

# CFM and NXTsoft Announce Strategic Combination

*Transaction unites two leading software companies driving digital transformation in banking via API connectivity solutions*

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TEMPE, Ariz. & BIRMINGHAM, Ala.--(BUSINESS WIRE)--OceanSound Partners, a growth-oriented private equity firm, today announced that its portfolio company, CFM, has merged with NXTsoft. The combination creates the leading provider of API connectivity, workflow automation, and data analytics software for financial institutions. Simultaneously, NXTsoft completed its previously announced separation from ThreatAdvice, a cybersecurity solutions business. Terms of the transaction were not disclosed.

Together, CFM and NXTsoft deliver API solutions to over 1,800 banks and federal credit unions in North America. CFM integrates teller applications with branch hardware, creating modern banking experiences. NXTsoft helps its customers secure, connect, and optimize their data through integration flows that connect over 75 software applications to over 40 core processors. All products currently offered by both businesses will remain available and supported under their existing brands.

Customers will benefit from an expanded suite of API connectivity, workflow automation, and data analytics solutions, purpose-built for retail banking. By accessing the combined product suite, financial institutions will be able to accelerate their IT modernization timeline by adopting best-of-breed financial technology solutions across different use cases, including account opening, servicing, loan origination, cash automation, payments, risk and compliance, and digital banking.

Ted Coons, Partner at OceanSound, said, "Financial institutions struggle to keep pace with their digital transformation goals because of the difficulty that stems from transferring data between their core and new fintech products. CFM and NXTsoft have developed intuitive API solutions that address these challenges by compiling pre-built integrations into one central hub. Their products enable banks and credit unions to build connected experiences for their customers and employees, accelerate time-to-market of new technology, and lower operating costs."

John W. Smith, CEO of CFM, added, "Our two companies share a common goal – to reduce the friction that banks and credit unions encounter in integrating modern technology with their core. By uniting with NXTsoft, we expect to expand our product offerings, cross-sell across our customer bases, facilitate new partnerships, and create professional development opportunities for our combined workforce. Beyond the strategic fit, our two firms have highly compatible cultures, which will facilitate a seamless integration process for employees and ensure zero disruption for our customers."

"Since our partnership began in December 2021, CFM has executed against its organic growth strategy via substantial investments in development, sales, and support resources," said Parin Shah, Principal at OceanSound. "CFM is also pursuing strategic acquisitions to expand its product leadership, geographic reach, and service capabilities. We are thrilled to support the merger with NXTsoft, which unites two leading businesses that drive innovation in banking by addressing pain points around core connectivity."

“This transaction represents the next chapter in our journey,” said David Brasfield, former CEO of NXTsoft, who will help manage the integration with CFM. “Since we launched NXTsoft in 2017, our team has developed cutting-edge technology for over 1,100 customers and achieved rapid growth. Ultimately, we reached an inflection point where NXTsoft could best realize its potential by separating from ThreatAdvice and by partnering with CFM. Our two firms have an aligned strategic vision and I am confident that this merger will lead to long-term, sustained success.”

Skadden, Arps, Slate, Meagher & Flom LLP served as legal adviser to CFM. Stephens Inc. served as financial adviser and Weil, Gotshal & Manges LLP and Burr & Forman LLP served as legal advisers to NXTsoft.

## **About CFM**

CFM is driving transformation in retail banking through software that integrates core banking systems with branch technology, including cash recyclers, self-service kiosks, and tablet banking interfaces. CFM’s software solutions and data analytics tools simultaneously help financial institutions create modern banking experiences and drive operational efficiency by reducing branch operating costs and improving productivity. CFM has sold over 55,000 licenses to over 700 bank and credit union customers. CFM was founded in 2006 and is based in Tempe, Arizona. For more information, please visit: [www.whycfm.com](http://www.whycfm.com).

## **About NXTsoft**

NXTsoft is the leading provider of secure, comprehensive, and complete workflow API connectivity, connecting fintech solutions to over 1,100 banks and credit unions throughout the United States. NXTsoft’s other solutions include data analytics, data management, and data migration. NXTsoft’s products and services help businesses secure, connect, and optimize their data to maximize revenue opportunities and enhance profitability. NXTsoft was founded in 2017 and is based in Orlando, Florida and Birmingham, Alabama. For more information visit, please visit [www.nxtsoft.com](http://www.nxtsoft.com).

## **About OceanSound Partners**

OceanSound Partners is a New York-based private equity firm that pursues control investments in technology and technology-enabled services companies serving government and enterprise end-markets. OceanSound employs a partnership approach, working closely with founders, entrepreneurs, and executives of middle market businesses to drive transformational growth. For more information, please visit: [www.oceansoundpartners.com](http://www.oceansoundpartners.com).

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