and failing and building products that no one actually wanted. We took a step back and said, Hey, maybe we should just build a platform that makes it easier for the next team at Coinbase to build on chain products in the way we imagine. And that thing became base. So we launched a test that in February of last year 2023 launch the main net in August. And now we're here, you know, end of April 2024. And it's been about eight months and basis by by most accounts, the largest L two in the world, by users by builders, by transactions. You know I think we still have some catching up to do on your assets on the platform, but I think we'll get there as well. And so it's just been honestly pretty mind blowing and has happened a lot faster than I anticipated. That base has become a thing thing that, you know, 1000s, hundreds of 1000s millions of people all around the world are using and building on.



Jake 05:04

Yeah, I appreciate the story. And I love the origin story. In particular, when people start, like you did, like in the childhood, I think, you know, I've done now 170 or so of these, and a lot of entrepreneurs, obviously. And there seems to be, you know, with myself included, there's like this bug early on, where you talk to your average person and their first job, maybe in high school, or college or internship or whatever, like their parents told them, like, it's time to get a job or whatever. But with this entrepreneurial type, which just seems to be in the blood, you know, you're out shoveling snow, like you said, you're gardening. My first job was in a flower store, a terrible job, wouldn't recommend it to anyone. But, you know, it's just how it starts for a lot of people. And it's cool to hear that and also, that you were, you know, a lot of people maybe got their hands on a computer a little bit younger or something you actually didn't really get exposed until college but then just started building and shipping right away. Uber before Uber Tinder before Tinder, you know, pass keys before pass keys. And then now I think you finally it seems like you've got the timing right. With bass. Everything's Yeah, coming together pretty well, and then taken off. Like he's

Jesse Pollak 06:08

Yeah, definitely. I'm an optimist. And so I'm sometimes right on the substance, but wrong on the timing, but it feels like with bass, we're nailing the timing, pretty spot on. And so excited to be, I think, being able to be the right amount of optimistic where it feels like it's close enough that we're actually being able to pull the future forward and make a difference. So that instead of this happening in 26, or 27, it's happening in 2024. Yeah,

Jake 06:35

reasonably optimistic. And I think that's a good way to think about it, too, is just pulling the future forward a bit like you hear Elon talks about this with Tesla, I think it was where he's pulling forward a sustainable energy future. It's not that it wouldn't have happened, like, I think we're all at least people listening to this podcast are probably believers that like the crypto futures coming the on chain futures coming. But if you can pull it forward a couple of years, you



know, let's do that. There's a lot of good in that. So I think that's a great perspective. Maybe you could speak a little bit to the year 2021 Bit of a inflection point, it sounds like for you, where you, you're four years into your time at Coinbase, three or four years and your time to Coinbase a lot of success, huge ride building a team, basically from scratch to 200 people running all these big products, and realizing you wanted to get like closer to the cutting edge. Like you said, Yeah, I understand you were considering leaving Coinbase taking some time, ended up taking some time off, and then ultimately decided, you know, I want to start a company. But I think I can do that, at Coinbase not a common move to decide to basically be a startup founder at a big and successful company for good reason, because it's very hard to do. But Coinbase is the place where you can do that. Can you talk about sort of that decision? And what about Coinbase enabled you to actually make that decision that that was possible?

Jesse Pollak 07:48

Yeah. Yeah. It's a great question. And I was having a Twitter conversation with someone where they said, like, you know, it never works internally, like starting companies never works. And I was like, Well, does it never work? Sometimes it works. It's just really, really freaking hard. And I think that's kind of the story of, of what you see kind of across the board for the last 30 years, there are examples of people being in large corporations and starting businesses that you know, transform the business in major ways. They're just very few and far between. And that's because the amount of inertia that these large businesses have is very large and requires a certain I think, willingness to just chew glass and push and, you know, fight to make things happen that, you know, I feel lucky that I have gotten us to this point, obviously, a lot more work ahead. In terms of kind of, like, what made that work and what made it happen for me. You know, when I joined Coinbase, I, I'd always felt like I wanted to start something again, I'm, I feel like a founder at heart. And I joined and I originally said, Oh, I'm gonna work here for two years. And then I'm gonna go start something else. Wasn't two years, it ended up being four years, but I eventually got that itch. And I felt like I was I needed to go do something else. And I was planning to leave. And then my boss at the time, Manish Gupta, he basically said, Hey, like, you



should not make a decision about this without taking some time off. And so I took a few months off. And I think what that time off kind of gave me the space to see was, I had a really unique combination of things. One is that I like live at the absolute cutting edge of crypto, and I think it's highly technical. And so it kind of able to see the contours of what's happening and therefore see the opportunities of where, you know, kind of the right investments can be made to kind of accelerate things. And I think that makes me a very natural kind of, like, founder type and position me well to see hey, kind of like what are the things I could go and build? I think the other thing that I had pretty uniquely at that point was five years of trust. Now Knowledge, context and history at Coinbase. You know, like that experience and that kind of institutional know how and trust is pretty rare. You know, today I'm one of the longest tenured people at the business. And having that trust and know how and scale operating experience and the startup kind of ethos and mindset, I think I saw this opportunity to combine the two of them to take a shot at something that felt like it could be bigger than just going off and doing something by myself. And I actually think that, that's kind of also a reflection of who I am, you know, Balaji, who I spend a lot of time working with, and who I really think is a visionary and one of the best thinkers about kind of where the world is going where the world is, now, he kind of has this framework of voice versus exit, where like, you can either be in systems in voice and trying to advocate for change, or you can exit them. And I'd say, like, historically, in my life, I've been more of a voice person. I'm someone who likes to take the existing systems and make them better. I don't know where that comes from. But it's been like consistent theme for me again, and again. And that's not to say that that's better than exiting, I think there's a lot of like, you know, a different pros and cons approaches, you oftentimes need both of them in some ways. My you know, work on bass is voice because it's helping change Coinbase. And other ways it's exit, because it's actually shifting Coinbase to an entirely new platform, rather than trying to change kind of the existing one. But I do think that that is kind of like an internal compass that pointed me towards this opportunity of combining my future looking entrepreneurial, found yourself with the kind of platform and scale and experience and trust, I had a coin base to make that voice be heard and do something really special. And that position



me to start base. But when we started, when I started this journey, I didn't know I was starting base or building base, I kind of had this vague idea of like, let's bring Coinbase on chain. That's where we started. And we didn't know what that meant. And it was really a year of trying and failing. We tried four different ideas for different products, none of them caught on, felt a lot of pain and heartburn and anxiety about like failing and not being able to figure it out. And then kind of through all of that learning and trying and failing out the other side came Oh, like maybe we should solve one of the problems we encountered along the way, which is like, where and how do we build? And how do we make it incredibly easy for the next team to do this so that they don't have to run through all the complexity that we did. So yeah, that's, that's a little bit about the story and that inflection point. I feel really grateful. Because I feel like, if you look at what basis today, there's no way I could have started base outside of Coinbase. Like the thing that we have launched is a unique result of that combination of coin bases platform and scale and brand and know how and assets and users and products, and an entrepreneurial vision and kind of perspective that can actually bring something new into the world. And I feel like I say as people, I feel like I have the perfect job for me. So I was born for this. And that is incredibly rewarding and fun. And it makes my day to day, you know, really just something I feel incredibly grateful for every day.

Jake 13:30

Yeah, no, it's, it's amazing to be able to find that. And it's awesome to hear how deliberate you were like in that time off, I think, to your old managers credit or your boss's credit, like, sometimes you do have to kind of step out of your current environment to just get a fresh perspective on things and be able to understand what you have in that situation that are being pulled out of what you maybe don't have that people in that environment there. So in one way of thinking that you're not able to sort of step outside of that. And it sounds like it only took a matter of a few months for you to realize, hey, you know, I want to go start a company but just because most people quit their company and go start, like, you know, a new one from a blank slate. That doesn't necessarily mean that's the best way for me to do it. And I compare the fields that I have with this opportunity that I have and actually that's the best situation it's not like you sort of saw a



playbook and followed it you just sort of did the math in your head on what made the most sense and went chased it. Yeah,

Jesse Pollak 14:26

I think that's exactly right. And you know, to Coinbase is credit really to Brian's credit. I do think that Coinbase is one of the few places where that's like even really possible. Not that it's easy. Like it's not like Coinbase has some secret trick that made it easy like that year and a half and that year building base is like the hardest I've ever worked. You know, like I felt the whole time like I was failing. I almost gave up multiple times almost laughed. So it was brutally brutally hard but I think to Brian and claymates his credit The thing that they did really well is they just backed me through it all. Like, they were like, yeah, just failure, keep building, man, you got this, like, you're onto something, just keep going. And they gave me space, they let me try, they let me fail, they let me experiment. And then when we found base, they said, go for it, do it. And as we've kind of reached certain milestones, they've kept encouraging me and kept giving me resources and also kept giving me autonomy. Where, you know, we talked about bases incubated by Coinbase. What that means it means that, yes, you know, I'm still technically employed by Coinbase. And so most of the base core team, but in terms of operating structure, like I report to Brian, you know, we run base as an independent thing that, you know, has its own budget, and p&l and, you know, gets funding from the mother company, but operates day to day as a pretty independent kind of effort and program and it'll get more decentralized over time, and the having the comfort to a create the space for founder, like me to try and fail for a year and change. And then be like back, the idea that we got to fully and then see, like, actually create the space for autonomy, and trust that it's going to work out, like, and trust that we'll find our path like that. I don't think any of those things are given. Instead, they're like, very, very rare and coin base, and Brian and Emily, and Alicia and the whole exec team, I think, have really, really fought to create a culture that could actually do that. And I think it's leading to a pretty incredible result.

Jake 16:48



Yeah, and I mean, to your point, I think, from the outside looking in, you look at a company like you know, PayPal, and like the PayPal Mafia that came out of that, I think Coinbase is one of the very few companies that seems, you know, like, it could be poised to have that sort of future where a ton of people come out of Coinbase. And whether it's someone who is at the company and builds, like the closest analogy I can think of, or the biggest one, I could think of really of building a crazy, crazily successful startup out of a massive companies like AWS, Amazon. And so like, if you make that analogy between like base and Coinbase, as like a super, you know, that's very optimistic. AWS is incredibly successful. But I think there's no reason to believe based couldn't get there. And there's not that many companies out there, like I said, like coin base that even have a possibility of sort of the culture that enables that. And it's also because it's not just saying, Hey, if you want to start a company will support you, it's like, Hey, if you want to start a company, you can leave and we'll do you know, Coinbase ventures will invest in you, or you can try something internally, and we'll support you, or, you know, you can do this or you can do that. And there's just a huge focus on just building the ecosystem out in whatever way makes the most sense, not an individual case, which I think has proven super successful. So far.

Jesse Pollak 18:03

100%, it's not just me, I mean, you have other examples, like one example that I love is Wilson to sack who I've worked with now who's like, you know, smart, contract engineer, leader on the bass team, he's been helping drive the whole climate smart wallet thing, but he's not been in Coinbase already for four years. And he was on the team Coinbase team for two years. And then kind of one of the things I worked on in 2022. And we were kind of going through this whole discovery phase was, you know, he had this idea of building a lending protocol Coinbase realized pretty quickly that like, we weren't going to be able to like build and launch the protocol out of Coinbase. And so we actually, like, spun him and a whole team of people out of Coinbase, to go and launch this protocol and learn is called backed. They did that for a year. And then, you know, they learned a lot, but the protocol didn't get as much traction as as I think they want to see, or we want to see. And so we actually spun them back in and kind



of shut down that company and brought Wilson back in. And he has now been like an absolutely critical leader on bass. And I think that that's just such a great example of like, not every idea or like moonshot that we take from an entrepreneurial perspective is going to work. But if you back the people behind those ideas, what you end up with is just incredibly talented people taking shots. And even if those shots don't work, you still have those talented people and they still find a way to take all those learnings and lessons and takeaways and contribute them back to the next thing. And I can honestly say that like bass would not be where it is today without Wilson Hoosac and all of the experiences and knowledge and know how that he built from going through his own entrepreneurial journey there and so not you're gonna have all these outcomes and maybe one out of 10 or one out of 100 will be something that looks like bass, but it's the shots on goal that matter. Yeah,

Jake 19:56

and I think that's a great like one on one of one example too. speak to the fact that like, just the fact that you have all of these sort of unique one on one examples, people leaving people staying creating, but then people leaving to create without and then coming back with him and continuing to build. It's like the fact that all of these different cases of founder like, founder minded people within Coinbase, going and building new things, isn't they're not all going down the same track, I think just speaks to the open mind and treating each situation sort of doing what's best for the given situation and really being open minded and not prescriptive about that.

Jesse Pollak 20:29

Because it was, it was it was, it was one of the things that brought me to Coinbase. When I interviewed in my own Aqua hire process, every single person who interviewed me was a previous founder. And now if I look at all those people where they are now, all of them are running companies again. It's like Varun, who's now running forecaster. Jory, who's now running linear. Like, it's pretty remarkable, just like how much founder and entrepreneurial energy has been at Coinbase from the beginning, and continues to persist both at Coinbase. And in the broader kind of like base coin base alumni ecosystem.



Jake 21:06

Right? So I want to dive a little bit deeper into that year that you spent what you described as pretty painful, pretty miserable, very difficult of figuring out, you know, with this ambitious, and somewhat ambiguous idea of let's bring Coinbase on chain, trying, you know, more than a few experiments, having them kind of fail, almost shutting down the team, or even maybe actually shutting down the team and then deciding, hey, we got one more run up this, I think base is kind of the thing, how did you navigate that and sort of persist through failure after failure after failure within a year to land on base? Oof,

Jesse Pollak 21:41

no, one weird trick on this one. I mean, it was pretty soul crushing at times. Like does probably. I mean, that year, and then the year of launching bass and getting the first on chain summer and launch out were like far and away the most stressful, anxious years of my life, just because I felt like there's so much pressure to figure it out. And I just didn't feel like I had answers. I'd say the things that helped me navigate, it was just like, I feel super lucky to have had an incredible team of people around me both people on the ground who I was working with, to like figure it out. But then also like the people above me who were supporting me and figuring it out, like I was working most closely with Will Robinson and Max Branzburg Max, who now runs all of our consumer products, and will who's head of engineering for our consumer products. And Max had been my kind of like, product partner, I'd been engineering he'd been he'd been product for three years. And so we had really, really deep trust. And then we'd hired well to replace me when I went on my founder journey. And so him and I had context and knowledge and trust. And I think that having those two, like really supporting me and looking out for me and helping me get the space, I needed to kind of like, keep going, I think that was really, really important as well and is often kind of like overlooked, just like how important it is to have people who are going to just get your back no matter what. So I think that was one big thing that kind of like helped me navigate it. I mean, I think the other thing that was very defining in that whole process was just like the the consistently consistency and relentlessness with which I talked to like customers or prospective customers. I mean, I think over that



year, I talked to literally hundreds of people about different variations of what we were building out in the ecosystem. Just like I built different decks where I was like, This is what we're building. What do you think, you know, like both Jacob horn from Zara and Dan Romero from forecaster who are close friends and I've been collaborating with for a long time. They saw like every iteration of my idea maze. And thanks to them, they gave me a bunch of like pretty constructive feedback at various points were like, This is not a good idea. Or like, I don't think this is going to work. And that helps inform and shape a lot of what I was digging, but I think that that that level of just like being in it on the ground with builders both helped me shape my thinking and eventually get us to base. But I also think it kind of built this muscle in culture, which I think shows up in base a lot which is just like a pretty relentless focus on builders and being builder first and like being on the ground. I mean, there's there's like for me, and this is why I tell my team like there's nothing that is more important to us than being on the ground and being available to builders. And I model that with my time and energy ng like, I spent a lot of time leading our team and you know, managing folks and setting product strategy and direction and, you know, doing internal fundraising with business like all these things I do. But every week, every day, I'm talking to builders like today, you know, I had looked at my calendar today, I had 1234, I had four different calls with different builders in the bass ecosystem. So one of them were just like, talking like one of them was talking about three and how people are thinking about L threes, and how, like a particular team is focused on it. One of them was just, you know, I met with Travis who started based punks, who I just have been so impressed with. And I wanted to get to know a little bit more and hear about what he was thinking about, I met with another team that's thinking about like, blocks based or evidence, because it's a space I'm very interested in, I wanted to hear what they were working on. And so just like having that culture where we are relentlessly focused and connected to the people who are building on base, I think that came a lot out of that founder journey, where it's like, oh, these people are the people who have the insights that will make us successful. And that's still the case today, even as bases, you know, getting bigger and bigger. It's like the people who are building other people who know best what they need in order to be successful. And so we're going



to listen, and we're going to make the space and then we're going to figure out how to translate that into real investments that actually give them what they need. Yeah, I

Jake 26:27

mean, it's one thing to sort of market yourself as a URL to for builders or something like that. But if you're actually out there talking to multiple builders, every day for over a year, it's just gonna sort of come through in the companies or in bases in this case is like, you know, DNA, it's just what it is. It's not something that you're trying to stamp, it's not marketing or something, I just

Jesse Pollak 26:49

who we are, who we are. And it's crazy how it shows up, like, in unexpected ways. I mean, like the the, I was just talking, we just did this new experiment. Starting on Friday, which we had the which sold on my team had the idea for like a week and a half prior, he came to me said, Hey, like we're doing all these grants, we've been using this thing called rounds, which lets us reward people on forecaster for posts based on like, likes and engagement. And he was like, What if we created a new forecaster channel called base builds, and we got people to share what they built, and then use that to give grants. And so we had that idea. We, a week later, we, the rounds team, launch the first version of that, because they've been collaborating with us on the idea, and they were really excited about it. And so we launched, they launched on Friday, and it was open for from Friday through Sunday. Anyone can post like this week, I built exe. And then depending on like, how much engagement like those people got, we'd give proportional grants. And I was looking through all submissions to a there's like hundreds of submissions, like literally hundreds of people shared really eloquent, thoughtful this week I built posts, be like hundreds of people are getting rewarded. So literally, we're funding hundreds of builders and see, like, there was no you know, centralized process where we reviewed everyone and had to make judgment calls like this was builder, sharing what they built. And then our community and ecosystem organically helping us curate and reward folks. And that ethos like, I don't know that I think that that came from this place, which is like, we're going to figure out how to support builders no matter what. And we're going to be constantly



experimenting and trying new things and learning and trying to get more efficient and better at supporting builders. And it leads to these outcomes, which if you'd asked me two weeks ago, would this be possible? I said, I I've never like that's crazy. And now it's like I'm scrolling through this list. And it's like literally hundreds of things that people built and repaying all of them are the rounds team is paying everyone for building. It's, it's amazing. Yeah,

Jake 29:05

it's interesting. I feel like before you went on this founder journey inside of Coinbase, probably some of the pent up desire to go and start something was from this, you know, working for a fairly long time on an increasingly large team where you're not really able to just go and do things quickly and experiment and things like that, you're kind of you have too much on the line, you can't really risk all that you have like one wrong move, it could be sort of quite penalizing. And then you go and you do this and you're able to experiment a lot. And that's, you know, you've got a small team. It's sort of refreshing. But now you've got bass and bass itself is quite successful. And there's like a lot of, you know, value on chain and like you have to be very thoughtful with certain things. You can go and you can do this experiment that you just spoke about, which is like low risk, not really any downside. You can just go and ship that and like you're good to go. But something more along the lines of like progressive decentralise. as Asian, this requires, like a lot of deliberate thought, and there's irreversible decisions in that, and you guys, frankly, have like, you know, you've got a lot to gain. But you also, at this point have something to lose, and you have to, you know, you can't just move fast and break things. So how do you navigate sort of being first of all, it changes by kind of the year last year, you kind of could move fast and break things generally. Now, you kind of can't, but in some things, you still kind of can. How do you like navigate that? You know, thinking about things like that? Yeah,

Jesse Pollak 30:30

yeah. Well, I, it's a really good question. And I definitely think that our bias is on base is to like move like a startup and be comfortable, you know, trying things and having them fail. And then



learning from the mistakes, there's obviously some places where you can't do that, like when it comes to security and trust, like, we do so many audits, like there's so much work that goes into getting the most important things. 100%, right, because of how critical they are. I think that the like one of the useful for mental frameworks for me is and this isn't like anything super novel, but it's this kind of idea of like irreversible versus reversible decisions, or type one versus type two decisions, like the irreversible decisions are really where it's a trapdoor, it's like, once you go through, you can't get back out. And you really need to make sure that you are getting it as right as humanly possible. Whereas the kind of era, the reversible, that's the irreversible decision, that's type one decision, whereas the reversible decisions are like, if we get it wrong, we can change our mind and redo it and try again, I think with Bayes, those type one are irreversible decisions, like, because of our brand, because of the kind of like vision to be the most trusted to be the world's like largest global on chain economy, we have to be really, really, really, really methodical, and make sure that we're doing it better than anyone else in the world. And so like, ways I think this shows up is like, when we were launching base, we really had to hold an incredibly high bar for decentralization. Like, yes, there's always more we can do. But we set up the network from day one in a way where there was no single party that could kind of have control over any one part of base that was, you know, what we consider, like a critical like decision making part. And that was really hard. Like, you know, at the time, no one had done that with the OP stack. There wasn't like a framework for how we, you know, have a relationship with optimism that set that up. So we spent nine months working on we wrote this thing called the law of chains. We like design new on chain systems. And I think that that let us launch base at a very, very high, you know, relatively level of decentralization with obviously a lot more work to do from there. But for us that felt like it was a type one decision, because we would only get to kind of set the tone for ourselves and for our community and for regulators once, and we wanted to make sure that was the absolute best. I think similarly on like smart contract engineering, like when we're writing smart contracts, oftentimes, those are irreversible, like they will never change, because they are built to not be upgradeable. And so we have an internal goal this year, of making the basic coin based smart contract engineering team, the best



smart contract engineering team in the world, period. Like that's my goal. That's what I've given to our head of engineering. And I think we'll do it this year. And that's because every single line of code that we write must be at the absolute 90/900 percentile in terms of quality. Now, I think that's really different than like, for instance, this grants program, like, they're like, if this doesn't work, we will try again. And so I feel like with those programs, it's actually a lot more valuable, like these type two reversible decisions, to give the team a ton of space, a ton of autonomy, set clear Northstars of like, we want to reward X number of builders with y quality kind of guardrail, but then let them just like try and fail on a bunch of things. And, you know, sometimes you're gonna have good outcome, sometimes you're gonna have bad outcomes. But as long as we're learning from all of the outcomes and making our decisions better, and making our processes better, and products better, I think it's all a win. And so I think both having a clear ability to divide what's type one, what's type two, and then having kind of like the different mindsets and ethos that you can apply in those two scenarios. I think it's been super, super important for us. And it's helped us both be nimble and fast and like a startup and maintain that really, really high trust and quality bar on the things that matter most. Right.

Jake 34:46

And so it seems like from Coinbase as a company's perspective, the decision to launch a chain like base is somewhat of a type one decision like you could do it and it could fizzle out and you could try it again later, but that's like a pretty big Swing. And I understand the company thought about doing it in 2018, I think and then again in 2020, didn't ultimately decide to do it until you went for it with base. And my understanding of sort of the rationale behind that was largely, or maybe not the rationale. But a big piece that came together, I think for you is this realization that there was going to be multiple LT winners, not just necessarily like a power law, distribution amongst altitudes where one gets, you know, 80%, and other gets 20% of the rest, or, you know, you know, I'm talking about the rest get a long tail of like, 1% of the whole LTE ecosystem or whatever. And this was important, because I think you guys, it's very important to not silo people into this, like coin base chain, and to be interoperable with the rest of the crypto ecosystem, the open



economy and everything like this. Why did you or how did you rather come to this conviction that there was going to be this many L twos are gonna win super chain sort of thing? When a lot of other things perhaps, you know, crypto as a whole included when it comes to like L ones ended up being more like, you know, power law games, where there's really only like, one or two big winners?

Jesse Pollak 36:08

Yeah, that's a good question. Well, a that was a good articulation of how we thought about it, I'd say the only other thing that that maybe influenced our decision to go ahead was not just that there was going to be multiple L two winners and leaders, but also that L twos that we could build an L to like before, the option really had been like build an L one, which felt very, very disconnected and siloing. Versus now it was like, oh, not only can we be one of many all twos, but by being an L two, we're going to be plugging into already existing global economy that's being built in Aetherium. And that is so much more connected. And lets us operate as a bridge, not an island, which has been one of our values from the beginning. And I think that was like something that got us much more comfortable in terms of how we got to this vision of like many L tos. I mean, I don't even like I don't know, if there was one specific moment that pushed us there, I think I kind of like we spent so much time in 2022, figuring out where we were going to build and talking with our two teams, because we were building on chain products. And I think through some combination of all of those conversations, and obviously, particularly the conversations with optimism, who were obviously worked very closely with, I think we kind of pilled ourselves on this, like multi chain super chain future, where there was going to be kind of as a result of the commoditization of the technology and everything being open source. And people wanting to maintain serenity, like there was going to be this kind of creative Cambrian explosion of people creating block space. And I think that the that kind of dots, those dots kind of connected in our head, and then once they connect in our head, I think we kind of willed them into existence a little bit. You know, like, when we first started talking with optimism about all this, there was no, like, real super chain, Carl had Carl flourish. You know, he's now CEO of Opie labs. He'd said it once in a talk, but like, it was not a thing, really. And then we were like, no, we want



to help the super chain come and exist and make it a reality. And then we got into all the nitty gritty, we wrote the law of chains, we saw this, and we were first out the gate. Now I've seen all these other people follow. And I do think there's a little bit again of like, kind of creating the future that we wanted to see. And we thought it would be a better world if there wasn't just one out to winner, but instead, there were gonna be many of these things that worked collaboratively that shared a technology stack that created space for sovereignty, while also having this kind of collective emergence of pieces coming together and different teams and communities coming together. The only the other thoughts I have on this is I think that like one of the one of the most common mistakes or not mistakes, but like Miss assessments I see people make is they look at something like base, and they say, oh, like bases run a really good go to market. And that's because they've like, you know, you know, been a really like, they've had a lot of distribution. And they've, like, you know, had a good partnerships team. And I generally think that like the best go to markets and the best product like distribution methods are almost always downstream of like product and technical strategy. So you need to have some unique insight that then enables you to do something that everyone else can't do or doesn't see. And I feel kind of like that's what we've done with bass, like, yes, we've run a great go to market but the thing that enabled us to run it a great go to market was that we had this insight that there were going to be many alternatives before anyone else from the world. And that and not just that there were going to be many 1 twos but that many 1 twos would win and that we could be a part of something bigger and ourselves, and that we could lead into that, you know, our go to market. And I think that gave us a lot of space and kind of let the world receive us in a way that they probably wouldn't have if we hadn't oriented around that. So I think that was one one good place where we saw that kind of product and technical strategy lead go to market. I think another place where we're seeing that right now is we for last year have been super anchored on smart wallets. And that's been kind of this like, very, very strong Northstar for us in terms of product and technical investments. And I think we're just now starting to see that this is going to also be an incredibly powerful distribution mechanism, and go to market because it's gonna enable developers to build the best apps on days, it's gonna enable users to get on chain in a totally new way.



That's WAY easier way faster, way safer. And so it's gonna look like Oh, my God, how did Bayes Get all these great apps and all these users, like, they must have had the best go to market to you know, like, yeah, we have an incredible go to market team. But it's downstream of our team, basically, seeing the future, and seeing where the opportunities are gonna merge with technology and product perspective, and executing against that really, really well step at a time we actually get to the distribution. It's not like running uphill, it's like pushing the boulder downhill, because the systems are working for us instead of against us.

Jake 41:17

Right? And yeah, I mean, it's obviously easy for people once the thing succeeds to say, hey, you know, this probably succeeded because they have like this big platform or whatever. But you look at a company like Amazon, we mentioned earlier with AWS, you know, Amazon also tried to launch a phone and a billion other things that didn't work out well at all with the same marketing and platform and everything like Coinbase has, you know, other examples as well, you know, failed launches. And obviously, if you're going to swing for the fences, you know, you're not going to swing 1000. But having said that, you guys made this bet in this case. And I think it's, it's a really sensible bet. Because even if actually, you guys were wrong, that there's not going to be that many 1 TOS or maybe there'll be like three or four that are successful, but it's going to be like, you know, 60% 10% 15% 10%, and then a long tail or whatever. Base has a really good shot of being not 60%. So it's like, even if you're wrong about the mansion, you can be really successful. Yeah,

Jesse Pollak 42:12

and not only do we have, I think a good shot being that 60%. But even if we're not in that 60%, because our mission and Coinbase this mission is so much broader. If we invest a bunch of resources in pulling up the future for all of those 1 twos and making them cheaper through things like 444. And making smart wallets work like that alone is going to be so value accretive for every other part of Coinbase, because crypto is gonna be so much better for it. And I think that was really like probably the final straw for us and designed to build base was kind of this feeling of like, we have been sitting on the



sidelines with scaling crypto and making it usable for too long. And we need to not just like build an app that connects into all the chains, we need to actually go and get our hands dirty, and put our resources behind scaling the chains and integrating the chains and making all this stuff just work. And the best way for us to do that is to have one ourselves, and to build one ourselves, and dog food and make sure it actually works. And that regardless of whether base is successful, will be hugely, hugely valuable for coin base and for the entire ecosystem.

Jake 43:19

Right. And so there's a lot of different scenarios here. We're coin base and base can win in a lot of different ways. And I think, you know, you can't necessarily be super prescriptive about which one's gonna be the actual outcome. But it's good to have that full set of outcomes where a lot of them are super intriguing. Last question, I think I know we're coming up on time. You mentioned the smart wallet how you guys have been super focused on that. We're also coming up on on chain summer to last on chain summer last summer, when you guys launched in I think August on Main that was super successful and launching out base in the first place. Can you speak a little bit to how on chain number two is gonna go down and how, you know, the smart wallet might sort of help super boost that in a way and just how all this is gonna fit together what you hope for for the summer? Yeah,

Jesse Pollak 44:07

absolutely. Maybe I'll start with the smart wallet. I've been saying for probably like two years at this point that there's been three big challenges that have been holding back kind of like mainstream crypto adoption. The first was lower fees, I feel like we've made a lot of progress on that with base. The second was kind of better on chain identity. And I feel like we're starting to see the first real versus that both with things like Coinbase verifications. We're bringing like KYC and other like user data on chain. But I actually think more importantly things with like forecaster, where you have a social graph on chain, that's a part of your identity. But that then enables developers to build all of these incredible apps because they actually know who you are, and can build apps that engage with that. So that was the second thing. I feel like that's really emerging. The third



thing was better wallets because I think all of us have had the experience of onboarding a friend to crypto and like having to sit them down and give them to talk. Like don't mess it up. Now that you have money in your wallet, and you If you mess it up, you're gonna lose it all. And there's nothing you can do about it will be gone forever. Like that is not a viable way for us to onboard billions of people. And so I think like, pretty early on last year, me and the team got together and we said, okay, like we have some bets on identity piece, we're obviously pushing forward the fees piece, like what do we believe is going to enable us to kind of overcome this final hump on the wallets piece. And we we basically convinced ourselves that the only way we could do that was by building more powerful wallets with smart contract wallets or smart wallets. And so, we've done a ton of things over the last year, but one of the ones that I'm most excited about is we've leaned in with Coinbase. And basically help them build the Coinbase smart wallet, which is a best in class smart wallet that's 4337 compatible, that is just going to work for users and for developers, and I'll talk about both those segments per second. So first, on the user side, it's going to take all of the complexity that most people are used to and just eliminate it. So you don't need a separate app or an extension. It just works Majan like Google single sign on, now you have this smart wallet, single sign on, you can sign any transaction, you can get onboard in less than 10 seconds, you don't need a seed phrase, you don't need passwords, you don't need a separate app, you don't need a separate extension, it just works. From a user experience perspective, you're not gonna pay gas a lot of time, because that can all be handled with paymasters, you're gonna be able to batch transactions. So you don't have to do multi step flows, things just work. And then I think from a security perspective, we can build all these controls into the smartwatch like things like recovery. So if you lose your keys, you can recover it and Coinbase can help with that things like spending limits. So you can't just get fully drained. You can put caps on like, you know, bank calendar, or any other financial school that you're used to. And all of those like usability security, onboarding, improvements are going to just make it like, as easy as as using the internet. But now you're on chain. So I think that's gonna be huge for users. And developers, I think like today, when we're asking builders to create on chain apps, we're not only asking them to create the



apps, were also saying, Oh, and you have to go find an onramp that works in every country in the world and integrate that and figure out how to make that work. And you have to, you know, bring identity stuff in order to make all that work. And you have to deal with like cross chain and getting user balances from all these things. It's just so much complexity. I think the really powerful thing about a smart wallet is it internalizes all that complexity. And now, every single wallet that comes in via smart wallet will be a funded, identified user that can just transact in your app. And if they don't have cash, Coinbase will be responsible for making it so they can on ramp from any country in the world. And if they have assets on different chain, you don't have to worry about like it will just be handled, the smartwatch will handle it for you. And I think what that's going to enable is, it's going to enable builders to just build apps, like literally just build great apps, and integrate connect wallet and everything else is gonna be handled for you. And so I think that that's going to be a sea change in terms of making it easier for people to build, the next generation of products is going to open up a ton of doors. And so that's coming soon, like it's live on test. Net, right now, I'm very close to the team, and they're in kind of final stages, we're gonna be doing a bunch of kind of developer, kind of office hours meet and greets over the next few weeks to get people fully ready to go. And then before summer, this is gonna go live. And I think it's gonna be a huge step forward for whole industry. So that's the smart wallet side, super fired up about it. On the on chain summer side, that's also coming soon. Last summer, we launched the beginning of August, and we kind of ran this whole campaign for on chain summer in August, it really was just August. This summer, we're doing it way bigger. So the whole summer is on chain summer, starting in June, going through August. If you're in the southern hemisphere, it's on chain winter, we know we'd love it, we'll have a bunch of memes and jokes connected that we want you to be building to. And we're going to just be doing everything we can to get people on chain this summer, both builders and users. On the builder side, we're gonna have millions of dollars of grants and gas credits and funding and audits that we're just going to be giving away to support people building incredible long chain experiences. on the user side, we're gonna be doing everything we can to get millions and millions of people to actually go and use all those things that developers build.



So every day, there's gonna be many, many cool things that are happening on chain, we're going to be getting them on all different sorts of airways. So more and more people see them. And we'll be making the experience is so easy that anyone can do it, whether it's your friend or your parents or your grandparents, your great grandparents, literally anyone can get on chain. And so I guess like my call to action, if I can have one is if you're a builder and you can be any kind of builder, you can be a developer, you can go to be a creator, you can build a community builder, you can be a Brand Builder, figure out what you want to do this summer and pick a goal. Maybe it's onboard 10 Friends, maybe it's launching new business, maybe it's get your coffee shop on chain and Do it and will give you the resources, the platform, the distribution to make sure it actually sees the light of day. And you will get to be a part of this incredible movement, which is the on chain movement, which is the whole world coming on chain starting this summer and continuing every season every summer until everyone else is here with us.

Jake 50:18

Awesome. Well, I think that's a great place to wrap up I guess if we're going to we're going to measure this on chain summer in terms of months it's going to be at least three times larger than the last one for for people to look forward to but thanks Jesse for taking the time. It's been an awesome conversation and looking forward to to following along and building on base. Thanks

Jesse Pollak 50:37

so much, Jake. Excited to keep building with you.