



## **CAROLINE BUTLER, FLORI MARQUEZ & LEAH WALD: Female Founders and the Future of Digital Assets**

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Featuring:

Caroline Butler, CEO of Custody Services, BNY Mellon

Flori Marquez, Co-Founder and Senior Vice President of Operations, BlockFi

Leah Wald, CEO, Valkyrie Investments

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**HADLEY STERN:** Hi everyone. I'm Hadley Stern, Global Head of Digital Asset Custody at BNY Mellon. Welcome to BNY Mellon Perspectives.

Today, we're highlighting diversity and inclusion in digital assets, bringing together just a few of the extraordinary women leading in the ecosystem. Caroline Butler, BNY Mellon's Global Head of Custody, hosts this exciting conversation with Flori Marquez, co-founder and SVP of Operations for BlockFi – a crypto financial services company that provides services to retail and institutional investors – and Leah Wald, co-founder and CEO of Valkyrie – an alternative asset management firm focused on crypto.

I think these are three of the most impressive, visionary leaders of any industry. Caroline is responsible for leading BNY Mellon's global custody business and, as you may know, the firm currently has over \$46 trillion in assets under custody and/or administration. Last year, we announced plans to launch the industry's first multi-asset platform to enable interoperability between digital and traditional assets.

Flori helped launch BlockFi in 2017 and, in four and a half years, they've grown to be a company of 850 employees with over \$10 billion in assets under management. Meanwhile, Leah has helped Valkyrie cross \$1 billion in assets under management in less than a year.

BNY Mellon sees the emerging digital asset frontier as an opportunity to help spearhead innovation

and inclusion. Caroline, Flori and Leah discuss opportunities and challenges in building major platforms from the ground up – including fundraising and pitching in a historically male-dominated space – integrating purpose and values into business operations, and they even take on CeFi (centralized finance) versus DeFi (decentralized finance).

We hope you enjoy this conversation with Caroline, Flori and Leah on BNY Mellon Perspectives.

CAROLINE BUTLER: Hi everyone. In honor of Women's History Month, I want to welcome you to two truly inspiring leaders to listen to the stories of how they got into the digital assets space. Flori Marquez is the co-founder of BlockFi, which is a retail and institutional platform for crypto lending and payments, and Leah Wald, who is the co-founder and CEO of Valkyrie, an alternative asset manager firm focused on crypto. Welcome, ladies.

LEAH WALD: Thank you for having me.

FLORI MARQUEZ: Really excited to be here.

CAROLINE BUTLER: Actually, this is the highlight of my week, to be honest. So excited to listen to your stories. I was going to start off by giving just the normal accolades of both of you. But to be honest, I think we'd be taking up a couple of hours just listing them off because just to read through your bios alone and what you both have accomplished is just awe-inspiring on so many levels. So, when I just take a step back and I actually think about the asset space and how it's bringing together both the traditional technology world and the traditional finance world to really create innovative solutions, I can't help but think about how this is our opportunity. As we're bringing a new asset class into the market, just to take all of the lessons of the past decades and even centuries, and really making sure that as we're starting build this ecosystem and build, in many cases, a whole new asset class for the industry, making sure that we're doing it in the right way and actually taking our opportunity to make sure that it is truly diverse in all respects.

Unfortunately, though, it doesn't seem like we've quite accomplished that out of the gates. All is not lost. I think there is still time to keep turning the curve, but when you just think about some of the [statistics], the fact that overall engagement in cryptocurrency, the investment side, it's 86% male. So, thinking about 14% of females investing into crypto, it is unfortunately too correlated to the traditional space. And again, we're not taking advantage of that opportunity to do it differently.

We are seeing some positive trends though, which I do think is encouraging, in terms of we saw a 43% increase in women working in crypto. But the one [stat] that worries me most, I suppose, is the fact that only 5% of founders of leading crypto companies are female. Now you two, obviously, sit as highly influential leaders in a very small group of female founders of digital asset firms, which is why I'm so excited to actually hear your stories and hear how we, together, can start to really shift that curve and really start to bring more diversity into this space.

So, I guess to begin, just want to hear a little bit more about the story as to how you got here. Leah, I'm going to start with you because, oh my God, talk about a diverse background. Right from the World Bank in Africa, through Asia, you threw fashion in there. I know there's a lot about soccer in

your past. I don't even know where to start to ask you a question how you got into being the [Chief Executive Officer] of Valkyrie. But give us your story, because I think this will really help inspire the listeners of the podcast as to how someone like you can really start to change the future of the financial industry.

LEAH WALD: That's really kind of you and thank you so much. Yeah, so, I did have the great opportunity of starting my career at the World Bank at a very young age and working for a very powerful woman who is still one of my greatest mentors today, Oby Ezekwesili. So that was the Vice President of the Africa region. What's interesting is that's actually where my bitcoin adventure began. So, fast forward, did work in a plethora of financial roles, whether it was working for the CEO of Vital Financial immediately after business school – which, we were specialized in macro trades and [leveraged buy-out] strategies for Japanese equities – and then fast forward further and, in 2016, jumped down the rabbit hole and became a bitcoin asset manager full-time. So, a lot of fun experience being specialized in this industry and especially specifically bitcoin asset management, and then Valkyrie was co-founded in 2020. So, relatively new, but definitely a fun history with my partner of both having bitcoin asset management.

But back to the World Bank, what was interesting is at the time, and this was 2009 to 2010, the Africa region was working on [mobile banking service] M-PESA, and that was really piloted out of Kenya. So, what was interesting about that is that I saw a very successful use case of [safety management system]-based microfinance loans; that technology was incredible, it was showing to have very brilliant and very powerful effects for the un-banked. So, when I learned about Bitcoin, now, of course, like any Bitcoiner, "I wish I had bought back then," that's definitely the adage. But I was immediately taken by the concept, and it made complete sense to me. Now you have an unconfiscatable, permissionless value transfer asset that can be utilized absolutely for the un-banked to the bank. But a lot of far-reaching efforts. So, I started following Bitcoin back then, really started following more around 2011, and then finally was able to make it a career in 2016. So, just excited to be here and see all the developments and be on this podcast with the two of you, learning from you today.

CAROLINE BUTLER: Thanks, Leah. And Flori, what was your journey to BlockFi? Because I know you did come from the traditional world, so I think it'd be really interesting to hear how you navigated yourself into BlockFi.

FLORI MARQUEZ: Yeah. So, I think, what's really important to me is, I'm here today because I want more women to start companies. And so, I think in sharing my story, I hope that more women listening to this podcast come away from it thinking, "Oh, maybe I can do that too." I started BlockFi in 2017 with my co-founder, Zac [Prince]. I'll say that the one key takeaway about starting a company is that it's never going to feel like the right time. No one is ever fully ready to start a company. I think the experience is more about having an opportunity in front of you, and it presents itself as, "OK, I have the chance to take a risk on this thing and see it through." And one thing that I really like to reiterate for anyone who's in one of those positions is that sometimes I think as a society and as women, we tend to think about risk incorrectly.

We might be thinking about, if you start a company, obviously you're going to have to give up some of your base salary to do that. But I think about it instead more from [the angle], how am I investing in

myself? And what is the knowledge and skills that I'm going to get out of this experience and to know that at the time. So, going back, I started my career at Oak Hill Advisors, which is a fixed income asset manager, and then I really became interested in the intersection of financial services and technology. So, if you look at my career, I've always looked at building on what I knew how to do before. So, I knew finance, I added tech, and then in 2017, I knew [BlockFi Co-Founder] Zac from fintech in New York, and he had this idea to merge the worlds of traditional finance and crypto.

So, I was fascinated by the ability to do this because I was able to build on what I knew before, which is fintech and specifically building lending products, and then be able to apply those skills to build BlockFi, which today bridges the worlds of traditional finance and crypto, and we enable financial empowerment for clients on a global scale. So, on the retail side, we offer a variety of typical financial products, like you can buy and sell crypto, you can earn interest on it, and then we also have institutional investors. And in four and a half years, we've grown to be a company of 850 employees and have over \$10 billion in assets under management. But I think going back to what you were bringing up earlier, the most exciting thing about crypto is the fact that it reignites people's desire to invest in something new.

And what we're seeing is that demographics who traditionally have not participated in financial markets in the United States are now entering into investing for the first time as the result of the excitement that crypto sparks in individuals. And on a global scale, crypto as a technology also provides ease of access to financial products in a way that we've never seen before.

I'm very passionate about talking about inclusion, both from the product standpoint, like what does crypto allow us to do from an access standpoint that we haven't been able to do before, and also, just from an employment standpoint, like why not take the risk and invest in yourself and learn about this technology while it's still early? And I think that's very exciting.

CAROLINE BUTLER: Yeah, absolutely. When I think about it, there's a democratizing effect, because you can actually get into this space, because the knowledge is only X number of years deep, versus some of the more traditional areas in the finance industry, [where] you're competing against multi-decades of experience. So, the barriers to entry for anyone coming in, the learning curve is steep, but I think every single one of us is on that learning curve. I'm on the steepest one; you guys are more the gurus in this space. But, to me, I think that's what's so inspiring about it; again, that playing field is leveled out, so you can jump in if you want to. And then to your point, Flori, on the folks investing into it, and giving the ability to actually give access to parts of the market who couldn't get access to something like this is really important, which is why I feel like there's an opportunity truly for inclusion, and we need to actually make sure that we're doing that, and that all of the right companies are coming together and collaborating for that greater purpose.

And that it isn't just the connotations of the more negative sides of cryptocurrency and some of the bad press it gets. There's actually a lot of really, really, really valuable inclusion use-cases that hopefully, across the various companies in the ecosystem, we can start pulling together. So, just on the company side, when I think about Valkyrie and BlockFi, you both have very different perspectives and lenses as to what areas you're looking at in the ecosystem, so I thought it would be just worth maybe just giving the listeners a sense of what your companies specialize in. Short of calling it a

mission statement, what are the core values that you're bringing as a company into this space, particularly looking at it from the retail and institutional sides, which often provide two very unique lenses? So, Leah, maybe to you first.

LEAH WALD: Sure, and I think you brought up a lot of very interesting points about women in the industry. And to the point of this podcast and being on with you, Flori, as the companies continue to grow and as there's more development, again, from venture capital into this industry, I think we're going to continue to see more women join in roles that are more in alignment with their interests as well. Before, it's always been very tech-and-trader-focused, highly specialized [technical-analysis]-trader-focused. But now, I think there's more roles that are of interest. I'm actually feeling pretty positive. But Valkyrie, yes. So, we are, as you mentioned, a digital asset management firm. We recently crossed \$1 billion in assets in about a year. So, that was very exciting and continuing to grow. We have a series of cryptocurrency trusts, SMA strategies, ETFs and a [decentralized finance] hedge fund.

So, I think where BlockFi and Valkyrie differ is that [Valkyrie is] highly focused on institutional investors and catering to institutions. And we definitely see that there's a lack of high quality, easy access and transparent regulated products for institutions in order to buy. I think that, thanks to BlockFi and other companies like BlockFi, there's great access to the underlying coin right now and a variety of coins, and folks can buy directly. But what we've noticed, and really where Valkyrie was born, is in order to provide that, again, good access for institutions in a manner that they can buy and in a vehicle that they also can buy. Due to risk parameters, due to what can fit on the platform from a tech integration, there were a lot of barriers. There still are. So, Valkyrie is trying to, again, provide these sophisticated yet simple funds that can slot comfortably on the platforms that work for the wires, the [investment banking divisions], the banks and other [Registered Investment Advisors].

From a mission and values perspective, I think we're talking about something different. We love Bitcoin. We love crypto. We breathe it. We sleep it. We mine ourselves. We run nodes in the office. We are obsessed with this asset. So, there's a big mission at Valkyrie from education to, again, what products we provide and what coins we choose to actually allocate to in our portfolio strategies, whereby we can really teach and provide access. Again, focus on institutions, but to ensure that it does get down to the retail level, to the [financial advisor] level, to the personal account level with easy access to this amazing, nascent asset class. So, trying to be part of that educational revolution as well.

FLORI MARQUEZ: On the BlockFi side, you hit on some key points already. So, we have the retail side and the institutional side, and on the retail client side, we're really looking to offer simple and easy to use products that both serve existing crypto investors and also make it easy for clients on a global scale to enter into the crypto space for the first time. And so, some of the products include U.S. dollar crypto-backed loans. And so, from a financial empowerment perspective, this is actually a huge product, because it allows retail clients on a global scale to access low-cost U.S. dollars. In the U.S., we've relied very heavily on credit scores and credit history, and with crypto at BlockFi, we can underwrite people instantly with no credit score, just because we know how many assets they have by using our platform, and they can access our platform instantly because of the way that digital assets work.

We can lend to clients. For example, one of our first clients was in Costa Rica, where the average cost of borrowing U.S. debt is 20 to 25 percent. And so, we're very excited to be able to, for one of the first times, be able to export U.S.-grade financial services overseas, instantly, through an app. On the institutional side, we enable institutional investors to gain exposure to digital assets without the challenges associated with buying and storing crypto directly. So, we have a prime services platform, and I mentioned some of the stats on employees on the institutional side. We have 400 institutions globally.

And from a values standpoint, I think about values in two ways. I'll talk about the product standpoint first. We have four key values at BlockFi. The first is – we love an alliteration – so it's a pragmatic pioneering. And really, that value is about focusing on what's achievable. And the way that I think about that from the product side today is, if we truly want to make crypto inclusive, in order to facilitate inclusion, you need ease of access. And so, from a product standpoint, you have to be pragmatic in terms of, where is society at today? What is their understanding of these types of products? And how can I make it easy to convert someone who maybe has not been owning or investing in Bitcoin, how can I convert them into the space for the first time?

So, one example of our products that does that is our credit card, because it's just a regular credit card, but it allows you to earn Bitcoin instead of miles. And I think that's a great example because in the U.S., everyone knows how to spend a credit card, and pay it off. Everyone knows how to accrue rewards. And so, I'm basically using that same knowledge to get you access into a brand-new asset without asking you to take direct exposure yourself; thinking about products that help people flex the knowledge they already know in order to get into a new space is how we think about driving inclusion of BlockFi.

And from the team perspective, I think we talked about this a little bit earlier, but because crypto is so new, there is so much to build. And so, it's not a crowded space right now. And so, when you look at it from the team perspective, BlockFi's team is like, we're all humble, no ego, intelligent, hardworking. We aim to have a very, very healthy culture. And it is, I think, a lot easier to build that when it's not a crowded room, and there's so much work to do, so everyone has the chance to be successful and to learn and to make an impact on our company's growth.

CAROLINE BUTLER: So, it's really interesting about what you both said that just is really resonating with me: in order to create inclusion, it's a little bit of a factor between giving access, but education as well. And the ability to give access, education and Flori, to your point, almost correlating it back to the traditional side where you're creating a familiarity, it's almost creating that education. But how much do you both spend time on educating across the whole community the various very technical details, literally technical details of the technology, and then just demystifying out a lot of the, I would say, somewhat fake noise that still exists in this to help the investors and the wider community actually to understand what's needed here? And how much do you think education is a barrier to entry at this moment in time?

LEAH WALD: Sure, I'll go first. Thank you so much. Yeah, I think that it is a massive barrier depending on what vantage point and what industry you're coming from. Valkyrie and myself included are, as mentioned, highly focused on education. So, we have everything from a weekly webinar

series specifically focused for RAs and financial advisors, whereby we speak to a RA or a money manager and let him ask, or her – although we're still looking for a couple more female money managers, so please, message us later – all the questions that they may have that they're hearing from their financial advisors. So, that's a specific one, but we also write technical analysis reports, there's a weekly report by our TA analyst, Josh. There's a macroeconomic report that comes out from our [Chief Investment Officer], and I think [Valkyrie CIO] Steven [McClurg] and I are on potentially two to three podcasts a week.

So, trying to span the gamut of the technical, both from the technology side, but also the technicals in learning how to trade the markets, which, again, are still very technical analysis heavy, all the way to how does this fit within a CIO's perspective? How should we be thinking about it from a portfolio management perspective, down to other spotlight series, where we take coin foundation founders, and they talk about the granularity of their coin? Or even what is an [non-fungible token]? What is the Liquid and Lightning Network, etc.?

And then also speaking at a plethora of conferences: I remember in the earlier days, speaking at some of the more Bitcoin maximalist conferences across the world on everything from, again, running a Lightning node or hardware wallets and moderating about mining, and I think it's important to demystify some of the more technical aspects of the industry for those that are interested, but also how it distills to each person's interest and awareness. Right now, given our ETFs, and the fact that we've been we applied for our spot Bitcoin ETF back last year on January 22nd, right now, we're also highly focused on working with the regulators and the staff at the [Securities and Exchange Commission].

So, those are very different conversations of who we're speaking to in Washington, to who we're speaking to from the RA side, to who we're speaking to on the investor level of, why should they choose Zilliqa over Bitcoin as an example. So, trying to span the gamut and also just answer whatever questions come our way. So, we have a lot of different outlets. But to your point, I think education is paramount. It's still a nascent asset class, it's very confusing to most, and there's a lot of negative popular narratives.

To speak to just one of our new ETFs, it's specifically a bitcoin mining ETF, but focused on renewable energy, with 77 percent of the portfolio coming from renewable sources. So, that's definitely an element of the industry that we wanted to highlight and focus on, because of a negative media understanding that Bitcoin mining takes up a lot of electricity, that we wanted to debunk, actually. So, we've also created products to take some of these, what we think are misunderstood narratives and really distill them down and debunk some of the preconceived notions on them. So, I think that's also important that we are trying to do on the product level. And I think education can take a highlight and an importance on all those different levels from what you are doing on the content creation side, the thought leadership side, to also just what products you're creating.

CAROLINE BUTLER: Yeah, and I think it's fair to say that not every cryptocurrency is created equal as well. Particularly because it is seen as a new industry – you could argue it's not overly new – but how much on a day-to-day basis do you have to walk that narrative back? And how do we change that when we look forward? What are the things that we do, Flori, particularly in the retail side, to

really start to shift an acceleration of that education that's needed?

FLORI MARQUEZ: Yeah, so we think about this a lot, and I think at the core of trying to provide financial services, be it for retail or institutional investors, you have to have trust. And so, to your point, any time that there is a bad actor in a new space that's developing, it really does affect the entire space as a whole. I do think about it a lot as like the rise of the Internet. Just because there are some projects that fail doesn't mean that there aren't going to be amazing projects that change how we operate as a system 10 to 20 years from now.

How we address that at BlockFi, honestly, some of the answers are pretty simple. We were one of the first crypto companies on the retail side – and even to this day, not many have this, to just have a working phone number – it's just the basics, client service, allow our clients to call us. We can pick up the phone. We actually really believe in setting the bar higher for ourselves than anyone else. And so, we have, for example, over 90 percent [customer satisfaction] for client service consistently every week. Our clients love talking to us. And that experience of being able to call the company directly and ask them, "How does this product work? How can I send you funds? How are the withdrawals going to work? How do you pay interest on these assets?" It really goes a long way, especially when you're looking to build a new business and go back to the point of education.

I also agree with a lot of the stuff that Leah said. I think being in the public eye, being on stage, when I started BlockFi, I didn't love public speaking, but I chipped away, and here I am four and a half years later much more comfortable than I was before, because I do think that you need a voice in the room who can explain these ideas. I think one of the problems with education when you look at crypto is there's so much going on. When you look at the variety of coins available to invest and how different each project is, it can be extremely daunting for not just a retail investor, but an institution looking into the space. Where do I start and how do I analyze this? And so, I think that having companies that can simplify that experience, I don't actually think you have to start with going deep on the technical education.

So, I gave the credit card example for retail. We do the same thing with institutional investors. On the USD loan side, we created a loan portfolio that you can securitize. It's something that investors really know how to invest in and have done that for decades; the only difference is we added crypto backing those loans. And so, you have to think about, how do I allow people to baby-step their way into this space?

And I think that, going back to Leah's point, there are three parties when we're trying to bridge traditional finance and crypto. There are clients. There are your investors on the retail and institutional side. And lastly, there are regulators. And I do think that the further development of the regulatory framework in the U.S. will add credibility to this space, because you'll have a third party putting their stamp of approval on these types of products, and I think they'll also help companies understand how to disclose the risks behind their projects and that will ultimately help consumers really understand what they're investing in and how to get into it.

CAROLINE BUTLER: Yeah. And look, this is why I'm particularly passionate about this space in Bank of New York Mellon, because I think we've got a unique opportunity to bridge that gap. We can do the

translation from the traditional world so far. To your point, we can simplify by speaking a language that's understood and known. And then the trust side of this: it's at the epicenter of what we do. If you think about custody, it goes synonymous with trust, and the Bank of New York is synonymous with that. So, for me, being able to navigate those conversations not just with clients, but with all the players across the industry and the regulators, you find yourself speaking a language that clicks a little bit better, and it helps move that conversation just a notch forward, which is always good. But again, I feel like we're on that first rung of the ladder, and we've just got to keep climbing, and it's going to be a test of resiliency to keep going. But like any good leader, resilience is part of those core ingredients.

Let me just pivot us back a little bit to female leadership and empowerment. One of the things I'm particularly curious about is, we talked a lot about your diverse backgrounds and how you got into this space and really braving into taking the risk. And, I think, Flori, it was you that mentioned the different ways of thinking about risk.

But when you think about the unique skills that you had to learn, and as you were talking earlier about the cumulative skills or the cumulative experiences that you had to bring to bear, thinking about raising capital as a co-founder in particular and having to, dare I say, negotiate or liaise with the various venture capital firms out there, all pretty largely male dominated, what was that experience like for you both? And any tips, again – and back to the other point we mentioned where we want to get even more female founders into this space – any tips that you would give to those that are out there with great ideas, great passion in their heart, but just needing that extra little push to get over the line? So, Flori, what would be your top tips and your experiences to date?

FLORI MARQUEZ: I think that going through the process of raising capital is a lot like interviewing for a job. Not every venture firm is created equal. Not every company will have the same culture. And I think what is empowering about being a woman in a space that's mostly male dominated is that we can weed out during the interview process, what are the types of people that I can work with who have the same values alignment and will empower me to be more successful in building this company? And that's true for me when I'm hiring people, and as well as when we're selecting investors to work with. And so, I think that definitely, one of the biggest challenges for us on the investment side early on was more that we didn't really fit into any bucket. The crypto investors didn't understand traditional finance and the traditional finance folks did not want us to be their first crypto investment. We did end up being the first crypto investment for many of the investors on our cap table.

But I will say that through this process, what we've ended up with is investors who have really aligned with us from a values standpoint, who through thick and thin have been able to back us. I think that while it may take longer to find the right fit from a counterparty perspective, you can tell in a conversation, am I going to enjoy working with this person? And I think, wait, either if you're interviewing for a job or interviewing someone to join your team or looking for an investor, really prolonging the process to find the right fit will pay off in folds down the road. So, I think my best advice is to, in any conversation, be it an interview or fundraising, to always stay in touch with your intuition and how the conversation makes you feel. And to understand that getting that alignment from a values perspective is extremely important. And if you're talking to someone where you feel like that

isn't a good fit, it is totally okay to walk away.

LEAH WALD: I completely agree with you, Flori, and that resonates a lot with me. We're raising our Series B now, and I'm nine months pregnant. I think that it's very important to be transparent. And if those partners aren't going to be good partners, don't understand where you're coming from, then I think that's just not a good fit, and it's important to step back and consider that. So, right now, a lot of our investor pitches are over Zoom, so they can't quite see just how large my belly is. However, I make it very apparent when I plan on taking maternity leave and how those plans fit in for the company, and that does not resonate with a lot of investors and hasn't.

Now, with other investors, they're very excited. They think that it's a great step from a values perspective of supporting a female leader who can actually put together the right plan for maternity leave and show the company that this can be done and should be done. But again, that's few and far between, unfortunately, I think, in this environment.

But I guess an adage that I was once told is the color of money isn't always green. So, it's hard to navigate, especially at the seed rounds, where you are very completely strapped for cash, you are putting your own money in. You need to make your own tightening-of-the-belt budgetary decisions with your family, and you just want enough capital to really get off to the races, yet you very much, and I think our industry and especially a few years ago, need to navigate and understand that color of money and understand if it's coming from the sources that you trust and believe in and think will be a good partner. Because, as we all know, you want investors that are going to continue taking their pro rata and join you for the journey, not just from a resources perspective, but believing in your vision and trying to that value. So, I completely agree.

And Flori, we had the same experience. It was very foreign to a lot of [venture capital firms] to invest in an asset manager. It's still a bit foreign. It's more of an alternative [private equity] play. Alternative private equity firms or asset managers, they get it, and we're very high growth, but they don't want to talk to a seed-stage company with an idea, so it's not a fit. So, there's been a whole lot of not fits over this journey that I've had with my co-founder, so I resonate with what you're saying on that front a lot. And of the hundreds of pitches I think I've made, it only came down to a few, but those few completely understood what we're up to and have been involved since the beginning and are continually involved.

It's tough. It's grueling raising rounds, absolutely grueling – no ifs, ands or buts. However, you're absolutely right; I think you need to be selective. You need to understand what is that investor, whether it's institutional or individual, is going to provide, and also be ready to say no when they don't fit from a financial perspective, and/or they don't resonate with the morals and values that you want to promote as a company – whether it's maternity leave and female leadership and some of the ethos that you want to instill on the company in governance and at a corporate culture level – and just being very selective and patient sometimes and budgeting accordingly, fortunately or unfortunately, to how long raises can sometimes take.

CAROLINE BUTLER: So, I'm hearing strongly that it is a marathon, and it is the most tough, resilient marathon you'll ever endure. When I think about, if I just put into two shapes of my head, one is

you've got the co-founding, standing up the company side, and the second is the actual running of the company, and I can feel the intensity of the effort of at least creating it and then raising capital to continue that company. How different is it to actually run the company then? Because you've both scaled up your businesses in such rapid-fire form. How quick are you able to just shift that leadership? Because it's very different skills that you need to bring to bear. How quick? And how do you actually pivot between the, obviously, going out and trying to raise capital and fighting that fight, versus then day-to-day actually managing the company versus the education that you're having to do as a continuum and pivoting across all those perspectives on a regular basis? And then which one do you prefer to do is the last question in that? So, Flori, over to you.

FLORI MARQUEZ: So, I think that one of the things you asked earlier was, what do you have to learn? I think BlockFi might be one of the fastest growing fintech companies of all time, and that sounds very exciting, but that's also a huge challenge. We went through hyper-growth at the beginning of the pandemic. We had under 100 people on our team, and now we're at 850, and we had to figure out how to do that remotely. So, the answer is twofold. I think for me, what's been really helpful is you really have to have the humility to know what you don't know, to be open to, every day, finding out that you might have some skill or type of knowledge that you have to develop that might not be the thing that you thought was your blind spot. That's why it's called a blind spot.

And I also think having a great mentor helps a lot, having someone you can speak to outside of your company. And a lot of people say "mentor," and for people listening, you can actually hire someone as your mentor. Find someone whose career you would like to end up as, and then you can, once you have capital or even at the beginning stages, give them equity to just spend an hour with you once a week.

And I think that outside voice who's been there and done that, and even just having an outside perspective to hear your own ideas, bounce off of someone else, is extremely important. In terms of being a founder and operating, it's two completely different roles. So, for me, I have 200 people that roll up to me directly as a person leading operations. And then at the same time, I have the founder hat, which is, what do I say at the all-hands? How do I motivate the team? How do I provide direction in terms of our vision and strategy and ensure that at every single level, people know what their job is, how am I successful at it? And how can I move the needle for BlockFi?

I love both, and I think I thrive in an environment where I have multiple hats because I get bored easily. And so, I think if I just had to do one of the roles, it'd be challenging for me to stay motivated. I like pivoting and context switching and doing both. It definitely takes a lot of time and a lot of effort and a lot of energy. And I think that when I was starting this company, I didn't realize that being a founder is unlike having a job. When you're working for someone, you sign off at the end of the day. When you are a founder, this is a part of you, and it never sleeps. It could be 3:00 AM on a Saturday, it does not care. You are responsible for its success 24/7, and that will go on forever. So, I think that that was definitely something I underestimated. But to your point about resilience, we are strong and your body and your mind adapts to it, and you learn and you strengthen as the company grows.

LEAH WALD: Yeah. Everything you're saying makes a lot of sense to me as well. As I said previously, it definitely resonates with me. This is fun being on with you, Flori. The way I see it is

being on the box versus being in the box. I think that it's important as a leader, an executive at the company to both be sitting on the box, if you will, looking at the box and understanding the strategic vision for the company, and trying your best not to get in the box, in the weeds too much. I think that it's been tough for me because I actually love being an operator. I love it. I love being in the weeds. I love being part of ops. My brain often goes to the [Chief Operating Officer] type of role. But I've really needed to push myself not to do that, to wear less hats, and ensure that I am doing the best that I can from the seat of the [Chief Executive Officer], which often is the least glamorous seat to sit on.

You're often stuck with front-office operations and making decisions on corporate insurance and [directors and officers insurance] and [errors and omissions insurance], and a lot of stuff that is not as exciting as setting up staking nodes for one of your grantor trusts in blank country, and I miss that, but I think it's very important. You mentioned mentors. I agree with that. But I also, I guess, also agree with the importance of hiring the right executives and letting them do their job and ensuring that you have lines of communication, that they know that they can reach you if there's issues, and they know what to reach you about, but not getting in their way. So, we have a lot of very, very highly seasoned individuals who are at the executive level. We took most of them out of retirement, and it's very fun to see how much they're enjoying this crypto crazy life and their kids, I think, cheerfully laugh at them every day for being so cool these days with the cool kids.

But I've noticed that, again, they know much more than I do. They've worked in asset management and traditional finance much longer than I have. So, if I tried to get in their way and thought that I knew more than them, that would be a disservice to the company. So, it's, I think, been a big learning lesson on that front.

And then also – and you have a very strong co-founder as well, Flori – my co-founder is Steven McClurg, and I couldn't feel more proud of being his partner every day. And Steven comes from a vast experience at Guggenheim Investments in other areas of asset management and knows it in spades. I also think that he is the visionary. So, it's very interesting to play off of each other, understand each other's strengths and weaknesses, and utilize that beautiful partnership that can exist between co-founders, and also a very difficult one.

Most co-founders have very bad founding fights. Many do not continue to be able to operate together, but when you're able to find a co-founder that you can work well with, understand each other's strengths and weakness, and play off of each other – I let Stephen be more of the visionary, I think from a different perspective, but we work together completely in tandem – I think, is just wholly unique and very important. I would definitely recommend co-founding a company rather than just founding it, but it is very, very difficult to find that partner in legal crime, if you will. I guess just wrapping up, I completely agree with what you're saying. I think finding the right mentors and executives, taking their advice and also just letting them run and putting on the right hats and trying not to get another people's way is exceedingly important.

And then Caroline, to your point about pivoting I think that there is a strong importance in pivoting, but pivoting, according to demand and necessity, rather than just pivoting because you think something can be better and better and better and better. The “go-fast-and-break-things” motto of Silicon Valley isn't always right. I think it's important to be strategic and understand exactly why you're pivoting and

therefore leading with the right hat on that front.

CAROLINE BUTLER: Yeah, and there's definitely a bit of an art of patience, because you have to almost wait for that demand to catch up that you know will be there. So, your passion for what you know to be right and looking into the crystal ball and just hoping everybody can just catch on, because if you leapfrog it even, it will become obviously detrimental to your business and to your clients and to the assets that you're holding safe for them.

So, speaking of tea leaves, though, because when you were saying reading the tea leaves, horrible question, but if you were to actually start to read the tea leaves from this point forward, where do you see, particularly Bitcoin, where do you see the evolution of Bitcoin?

And I say this thinking about the context of obviously the horrible humanitarian crisis that the world is undergoing at the moment. But obviously, there's a lot of potential opportunity, particularly for cryptocurrency, as a force of good in this space. What are your opinions there? And what do you think we should be doing more to help particularly in situations like that? And then where would you see, again, the evolution of particularly cryptocurrency? Flori?

FLORI MARQUEZ: I think with Bitcoin and any type of technological innovation, the people working in the space tend to think that adoption will happen much faster than reality. I think in terms of looking forward for the future of Bitcoin, I do think that we just heard [President] Biden say that I think it was 16 percent of Americans are invested in crypto. That to me actually surprised me, I thought it was higher, but I think that means there's so much growth left in the space, just from every standpoint, from a regulatory clarity standpoint, from moving retail and institutional investors into the space for the first time. And so, I think that to me means there's a lot left to build here, and we are just at the beginning of crypto's development.

From a humanitarian standpoint, I tend to focus on what is the impact that these types of products can have to, let's say, an individual in Ukraine who's looking to leave the country quickly? And I think the beauty of accessing, let's say, a product like BlockFi is you can actually take all of your funds with you instantly and access them in whichever country you're going from. My family is originally from Argentina, and if I think about the capital restrictions in that country, they restrict how many dollars each individual can bring in per month. It's \$200 per month in U.S. dollars that you can actually buy. That is an absurdly low number for people who are trying to exit the country's hyperinflation. So, the beauty of crypto is it allows individual citizens again to access U.S.-grade financial products and safety anywhere in the world instantly, and that's never existed before. And I think it's very, very important to focus on projects that can have that direct impact and also ensure that they're being built well and within clear regulatory structures.

LEAH WALD: Truth is, I have no idea, Caroline. What's interesting is that, and I think a lot of people missed this point, is Bitcoin is code that's changing all the time, as are the rest of these cryptocurrencies. You have the core developers at Bitcoin that, again, are diminishing bugs and also providing upgrades and it is always changing. The rest of the industry is as well. But what will Bitcoin even look like in 10 years? It won't look like what it is today. And then, again, what advances in the technology of the Solana blockchain or the Bitcoin blockchain can be applied to other industries,

whether it's notaries for the immutability or on other automated market-makers? I'm not sure, but it's interesting and important to follow. I think that's where the very difficult job of deciphering trends versus fads comes into play.

Whether you look at where NFTs are today and yesterday and in the future, non-fungible tokens have actually been technology that's been integrated in blockchains many, many years now. Right now, it's fun to watch Apes and Punks get their rise, but it's a very important technology to be able to prove digital ownership. So, what will that look like, and how will that be utilized in five to 10 years? Will it be primarily important in crypto gaming, or, again, in some other use case? So, I think, again, deciphering trends versus fads, remembering that this is code that's consistently changing, but also these important events.

So, you mentioned Ukraine: absolutely important to watch how this plays out and how crypto is or is not used. We very often tout the importance of the unconfiscatability of bitcoin, and Flori, you mentioned that they can utilize BlockFi. Now, that's absolutely true, but let's see if they do it.

And I think that will be important to see if those narratives that we've used hold up, and or what Bitcoin actually has its important use cases for. Now, since the origins, we've believed that bitcoin can do a lot of different things, whether it be a unit of account or a means of payment or a store of value or an inflation hedge or all these different things. And I think only time will tell what use case really makes sense for bitcoin, and what use cases make sense for the rest of the alternative currencies, because they're very different. So, I think Ukraine is important to follow and how it's used or not used.

As an example, I think El Salvador was a very important event to watch and can't be overstated, the importance of a nation-state making bitcoin legal tender. My World Bank hat definitely goes straight back on to actually have a sovereign nation stand up like that. And other nation across the world taking note, trying to write law as well, and what that will mean. Also, just the general inflation environment right now. It is very, very scary in many ways, how global equities are reacting, how [the Consumer Price Index] is consistently ticking up and up, and how this will hold up against the narrative that we've always held that bitcoin can be an inflation hedge, due to its deflationary aspects with this supply control. Now, maybe it won't, or maybe it will over a longer time horizon.

So, I wish I had a better answer. What does the future look like for Bitcoin? But I think the exciting part about being in this industry is that it is always changing. And as a nascent asset class that has the ability and already is disrupting the entire global financial system as we know it, and as we think about money and what that even means, I think that it's just going to be important to watch and see from a longer time perspective and horizon how Bitcoin solidifies its place, how [central bank digital currencies], how stablecoins, and how alternative projects solidify their place as well or not. But I think we're all going to be watching, it sounds like, the three of us on this podcast.

CAROLINE BUTLER: It's definitely, yeah, without doubt, a critical time. It feels like we're just on that ledge really proving that it's relevant and how we can take it mainstream, which I think is what we hope will happen in the most appropriate governed way. Because I do think that's something that obviously all three companies are very vested in. I'm going to do a rapid fire, so get ready. I'm going to start with you, Leah. [Centralized finance] or DeFi?

LEAH WALD: DeFi.

CAROLINE BUTLER: OK. Flori?

FLORI MARQUEZ: CeFi, for now.

CAROLINE BUTLER: Oh yes, opposite. Give me why.

FLORI MARQUEZ: I think it goes back to accessibility and being pragmatic. I just think that I hope that one day, we get to DeFi. But the reality is as a society, what we're ready for from a regulatory and adoption standpoint, I think, today is CeFi.

CAROLINE BUTLER: All right. We'll be back here in I don't know how many years to prove it, and one of you owes the other one a drink. So, Miami or New York?

LEAH WALD: Miami.

FLORI MARQUEZ: Oh, New York, for sure. I was born in Miami though, so I'm a traitor.

CAROLINE BUTLER: Coffee or tea?

LEAH WALD: Coffee.

FLORI MARQUEZ: I drink coffee every day, but I was going to say tea because I like the complexity of it.

CAROLINE BUTLER: I like it. As a European, I'm all tea, so I'll go with Flori on this one. Sorry, Leah. And a topic to put your managing of companies hats on: back to the office or remote forever?

LEAH WALD: Do you want to go first?

FLORI MARQUEZ: Yeah. I think I'm going to cheat and say I think it won't ever be fully back to office, but I think people will want to see faces two to three times a week.

LEAH WALD: I'd say remote forever, as the option. I think that having offices is glorious and will always exist, but the remote forever option, I think, is now the new standard.

CAROLINE BUTLER: Yeah. And I know I'm not actually partaking in the repertoire, but I hope there is a combination of both. Because I do think to innovate, you need collaboration, and for collaboration, you need some connection. So, back to the office. I'm not enjoying the commute, but thoroughly enjoying just the energy you get from actually being with people, and we're already starting to create new things just being in the same room. And then the very last one, the company you are most excited about in the digital asset space, and you are not allowed to say your own company. And I will give you an uncomfortable pause to think about that one.

LEAH WALD: Easy, [BNY Mellon].

CAROLINE BUTLER: Oh, there we go. She wins. Flori, are you backing that up?

FLORI MARQUEZ: So, I've had my first person who I hired very early on leave to start their own company, John Bravda. So, GamerGains has to be my favorite one, just because it's been a dream of mine to just have teammates leave and go start their own things. So, it's basically gaming plus Web3.

CAROLINE BUTLER: Wow. That sounds very interesting and fair play to them. Thank you so much for creating the space to have the conversation with me. I can't wait to actually see you both in person. Leah, next time, when we do actually chat, you will be wearing another hat as a mom, so congratulations. You're both truly inspiring. I hope our listeners learn something about digital assets, but more importantly, are inspired by what you've both been able to achieve in this space. And hopefully, as a result of this, we'll get lots more co-founders in the digital asset world that happen to be female. Thank you very much, both of you, and looking forward to catching up soon.

FLORI MARQUEZ: Thank you so much.

LEAH WALD: Thank you.

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