

Docupace Sells Majority Stake to Private Equity Firm, Appoints New CEO

Docupace, a cloud-based digital operations software for wealth management firms, has secured a majority equity investment from FTV Capital, a sector-focused equity investment firm.

Docupace said that the investment enables the firm to expand its product and service offerings to its broker-dealer, registered investment adviser (RIA) and insurance firm customers, as well as with the financial advisors affiliated with these companies.

“The investment and leadership FTV Capital brings to the company will help Docupace accelerate its client-centric initiatives of expanding its capabilities and support, advancing product development and continuing their thought leadership in automating the ways front and back-offices operate, communicate and generate new business,” the company said.

Docupace also announced the appointment of David Knoch, former president of 1st Global, to the role of chief executive officer, effective immediately.

The company said that as president of 1st Global, a research and consulting partner to CPA, wealth management and tax planning firms, Knoch grew revenue and profitability margins by more than 50 percent, grew assets under management by 154 percent and transformed recurring revenue from 55 percent to 81 percent of total revenue.

Additionally, he developed investment advisory programs and technologies, growing assets under management from \$900 million to \$10 billion over 14 years, a 17.1 percent annual

growth rate. Most recently, Knoch led the sale of 1st Global to Blucora.

Knoch also served as the 2019 chairman of the board for the Financial Services Institute (FSI).

“We are excited by the innovation taking place across the wealth management landscape and Docupace’s commitment to reducing paper and increasing back-office automation,” said Robert Anderson, partner at FTV Capital. “At FTV, we are passionate about the future of digitization and the crucial role it plays in empowering financial advice providers and the firms that serve them, especially in an era when organizations need to be more flexible in enabling remote work solutions, and more immediately responsive to client needs in the face of market uncertainty.”

Alongside existing board member Michael Pinsker, Docupace’s board of directors has been modified to encompass David Knoch, as well as Rob Anderson, Brad Bernstein and Adam Hallquist from FTV Capital.

Former Docupace chief executive officer Mark Tapling will remain with the company for an interim period during the transition of leadership. Docupace founder Michael Pinsker, will serve as president of the firm.

Docupace’s platform includes client and advisor onboarding, document management, standardized workflows, approval processes, and compliant storage.

FTV Capital is a growth equity investment firm that has raised more than \$3.7 billion to invest in high-growth companies offering a range of solutions in three sectors: enterprise technology and services, financial services, and payments and transaction processing.

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Docupace Launches New Regulation Best Interest Compliance Service

Docupace, a cloud-based fintech digital operations software for the wealth management industry, has launched a new Regulation Best Interest and Form CRS digital service for broker-dealers and advisors.

The Security and Exchange Commission's Regulation Best Interest goes into effect on June 30th, 2020, requiring broker-dealers and associated financial advisors to provide a relationship summary (Form CRS) to retail investors following certain trigger events, such as recommending a new investment product. Broker-dealers are also required to store records of Form CRS paperwork and delivery information.

The SEC has given broker-dealers a choice for how they would like to deliver and store Form CRS – on paper or electronically.

“One of the highest priority issues facing many broker-dealers and investment advisors today is simplifying Reg BI compliance,” said Michael Pinsker, founder of Docupace. “Digital delivery, storage, and automation of Form CRS and disclosures are paramount to streamline requirements of Reg BI.”

Docupace claims that its electronic approach to Form CRS will eliminate a large portion of the administrative work associated with a paper-based approach.

“In addition to saving firms from added printing, mailing,

faxing, and filing costs, an electronic Form CRS workflow can minimize opportunities for non-compliance,” the company said in a statement. “Firms will be able to use a multi-step paperless workflow to automatically generate different versions of Form CRS and other disclosures based on different parameters, like the advisor license information, and ensure the content in each disclosure is always up to date. The summary can then be delivered electronically to the investor.”

Docupace provides digital services to broker-dealers, RIAs, and their advisors that focus on streamlining and automating client onboarding, document management, advisor transitions, cybersecurity, and other workflows while maintaining SEC and FINRA compliance.

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