

I would like to submit commentary on the regulatory framework for Crypto Market Exchanges.

My husband currently owns an account on Coinbase, which we have used for several years to buy and trade various crypto tokens. On June 4, 2025 we wire-transferred \$100,000 from our personal savings account into his Coinbase account and purchased various tokens. When he attempted to transfer these assets into his personal cold wallet, Coinbase locked the account, noting potential security concerns. After multiple conversations with Coinbase support and verification of his identity, the account remains locked.

After researching social media posts, it came to my attention that this practice is not rare. There are hundreds of complaints. Obviously, I cannot speak to the legitimacy of these complaints, but I can speak to Coinbase's conduct with our account.

My concern is the lack of transparency, adequate disclosure requirements and the ability to arbitrarily lock investors out of their accounts. I have never engaged with a traditional brokerage firm that has displayed such a disregard for investors. It raises questions as to their legitimacy and trust. Are they selling assets that they really don't have? Can an investor not custody their assets due to exchange liquidity issues? Does an exchange have the right to freeze accounts? As these exchanges become more integrated with traditional financial markets, I would like to see clear regulatory requirements for the following:

1. Transparency:
 - a. There should be clear guidelines as to what type of transactions trigger "security concerns".
 - b. Definition of Security concerns.
 - c. What investor recourse exists to address these concerns.
2. Disclosure and communication requirements:
 - a. Specific reasons for locking investor accounts.
 - b. Specific steps being taken to resolve the issue.
 - c. Specific timeline for resolution.

Thank you for your work in establishing regulatory frameworks.