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**Subject:** Coinbase Now a Registered “PAC” Company, Secures \$20 Billion Hedge Fund Investor | BTCMANAGER  
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# Coinbase Now a Registered “PAC” Company, Secures \$20 Billion Hedge Fund Investor

[Shaurya Malwa](#) July 23, 2018 23:00

 Coinbase Now a Registered “PAC” Company, Secures \$20 Billion Hedge Fund Investor

**Cryptocurrency services behemoth, Coinbase, has formed a political action committee (PAC) as of July 20, 2018, per public [documents](#). The company additionally secured a hedge fund for its Custody service on the same date.**

## The Coinbase Political Push

The self-proclaimed “Google of [Cryptocurrencies](#)” offers its wallet, exchange, and trading services to over 32 countries and is valued at \$8 billion. Now, a PAC status will allow the San Francisco-based company to donate funds for political agendas and [campaigns](#).

For the uninitiated, a PAC can raise funds and pool contributions from companies and members with aligned interests on a particular subject, eventually donating funds towards political goals for candidates, legislation, or ballot initiatives. PACs can voice their opinions against proposed policies. Additionally, PACs must register with the Federal Election Commission (FEC) to maintain compliance.

However, PACs faced some controversy in 2010. As [reported](#) by *CNN*, many political critics view the PAC framework as a blatant means of manipulating policies for a company’s advantage in the form of large donations and financial support. Subsequent

public litigation against PACs was overturned, creating a wholly-legal method for private entities to use their treasury funds for financing political campaigns.

## Right Timing?

With the US elections for 2019 upcoming in November 2018, the PAC status may presumably be used by Coinbase to combat agendas against digital assets and support framework in the industry's favor. Interestingly, as per FEC financial disclosure documents, Coinbase has already contributed \$78,000 to Brian Forde's campaign. Forde is running for the 45th Congressional District of California.

In 2014, the exchange contributed a relatively small amount of \$3,000 to "Bit-PAC," the first Bitcoin-based PAC that exclusively supported cryptocurrency-friendly candidates.

As [reported](#) by *BTCManager*, political statements from Congressmen like Brad Sherman, who called for a ban on cryptocurrencies and related activities, may serve as a motivator for companies like [Coinbase](#) to contest such candidates in order to save their business and potentially the broader cryptocurrency sector.

## Hedge Fund Secured

In a separate development, Coinbase has secured an unnamed \$20 billion hedge fund for the newly-launched "Custody" subsidiary. As [reported](#) by *Business Insider* on July 20, 2018, insider sources claim Coinbase is actively seeking partnerships with hedge funds and institutional family offices to secure a strong lineup before 2019.

However, Robert Hockett, Professor of law at Cornell University, voiced concerns:

**"This raises conflict concerns, given Coinbase's also running a coin exchange, reminiscent of those that the Commission has found when securities firms have attempted to combine these two roles."**

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