

The Digital Identity Sector-Focused Fund

A \$5M Pre-Seed and Seed-Stage Fund

Strictly Confidential



Digital Identity Investment Thesis

Every day, billions of interactions track the identity of people, entities, and things. However, the way we create, manage, and use identities on-and-offline hasn't kept pace with the speed of the connected world.

Realizing this, every major company in the world has started focusing on the next generation of digital identity technology as a necessity for continued growth and security.

By focusing solely on early-stage digital identity startups and providing these entrepreneurs with access to our depth of technical & domain expertise, extensive networks and proven operating acumen, **we will invest at the ground floor, accelerate their growth, and deliver superior investment returns.**

Executive Summary

- 1414 Ventures is an early-stage VC fund focused solely on the digital identity (DI) space, a \$210B market that supports foundational consumer & enterprise functions such as payments, cybersecurity, and data privacy/ trust. Given the huge surge in virtual and digital transactions/ interactions over the last year combined with increased security, fraud prevention and privacy needs, there is a huge opportunity for next-gen digital identity startups.
- We are well-positioned to be the pre-eminent early-stage investor in this new and emerging market. The core team (Jackie Shoback, Howard Hall, Claire Wadlington, Mike Engle and Harold Moss) brings deep expertise in digital identity and financial services, complementary skills/networks, and demonstrated operating acumen in building and operating successful businesses with decades of combined experience. The strategy focuses on pre-seed/seed stage investments to capture the most upside in this next wave of innovation at attractive valuations, use our extensive relationships, deep technical & domain expertise, and go-to-market know-how to grow these companies quickly.
- The fund had its first close and is now seeking to round out with another **\$2.5M** in funds. We have assembled an impressive group of private and strategic investors - notably former and existing CEOs/C suite execs, tech entrepreneurs, and industry leaders such as the president of a global consulting and digital services firm, CFO of a top 10 global bank and noteworthy venture capitalists.
- The \$5M pre-seed/seed stage fund has identified a rich pipeline of promising startups. These opportunities were sourced by the extensive personal networks of both the managing directors and our venture partners. These potential investments have unique and proprietary intellectual property, teams with a track record of success and early customer traction. We are in the preliminary stages of due diligence on several investments and feel optimistic about our investment thesis, pipeline and anticipate making our first series of investments within the next 90 days.

Our Team

Multi-Disciplinary Team of Industry Experts and Operators with Decades Building Identity Teams and Solutions

Core Team



Howard Hall
MD @ Consult Hyperion USA
@ RiverGlass,
Trustwave, Vericept



Jackie Shoback
C-suite Exec/Board Director;
@ Boston Private,
TIAA, Fidelity, Staples



Mike Engle
CSO @1Kosmos,
@ Co-Founder, Bastille Networks
@ CISO Lehman



Claire Wadlington
CFO, Beamable
@ Lazard, Credit Suisse,
FA Tech Ventures, Cayman Systems



Harold Moss
Nat. Security Institute Fellow, CTO
Cloud Security IBM, Chief Security
Architect IBM Watson, Akamai, EMC

Featured Experts and Mentors



David Birch
Top 50 Most Influential People
in Digital Identity*



Stacy Stubblefield
Co-Founder & Chief Strategy Officer @
TeleSign



Clay Deutsch, Fmr CEO @ Boston
Private, FIG Lead @ McKinsey



Justin Perreault
Partner @ Pamplona Capital



Jim Wodarski
Member @ Mintz Levin (IP)



Chitra Nayak, Board Member, Fmr
COO, Platform Business, SalesForce,
COO of Comfy and Funding Circle

Summary of Terms

Investment Focus and Model

Vision – To become a leading early-stage investor of choice for ambitious founders focused on building technology to solve digital identity problems

Fund I Strategy – Provide early-stage capital along with domain expertise, mentorship, operating acumen and access to key relationships in the digital identity sector which in combination accelerate growth

Investment Stage – Pre-Seed and Seed

Type of Security – Preferred Equity, Convertible Notes, SAFES

Number of Company Investments – 10 to 12 investments with capital called as needed not all upfront

Average Investment Size – \$150k to \$400k, depending upon stage, with \$1 in reserves for follow on for every \$1 in initial investments

Expanded Investment Capacity – SPV's may be used to boost investment capacity on deals that require it

Industries – Software and technology services companies with an emphasis on on-demand services, financial services, and security

Targeted Returns – Overall target of 20% IRR and 3.0X - 5.0X cash returned (DPI)

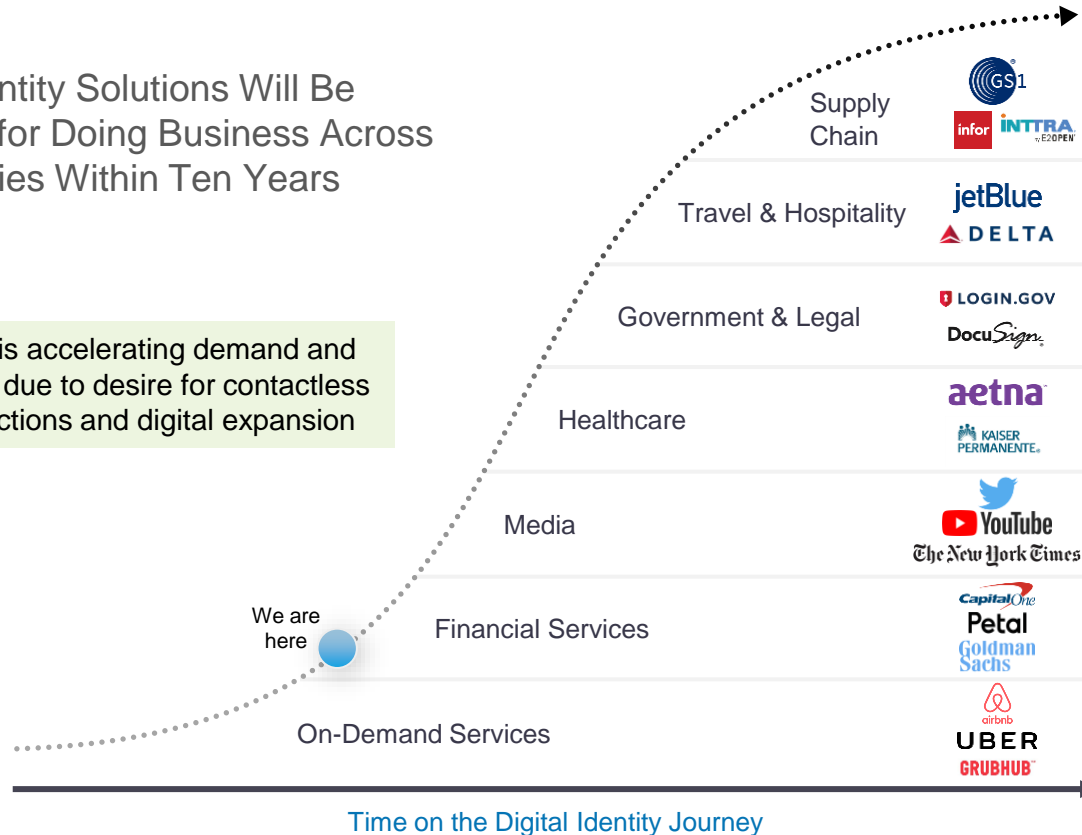
Fund Structure

Fund Size	\$5M
First Close	\$2M
Fund Life	10 Years
Investment Period	4 - 5 Years
Management Fee	2.5% (life of fund avg.)
Carried Interest	20% to GP
GP Commitment	5%
Minimum LP Commitment	\$100,000 individual; \$500,000 institutional

We Are in the Early Days of the Digital Identity Journey

Digital Identity Solutions Will Be Requisite for Doing Business Across All Industries Within Ten Years

Covid is accelerating demand and trends due to desire for contactless transactions and digital expansion



Select companies seeking solutions today

- New business models reliant on digital identity [today](#)
- On-Demand Services
- Integrated Online and Offline Transaction Services
- Challenger Banks
- Mobility-as-a-Service

Time on the Digital Identity Journey

What is Digital Identity?

Digital Identity is High-Value Transactional Data that Supports Foundational Consumer and Enterprise Functions, such as Payments, Cybersecurity, and Marketing



Digital Identity Themes of Focus in 2021

Authentication

Identity Management and Verification

Biometrics

Fraud Identification and Prevention

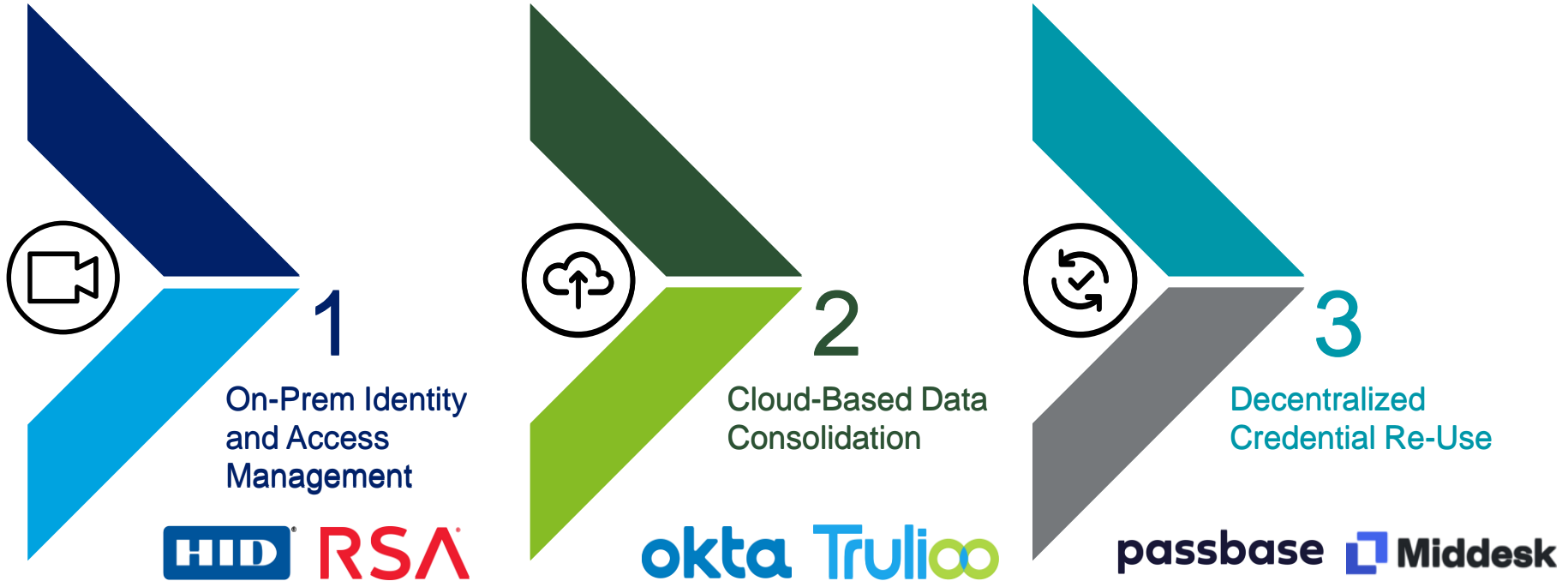
Data Protection and Privacy

Mobile Identity and Device Intelligence

Self-Sovereign and Decentralized Identity

We are Entering the Next Wave of Identity Solutions

Waves 1 and 2 Focused on Solving Problems for the Enterprise. Wave 3 Bridges the Divide Between Consumer and the Enterprise with Reusable, Privacy-Preserving, High-Fidelity Credentials



Why Now? Major Drivers for Change

Rapid Growth in Digital Transactions is Driving the Next Generation of Innovation and Delivery of Digital Identity Solutions



Changing Perspectives on Identity and Privacy



Evolving Global Regulatory Considerations



Acceleration of Digital Transformation Models



Growing Shift to Omni-Channel Engagement Models



Exponential Rise in Data from Internet of Things



Digital identity rapidly emerging as the linchpin to building trust and doing business online and offline

Rapid proliferation of new identity verification technologies and applications (e.g. blockchain) beyond financial services

Wave 3 market segments have an aggregate total addressable market of \$210B¹

Large-Scale Platform Needs

Next Generation Digital Identity Solutions are a Priority for Platform Leaders Requiring New Applications and Enabling Technologies

Company	Example Initiative
Microsoft	Developing new infrastructure built on decentralized identifiers
Google	Incorporating single-sign on with verifiable credentials
Mastercard	Enhancing the payment rails to transmit identity information
Apple	Turning their Apple Wallet into an Identity Wallet
Facebook	Building a new digital currency and identity with Libra
DocuSign	Developing a marketplace of identity products to support their eSignature suite



Solutions Required

Interoperable solutions across identity standards

Improved trust frameworks and supporting technology

Platform add-on solutions via partnership (e.g., document verification, fraud prevention)

Adequate relying party partnerships to reach scale and adoption

1414 Ventures is Positioned to Capitalize on the Next Wave of Digital Identity Innovation

We have the Team, Expertise, and Platform to be the Early-Stage Fund of Choice for the Next Generation of Digital Identity Entrepreneurs



Ability to attract, discover and diligence early-stage investment opportunities through deep industry relationships and laser focus on market



Ability to leverage extensive industry networks for market intelligence, customer opportunities and talent



Ability to harness the complementary skillsets and deep subject expertise of the core team and venture partners for growth, mentorship and go-to-market execution



Selection advantage



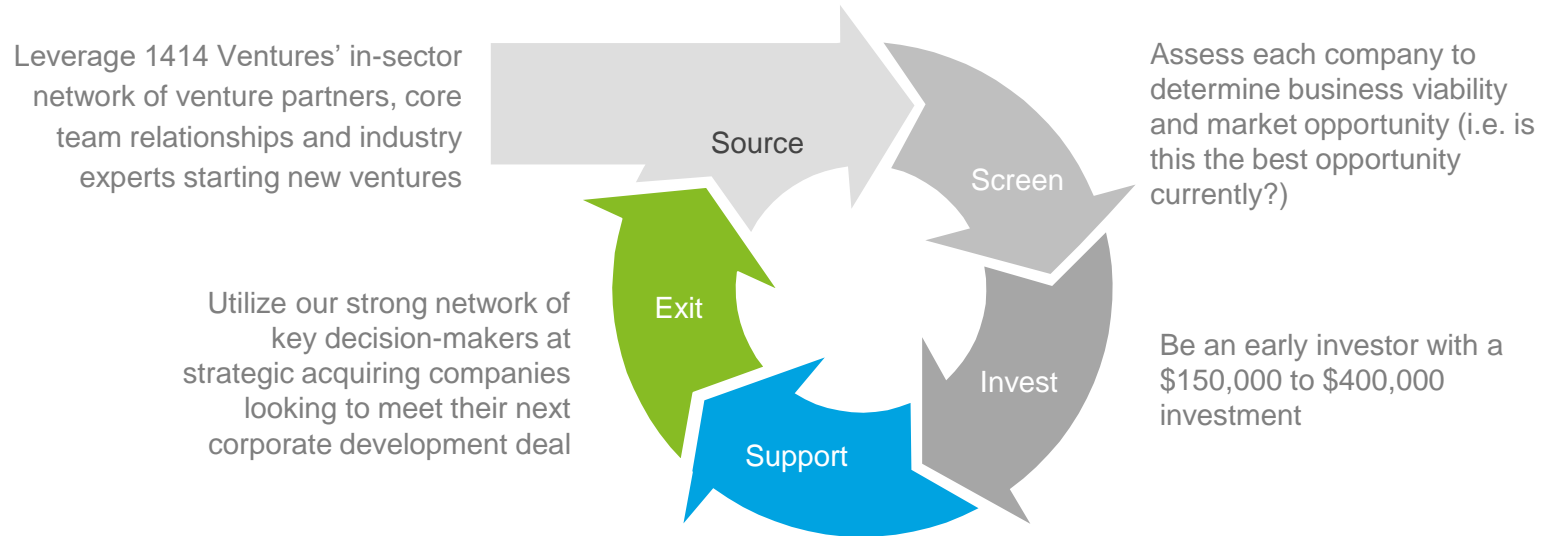
Network of choice



Speed to market

Our Investment Process

Our Broad Industry Expertise and Network Gives us First Look at Rising Stars and the Ability to Support our Portfolio Companies Through Exit



The Market has Demonstrated Significant Returns

We've Seen \$6.0B+ in Investment and \$6.0B+ in Sales of Startups to Strategic Acquirers



Highlighted Company	Founded	Exited	Market Segment	Total Raised	Transaction Amt	Acquirer
Sectigo	2000	2020`	Device Authentication and ID	\$7.5M over 2 Rounds	\$650M	GI Partners
Auth0	2013	2021	IDaaS & Cloud IAM	\$213.5M over 6 Rounds	\$6.5B	Okta
Socure	2014	N/A	Identity Verification	\$197M over 9 Rounds	Valued at \$1.3B	N/A
Kount	2007	2021	Identity-based Anti-fraud	\$80M over 2 Rounds	\$640M	Equifax
Tapad	2011	2020	Identity-based Marketing	\$37.8M over 3 Rounds	\$280M	Experian
Emailage	2012	2020	Fraud Prevention & Risk Management	\$15.7M over 2 Rounds	\$480M	LexisNexis
Duo	2009	2018	Authentication	\$121.5M over 6 Rounds	\$2.4B	Cisco
ThreatMetrix	2005	2018	Fraud Prevention & Risk Management	\$91.9M over 8 Rounds	\$817M	RELX Group
Drawbridge	2011	2019	Identity Graphing	\$69.7M over 5 Rounds	\$300M	LinkedIn
Okta	2009	2017	IDaaS & Cloud IAM	\$229.3M over 7 Rounds	Went public at \$1.5B valuation, now with a \$22B Market Cap	IPO on NASDAQ
Checkr	2016	N/A	Background Screening	\$309.1M over 5 Rounds	Valued at \$2.2B	N/A

Becoming a 1414 Ventures Investor

Be Part of an Emerging Market with Tremendous Upside Potential Joining a Strategic Investor Pool



Capitalize on the Digital Identity Opportunity

Ground floor opportunity to invest in an emerging market that is developing requisite technology for all industries



Access to World Class Deal Flow and Unique Platform

Exposure to tier 1 VC deals and co-investment opportunities in subsequent rounds



Attractive Investment Returns

Viable exit strategies to strategic acquirers with target returns of 20% IRR and 3 - 5x investment multiple

Thank You

For additional information, please contact:

Howard Hall

Howard@1414Ventures.com

617.905.7600

Mike Engle

Mike@1414Ventures.com

732-820-0096

Jackie Shoback

Jackie@1414Ventures.com

617.513.0816

Claire Wadlington

Claire@1414Ventures.com

617.877.0784

Harold Moss

Harold@1414Ventures.com

978-701-2255

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IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. AN INVESTMENT IN THE FUND MAY BE CONSIDERED TO BE OF HIGH RISK AND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO UNDERSTAND THE SIGNIFICANT RISKS INVOLVED AND CAN BEAR A LACK OF LIQUIDITY AND A LOSS OF THEIR INVESTMENT.

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POTENTIAL INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THERE IS NO ACTIVE SECONDARY MARKET IN WHICH THE SECURITIES BEING PURCHASED CAN BE RE-SOLD.

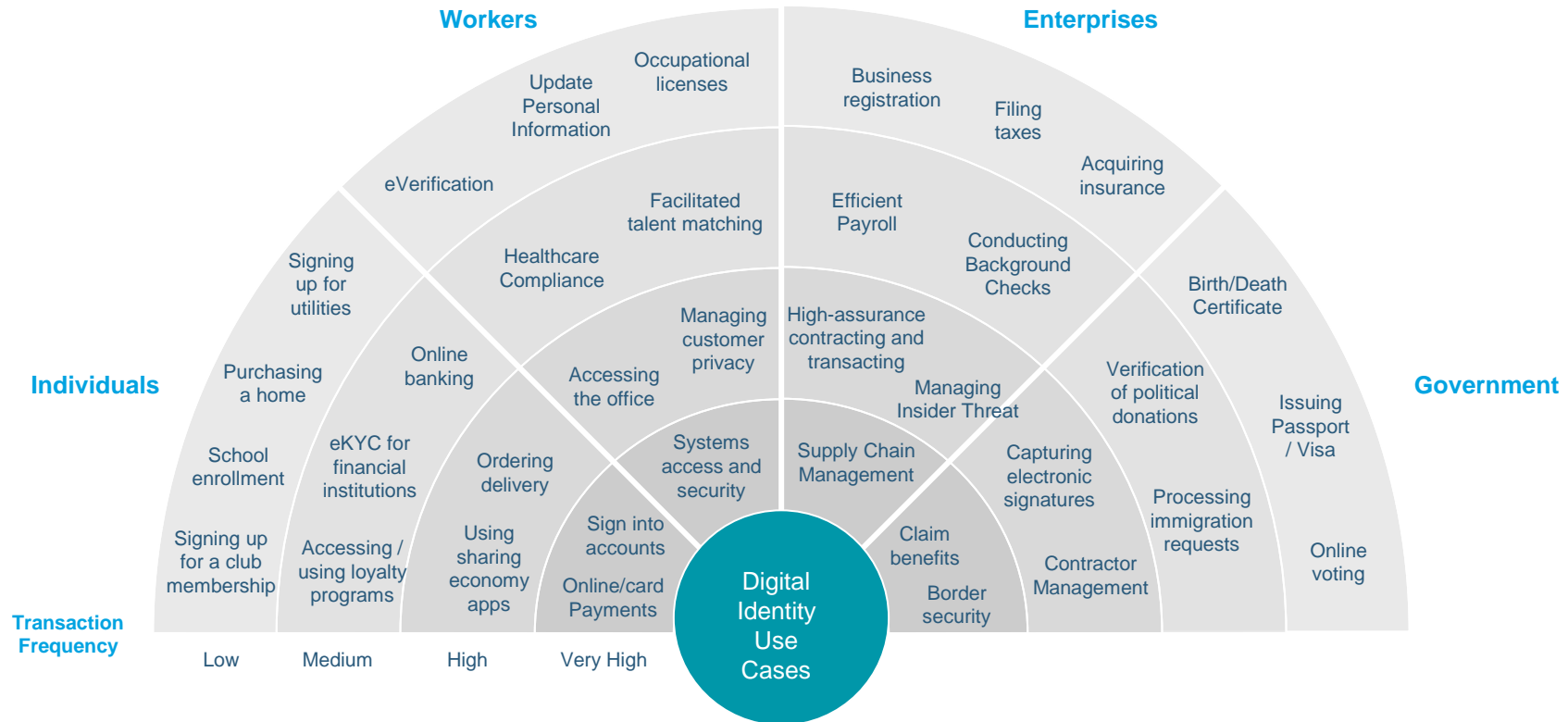
INVESTMENTS IN THE FUND WILL BE LIMITED TO "ACCREDITED INVESTORS" AS SUCH TERM IS DEFINED UNDER REGULATION D.

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Appendix

Use Cases are Limitless...

While the Number of Use Cases are Limitless, We Can Bucket them into Four Categories: Individuals, Workers, Enterprises and Governments.



Notable Transactions & Valuations

Company	Founded	Exited	Total Raised	Transaction Amt	Acquirer	Source
Sectigo	2000	2020	Device Authentication and ID	\$650M	GI Partners	Pitchbook/ Crunchbase
Auth0	2013	2021	IDaaS & Cloud IAM	\$6.5B	Okta	Pitchbook. TechCrunch
Socure	2014	N/A	Identity Verification	Valued at \$1.3B	N/A	Bloomberg / TechCrunch
Kount	2007	2021	Identity-based Anti-fraud	\$640M	Equifax	Pitchbook/ Crunchbase
Tapad	2011	2020	Identity-based Marketing	\$280M	Experian	Pitchbook/ Crunchbase
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Duo	2009	2018	Authentication	\$2.4B	Cisco	Pitchbook
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Drawbridge	2011	2019	Identity Graphing	\$300M	LinkedIn	C-Suite Employee at Drawbridge
Okta	2009	2017	IDaaS & Cloud IAM	Went public at \$1.5B valuation, now with a \$22B Market Cap	IPO on NASDAQ	Pitchbook
Checkr	2016	N/A	Background Screening	Valued at \$2.2B	N/A	Pitchbook. Last valued September 2019

Core Team Summary

Jackie Shoback	Mike Engle	Howard Hall	Claire Wadlington
Former C-Suite Exec (Div. CEO, CMO, COO, CCDO)	CTO & Security Evangelist (Lehman, 1Kosmos, Bastille)	Managing Director, CHYP USA SME Digital Identity and Payments Strategy and Corp Development	VC, Investment Banker, Strategic CFO, COO
<ul style="list-style-type: none"> ▪ 25+ Years of GM “Growth & Scale” Experience: <ul style="list-style-type: none"> ▪ P&L Oversight (Startup to \$1B in Revenue) ▪ Ran Variety of Business Models/All Growth Stages ▪ Scaled Staples.com to \$1B in Revenue in 3 yrs ▪ Consumer, Digital, Financial Services ▪ Angel Investor, ▪ MassChallenge Judge/Startup Mentor ▪ 2019 Most Influential Corporate Board Director, WomenInc ▪ Key Areas of Expertise: <ul style="list-style-type: none"> ▪ Operations/Scale & Growth ▪ Customer Insights/Experience IT & Digital Transformation ▪ Talent Management / Team Building 	<ul style="list-style-type: none"> ▪ CISO, Lehman Brothers, 12+ years: focused on bridging gaps between IT and physical security; oversaw IT Security Strategy & Engineering; Architected and delivered an industry renowned Enterprise Identity Management solution. ▪ Responsible for large teams; multi-million dollar projects. ▪ Serial Entrepreneur, founding, co-founding 2-Track Solutions (asset tracking), Bastille Networks and 1Kosmos (Block ID). ▪ Key Areas of Expertise: <ul style="list-style-type: none"> ▪ Running large teams / ▪ Visual Display of numbers ▪ Strategic use of financial info ▪ Expertise ramping from 0 to 1 and large corporate implementations 	<ul style="list-style-type: none"> ▪ Serial Entrepreneur, Active Angel Investor ▪ Led Strategy and Corp Dev at multiple startups ▪ Part of Exec team that successfully exited three startups ▪ Over 20 Years Experience Advising Companies in: <ul style="list-style-type: none"> ▪ IT Security ▪ Business Intelligence ▪ Digital Identity, FinTech & Payments ▪ Former EIR@ Sigma Partners, Startup Board Member & Mentor ▪ Key Areas of Expertise: <ul style="list-style-type: none"> ▪ Strategic Planning ▪ Go To Market Strategies ▪ Business Development & Sales ▪ Scale & Growth ▪ Talent Management 	<ul style="list-style-type: none"> ▪ 10+ Years Investment Banking experience at Lazard, Credit Suisse, First Albany / Gleacher ▪ 10+ Years as VC Partner (investment committee, Board & Board Observer roles, COO, CFO) at FA Tech Ventures ▪ Strategic CFO with record of M&A (Cayman Systems, UbiCare (digital health), PPI, Beamable (sold Star Trek Timelines game) ▪ Active in entrepreneurial community ▪ Fmr Chair MIT Enterprise Forum of Cambridge; Techstars & Pipeline Mentor & active in entrepreneurial com ▪ Key Areas of Expertise: <ul style="list-style-type: none"> ▪ Financing ▪ Visual Display of numbers ▪ Strategic use of financial info

Selected List of Experts and Mentors



Name	Title	Company	Area of Expertise	Background
Harold Moss	Global Exec at Tech Driven Firms	National Security Institute Fellow	<ul style="list-style-type: none"> Technical assessment / development Product-market-fit 	CTO, Security, Business Leadership roles at IBM (inc Watson), EMC, Akamai; NSI Fellow
Chitra Nayak	COO of Platform	Salesforce (former)	<ul style="list-style-type: none"> Go-to-market strategy Entrepreneurial leadership / operations 	Operating exper inc Div. COO/ SVP sales/mktg areas SalesForce; COO AI/IOT startup Comfy
Justin Perreault	Partner	Pamplona Capital	<ul style="list-style-type: none"> Raising capital Company formation 	Extensive experience in venture capital and private equity
David Birch	Advisor	Digital Financial Services	<ul style="list-style-type: none"> Market intelligence Technical architecture 	Author and luminary in digital space. Cited as among the most influential figure in the space
Jim Wodarski	Member	Mintz Levin	<ul style="list-style-type: none"> Company formation Intellectual property rights 	Trial lawyer w 20 yrs of complex civil litigation exper. Leads Mintz ITC patent dispute practice
Stacy Stubblefield	Chief Strategy Officer	TeleSign	<ul style="list-style-type: none"> Go-to-market strategy Entrepreneurial leadership 	Co-Founder/successful entrepreneur; extensive global exper. building, deploying identity tech
Paul McGowan	CEO	OutSourceMySales	<ul style="list-style-type: none"> Go-to-market strategy Sales and operations 	Senior sales executive with over 20 years of experience
Clay Deutsch	Former CEO	Boston Private	<ul style="list-style-type: none"> Product-market-fit Go-to-market strategy 	Fmr CEO & Sr Partner- McKinsey's Financial Svcs Grp. Deep fin mkt / pub policy expertise.
John Amaral	Head of Product	Cisco Security	<ul style="list-style-type: none"> Product-market-fit Technical assessment / development 	Extensive experience leading product and engineering teams for all sizes of business
Bill Carey	Former President	Fidelity Investments	<ul style="list-style-type: none"> Go to market strategy Product market fit 	Former CEO and Pres – Fidelity Investment, BAML. Deep financial services expertise