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Caryn Seidman-Becker
Chairman and Chief Executive Officer
CLEAR

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Webinar

Moderator: Andy Serwer
Editor-in-Chief, Yahoo Finance

Introduction

Welcome everyone. This is Barbara Van Allen, President of the Club, and we're going to get started in exactly one minute. Thank you.

Vice Chair Dan Schulman

Hi, everyone. Good afternoon and welcome to the 592nd meeting of The Economic Club of New York in what is now our 114th year. I'm Dan Schulman, I'm the Vice Chair of the Club, and I'm the President and CEO of PayPal. As many of you know, The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and our mission is as important today as it's ever been as we continue to bring people together as a catalyst for conversation and innovation.

I also want to extend a special welcome to the members of the Economic Club of New York's 2021 Class of Fellows – a select group of very diverse, rising next-generation business thought leaders, and graduate students from Rutgers University, Manhattan College, the CUNY Graduate Center, NYU Stern School of Business and Columbia Business School.

It's a pleasure for me to welcome our special guest today, Caryn Seidman-Becker.

Caryn is the co-founder, Chairman and CEO of CLEAR. Her vision is to build a safer and more secure world to live, work and play, and that came to life in 2010 when she and her co-founder, Ken Cornick launched CLEAR. Through its secure ID platform, CLEAR's mission is to create a more secure connected world. Their technology platform provides the ability for a touchless ID check unlocking frictionless experiences across both the physical and digital worlds.

Caryn leads over 2,000 CLEAR team members across the country who are committed to bringing CLEAR's vision to life every day for their five million members. They offer their frictionless experience at 60-plus U.S. airports, stadiums, and other locations nationwide.

Caryn's early roots and exposure to the leaders in companies that she invested in throughout her career are reflected in the way that she leads. And before CLEAR, Caryn and Ken started Arience Capital, a one-billion-dollar value-oriented asset management firm focused on investing in companies across a broad spectrum of industries, including consumer, technology, aerospace and defense, and turnarounds.

Caryn received her BA in political science from the University of Michigan, and she's a good friend as well.

The format today will be a conversation, in which we are very fortunate to welcome The Economic Club of New York member and editor-in-chief of Yahoo Finance, Andy Serwer. And as a reminder, this conversation is on the record and we do have media on the line. And so without further ado, Andy, let me hand it off to you.

Conversation with Caryn Seidman-Becker

ANDY SERWER: Thank you so much, Dan. And again, welcome to everyone, and especially welcome to Caryn. How are you doing this afternoon?

CARYN SEIDMAN-BECKER: I'm great. It was good to hear Dan talk about the University of Michigan. On the record, big game tonight, very excited.

ANDY SERWER: Oh, yeah, March Madness. Michigan's still alive. One of the few, is it the only one in the Big Ten? We can talk about that. It's not a great showing for the Big Ten, but good for Blue.

CARYN SEIDMAN-BECKER: Yes. Go Team.

ANDY SERWER: So, Caryn, I want to ask you all about CLEAR and that's what we really want to talk about, the challenges last year, the incredible opportunities going

forward. But first, maybe a little bit about your background, a little bit more for people who aren't so familiar with your story. You started out, as Dan said, in money management, had your own hedge fund. What made you turn to this business? Talk about that a little bit please.

CARYN SEIDMAN-BECKER: So I started off in risk arbitrage, and thank you, Dan, for that kind introduction, and I'm thrilled to be here today. It's great to see you, Andy. Starting off on Wall Street in 1994 in risk arbitrage was a front-row seat to the M&A activity in aerospace and defense and media, the beginning of the wireless industry, spectrum auctions.

And to see industries start from nothing and turn into what they've become, whether it be industries or companies, front-row seat to Amazon, to Priceline, to Apple, and Steve Jobs coming back and what he was able to accomplish, quite frankly the implosion of 2000 and 2001, and then the growth from the ashes of those companies, 2008, 2009, right, that decline again, was to believe in the art of the possible, was to see great management teams defy all odds to build incredible companies and businesses and change the world. And also, by the way, to watch some folks who everybody would bet on fall apart, right?

And so I believed in the art of the possible. I believed in the passion of subscription-

based businesses. We had invested in cable wireless and satellite and the power of subscription-based businesses, the power of turnarounds, the power of biometrics, and CLEAR was the convergence of all of those. And so I believed if those folks could do it, we could do it too from an operating and building and growing perspective.

ANDY SERWER: And so historically you left the hedge fund and founded this company. How did that transition take place?

CARYN SEIDMAN-BECKER: Yes, 2008, September of 2008, we went to cash, a little bit late but not too late. And we had always been investing, right, what's the next great 8% position? What's the great next opportunity for the next ten years? We used to look at secular trends and see what a business could become. And in 2008, just had said, don't see that right now, and took a pause. And once we did, it was like, is this what I want to do anymore? And it was an incredible business and 24/7 for 15 years, three kids later, I said I didn't want to die and have people say I picked good stocks. I wanted to build something that made the world a better place. 9/11 was very impactful for me personally. And I saw this opportunity to buy something out of these ashes, right, that something would shake out and that we could buy and build something. And so we turned our attention to that and there we found CLEAR.

ANDY SERWER: And so historically again, the company was airports. Was that how,

the basis of the business?

CARYN SEIDMAN-BECKER: Yes, so the company started after 9/11, it was really born as a solution to help – as I call it, the “and” – make experiences in airports safer AND easier. Historically there had been a tradeoff. And so it was a public-private partnership with the Department of Homeland Security and TSA. It started officially in 2005 by Steve Brill. He had a great idea and built a great brand and then it did shut down in 2009 and filed for bankruptcy at the end of 2009.

ANDY SERWER: Oh, I forgot Steve Brill’s involvement. That’s right. So talk about the model. How does it work?

CARYN SEIDMAN-BECKER: So, the model is multi-fold at this point. There is a B to C business, a subscription-based business in airports where we are creating these frictionless journeys, right, really using automation to drive predictable, safer experiences in airports. And so consumers pay a subscription fee for that, and with that they get not only access to airports but all the other verticals that we’ve been launching because the view when we started, the pitch in 2010 was today it’s a travel center company, tomorrow it’s the de facto secure identity platform in leisure access commerce. So this was always the vision.

Clearly, what's happened in the past year and change has put that vision on steroids and has been an enormous accelerator. But it started with subscription-based business for airports. We kept adding more airports and more services. And then there's also, we've been growing a large B to B business where we're partnered with enterprises who are bringing this kind of frictionless and journey to their fans or customers. So in Seattle, not only do you get into the stadium faster but you could also buy a beer with your – this is pre-Covid – with your fingerprints because you are your driver's license and you are your credit card, right? So we've been building new services and it's all about, we're obsessed with the member experience and keep adding new nodes.

ANDY SERWER: How many airports are you guys in right now? Is it international? What is the status there?

CARYN SEIDMAN-BECKER: We're now, it's still domestic, and so we just launched our 37th airport in Sacramento and more coming this year. So we have a nationwide network of airports and then, again sports stadiums, and then within those airports many products where people can get through in frictionless and predictable ways.

ANDY SERWER: Yes, I want to get to this opportunity, but first let's talk about the past 12 months. And I mean air travel basically shut down. That must have been an extremely challenging time for you guys.

CARYN SEIDMAN-BECKER: It was a challenging time and I was grateful at that moment that I was 47 years old and seen a lot in all of those iterations that I talked about while investing. And so, first things first, what we did was not bury our heads in the sand. We saw some things start to happen in February and it was about understanding the trends and how you needed to protect your business and your people in order to ensure that there was stability and sustainability in the business.

And we did that quickly and, so, yes, volumes went down 98%. But I do think after a decade of building a brand that stood for passion and trust with our members, we quickly switched over to touchless travel, which meant your eyes were your driver's license and your boarding pass. And so that was great for anybody who was in the airport, you didn't have to touch anything. Taking care of our team members and rightsizing the business from a cost perspective, which allowed us to quite frankly drive strong retention and EBITA last year even in the downturn.

ANDY SERWER: And are you based in New York and how many employees do you have, Caryn?

CARYN SEIDMAN-BECKER: We are based in New York City and we have offices across the country, and we actually just launched an engineering office in Haifa, in Israel so we're very excited about that. We have about 2,000 team members across the

country, both in the field, serving our members, and then in different offices in New York, Austin, D.C., and Israel.

ANDY SERWER: And could you do international? I mean that would involve negotiations with other sovereignties obviously.

CARYN SEIDMAN-BECKER: So we could do international and, in fact, outside of aviation, we helped power the NHL Bubble in Canada in the summer. So that was our first, you know, foray out of the United States, still in North America. And so international is absolutely on the roadmap. And, in fact, what you've seen through Covid, quite frankly, is the globalization that everybody is connected and facing the same challenges and innovation is the great "and." It makes the experiences safer AND easier and that's needed around the world.

ANDY SERWER: Is there a certain type of demographic, Caryn, wealthier people, all people, older people, younger people, how does that work?

CARYN SEIDMAN-BECKER: That's a great question, and it's been interesting. The aviation business, or the travel business historically had been sort of a 40-plus business. Those tended to be, you know, the more frequent travelers. One of our focus points has been innovation is about bringing people what they did not know they

wanted. And people didn't wake up in the morning and think I've got get myself some biometric, you know, identity experiences and so offering free trials in the airport has been our biggest member acquisition opportunity which allows everybody to try it.

And you try it for free for one month, no charge, and that's been really powerful. And so driving accessibility, both through airline partnerships – United and Delta are both partners that invested in CLEAR – as well as free trials. Just like people have gotten used to Spotify or Netflix or so many other consumer products that are free to start with, so really driving accessibility. Now what we've seen, and I know we'll get to it with our newer products, is a much younger demographic.

ANDY SERWER: Yes, let's start to talk a little bit about the future. And first of all, are you anticipating a big surge in travel this summer?

CARYN SEIDMAN-BECKER: So the answer is we've already been seeing it. So I have said for the past few months that travel is a coiled spring. And if distance makes the heart grow fonder, and CLEAR's whole thing is getting people back now to what they love, nobody had a list of ten – not nobody, but most people did not have a list of ten places actively, like somewhere on their phone or on a piece of paper where they want to go. People miss travel. They love exploring the world in different ways and never up until Covid had travel been more accessible. You could book a trip and go anywhere in

the world in five minutes, right? You could have a hotel or an Airbnb. You could have a car, plane ticket, tickets to wherever you wanted to go, done.

Very different than when I backpacked across Europe with my Let's Go book and my Eurorail Pass. So we are seeing that. We have seen numbers, it's very interesting, D.C., New York, L.A., San Francisco still down about 70 or 80%, but many other cities across this country down 30, 40% and you're seeing them really come back. And so I think once the East Coast and the West Coast cities start to return, the volumes will really pick up even further.

ANDY SERWER: Are you doing a big marketing push to take advantage of this?

CARYN SEIDMAN-BECKER: We have not done aggressive marketing pushes yet. We are seeing very strong numbers without that. You will start to see things from us over the next few weeks, and we're very excited – as opposed to marketing – to really leverage our technology to bring people back together in really incredible ways.

ANDY SERWER: So talk about Health Pass and this other really exciting part of your business going forward, and I guess this has to do with vaccine validation, right?

CARYN SEIDMAN BECKER: So it's vaccine validation. It's testing. And what we're

really calling it is a digital health credential. What we quickly realized, because we saw in February what was happening from a travel perspective were the need for digital health insights, that they were just another card in your wallet. I had gone to Kenya a few years ago and needed a yellow card, when I got a yellow fever vaccine, and they told me not to lose it. And I thought, first of all, I lose everything. And second of all, like really?

And that is not secure, not easy, and so quickly we recognized that a digital health credential was going to be needed to connect whatever it be – at the time we didn't know – antigen tests, right? We were all ordering blood tests for home to see if you had antibodies. Testing, PCR testing, rapid testing, or ultimately vaccines. But that's just another card in your wallet and, in fact, that's what it's turned out to be.

And so connecting you, the same way we connect you, you are your driver's license, you are your credit card, which then connects you to your boarding pass, we quickly built Health Pass, which is a mobile first. We had all the assets in place, whether it be a government-certified, really industrial-strength, back-end HIPAA-complaint, very secure, with this customer-centric front end from a mobile perspective. So we built Health Pass mobile first, face first, you are you. You are Andy, connected to labs, which could then, again, you have to do it in a verified identity, verified back end, not taking a picture, you know, of a card, that you are Andy and you've been tested in the past 72 hours or 48

hours or 24 hours and you were negative. Right? Or that you were vaccinated, that you very vaccinated first dose, second dose. Right? That you were vaccinated nine months ago, six months ago, these things matter.

And so Health Pass was to digitize another card in your wallet and connect it to the other cards. Again, if our North Star is to make it safer and easier to get into a Yankees game, you are your ticket, you are your vaccine status or your testing status. You don't need to share any personal information. All they need to see is read and it can be scanned in, or your face. And so, yes, we've been working on it since last March. And after 9/11, airports were closed. After Covid, every other industry has been closed. Actually airports stayed open. And so it is with this global need to make experiences safer and easier, and identity is the foundation, that we've been moving aggressively over the past year to help reopen the economy and make it frictionless for consumers.

ANDY SERWER: Where does this effort stand, though, Caryn? Is it something that can be rolled out right now? And how would it work practically speaking?

CARYN SEIDMAN-BECKER: So it's out. It's Live. It's happening. Right now from a testing perspective, we're working with NBA teams like the Orlando Magic or the Atlanta Hawks or the San Antonio Spurs, where you have to be tested and Health Pass shows your test results and allows you to get in frictionlessly. We're working with airlines in the

state of Hawaii so that as opposed to having to go quarantine for days, which, you know, your 10-day Hawaii trip, spending nine days quarantining, not optimal, you can go right off the plane and onto the beach because you're connected to your health results.

We're partnered with corporations to help bring back their team members. We're certainly using it here at the CLEAR office. And so we've partnered with the NHL for the Bubble. We're partnered with NHL teams. And so it's already happening in travel, in sports and entertainment, in building access and employee validation. And so it's Live, it's real, and we recently, I think, last week announced a partnership with Walmart where if you're vaccinated at Walmart we will be connecting that to Health Pass and we'll be digitizing that, and so that will be your, we don't call it a vaccine passport, we call it a digital health credential.

ANDY SERWER: Wow! And is this biometric or on an app?

CARYN SEIDMAN-BECKER: So it's both. Right? So, it's your face. It definitely has to be used, this verified identity is very important and so that's your facial biometric, but it is on a mobile phone so you can, you know, can enroll at home. Over 5.5 million members, most of them had to come and enroll at the airport or at a sports stadium. That can be more difficult. But you can do it on your mobile phone and enroll and be there in two minutes.

ANDY SERWER: You just talked about having this health credential, what about, I mean how far away are we from – and maybe your company would do this – having a universal credential? In other words, I've just, it knows me, a database knows me, I can walk into, say I work for J.P. Morgan, it's my company ID. It shows that I'm vaccinated. Then I want to go to the Yankee game in the afternoon. I get in, I get my beer and my hotdog. Then I go out to JFK and get on an airplane.

CARYN SEIDMAN-BECKER: Andy, you're my favorite person. That is exactly what we're talking about, right? This is not just a product. This is not a vaccine passport or one thing. This is about creating a frictionless journey. And the only way to do that is to put all of these together, because you're always Andy, right. At CLEAR, we believe you are always you. And since you're always Andy, you're all the cards in your wallet and depending on your use case, so, yes, to get into the office building, you're Andy. You're currently an employee. You go to the 17th floor, and you've been tested or vaccinated. Right? It's multiple insights connected to you to allow you to have a safer and easier journey, and quite frankly to allow your employer as well.

You leave there and you show up at the doctor's office. We've partnered with a group in Phoenix to use your face to check in at the doctor's office. Right? When you think about that, automation, better outcomes, de-duplication, co-pay, right there, you can walk out. You go into the Yankees game, same concept. Right? You're your ticket. You're your

vaccine status. You can buy your beer. Always, and I should really point out, this is always opt-in. Right? So there's this concept of "or." You know you have to make it safer OR easier. If you make it frictionless, it can't be trusted. And we absolutely subscribe to the "and." It can be frictionless AND trusted. We don't have to show Hawaii or United your exact test results. We can just show them green or red. And if red, then there should be another process, right, to try to prove that you're good from a Covid perspective, a rapid test or whatever the case may be. So we really subscribe here to the "and."

ANDY SERWER: It sounds like you could conceivably be like E-ZPass, although I guess you could even take over E-ZPass someday, maybe. Who knows? I won't get into that. But I mean, are there competitors here in this space? And don't you have to get permissions from just so many different entities. Right?

CARYN SEIDMAN-BECKER: So the answer is yes. In the world of only the paranoid survive, I see competitors where there aren't any, but maybe one day I think if you live in the investment world for long enough and you see companies upended, go away, or little guys start from nothing and people count them out and they become huge, so I think the best form of competition is innovation and that's really important. So continuing to innovate to get better and faster on behalf of the customer every day and to be obsessed with the customer experience.

You raise a really good point about isn't this hard? Yes. We think we started in the hardest place, which is aviation security where identity is paramount. And the view is if we started there in a public-private partnership and got that right, we could take it to other places as opposed to starting in a lower, less fidelity place, and then trying to take it up.

And so we have enormous focus on data privacy, on security, on scalability of systems, on the customer experience, and we've been at this for eleven years, which definitely feels like dog years. I mean my son was 2 when we started and now he's 13. So this has been a long road, but an incredible road because we did feel like when Covid hit that we had a decade of experience, of trust, of consumer trust and engagement with CLEAR that allowed us to build what we built very quickly with an extraordinary team. And so this is hard, to transform the physical and the digital experiences, but we were born for this moment.

ANDY SERWER: I think that's a great point about starting in the hardest place rather than, say starting in professional lacrosse and then going to TSA and saying, hey, we're ready, as opposed to the other way around, right?

CARYN SEIDMAN-BECKER: We started in the hardest place. After 9/11, identity became paramount in aviation security and in so many other industries. You think of

how your experience into a sports stadium has changed, right, over the past 20 years. And the secular trend of safety and safety meant one thing after 9/11, after Covid. Health and wellness is also safety. Safety is a very broad word. Right? Safety, you're responsible for your employees being safe, for your customers being safe. You need a platform and people need to be able to enroll once and use it everywhere. Not to enroll in 20 different things. And so this is the moment for that.

ANDY SERWER: And, by the way, how's the company capitalized? Are you guys the owners, investors, how does it work?

CARYN SEIDMAN-BECKER: So the answer is that Ken and I own a large chunk of the company. We used our own capital to buy the business out of bankruptcy, and we have some incredible outside investors and so some great New Yorkers started with us along the way when we bought the company in 2010. And since then, we have great investors like General Atlantic, T-Rowe, Durable Capital, Revolution, United, Delta, and great strategic investors like the NFL, Liberty Media, The Partnership for New York City, who have all really come together to help solve this problem, right, safety and ease, and to drive innovation throughout all the use cases. So we have a terrific group of investors and board members, and I feel really lucky.

ANDY SERWER: An IPO soon?

CARYN SEIDMAN-BECKER: Every day we focus on creating value. Eleven years in, every day, value creation.

ANDY SERWER: That's what your investors like to hear. Let me ask you about, you talked about consumers and I want to ask you about behavior a little bit, Caryn. So how will experiences and consumer expectations change as a result of the pandemic?

CARYN SEIDMAN BECKER: So my mother was not an Instacart or a DoorDash user before the pandemic. And I think that, you know, when the iPhone came out in 2007, you know, people got used to this. Right? You used to have to wait outside and order a taxi and you didn't know when it would come and you'd stand in the rain and you didn't know what kind of car and you didn't know who the driver was. And suddenly, Uber and Lyft changed that.

And so we really view this as the convenience economy that people are expecting. You've got to come back better as a business than you were before Covid because people's expectations for frictionless experiences, for transparent experiences, where is my food, when is it coming, what do I want? Right? You can order anything now and it shows up at your house in an hour or two hours. The convenience economy, I think, will have a big impact on physical experiences, whether that be the office, the hospital, the sports stadium, the airport, the train station, they've all got to get better.

They've got to leverage innovation and people are now talking about contactless. Right? Touchless, frictionless. And I think digital is pretty frictionless, except sometimes for checkout. And I think people are expecting that in the physical world. I also think people are expecting to be one customer. I think it's frustrating when you have one experience in the digital world and then you go to the physical counterpart and you're doing the whole thing again. That could be checking in at a hospital and then you're doing the whole thing again when you get there even though you used the digital front door. And so convenience economy and safety and again those are two worlds that we play in. So I think it's a big shift, and I think if experiences come back worse, then companies have lost and consumers have lost and they might prefer to stay home.

ANDY SERWER: I was just thinking, Caryn, your TAM, your total addressable market is...

CARYN SEIDMAN-BECKER: Enormous.

ANDY SERWER: I was going to say infinity, but it's not infinity because it's the size of the human population conceivably or a good percentage of that. So the question then, I guess, is how do you look to deploy your resources, your strategy, your bandwidth? What do you pick to do?

CARYN SEIDMAN-BECKER: So TAM is something that we focus on a lot. It's what I focused on as an investor, both domestically and then internationally. Today, I would say that there's four main industries that we are very focused on while we incubate others over there.

And that would be the travel industry, but travel industry is broad, not just aviation but hotels and cruises and ride-share. Right? That is the travel industry. Sports and entertainment, location-based things. Right? How do you bring back conventions in Orlando and Miami and Las Vegas? How do you bring back CES, when you are your ticket and you might be your vaccine status or whatever the case may be?

Healthcare, not only the physical environment, but again we call it this phygital – physical and digital. There's tele-health, right? There's home health. There's in the hospital. There's acute, like doctors. So how do you put that whole thing together? Because you're one patient and nobody would say that the healthcare experience, which is the consumerization of the healthcare experience, it is not customer-centric. It's getting better, but I think there's huge opportunities there.

And then when you think about trust online. So when you think about getting a babysitter or getting a home care worker online, identity matters, and potentially testing or vaccine matters as well. And so we think that there's a very large digital identity

online. We think travel, sports and entertainment and healthcare are four areas where the TAM, domestically and internationally, are inordinate.

ANDY SERWER: TAM is a bit of a buzzword but it really is pertinent and salient to, you know, thinking about your business for sure. Another kind of buzzword, of course, flywheel. I could see a tremendous amount of opportunities and synergies across these different verticals that you've talked about. You get this and then you can get into that and that would drive that business. How do you think about that, Caryn?

CARYN SEIDMAN-BECKER: So the flywheel used to be known as the network effect, and I think it's really powerful. Right? What we saw from a network effect is, for instance, when we launched a city like Los Angeles from an airport perspective, because we had a bunch of other cities already, L.A. started faster than those cities. And because San Francisco and Seattle might have been large sister cities to L.A. you saw all of those markets lift. And you saw when we launched sports stadiums in a city, that retention lifted by sometimes upwards of 1,000 basis points. And so this power of a network effect is very real.

People want to find brands that they trust and they want to go with them. You see that across so many different areas today. Right? Amazon adds new things or Walmart adds new things. People have enormous brand allegiance and they want to do more with

those brands. And the flywheel is the more members that we have, whether they came in as a subscriber, B to C, or through an enterprise, the more we can then go to other partners and say, look, we got tens of millions of members and then they can automatically be, you know, part of this pool. And we see that today from a vaccine perspective. As we build these links, there's already 5.5 million people that could turn it on immediately should they so desire. And so having that embedded base helps partners get started more quickly and hence that flywheel.

ANDY SERWER: And you must have a tremendous amount of data. I know you were talking about data security and customers feeling secure. But looking at sort of demographic trends as they're unfolding real-time must be a powerful tool for you guys as well. Right?

CARYN SEIDMAN-BECKER: So, a really important point on data. If you look at the first email that we sent, I wrote it myself, in June of 2010, it said – we had a member pledge and it said we will guard your privacy. We have been very clear – no pun intended – in our privacy policy to say we do not sell or rent your data. We say it in bold letters. We say it early on and we say it later. But I think it's really important that people understand that their data is secure. They control their data and everything's opt-in.

What we can do is look at data internally to optimize the customer experience. Right?

That we know, for instance, we believe what the volume we would launch with, with L.A., to make sure we have the right equipment, the right number of team members to help. Understanding our business and our members better allows us to better serve them. But I think it's incredibly important, especially in this Covid environment, especially in this digital identity environment, guarding people's privacy, having them opt-in to everything, you have to know what you're signing up for, is crucial.

ANDY SERWER: Right. You talked about being in New York, having some New York investors, the city has been hit harder than almost anywhere in the country. What role should the city's business community play in getting the city back on its feet?

CARYN SEIDMAN-BECKER: I think the city's business community is vital. So I didn't grow up in New York but I am a New Yorker. My grandparents came to Brooklyn when they were teenagers. My parents grew up here. I grew up in D.C. and then moved here after I graduated from the University of Michigan so it's been 27 years. I think it is the people that power the city. It is the arts and the culture that power the city. It is the diversity that powers the city. And businesses have to help bring this city back. This city has created so much greatness for so many people and has so much opportunity that I think it is all of our responsibility to help this city come back better. And I believe it will.

Empty retail spaces right now, which are clearly depressing, will come back as different

things, whether they be medical or educational or some sort of gym or whatever they may be, it may not be a clothing store like it left. That makes sense. But I think the ability to create in this city is unparalleled. But I do think the competitive environment is real. Right? It's very interesting to watch cities compete for businesses the way businesses compete for talent now. And I think it's real and so it's a time for innovation, for improvement, and for, you know, coming together and working on it.

ANDY SERWER: It'll be really interesting to see, you know, not September so much as say two years from now where we are in terms of businesses and people working in the city. And I have questions about whether young people are really going to want to continue to work at their parents' homes in Connecticut as opposed to being with their peers in the city.

CARYN SEIDMAN-BECKER: Yes, no way. No way. It sounds good for a while. Right? But you bring back Broadway, you bring back restaurants, think about this summer, restaurants will be inside and outside. That's going to be better. That's going to create more opportunities. And the parks and the water and the culture and the arts. Like this is an incredible place. We have to keep it safe. Right? Safety, as we talked about, crucial. It has to be accessible. But it's an extraordinary place, and it's got to be affordable. Right? People, I lived with a few people and, you know, had a fake wall, and you make it happen. And the city builds people and opportunities.

ANDY SERWER: It is the experience growing up. Let me ask you kind of a micro question, going back to biometric security. Many states are considering biometric data protection laws. Is that a good idea? And could that impact the business?

CARYN SEIDMAN-BECKER: So the answer is I think it is a good idea and we viewed ourselves on the side of right from day one. We talk about privacy and security in our DNA. When you buy a bankrupt company that has people's data but haven't been picking up the phone to tell them where it was, you start with a really high bar to rebuild trust. And I think it's really important that this be done the right way, be done in a way that protects people's privacy. People talk about racial bias in facial recognition. Right? It is important to get these things right from the outset and to build it the right way. And with a strong foundation, it can be really powerful and positive. Without it, I think it's problematic. So I think some oversight with understanding is really important.

ANDY SERWER: Is there room here for a national mandate? Is that a better way to go? I mean this is the classic states versus federal. How do you feel about that?

CARYN SEIDMAN-BECKER: Are you talking about Health Pass or more broadly?

ANDY SERWER: Just more broadly in terms of biometric data protection.

CARYN SEIDMAN-BECKER: Oh, biometric data protection, that's a great question. I think that there needs to be some national framework and understanding. Otherwise, it might be a bit of a mosaic. So some level of understanding and oversight, I think, is probably important versus state by state.

ANDY SERWER: You talked about Amazon. You mentioned them. And I mentioned them too with the flywheel I guess. Also had a situation where they were, of course, just selling books at one point and now they're kind of the everything digital retailer, are you in a similar situation in that CLEAR, it's like, oh, that's the airport security company and your ambitions are much larger than that? I'm wondering, you know, what does that mean in terms of your brand or in terms of consumer awareness? Are you going to have to look to shift the way people think about your company and maybe even change your name or what do you think?

CARYN SEIDMAN-BECKER: We will certainly not be changing our name. We kept it from the very outset and we love it. And I think that you raise a really good point, which is people know us originally from the predictable airport experience. They also know us because they love our people and our team members bring the technology to life and there's been a lot of trust in that and a lot of visibility. So I'm really proud of where we started, but I think you're right, teaching people about all the opportunities to engage with CLEAR is our opportunity to grow our brand, to educate, and you'll us pursuing that

this year.

I also think that people are so passionate about the brand and I think that was reflected in the retention numbers for last year. People really – and it makes me so happy, right? – they know that we care so deeply about their experience. They know that we're obsessed about their experience, that they get excited when they see our brand in other places. And I think over the past 18 months, you have seen a shift in mindset. You have seen an expectation. People email us, like why aren't you the, you know, the vaccine pass? Why aren't you the this? We're like, stay tuned. So I think we're getting there, and I think because we're in the physical environment and the digital environment, it helps when people see it in other places.

ANDY SERWER: Right. You are a women CEO and before that you were a woman CEO in the hedge fund world. Not too many of those at all. And so what has your career arc been like as a women in the hedge fund business first and then leading a company?

CARYN SEIDMAN-BECKER: The hedge fund world and risk arbitrage, it was the ultimate meritocracy in my mind. If you turn out great numbers and you do great work, there were great rewards, both from a career path perspective – I always wanted to be the person that someone wanted to give the ball to right on the one-yard line because they had confidence that I was going to help them get over it. And so when you do that,

people do give you the ball and my view was that my results spoke for themselves. And I felt very empowered and very accountable and very supported in my career.

And, in fact, some of my early bosses are great investors and partners at CLEAR. So I thought that Wall Street was amazing in that meritocracy way because if you said I'm up 25%, you know, I CAGR at this, nobody looked at the gender. Except for one time when I was pregnant in marketing and some guy asked if I was going to come back when I was done, and I just thought that was a ridiculous question. And so then a few years later when he wanted to invest with us, we wouldn't take his money. But that's not, hopefully he's not on this webinar.

ANDY SERWER: And then what about running a company? So, in other words, you went from sort of one industry to another industry? Right?

CARYN SEIDMAN-BECKER: Yes, look, I believe in the art of the possible. I mean Steve Jobs didn't graduate from college. Jeff Bezos was a trader at D.E. Shaw, a brilliant guy. Jeff Boyd, who is on our board, he was the general counsel at Oxford Health and he turned around Priceline and now it's Bookings – against all odds, built one of the great internet companies in Norwalk, Connecticut. So I believe in the art of the possible. I believe in the “and.” I have three kids who I'm really proud of, and a great company and team members. And so maybe that whole concept of I didn't want to die

and pick good stocks, you know, that wasn't enough, and I think that building an incredible company and living a full life, that's just who I am and a granddaughter of immigrants. I believe art of the possible no matter gender, race, religion, ethnicity, and I hope I model that and live that every day.

ANDY SERWER: And last question, Caryn, where do you see this company and yourself five years, ten years down the road?

CARYN SEIDMAN-BECKER: Let's talk five years because ten years is a long time. I see us having tens of millions, if not hundreds of millions of members, on a global basis. CLEAR is part of their daily habit. It is powering partners' experiences, making them safer and easier in so many industries. It's how you're walking around college. Right? Why do you need our M-card at the University of Michigan? I think there's good opportunities with PayPal and Venmo, right, where identity matters. And I just think it's, you know, you are always you. Why are you carrying around wallets and phones to prove it? You're you. And you should go through life in a frictionless, predictable, awesome way and it is safer and it is easier, and we're helping power that.

ANDY SERWER: It makes a lot of sense, Caryn. And best of luck to you tonight with the basketball game and with your company going forward, and it's been a real pleasure talking to you. I certainly enjoyed it, and I hope everyone else did too. And now I'm

going to turn things over to Dan Schulman. Dan...

CARYN SEIDMAN-BECKER: Thanks, Andy.

VICE CHAIR DAN SCHULMAN: Andy, thank you. Caryn, thank you. It was a terrific conversation. Caryn, you've done so many amazing things with the company and I'm looking forward to working with you as we look towards the future as well.

So I hope everyone enjoyed the conversation. I'm also pleased to say that we've got a lot of great speakers lined up, and I encourage all of you to invite guests to these future events. On Thursday, April 1, we're going to have Bill Gates, obviously all of you know Bill, co-chair of the Bill and Melinda Gates Foundation. And we'll also have along with Bill, Hank Paulson, who is the Founder and Chairman of The Paulson Institute and was also the 74th U.S. Treasury Secretary. On April 7th, Tal Zaks, the Chief Medical Officer of Moderna will be with us. And then Neel Kashkari, President and CEO of the Federal Reserve Bank of Minneapolis, will be with us on April 8th. And then John Waldron, who many of you know, President and COO of Goldman Sachs will be with us on April 12th. And finally on April 22nd, Paul Offit, Director of the Vaccine Education Center at the Children's Hospital of Philadelphia will be with us.

I also want to take a moment to recognize the 332 members of the Centennial Society

whose contributions continue to be the financial backbone of support for the Club and they help enable us to offer all the wonderful, diverse programming now and in the future. So thanks everyone for joining us today. Thank you, Andy. Thank you, Caryn. And I hope everyone stays healthy and safe. Take care.