

CALIFORNIA COURT OF APPEAL, FIRST APPELLATE DISTRICT, DIVISION
THREE

Kahn v. Coinbase, Inc.

Kahn · No. A172063 · Decided October 23, 2025

SUMMARY

The California Court of Appeal affirmed the denial of Coinbase’s petition to compel arbitration in Haamid Khan’s action alleging deceptive practices involving cryptocurrency transaction fees under California’s Unfair Competition Law and False Advertising Law. Applying *McGill v. Citibank*, the court held that Khan’s requested injunction sought public injunctive relief and that the arbitration agreement’s waiver of that relief was unenforceable. The court also concluded that Coinbase’s online platform and alleged fee practices could affect the general public, including potential and future customers.

CASE DETAILS

COURT	California Court of Appeal, First Appellate District, Division Three
WRITING FOR THE COURT	Tucher, P. J.; Fujisaki, J.; Rodríguez, J.
JURISDICTION	California Court of Appeal, First Appellate District, Division Three
DECIDED	October 23, 2025
DOCKET	A172063
DISPOSITION	affirmed
PROCEDURAL POSTURE	Coinbase appealed the San Francisco Superior Court's denial of its petition to compel arbitration of Khan's claims under California's Unfair Competition Law and False Advertising Law.
STANDARD OF REVIEW	De novo review applies to denial of a petition to compel arbitration when the evidence is undisputed.
PRECEDENTIAL VALUE	Published and certified for publication; precedential California Court of Appeal opinion.
PARTIES	Coinbase, Inc. v. Haamid Khan

TOPICS

- consumer protection
- deceptive trade practices
- appellate procedure
- standard of review
- contracts

PRACTICE AREAS

consumer protection

contracts

remedies

appellate procedure

QUESTIONS PRESENTED

1. Whether Khan's complaint seeks public rather than private injunctive relief under *McGill v. Citibank, N.A.*
2. Whether the arbitration agreement's waiver of the right to seek public injunctive relief is invalid and unenforceable under California law.
3. Whether the Federal Arbitration Act requires arbitration or preempts application of *McGill* to Khan's claims.
4. Whether the trial court correctly denied Coinbase's petition to compel arbitration.

HOLDINGS

1. Khan's complaint seeks public injunctive relief because it alleges ongoing violations of California consumer-protection statutes and requests an injunction prohibiting Coinbase from continuing practices that allegedly deceive or confuse the general public.
2. The arbitration agreement's waiver of Khan's statutory right to seek public injunctive relief is invalid and unenforceable under California law.
3. Coinbase may not compel arbitration of Khan's claims for public injunctive relief because the parties did not agree to arbitrate such claims, or any agreement to do so is unenforceable under *McGill*.
4. The FAA does not preempt the court's application of *McGill* in this case.

KEY QUOTATIONS

“public injunctive relief . . . is relief that has ‘the primary purpose and effect of’ prohibiting unlawful acts that threaten future injury to the general public” (6)

“The statutory right to seek public injunctive relief for violations of the UCL and FAL is intended primarily to benefit the public” (8)

“The pertinent inquiry focuses on the purpose of the injunction.” (13)

“We simply hold that Khan’s complaint seeks public injunctive relief under the principles elucidated in McGill.” (21)

FACTUAL BACKGROUND

Coinbase operates an online platform for buying, selling, transferring, and storing digital currencies. Khan alleged that Coinbase's default trading platform concealed a spread fee in the quoted price while separately displaying a lower Coinbase fee, thereby misleading consumers about the total cost of transactions. He sought only injunctive relief barring Coinbase from continuing the alleged deceptive practices under the UCL and FAL.

PROCEDURAL HISTORY

Khan sued Coinbase in June 2024, seeking an injunction against allegedly deceptive cryptocurrency pricing and fee practices. Coinbase petitioned to compel arbitration under the Federal Arbitration Act. The superior court denied the petition, finding that Khan sought public injunctive relief and that the arbitration agreement's waiver of that relief was unenforceable under McGill. The Court of Appeal affirmed.

DISPOSITION

affirmed

CASES CITED

- McGill v. Citibank, N.A., 2 Cal. 5th 945 (2017)
- Broughton v. Cigna Healthplans, 21 Cal. 4th 1066 (1999)
- Cruz v. PacificCare Health Systems, Inc., 30 Cal. 4th 303 (2003)
- Jack v. Ring LLC, 91 Cal. App. 5th 1186, 1196 (2023)
- Kramer v. Coinbase, 105 Cal. App. 5th 741 (2024)
- Mejia v. DACM Inc., 54 Cal. App. 5th 691 (2020)
- Maldonado v. Fast Auto Loans, Inc., 60 Cal. App. 5th 710 (2021)
- Ramsey v. Comcast Cable Communications, LLC, 99 Cal. App. 5th 197 (2023)
- Clifford v. Quest Software Inc., 38 Cal. App. 5th 745, 753 (2019)
- Torrecillas v. Fitness International, LLC, 52 Cal. App. 5th 485, 500 (2020)
- Olosoni v. HRB Tax Group, 2020 U.S. Dist. LEXIS 259489, at *5-*6, *10 (N.D. Cal. Mar. 24, 2020)
- Veera v. Banana Republic, LLC, 6 Cal. App. 5th 907, 918-922 (2016)
- Woody v. Coinbase Global, Inc., 2023 U.S. Dist. LEXIS 186426 (N.D. Cal. Oct. 17, 2023)
- Woody v. Coinbase Global, Inc., 2024 U.S. App. LEXIS 26510 (9th Cir. Oct. 21, 2024)
- Hodges v. Comcast Cable Communications, LLC, 21 F.4th 535 (9th Cir. 2021)
- Vaughn v. Tesla, Inc., 87 Cal. App. 5th 208, 215, 227-232 (2023)
- Green Tree Financial Corp.-Ala. v. Randolph, 531 U.S. 79, 91 (2000)