



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

FinTech Expertise

Blockchain Technology

Cornerstone Research assists clients in analyzing blockchain transactions, voting delegation, and proof of work or proof of stake designs. We have evaluated:

- Underlying blockchain code for scalability and operability

Genesis block allocations and traced movements in cryptotokens for the purpose of assessing damage claims. This includes syncing nodes and using APIs (application programming interfaces) as part of the data processing and analysis.

Cryptocurrency Market Microstructure

Cornerstone Research and our team of experts have substantial experience collecting and analyzing historical transactions data across blockchains, centralized cryptocurrency exchanges, and decentralized finance (DeFi) applications to provide valuable information and actionable insights for our clients, including:

- Reported volume integrity and market quality on major cryptocurrency exchanges
- Token price discovery across cryptocurrency exchanges
- Price impacts of large cryptocurrency orders
- Wash trading allegations on specific cryptocurrency exchanges
- Auction mechanisms
- Assessment of the impact of stable coins on cryptocurrency markets

These disputes often involve huge quantities of real-time and historical ledger data. Our staff and affiliated experts have applied market microstructure theory to datasets with billions of observations.

Cryptotoken Economics

In regulatory investigations and private litigation arising from the initial distribution of cryptotokens, clients have retained Cornerstone Research to evaluate drivers of a token's value through an economic lens. This includes assessment of fungible and non-fungible tokens (NFTs) as well as stable coins. Our analyses have helped address issues within the context of the Howey Test, which lays out the general approach to determining whether an asset should be considered a security.

Blockchain Forensic Data Analytics

Cornerstone Research and our team of experts have substantial experience collecting and analyzing historical transactions data across blockchains, centralized cryptocurrency exchanges, and decentralized finance (DeFi) applications to provide valuable information and actionable insights for our clients, including:

- Forensic tracing of token value transfer
- Decoding the pseudo-anonymity of wallets
- Economic analysis of blockchain properties

Our proprietary in-house blockchain databases and tracing tools support our crypto analysis and consulting services.

Damages and Token Valuation

We leverage significant experience in complex securities cases and valuation assignments and apply it to cryptocurrency-specific issues. Cornerstone Research has conducted damages analyses in matters relating to cryptocurrency trading and token valuation. Our assignments have included:

- Evaluating rescission damages claims for heavily traded cryptocurrencies
- Analyzing damages claims through a comparison of the economic value associated with cryptocurrency trading strategies
- Valuing companies whose primary assets are illiquid cryptotokens

Consumer Financial Services

As technology has begun to change the way consumers interact with financial products, new types of disputes have emerged. Our experience with traditional consumer financial products provides a solid foundation to assist clients with regulatory and litigation matters arising from new technology.

For example, we have evaluated how existing consumer finance regulation applies to new platforms and how borrowers interact with developing technology for loan products. We have also analyzed financial "robo-advisors" and how automated investment strategies perform relative to alternative portfolios under different risk-return scenarios.

Government Investigations

Cornerstone Research has extensive experience with assessing how government regulations apply to cryptocurrency and assisting clients with responses to government entities including the CFTC and SEC. This includes assessing allegations of unregistered securities offerings, estimating alleged harm, and evaluating claims of market manipulation. Our staff and experts have experience presenting analysis directly to regulatory entities.

NFT and Intellectual Property

Cornerstone Research has experience with multiple NFT matters involving:

- Analysis of NFT trading records and prices.
- Assessment of business operations of NFT platforms.
- Analysis of the differences in NFT markets vs. traditional securities (e.g., stock and bond) markets and the role of information in various markets.
- Analysis of NFT brand equity and assessing whether certain behaviors from a competitor harm that brand equity.
- Evaluating drivers of NFT intellectual property value.

The FinTech landscape continues to evolve, with new and continuing litigation related to consumer financial services platform innovation, the economics of cryptotokens, features of a blockchain, and allegedly disruptive cryptocurrency trading practices.

For clients involved in these matters, we provide significant technical know-how, in-house proprietary analytical tools, and the critical expertise needed to address these issues.

For more information on our FinTech experience and capabilities:

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