

Biography of a key software engineer: Max Levchin

Max Levchin was born on the 11th of July 1975 in Kiev, Ukraine. He and his family moved to Chicago in 1991. As a child Levchin had respiratory problems and doctors doubted his chance of living. To help expand his lung capacity Levchin learned how to play the clarinet. Levchin attended Mather High School before going off to university. Levchin attended the University of Illinois at Urbana-Champaign, where he earned a bachelor's degree in computer science in 1997.

While at university Levchin and fellow University of Illinois students Luke Nosek and Scott Banister founded the advertising company SponsorNet New Media. This was the last large business venture of Levchins before he co-founded PayPal.

In 1998, Levchin and Peter Thiel founded Fieldlink, a security company that allowed users to store encrypted data on their PamPilots and other PDA devices in order for handheld devices to serve as digital wallets. Levchin and Thiel then changed the name to Confinity. After changing the name of the company they developed a popular payment product known as PayPal and focused on digital transfers of funds by PDA. The company merged with X.com in 2000, and in 2001, the company adopted the name PayPal. The online payment completely changed the way in which people use their money. PayPal has made it simple and effective to purchase items online and even to transfer funds between bank accounts safely and securely. Since being acquired by eBay in July of 2002 PayPal has continued to grow into the huge phenomenon that it is today. At the time of this acquisition Levchin's 2.3% stake in PayPal was worth approximately \$34 million. Levchin is most well known for his contributions to PayPal's anti-fraud efforts and is co-creator of the Gausebeck-Levchin test, one of the first commercial implementations of a CAPTCHA. In 2002 Levchin was named to the MIT Technology Review TR100 as one of the top 100 innovators in the world under the age of 35, as well as innovator of the Year. (Innovator Of The Year, 2013)

PayPal has become one of the most commonly used products worldwide. 18% of all e-commerce today is processed by PayPal and hit a record of 450 transactions per second on CyberMonday of 2015. It has over 200 million active users, has had over 1.7 billion payment transactions and is used by 768,745 websites worldwide. Thanks to initial security put into place by Levchin PayPal is the second safest payment system among US consumers only behind Credit cards. (PayPal Statistics: Dominating the World's Online Payments, 2017)

Following Levchin's success with PayPal he decided to create a new business, this business was called Slide. Levchin founded Slide, a personal media-sharing service for social networking sites such as Facebook and MySpace, in 2004. Slide was one of the

companies invited to participate in F8, the event at which Facebook announced an open platform allowing third parties to develop and operate their own software applications on the Facebook website. In 2009 the company officially changed its business model from an ad network to a sponsored content service, by which brands would pay between \$500,000 and \$1,000,000 for each sponsorship placement. On August 6th, 2010, Google bought Slide for \$182 million. Levchin received \$39million from the acquisition and became vice

president of engineering. By August 26th of 2011 Google announced that Slide was being shut down. (Wikipedia- Slide.com, 2018)

In late 2011, Levchin started a company called HVF (Hard, Valuable and Fun) that was intended to explore and fund projects and companies in the area of leveraging data. In 2012, the financial technology company Affirm was spun out of HVF with the goal of building the next generation credit network. This company was created by Max Levchin, Nathan Gettings and Jeff Kaditz. Affirm helps to finance big purchases made by their customers without credit cards. Affirm provide this service without using deferred interest, compound interest or late fees (Affirm, 2018). Levchin remains the company's CEO today and the company has an estimated annual revenue of approximately \$10 million. (Owler-Affirm, 2018)

During his time working for HVF Levchin also set up a fertility company called Glow. Glow is a fertility app that crunches and analyzes vast quantities of data to help users take control of their reproductive health. It was launched as a single app on a single platform with the aim of helping women become pregnant. Glow helps women track their cycles and get the most accurate fertility predictions, whether they are avoiding pregnancy or trying to conceive. It assists women in many phases of their reproductive journeys such as avoiding pregnancy, conceiving, pregnancy, and postpartum. Glow also provides miscarriage support for women who have experienced a loss. In each stage, Glow provides insights, articles, useful tips, and a translation of health data to achieve better fertility outcomes. (Glow-Crunchbase, 2018)

Levchin is an investor and is the largest shareholder of the online social networking and review service Yelp owning over 7 million shares as of 2012. He served as Yelp's Board of Directors from its founding until July 2015. Levchin also invested in Evernote, a mobile app designed for note taking, organizing, tasks lists and archiving. He served on the company's board of directors from August of 2006 to 2016. Levchin also joined Yahoo's Board of Directors in December of 2012 where he served for 3 years. In 2015, Levchin was appointed to the U.S. Consumer Financial Protection Bureau's Consumer Advisory Board for a three-year term, making him the first executive from Silicon Valley to be appointed to the board.

In 2015, Max Levchin established the Lechin Prize, which annually awards \$10,000 to people who have provided "significant contributions to real-world cryptography". Currently the only recipients of the prize are Phillip Rogaway(2016), Joan Daemen, Moxie Marlinspike and Trevor Perrin(2017) and Hugo Krawczyk(2018). (Previous Recipients - Levchin Prize, 2018)

On top of Levchins software engineering he has also been involved in many other ventures. He was an executive producer for the movie Thank You for Smoking. In 2011, Levchin collaborated with Garry Kasparov and Peter Thiel on a planned book titled The Blueprint, which called for a revival of world innovation. The book was originally scheduled for a release in January of 2012 but was later postponed indefinitely.

Levchin appeared as a speaker at the 2007 Startup School organized by Y Combinator, where he described his own journey as an entrepreneur and the mistakes he made and lessons he learned. Levchin was also featured in "Brilliant Issue" of Portfolio by Condé Nast Publications.

Levchin was listed as one of the contributors to FWD.us, a Silicon Valley-based lobbying group spearheaded by Mark Zuckerberg and Joe Green. The group is intended to concentrate on immigration liberalization for high-skilled immigrants to the United States, improvements to education, and facilitating technological breakthroughs with broad public benefits. Levchin also narrated his personal experience as an immigrant in a video released by the group.

(Word count => ~ 1200 words)

Bibliography

Affirm. (2018). Retrieved from <https://www.affirm.com/business/company/>

Glow-Crunchbase. (2018). Retrieved from <https://www.crunchbase.com/organization/glow#section-overview>

Innovator Of The Year. (2013). Retrieved from <http://www2.technologyreview.com/tr35/profile.aspx?trid=224>

Owler- Affirm. (2018). Retrieved from <https://www.owler.com/company/affirm>

PayPal Statistics: Dominating the World's Online Payments. (2017, August 3). Retrieved from <https://martech.zone/paypal-statistics-online-payments/>

Previous Recipients - Levchin Prize. (2018). Retrieved from <http://previous-recipients.levchinprize.com/>