

Ryan Williams, 30, Started A Revolutionary \$800M Fintech. But Can He Escape His Kushner-Trump Connection?

Just before Christmas, the Associated Press [published an article](#) on the ways Ivanka Trump and her husband, Jared Kushner, might personally profit from the generous [new “opportunity zone” tax breaks](#) they had championed as advisors to their father/father-in-law, who happens to be the president of the United States. The very first path cited in the widely read story: Kushner’s investment [in the real estate startup Cadre](#), a stake worth up to \$50 million, according to his most recent federal financial disclosures.

The collective groan emanating from Cadre’s headquarters in Manhattan could probably be heard all the way to the White House. “I would be lying if I said the political angle wasn’t frustrating or concerning,” Ryan Williams, [the CEO and founder of Cadre](#), says in as matter-of-fact a manner as possible. “There are people who won’t work with us [because of the Kushner connection], and we get that. But we have over 80 investors in the company. Jared is a passive investor who has no operational control.”

Driving home the point, he gestures toward the dozens of employees toiling industriously at their desks in Cadre’s wide-open office space, maintaining a website where qualified investors can view detailed information on apartment and office properties, with video walk-throughs, maps, lists of tenants and long memos packed with data points. “It’s a normal day, and everybody is executing,” Williams insists. “It doesn’t distract us.”

Yet the issue surrounds him. Literally. The office he points across, in the historic Puck Building in Manhattan’s trendy Nolita district, is owned by the Kushner Cos., run by Jared until he decamped to the White House. Williams developed and incubated the Cadre concept with Jared and [his brother, Josh](#). In today’s startup world, where the term “cofounder” can signify little more than buying coffee for everybody during stealth mode, either of the Kushners could have taken that title with full justification; Williams has even referred to them as such. Many of the big real estate players who adopted the Cadre funding platform came through Jared’s introductions; Josh’s venture fund, Thrive Capital, made the key early investment. Josh sits on Cadre’s board—and works two floors above. In other words, it’s extremely hard to detach the Cadre brand from the Kushner one.

A lot has been written about the self-enrichment going on with the Trump administration. Ryan Williams, however, suffers from the opposite problem. He’s the American Dream personified. ([Mark Cuban](#), a Cadre investor who emails with Williams weekly, describes him thus: “Smart. Focused. Learns and reiterates continuously.”) He has

a product that promotes transparency, liquidity and lower costs: With the click of a mouse, investors can buy stakes in properties without the ridiculous double fees charged by traditional property investment firms and also exit via a new secondary market. Yet Williams pushes his startup forward, dragging along his relationship with the White House like a two-ton anchor.

Last April, Williams flew alone to Tokyo to meet [Masayoshi Son](#), the Softbank billionaire who has flooded the startup market with the conglomerate's tankers full of Saudi government petrodollars. Williams has raised \$133 million to date for Cadre, at a valuation, most recently, of \$800 million. Over dinner at Son's palatial Tokyo home, with its indoor golf range, Son demonstrated his knowledge of Cadre's model and threw out a \$500 million investment—a figure, a source familiar with the talks says, that would double Cadre's current valuation.

"After we had dinner, he was like, 'I want to show you around, give you the tour,'" Williams recalls. "Basically, as we were walking around, he said, 'Do we have a deal at these pricing levels?'"

"I am honored and really appreciate the opportunity," Williams responded, "and would love to figure out a way to partner with you."

Williams left Tokyo with concerns about the amount of control Softbank's Vision Fund wanted—but optimistic they could work something out. Cadre was about to hit the big time, and Williams, already worth some \$160 million (*Forbes* pegs his stake in Cadre at about 20%), was poised to become extremely wealthy. But within a month, Bloomberg News ran an article emphasizing the potential link between Jared Kushner, Cadre, Softbank and Saudi money. Discussions fell apart soon after.

"It has been a challenge because of the association," says Michael Fascitelli, the head of Cadre's investment committee and the former CEO of real estate giant Vornado Realty—introduced to Williams, yes, by the Kushners. "Jared is not involved, but there is a perception he is, and that is mostly a negative because people want to stay clear of that."

Williams has accumulated a dizzying array of backers with ties to the current Trump era. Besides Cuban, the president's biggest business-world heckler, there's [Peter Thiel](#), his biggest Silicon Valley water carrier, and [George Soros](#), the poster boy for right-wing conspiracy theorists. But as a policymaker and presidential whisperer, it's [Jared Kushner who creates Williams' headaches](#), refusing to divest, despite sitting in on all sorts of decisions that could affect Cadre. "Ryan has dealt with it by being transparent and honest," Fascitelli says, "and spending more time than he should explaining it to investors, sponsors and institutions."

This article marks the first time Williams has delved deep into the specifics of this unprecedented balancing act. (Jared Kushner declined to comment. Josh Kushner emailed an anodyne statement about Williams and Cadre.) Over the past two years, Trump has busted a lot of norms, many derived from emoluments issues and a family which continues to own wide-ranging business interests while leading the federal government. As Ryan Williams strives for scale, with an otherwise feel-good entrepreneurial story, the 30-year-old also races to ensure that he's not one of the many brought down because of their proximity

to Trump.

Like many young entrepreneurs on the hunt for capital, Williams knows how to market himself. His personal elevator pitch: a kid from Baton Rouge who went from cutting up worms and selling them as bait to a teen whose wildly successful embroidered wrist- and headband business won him top awards from the Goldman Sachs Foundation, the NAACP and the National Foundation for Teaching Entrepreneurship. Then came Harvard, Goldman and Blackstone, and then the [Forbes 30 Under 30](#), on the back of Cadre.

Yet there are aspects of his background that Williams isn't as keen to discuss. His father, a paralegal, and his mother, a social worker, initially separated when he was about 6. Williams and his family lived in rental homes in the northern part of the city, which has long struggled with segregation, crime and persistent poverty.

"He grew up in a community where the likelihood was that one in three African-American men would be in the criminal justice system," says Darren Walker, president of the Ford Foundation, which invested in Cadre, and a native of Louisiana. "Both of us had relatives who were in the prison system."

"It was rough" is all Williams will say.

His big break came right before high school, when his mother moved the family to the more results-oriented New York City suburb of Ossining. Williams threw himself into school and his entrepreneurial ventures. He ignored a guidance counselor who told him not to bother applying to Harvard, and he hooked up with a New York program that mentors poor kids with potential. At Harvard, Williams studied economics.

His true major? Networking. "He is fearless in his outreach and pursuit of relationships," says Raymond McGuire, a vice-chairman of Citigroup and one of the most prominent African-Americans on Wall Street. Williams recruited McGuire to speak at an early meeting of Veritas Financial Group, a group he organized to connect undergrads with Harvard Business School profs. "I always thought," Williams says, " 'What was the worst thing that can happen? People say no.' " They usually said yes, though: It now ranks among Harvard's biggest student groups.

"You can let being an outsider overwhelm you," Williams says, "or you can figure it out and reset people's expectations."

It was also at Harvard that Williams met Josh Kushner, two years his senior. The pair became close after Williams' junior year, when he snagged a summer internship and worked on an NBA team sale at Goldman Sachs, where Josh had already taken his first job. During senior year, Josh's dad, Charlie Kushner, was trying to buy the Philadelphia 76ers and brought on Williams to help on the bid. The Kushners lost the team, but were won over by Williams.

"I would check in regularly with Charlie and Josh after that," Williams says.

Around this time, Williams took his first crack at real estate. He visited Atlanta in 2009, at the height of the financial crisis, and saw single-family homes marketed at \$240,000 selling

at auction for as little as \$60,000. So he partnered with a classmate who had grown up in Atlanta and bought distressed properties with cash raised from other Harvard students and their parents, including Charlie Kushner, who became one of the biggest investors.

Upon graduation in 2010, Williams joined Goldman as an analyst in its technology investment banking group. Two years in, he jumped to Blackstone, the world's biggest real estate investment firm, to work on hotel and apartment deals. Through it all, Williams cultivated contacts and kept his ear to the ground. One thing he heard: Blackstone investors grumbling about how they couldn't choose which individual real estate deals to buy into and couldn't sell their holdings if they needed cash. And he couldn't help but notice the high fees endemic to real estate investing.

Meanwhile, in 2012, Congress had passed the Jobs Act, which, among other things, allowed online portals to crowdfund real estate. "I had a feeling there was a massive opportunity in the convergence of real estate and tech," Williams says. "I made a list of eight or nine people who I was interested in speaking with, and the top of the list was the Kushners."

Jared was already toying with the idea of raising money online for Kushner Cos. deals. But Williams had a broader ambition: to create a digital syndication system that could be tapped by numerous real estate operators. "He believed there could be a better way to do things," Josh Kushner said in an email. "A better way to enable access. A better way to provide transparency and liquidity."

A partnership emerged. Williams would run Cadre as CEO and get it licensed as a broker-dealer. The Kushner Cos., run by Jared, would list the initial deals on the Cadre platform. Josh Kushner's Thrive Capital would help Williams recruit tech talent and make VC introductions. And both brothers would put up money and introduce Williams to rich investors and other real estate operators.

Leaving Blackstone "was a hard decision, because I had never made that kind of money in my life—staying at Blackstone was the most straightforward way to becoming a millionaire," Williams says. "I could just come to work every day and work hard, but instead I took a leap on something." In the Kushners, though, he had a net.

Cadre's first desk was at the Kushner Cos.' Manhattan headquarters, and its first two deals were for properties the Kushners would operate: four Queens apartment buildings purchased for \$55 million, and a multifamily property in Chatham, New Jersey, with a \$100 million price tag. That allowed Williams to prove real estate could be funded on the Web, and it allowed him to raise \$18.5 million in a first venture round in March 2015, with blue-chip investors such as Thiel's Founders Fund, Boston's General Catalyst, Vinod Khosla's Khosla Ventures—and Josh's Thrive Capital.

"Jared's contributions early on were critical," Williams says. "We would not have accelerated to where we are without that help and support. I didn't have any [other] operators who believed in this model."

Slowly, more players came around. Cadre has already worked with 17 real estate operators, who have tapped a new pool of investors drawn in by the easy interface and attractive fee structure. Cadre charges 1% up front, plus 1.5% annually on the equity value it oversees

and also claims a small portion of the 15% cut of profits kept by the real estate operating partners. But unlike many traditional real estate investment managers, it doesn't grab an additional 20% of profits as a "performance" fee.

In 2015, Williams also struck a key alliance with Soros Fund Management, the investment operation of George Soros (thus making the far-right's favorite bogeyman partners with the family of the left wing's favorite bogeyman). Soros took an equity stake in Cadre and provided a \$250 million financing backstop: If a real estate operator agrees to do a project with Cadre and Williams can't raise enough equity online to fund it, Soros will step in.

So far Williams hasn't had to tap the backstop, likely in part because of the lower fees but also because Cadre's veteran investing team bless each transaction. "Far from being ignorant of the investment-management issues, Williams showed he actually thought about them and came up with solutions," says Matthew Botein, an alum of BlackRock and Blackstone who has personally invested in Cadre.

In short order, Williams had Cadre positioned for startup greatness. This, however, was all before November 2016.

Josh Kushner, who says he did not vote for Trump, has previously told *Forbes* about how he experienced election night 2016—midair, on a flight to California, realizing that he had a lot of work to do to calm his employees. The next week he met with 100 of them to assure them that Jared Kushner in the White House would not sink the ship.

Williams, who diplomatically declines to say whom he voted for, followed the same game plan as his board member after watching the results in Cadre's office, calling an all-hands meeting the following morning. "My message was we have core values irrespective of what is happening in Washington, and I will be transparent about Jared's plans and role," Williams says. He then canceled all his meetings for the next day and a half to conduct some 25 one-on-ones with employees, many of whom he had personally recruited from Goldman and other secure jobs. "You don't think as CEO you will have to be a chief psychologist officer," Williams says.

Still, he felt blindsided. "I realized things were going to change," he says. But "I did not expect the level of scrutiny that would come."

As it became clear that Jared Kushner was heading to the White House, Williams came to an arrangement with him: Jared would step down from Cadre's board of directors and relinquish a substantial portion of his equity—a recognition, Williams explains, that Kushner would no longer be able to advise Cadre as anticipated. But Jared still kept between 3% and 6% of Cadre, his most recent federal asset-disclosure form suggests.

Jared Kushner's decision to retain a stake in Cadre would have been problematic regardless. But his failure—inadvertent, he says—to disclose his stake on his initial federal financial forms put the startup under a microscope. Williams found himself repeatedly having to explain the relationship in crucial meetings—for example, when he went out in 2017 to raise a new \$68 million venture round led by Andreessen Horowitz.

Yet the stumbles keep occurring. Last year the Associated Press reported that Kushner Cos.

had filed paperwork with New York City falsely stating there had been no rent-regulated tenants living in the Queens apartments listed on Cadre when applying for construction permits in 2015. Bloomberg News followed up with a suggestion that the resale of the improved apartments in 2017—the only exit so far on Cadre’s platform—might have been less profitable had there been proper disclosure. Cadre said it didn’t know about the issue and that administrative filings were the responsibility of its operating partners, in this case Kushner Cos., which said its filings were prepared by third parties.

Williams has tacked away from the Kushner Cos., claiming he’s now bearish on the New York market. Cadre hasn’t bought assets with Kushner Cos. since those two initial proof-of-concept transactions in 2015.

New deals or not, there are limits to what Williams can do to quiet the noise so long as Jared Kushner retains his stake. For instance, Cadre recently launched an investment program to take advantage of the opportunity-zone tax breaks, which the White House put in motion. And the headaches are just getting bigger: On January 4, the group Citizens for Responsibility & Ethics in Washington formally asked the Justice Department to investigate Ivanka Trump’s involvement with the implementation of opportunity zones as a possible violation of the federal conflict-of-interest laws. In her financial statements, it noted, Trump had promised to recuse herself from issues that “would have a direct and predictable effect on Cadre” because of her husband’s ownership position. One more headline—and an email from Williams to his staff reminding them not to be distracted.

Cadre nonetheless keeps moving forward. So far, Williams’ platform has raised more than \$500 million in equity to finance the acquisition of \$2 billion worth of property from New York to San Diego in 22 separate deals. A drop in the \$14 trillion U.S. commercial real estate bucket but enough to confirm the idea of syndicating quality commercial real estate online. New deals are now selling out in weeks. Cadre is shooting for annual returns in the low to mid-teens; its only realized deal netted a 16% internal rate of return.

In October, it launched a managed portfolio product that lets clients commit as little as \$25,000 per deal, across ten projects. In other words, they can get a diversified commercial real estate portfolio with just a quarter-million dollars and no heavy lifting when it comes to screening assets. Goldman Sachs has committed \$250 million from its private wealth clients to the managed portfolios.

At the same time, Williams’ secondary market finally launched, allowing Cadre clients to sell their stakes in real estate assets with the click of a button—an attempt to end the buy-it-and-you’re-stuck downside of individual real estate transactions. So far there have been 40 secondary trades at an average 3% premium to the last valuation. Buyers and sellers each pay Cadre a 1.5% commission. Right now, only Cadre stakes can be resold, but Williams aspires to turn Cadre into the StubHub for all property stakes. “That’s how we move from digital manager to curated marketplace,” Williams says. For now, though, his biggest practical challenge is getting enough good inventory, since top real estate developers don’t need websites to raise money. Has the Kushner connection perhaps scared some away? “Where this noise has the greatest impact is probably in areas I don’t know,” Williams responds.

It raises the largest question surrounding Cadre. Why hasn’t Jared Kushner simply divested

and spared his protégé (and his brother) such an incredible hassle? Especially when provisions of tax law facilitate just such transactions, allowing Kushner to sell and defer taxes on his gain in Cadre's stock.

Perhaps it's because he has lousy role models. By not shedding his assets to take the biggest job in the world, the billionaire president flouts all sorts of clear conflict-of-interest and emoluments norms, down to ticky-tack spending by lobbyists and potentates at Trump's hotel in D.C. and his Mar-a-Lago club in Florida. The near-billionaire secretary of commerce Wilbur Ross has lied and bumbled his way into insider trading accusations and a reprimand from the federal government's top ethics officer. Tycoon Carl Icahn took a role as special advisor to the president while remaining in charge of his massive investment firm. And so on.

Or perhaps it's ego. Kushner surely helped Cadre get on its way. Maybe it's too hard to see Cadre become a unicorn and not be part of it. He wouldn't be the first cofounder who'd rather see his creation founder with him than flourish without him. Or maybe, in the White House bubble, he can't fully see the problems that occur when a person who helps set national policy will benefit from the governmental decisions he makes. (After this story published, Cadre emphasized that Kushner's lawyer has said that Kushner's continuing passive ownership in Cadre "was reviewed and approved by the Office of Government Ethics.")

Or maybe it's just the money. Regardless, while Williams won't address the question directly, his hands are tied: "We don't have any real mechanisms unless it's criminal or gross negligence. I can't force anybody, really, to sell their equity."

As for the political noise, "I try not to take it personally," Williams says. "But I am a human being, and I think the team would tell you they sometimes feel bad." The media and the rest of the country may be obsessed with Trump and his family, he adds, "but I live, eat, breathe Cadre."

<https://forbesmiddleeast.com/ryan-williams-30-started-a-revolutionary-800m-fintech-but-cadre-an-he-escape-his-kushner-trump-connection>