

## Broker-Dealer Pitching Blockchain

**Propellr**, which uses blockchain technology to structure unrated commercial mortgage securitizations for small issuers, wants to expand its coverage to include asset-backed securities and collateralized loan obligations.

Previously, the New York broker-dealer mainly financed small-balance commercial mortgage transactions. But its technology is adaptable for other asset classes, and a spokesman confirmed it is in early-stage talks with business- and transportation-finance companies about the possibility of them issuing blockchain-enabled CLOs and asset-backed bonds. An initial transaction could materialize early next year.

Since its founding in 2014, Propellr has helped privately place about 25 commercial-mortgage securitizations using its technology. But only recently has the firm begun using blockchain technology to structure and distribute bond offerings. In September, it completed its first such deal for a lender that originated a \$30 million mortgage on a residential building in Manhattan. Another New York-based financial-technology firm, **Fluidity**, worked with Propellr on the transaction.

With its blockchain application, Propellr can perform services including loan servicing, deal structuring and placement. Because many investors aren't yet comfortable with the technology, Propellr allows them to "unload" their positions for conventional trading on the secondary market.

Propellr is led by founder **Todd Lippiatt**, who also runs **Aristone Realty**. Lippiatt's resume includes positions as a mortgage-bond trader at **Donaldson Lufkin & Jenrette**, **Morgan Stanley** and **Credit Suisse**.



Propellr joins a growing number of businesses seeking to adapt blockchain technology for securitization purposes including **Othera**, **Ripple**, **RiskSpan**, **R3** and **Symbiont**. ❖