

May 10, 2023
Ms. Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F. Street NE
Washington, DC 20549-1090

Submitted via email to rule-comments@sec.gov

Re: File No. S7-04-23

Dear Ms. Countryman:

Securitize, Inc. is the parent company to Securitize, LLC, a registered transfer agent (“Securitize Transfer”), and Securitize Markets, LLC, a registered broker-dealer (“Securitize Markets” and together with Securitize, Inc. and Securitize Transfer, “Securitize”). Securitize Markets operates a portal for primary offerings and an alternative trading system (“ATS”) for the sale of regulated digital asset securities, which are issued pursuant to an exemption from registration under U.S. securities laws and in accordance with the Three-Step ATS model (the “Platform”).¹ Securitize Markets uses blockchain technology as a ledger to record and effect purchases and sales of the regulated digital asset securities traded on the Platform. Securitize Transfer facilitates the transactions executed through the Platform and maintains the ledgers for such transactions on the blockchain and in a separate ledger that is not recorded on the blockchain, otherwise referred to as “off-chain.”

I. Introduction

Securitize submits this letter in response to the request of the Securities and Exchange Commission (the “Commission”) for comment in connection with the proposed rules regarding Safeguarding Advisory Client Assets, which proposes new rules and amendments to Rule 206(4)-2 (the “Custody Rule”) under the Investment Advisers Act of 1940 (the “Advisers Act”) that would expand the current Custody Rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act (the “Proposal”).²

Securitize fully supports the Commission’s objectives to safeguard customer assets, protect clients from custodial misconduct, and improve the integrity and efficiency of its rules. Securitize is concerned, however, about the Commission’s inclusion of regulated digital asset securities within the larger crypto asset universe, given each asset type operates in an entirely different control environment and is facilitated by discrete market participants with differing views

¹ See SEC No Action Letter, ATS Role in the Settlement of Digital Asset Security Trades (Sep. 25, 2020) (the “Three Step Letter”), available at: <https://www.sec.gov/divisions/marketreg/mr-noaction/2020/finra-ats-role-in-settlement-of-digital-asset-security-trades-09252020.pdf>.

² See Safeguarding Advisory Client Assets, Investment Advisers Act Release No. 6240 (February 15, 2023), 88 FR 14672 (Mar. 9, 2023) [hereinafter the “Release”], available at: <https://www.govinfo.gov/content/pkg/FR-2023-03-09/pdf/2023-03681.pdf>.

towards regulation. Our comments, which are articulated in greater detail below, are summarized as follows:³

- A. This rulemaking should clearly distinguish between unregulated or improperly issued digital assets (so-called crypto assets) and regulated digital asset securities.⁴
- B. The risks faced by advisers and their clients are materially different depending on whether custodied assets are regulated digital asset securities or crypto assets, including those that may be determined to be securities by the Commission. Digital asset securities transactions can be corrected while crypto asset transactions are not.
- C. The Commission should not amend the definition of a privately offered security under the Advisers Act merely because the issuers of certain digital asset securities elect to use permissionless blockchains to maintain the record of ownership of such securities.
- D. The Commission should designate transfer agents with sufficient and reasonable policies and procedures in place to indicate that the transfer agent has possession or control over uncertificated securities, including over digital asset securities issued on a blockchain, as qualified custodians under the Proposal.

II. Comments

- A. This rulemaking should clearly distinguish between unregulated or improperly issued digital assets (so-called crypto assets) and regulated digital asset securities.

There continues to be substantial debate over which crypto assets are or are not securities, commodities, or something else. This remains an important topic, including within the U.S. Congress and among regulators. While Chair Gensler maintains that most crypto assets are securities, importantly, issuers, marketplaces, and participants in most crypto assets have not, from inception, considered those crypto assets to be securities, despite the risk that the Commission (or a court) may ultimately determine them to be securities. As a result, those participants have declined to register with the Commission as broker-dealers, national securities exchanges, or ATSS and have not taken other actions necessary to comply with U.S. securities laws.

Securitize, in contrast, has taken all necessary actions to comply with the securities laws. Securitize operates a registered broker-dealer, a registered transfer agent, and a registered ATS. The digital asset securities that Securitize Markets permits on the Platform are issued in

³ Securitize is not commenting on the Proposal as a whole and is solely commenting on a narrow set of issues raised in the Release specifically related to regulated digital asset securities.

⁴ We use the term “digital asset” in the same manner as the Commission to refer to “an asset that is issued and transferred using distributed ledger or blockchain technology ...” Joint Staff Statement on Broker-Dealer Custody of Digital Asset Securities, Division of Trading and Markets and Office of General Counsel, (July 8, 2019), *available at*: <https://www.sec.gov/news/public-statement/joint-staff-statement-broker-dealer-custody-digital-asset-securities>. As the Commission has noted, digital assets include, but are not limited to virtual currencies, coins, and tokens. *Id.* A digital asset may in certain instances be deemed a security under the federal securities laws. While not defined in the securities laws, the Commission often refers to digital assets that are securities as a “digital asset securities.” *Id.*

compliance with U.S. securities laws, including offering registration requirements. Securitize’s customers are subject to anti-money laundering (“AML”) and know your customer (“KYC”) screenings, as well as rigorous onboarding processes. Securitize Transfer employs smart contracts to govern the transfer of all digital asset securities for which it provides services, which automatically enforces compliance with transfer restrictions and applicable securities laws. Securitize’s business, like a handful of other similarly registered market participants, can be characterized as “regulated digital asset securities.” This space is substantially different from the unregulated crypto asset arena, where unregistered market participants operate and have yet to comply with, let alone acknowledge, the securities laws. Indeed, many parties have issued instruments without registering them with the Commission or relying on a safe harbor from registration.

The Release states that the term “digital asset” refers to “an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, so-called ‘virtual currencies,’ ‘coins,’ and ‘tokens.’”⁵ The Release further states, “[t]o the extent digital assets rely on cryptographic protocols, these types of assets also are commonly referred to as ‘crypto assets.’”⁶ The Commission also notes, “[f]or purposes of this release, [it] does not distinguish between the terms ‘digital asset’ and ‘crypto asset.’” The Commission then uses the term “crypto asset” throughout the Release—importantly, within the Proposal’s definition of “assets.”

While Securitize generally is indifferent as to the distinction between “digital assets” and “crypto assets” and we understand those terms are used interchangeably, we believe it is important for the Commission to distinguish between regulated digital asset securities and unregulated digital assets, including those that may be securities that were not issued pursuant to a registration statement or an exemption from registration.⁷ Recognition of the distinctions between regulated digital asset securities and unregulated digital assets or crypto assets is critical for the purposes of rulemaking regarding custody because, unlike unregulated crypto assets, regulated digital asset securities do not implicate the same risks and concerns articulated in the Proposal, as discussed further below.

We urge the Commission to distinguish between the terms “crypto assets,” which covers a broad array of assets without regard to conformity with applicable securities laws, and “digital asset securities” specifically designed for compliance with the securities laws.⁸

⁵ Release at 14676, note 25.

⁶ *Id.*

⁷ The term “unregulated” here is used specifically with reference to the securities laws and Commission rules and regulations. Securitize understands that many digital asset platforms are otherwise regulated by the New York State Department of Financial Services and even the Commission, but not, at least currently, as securities.

⁸ See *supra* note 4.

- B. The risks faced by advisers and their clients are materially different depending on whether custodied assets are regulated digital asset securities or crypto assets, including those that may be determined to be securities by the Commission. Digital asset securities transactions can be corrected while crypto asset transactions are not.

Certain provisions of the Proposal are based upon an incorrect understanding of the risks faced by advisers and their clients with respect to *regulated* digital asset securities. The Release describes significant “technological, legal, and regulatory risks” that, according to the Commission, are inherent when blockchain technology is used to record ownership and transfer assets:

Unlike mechanisms used to transact in more traditional assets, this technology generally requires the use of public and private cryptographic key pairings, resulting in the inability to restore or recover many crypto assets in the event the keys are lost, forgotten, misappropriated, or destroyed. By design, [distributed ledger technology] finality often makes it difficult or impossible to reverse erroneous or fraudulent crypto asset transactions, whereas processes and protocols exist to reverse erroneous or fraudulent transactions with respect to more traditional assets. These specific characteristics could leave advisory clients without meaningful recourse to reverse erroneous or fraudulent transactions, recover or replace lost crypto assets, or correct errors that result from their adviser having custody of these assets.⁹

The Release makes broad claims that blockchain technology, as a whole, makes it nearly impossible to reverse erroneous or fraudulent transactions in digital asset securities. These claims are not accurate for regulated digital asset securities. It is true that distributed ledger technology or a blockchain, by itself, does not permit the reversal of erroneous or fraudulent transactions; immutability is one of the main attributes of a blockchain. The blockchain network itself, however, is only part of the analysis. A key feature of digital asset securities is the creation of control mechanisms designed to sit on top of blockchain networks that allow a Commission-regulated entity, like Securitize Transfer, to regulate the manner in which assets are implemented over the network and, crucially, to reverse and correct erroneous or fraudulent transfers that may have occurred.

1. *Erroneous transactions in digital asset securities, such as those facilitated by Securitize, can be corrected after a transaction in those securities has occurred.*

Crypto assets such as Bitcoin (“BTC”) and Ether (“ETH”), for example, exist and are transferred on their respective blockchains where controls do not exist regarding how the assets move on-chain. Thus, an ETH transaction on the Ethereum network cannot be reversed or corrected once it has occurred, nor can a BTC transaction on the Bitcoin network. In contrast, erroneous transactions in digital asset securities, such as those facilitated by Securitize, can be corrected after a transaction in those securities has occurred. Thus, an erroneous or fraudulent transfer of a digital asset security like SPiCE VC, which uses the Ethereum network, can be reversed and corrected after the transfer has occurred. Although a blockchain transaction ledger

⁹ Release at 14676.

is immutable because the ledger cannot be reversed or rewritten, the operator of a digital asset security blockchain network can nevertheless correct an erroneous or fraudulent transaction at the request of a transfer agent or regulator. To correct an erroneous or fraudulent transfer, Securitize Transfer can “burn” the digital asset security from the incorrect recipient and re-issue the digital asset security to the new correct recipient. Accordingly, because erroneous transfers in digital asset securities are prevented by smart contracts and can be corrected, they should not be treated the same as crypto assets where transfers are incapable of being corrected.

2. *The use of digital asset securities also provides a superior audit trail as compared with traditional non-digital securities.*

The use of digital asset securities also provides a superior audit trail as compared with traditional non-digital securities (“traditional securities”). For traditional securities, a transfer agent maintains ownership records in the conventional manner and corrects erroneous transfers via standard means, such as by simply typing-over an incorrect entry and inputting the correct one. For instance, if a transfer agent relies on a Microsoft Excel spreadsheet as a method of recording ownership, the transfer agent will edit the cells to ensure the correct transaction replaces an incorrect transaction. Although this allows for relatively easy correction in the case of errors or fraud, it also allows for tampering without systematic controls and without the creation of an auditable record. Due to the lack of visibility, it is as if the erroneous transaction never occurred. In contrast, as discussed above, while a digital transfer agent using blockchain technology can correct for an erroneous transaction via a “burn and reissuance” process, the original issuance would remain recorded and auditable on the blockchain network. Accordingly, the result would be correct (the security would be transferred to the rightful owner), but the remedial steps taken to revert the effects and achieve the correct result would be immutably recorded, which provides greater transparency and regulatory oversight. For digitally enhanced transfer agents, such as Securitize Transfer, immutability is a positive feature, not a negative one in this scenario.

We urge the Commission to distinguish between types of digital assets by noting that erroneous or fraudulent transfers of regulated digital asset securities on a blockchain network can be corrected.

- C. The Commission should not amend the definition of a privately offered security under the Advisers Act merely because the issuers of certain digital asset securities elect to use permissionless blockchains to maintain the record of ownership of such securities.

The Proposal provides an exception to the requirement to maintain client assets with a qualified custodian when an adviser has custody of privately offered securities or physical assets, provided that, in pertinent part:

- the adviser reasonably determines and documents in writing that ownership cannot be recorded and maintained (book entry, digital, or otherwise) in a manner in which a qualified custodian can maintain possession or control transfers of beneficial ownership of such assets; and
- the adviser reasonably safeguards the assets from loss, theft, misuse, misappropriation, or the adviser’s financial reversals, including the adviser’s insolvency.

As stated in the Release:

“In order for a security to be a privately offered security under the proposed safeguarding rule, among other conditions, it must be uncertificated, and the ownership can only be recorded on the non-public books of the issuer or its transfer agent in the name of the client as it appears in the adviser’s required records. As a result, we believe that such crypto asset securities issued on public, permissionless blockchains would not satisfy the conditions of privately offered securities under the proposed safeguarding rule.”¹⁰

Securitize agrees that a digital asset security offered on a permissioned blockchain satisfies the privately offered security exception. However, the Commission’s concerns with public, permissionless blockchains for regulated digital asset securities operating with the use of a registered transfer agent are based upon a misunderstanding of how public, permissionless blockchains are utilized in the context of regulated digital asset securities. Specifically, the requirement that “ownership can only be recorded on the non-public books of the issuer or its transfer agent in the name of the client as it appears in the adviser’s required records” is something that can and is achieved in not only an acceptable but, arguably, superior way as compared to existing methods.

1. *Digital asset securities issued on a permissionless blockchain are no less secure than digital asset securities issued on a permissioned blockchain.*

Generally, permissionless blockchains allow all individuals to join a blockchain network, send and receive transactions, operate a node, and participate in the consensus process. Permissioned blockchains, which are typically controlled by specific individuals or groups, limit who is allowed to participate in activities on the network. Thus, permissioned blockchains typically have fewer validators and are more vulnerable to 51% attacks than a permissionless blockchain that, in some instances, like Ethereum, have exceeded 500,000 validators.¹¹ Moreover, public permissionless blockchains are designed to create a financial disincentive to try to manipulate the network because the cost of running more than 51% of the nodes typically is too high for anyone to execute on. Rather than distinguish between whether a given blockchain is permissioned or permissionless, the Commission should focus on whether the particular blockchain has sufficient nodes to make it economically impossible to perform an attack. A permissionless blockchain can nevertheless maintain a controlled environment to satisfy regulatory concerns.

2. *The Commission has acknowledged in past guidance that regulated entities can evaluate the potential risks associated with permissionless and permissioned blockchains.*

In the Commission’s statement on Custody of Digital Asset Securities by Special Purpose Broker-Dealers (the “[Statement](#)”), the Commission explained that, under certain circumstances, a broker-dealer would not be subject to a Commission enforcement action on the basis that the broker-dealer deems itself to have obtained and maintained physical possession or control of

¹⁰ Release at 14706.

¹¹ Bessie Liu, [Ethereum Hits 500,000 Validator Milestone](https://blockworks.co/news/ethereum-to-reach-500000-validators), Blockworks (Jan. 12, 2023), <https://blockworks.co/news/ethereum-to-reach-500000-validators> (last accessed May 10, 2023).

customer fully paid and excess margin digital asset securities.¹² In pertinent part, two factors in determining whether a broker-dealer maintains physical possession or control occur when:

[t]he broker-dealer establishes, maintains, and enforces reasonably designed written policies and procedures to conduct and document an assessment of the characteristics of a digital asset security's distributed ledger technology and associated network prior to undertaking to maintain custody of the digital asset security and at reasonable intervals thereafter[.]¹³

[t]he broker-dealer establishes, maintains, and enforces reasonably designed written policies, procedures, and arrangements to [s]pecifically identify, in advance, the steps it will take in the wake of certain events that could affect the firm's custody of the digital asset securities, including, without limitation, blockchain malfunctions, 51% attacks, hard forks, and airdrops[.]¹⁴

Thus, it is consistent with previous Commission guidance that Commission-regulated entities with reasonable due diligence policies and procedures can be deemed to have physical possession or control over digital asset securities in certain scenarios. The Statement recognizes that broker-dealers may not be able to "control" customer digital asset securities using the same mechanisms for traditional securities and provides a path for broker-dealers to maintain custody of digital asset securities while addressing the risks unique to those assets.¹⁵ The ability to reverse or correct erroneous or fraudulent transactions involving digital asset securities is indicia of such possession or control. As described in the Statement, a broker-dealer can maintain sufficient and reasonable policies and procedures to indicate that it has possession or control over digital asset securities issued on a blockchain.

3. *It is unnecessary to redefine privately offered securities.*

It is not necessary or beneficial to amend the definition of a privately offered security under the Advisers Act merely because the issuers of certain digital asset securities elect to use permissionless blockchains to maintain the record of ownership of such securities. A digital asset security that is recorded on the records of the issuer or the transfer agent selected by the issuer utilizing a public, permissionless blockchain that is associated with a registered transfer agent comports with the requirements of Rule 206(4)-2 in its current form. Furthermore, the registered transfer agent must maintain records on behalf of issuers in compliance with Rule 17Ad-7.¹⁶ Such records are subject to inspection by the Commission staff as part of the examination of a registered transfer agent.

A fundamental purpose of a blockchain is its use as a tool for creating an immutable ledger of transactions and/or other data. Whether a blockchain is permissioned or permissionless does

¹² See Custody of Digital Asset Securities by Special Purpose Broker-Dealers, 86 FR 11627 (Feb. 26, 2021).

¹³ *Id.* at 11631.

¹⁴ *Id.*

¹⁵ *Id.* at 11628.

¹⁶ The transfer agent record retention rule does not specify the type of technology that may be used by a transfer agent to maintain such records and the Commission does not prohibit transfer agents from using blockchain technology.

not impact the ability of an entity to assure or verify efficiently the existence of client assets in compliance with the verification required by proposed Rule 223-1(b)(2)(iii)(A).¹⁷

As a result, we urge the Commission to recognize that a security offered on a permissionless blockchain is a “privately offered security” under the Advisers Act if the transfer agent has sufficient and reasonable policies, procedures, and protocols in place to demonstrate that it has possession or control over the digital asset security issued on such permissionless blockchain.

- D. The Commission should designate transfer agents with sufficient and reasonable policies and procedures in place to indicate that the transfer agent has possession or control over uncertificated securities, including over digital asset securities issued on a blockchain, as qualified custodians under the Proposal.

In the Release, Commission staff asked: “[s]hould transfer agents be included in the definition of qualified custodian in the final rule?”¹⁸ Transfer agents offer similar services to the other types of financial institutions that meet the current definition of a qualified custodian for uncertificated securities. Additionally, as described below, transfer agents would be able to agree to the contractual terms contained in the proposed written agreement requirement. Further, advisers would be able to satisfy the reasonable assurances requirement under the proposed rule if a transfer agent were holding client assets.

1. *The Commission staff has recognized transfer agents as a good control location.*

The Commission staff has recognized in an analogous context that a transfer agent is a good control location for purposes of the Customer Protection Rule (Rule 15c3-3) for transactions that occur on an ATS relying on the so-called “four-step process.”¹⁹ The Commission staff has also indicated that it would not recommend enforcement action if a broker-dealer treated a transfer agent for uncertificated securities as a good control location for purposes of the Customer Protection Rule.²⁰ We encourage the Commission to amend the proposed definition of qualified custodian to include transfer agents that meet certain conditions, including offering services similar to the types of financial institutions that meet the current definition of a qualified custodian.

¹⁷ A wallet’s public key (address) is similar to a financial institution’s ABA routing number, which is also public. See American Bankers Association, ABA Routing Number Lookup, *available at* <https://routingnumber.aba.com/default1.aspx> (last accessed May 10, 2023). That a person has a bank’s ABA routing number does not enable them to move funds without the corresponding bank account number and permission of the financial institution. This approach is similar to the use of private and public keys within blockchain wallets.

¹⁸ Release at 14687.

¹⁹ See SEC and FINRA, “Joint Staff Statement on Broker-Dealer Custody of Digital Assets,” (July 8, 2019), *available at* <https://www.sec.gov/news/public-statement/joint-staff-statement-broker-dealer-custody-digital-asset-securities>.

²⁰ See Letter to Fantex Brokerage Services, LLC from Mark M. Attar, Senior Special Counsel, Division of Trading and Markets, Commission, dated Dec. 19, 2014; see *also* Letter to Wells Investment Securities, Inc. from Bonnie L. Gauch, Attorney, Division of Market Regulation, dated Jan. 5, 2000 (REIT shares); Letter to FOLIOfn Investments, Inc. from Sheila Dombal Swartz, Special Counsel, Division of Trading and Markets, dated Oct. 15, 2008 (notes); Letter from Joseph I. Levinson, Special Counsel, Division of Trading and Markets, dated June 9, 2009 (units of Delaware business trusts and shares of Cayman Islands exempted corporations).

2. *The Commission should recognize transfer agents as qualified custodians for uncertificated securities, including digital asset securities offered in compliance with the securities laws.*

Securitize Transfer monitors the blockchains underlying the digital asset securities available for trading on the Platform and for which it maintains the transaction ledgers. Securitize Transfer maintains a traditional single master security holder list and also publishes the ownership record using distributed ledger technology. A transaction in such a digital asset security only occurs in accordance with a compliance protocol consistent with the terms agreed to by the parties on the Platform. The transaction is governed by a set of smart contracts that essentially code and enforce the specific compliance rules of that particular security. Every transaction occurring on the blockchain must be between wallets that have been whitelisted by Securitize Transfer or any other approved regulated entity (*i.e.*, have passed appropriate AML and KYC screenings) and that comply with the transfer rules coded on the protocol that governs the behavior of the digital asset securities. Accordingly, a transaction in a digital asset security cannot occur without Securitize Transfer's blockchain protocol approval, awareness, and participation.

The process described above satisfies the Proposal regarding the safeguarding of client assets.²¹ A digital asset security can be designed to ensure that a transfer agent carries out a transaction pursuant only to the contractual terms contained in a custodial agreement, which would satisfy the proposed written agreement requirement of the Proposal. Advisers then would be able to satisfy the reasonable assurances requirement under the Proposal. Securitize is aware of other digital asset securities platforms and transfer agents that function similarly to Securitize. Securitize has extensive experience with both digital and traditional transfer agent models. We operate both a transfer agent using a digital approach to services based on blockchain and smart contract technologies as well as a transfer agent relying on more manual processes (so-called "traditional transfer agent"). The use of blockchain technology by transfer agents results in fewer errors than the traditional approach to transfer agent services and allows for erroneous or fraudulent transfers to be corrected. Furthermore, as discussed above, a registered transfer agent for digital asset securities, similar to the traditional securities infrastructure, has processes to reverse or cancel mistaken or unauthorized transactions, and can provide meaningful recourse to invalidate fraudulent transactions, recover, or replace lost property, or correct errors.

3. *Recognizing transfer agents as qualified custodians will promote market integrity, market efficiency, and protection of investors.*

Designation of transfer agents as qualified custodians will help to meet the primary missions of the Commission, which are: (i) protection of investors; (ii) maintaining fair, orderly, and efficient markets; and (iii) facilitating capital formation.²² Such designation also will help resolve an acute problem raised by digital asset securities—proper custody—which is only exacerbated by the Proposal. As recognized by the Commission, the market for custodial services for digital assets is undeveloped and, as a result, advisers are resorting to unconventional and non-compliant approaches. The Release notes "[s]ome of these advisers, however, may not maintain their client's crypto assets with a qualified custodian, instead attempting to safeguard their client's crypto assets themselves—a practice this is not compliant

²¹ See Release at 14677 ("The proposed rule would further define 'possession or control' to mean holding assets such that the qualified custodian is required to participate in any change in beneficial ownership of those assets").

²² SEC, What We Do, available at: <https://www.sec.gov/about/what-we-do> (last accessed May 10, 2023).

with the custody rule if those crypto assets are funds or securities.” Although the Commission recognized the dearth of qualified custodians that are able (or willing) to act a custodian for digital assets, including digital asset securities, the Proposal does nothing to alleviate that issue. Currently, an adviser cannot maintain a digital asset security with a broker-dealer because the Commission requires these assets be custodied with special purpose broker-dealers (“SPBD”). However, no broker-dealer has yet been approved as a SPBD. Designation of transfer agents as qualified custodians would provide advisers with a much needed regulated entity with which to compliantly custody digital asset securities on behalf of their clients.

Accordingly, a transfer agent that has sufficient and reasonable policies and procedures in place to indicate that it has possession or control over uncertificated securities, including over digital asset securities issued on a blockchain, should be included within the definition of a qualified custodian under the Advisers Act.

III. Conclusion

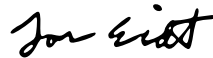
Securitize commends the Commission for soliciting comments from the industry and we hope that the Commission finds these comments informative. Blockchain technology is a powerful tool that will promote much needed innovations in the financial services industry. We appreciate the Commission’s efforts to modernize the securities laws to meet the developing needs of the industry.

We welcome the opportunity to tell you more about Securitize, our business model, and our use of blockchain technology. Should you wish to discuss this letter or any other matter, please do not hesitate to contact us or Securitize’s counsel, Richard B. Levin and Kevin Tran of Nelson Mullins Riley & Scarborough at 303-583-9929 or 615-664-5322.

Very truly yours,



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