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Subject: Fwd: Bitcoin - From Crain's
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From: "Cohen, Jeffrey" <[REDACTED]>
Date: September 9, 2014 at 10:52:29 AM EDT
To: "Farkas, Andrew L." <[REDACTED]>, "Stern, Matt" <[REDACTED]>, "Block, Larry" <[REDACTED]>
Subject: Bitcoin - From Crain's

PayPal to start accepting bitcoin payments

The digital currency is being integrated into Braintree, which provides payment capabilities on apps like Uber Technologies Inc. and Airbnb Inc.

(Bloomberg) -- EBay Inc.'s PayPal service will start accepting bitcoins, opening up the world's second-biggest Internet payment network to virtual currency transactions.

"Today we're announcing PayPal's first foray into bitcoin," Bill Ready, the chief of EBay's Braintree unit, said at Techcrunch's Disrupt SF conference Monday. "Over the coming months we'll allow our merchants to accept bitcoin. On the consumer side it will be a sleek experience."

EBay, as the world's biggest Web marketplace and operator of a global payments service, is the most significant business to date that's embraced bitcoin. The move could potentially enable PayPal's 152 million registered accounts to transact using the virtual currency, spurring wider use and acceptance of bitcoin, according to Gil Luria, an analyst at Wedbush Securities Inc.

"PayPal integrating bitcoin into Braintree is a very substantial development," Mr. Luria said. "Not only will it make it possible for some of the fastest-growing apps to integrate bitcoin seamlessly, it opens the door for PayPal to integrate bitcoin into its main wallet functionality. If that happens millions of retailers will de facto be accepting bitcoin overnight."

Braintree provides payment capabilities on websites and in mobile apps such as mobile car-booking service Uber Technologies Inc. and Airbnb Inc., the short-term home rental service for travelers. EBay acquired Braintree for \$800 million in cash last year to expand its mobile-transactions business. PayPal and Braintree will work with bitcoin payment-service provider Coinbase Inc. to enable payments in the virtual currency, Mr. Ready said.

Goods, services

EBay would join other merchants in accepting bitcoin, a digital currency that started to enter the mainstream in 2013. Dell Inc. began accepting bitcoins for goods such as computers in July.

Dish Networks Corp., Overstock.com Inc. and Expedia Inc. also accept the virtual currency. In total, about 63,000 businesses handle bitcoins, and users have set up more than 5 million digital wallets to keep their holdings at the end of June, according to CoinDesk, a website tracking the digital money's use.

Bitcoins emerged from a 2008 paper written by a programmer or group of programmers under the name Satoshi Nakamoto, becoming the most popular virtual currency. It relies on a public ledger and cryptography to record transactions and protect ownership.

Uncertain future

A Bloomberg Global Poll of financial professionals in July indicated that there's still skepticism of the virtual currency even as technology entrepreneurs, venture capitalists and hedge funds plow money and effort into building it into a global payment system. Bitcoin prices have swung between more than \$900 to as low as \$341 this year as enthusiasts try to address the digital currency's weaknesses, persuade consumers to embrace it and overcome governments' concerns that it could be misused by criminals.

Fifty-five percent of those surveyed said the virtual currency trades at unsustainable, bubble-like prices, according to the quarterly poll of 562 investors, analysts and traders who are Bloomberg subscribers. Another 14% said it's on the verge of a bubble.

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