OVERVIEW

Companies at the intersection of financial services and technology require legal services that are innovative, comprehensive, and responsive to business objectives, industry trends and legal constraints. From incorporation to exit, the fintech sector must navigate regulatory issues that drive business decisions and operating models, and become ever more complex as a company scales.

At Wilson Sonsini, our practice includes some of the most prominent practitioners and thought leaders providing advice to fintech start-ups and financial institutions. Our clients leverage our unparalleled expertise, relationships and experience—all of which are vital to fintech companies from day one.

Our successful track record counselling companies at all stages through complicated and sometimes uncertain or rapidly changing regulatory landscapes, and our longstanding relationships with top venture capital firms, financial institutions, and major regulatory bodies, have resulted in many of our clients building rapidly and achieving multibillion-dollar valuations, while avoiding the type of regulatory and legal morasses that can get in the way of a company’s success.

Select Client Successes in the Fintech Sector

Corporate

- Online insurance provider eHealth raised $70 million in an IPO
- Square went public in a $243 million IPO
- Financial software company BlackLine raised $148 million in an IPO
- Blockstack announced the first SEC-qualified token offering, worth $28 million
- Credit Karma’s $7.1 billion acquisition by Intuit
- LinkedIn’s $26.2 billion acquisition by Microsoft
- Microchip’s $9.3 billion acquisition of Microsemi
- Mortgage lender Better.com raised $100 million in Series C funding
- Brex raised $300 million in Series D financing
- Checkout.com, the fourth-largest fintech start-up globally, received a $40 billion valuation

Regulatory
Secured “no-action” relief for the then-innovative, and now widely replicated, investment platform sponsored by AngelList
Structured some of the first peer lending platforms and their investment instruments, including PeerStreet’s mortgage payment dependent notes, RealtyShares’ real estate-focused special purpose vehicles, and Realty Mogul’s e-REIT
Assisted FIG Technologies in developing a form of publicly offered tracking stock related to the development of gaming products
Structured publicly offered bonds funding renewable energy projects for SolarCity
Developed a legally compliant secondary trading platform of private, restricted securities with NASDAQ Private Markets
Led a public offering by Exodus Movement of common stock represented by tokens
Secured Prometheum’s SEC and FINRA approval to operate an alternative trading system (ATS) in the U.S. for trading of crypto tokens
Navigated Bitwise’s approval process for an offering of a publicly traded product that provides investors exposure to a crypto index fund

WHY WILSON SONSINI?

The fintech industry generates innovative solutions to improve all varieties of financial services. Emerging fintech companies need thoughtful guidance to help navigate complex federal and state securities, commodities, payments, banking, and cybersecurity laws, among other considerations. Established fintech companies need ongoing guidance on these issues as they develop new products and technologies.

Wilson Sonsini provides the kind of sophisticated, regulatorily sensitive, and business-oriented counsel fintech companies need to navigate their growth, development, and innovation at every stage.

Wilson Sonsini attorneys have extensive experience across all fintech sub-sectors, including the following:

- **Investment advisers, broker-dealers, and alternative trading systems:**
  - Robo-advisers
  - Social media investment platforms
  - Artificial intelligence-based models for investment and wealth management
  - Neo-factoring platforms
  - Alternative trading systems and exchanges for private securities and alternative asset classes
  - Broker-dealers involved in digital assets

- **Financial services providers:**
  - Neo-banks
  - Virtual credit cards
  - Online personal finance platforms
  - Innovative money services businesses and money transmitters

- **Blockchain and digital currency-related businesses:**
  - Web 3.0 projects, including blockchain-based gaming platforms
  - Blockchain-based securities clearance and settlement platforms, alternative trading systems, and money transmission providers
  - Decentralized finance platforms

- **Crowdfunding platforms:**
  - Platforms offering securities to accredited investors, including angel, movie development, real estate, drug and medical device, and other specialized investment platforms
  - Funding portals facilitating Regulation Crowdfunding offerings

Peer lending platforms that offer payment-dependent notes publicly or privately

**COMPREHENSIVE SERVICES**

Much of our clients’ success is derived from using our expertise for a wide range of services: initial structuring and financings, regulatory strategies, IP protection, commercial partnerships, and others. Our committed attorneys understand a company’s entire scope of needs, enabling them to deliver impactful, innovative, compliant, and customized solutions.

In other words, Wilson Sonsini provides the comprehensive and integrated corporate, regulatory, intellectual property, and litigation services that fintech companies need.

Our fintech services include the following, among many others:

**Regulatory**
Structuring and counseling fintech businesses for compliance with federal and state securities, commodities, payments, and other financial services laws in a manner designed to streamline compliance as much as possible—particularly where there is legal or regulatory uncertainty.

Seeking no-action letters, exemptive orders, and other regulatory relief related to fintech legal issues that pose new questions.

Pursuing informal discussions with regulators regarding new technologies and business models to address regulatory uncertainty.

Forming and registering regulated entities, including investment advisers, broker-dealers, funding portals, money services businesses, and money transmitters; developing compliance programs; and providing ongoing compliance advice for these entities.

Drafting legal opinions and memoranda regarding the status of certain assets as securities; the status of a business as a broker-dealer, investment adviser, investment company, money services business, or money transmitter; and/or the compliance of a client’s business activities with federal and state securities, commodities, and/or payments laws.

**Corporate**

- Initial structuring and financings, including SAFE, SAFT, convertible notes, and other arrangements.
- Forming private funds to facilitate the delivery of fintech products and services, including venture capital and private equity funds, and developing necessary disclosure and operating documents.
- IPO advisory services and negotiating of the full suite of capital markets offerings, with experience in the United States, Hong Kong, and Chinese markets.
- Mergers and acquisitions, with decades-long experience participating in landmark deals.
- Tax analysis and mitigation strategies for corporate structures.
- Guidance for foreign companies entering U.S. markets, including launch, fundraising, partnerships, M&A, and IP services.

**Intellectual Property**

- Patents and innovations assistance, including patent portfolio management, patent applications, licensing, due diligence, litigation, and interference and re-examination proceedings.
- Technology transactions guidance, including strategic alliances, partnerships, joint ventures, asset sales, collaborations and co-development arrangements, reseller agreements, manufacturing agreements, and global outsourcing transactions, among others.

**Litigation**

- Wide-ranging litigation services, including trade secrets, commercial, consumer, corporate, patent, securities, and trademark litigation, among other specialties.

These are just a portion of our commonly used legal services. Given our extensive experience in related practices, such as intellectual property, cybersecurity, and financial regulation, our firm also has substantial resources to represent a fintech company facing business disputes in critical areas like antitrust, privacy, and securities litigation.

**RELATIONSHIPS WITH REGULATORS**

At Wilson Sonsini, our attorneys have represented thousands of start-ups and fintech clients. They are thoroughly familiar with the latest developments in the fintech industry, enabling them to respond quickly to industry shifts. Further, because they have longstanding relationships with regulators and in-depth knowledge of regulatory requirements, they have insight into how fintech business models will be viewed by the relevant agencies. In fact, several members of our team were formerly with the Securities and Exchange Commission (SEC) or the Financial Industry Regulatory Authority (FINRA).

Our extensive network streamlines compliance with regulatory bodies within the United States, such as the:

- Consumer Financial Protection Bureau
- Federal Reserve Board of Governors
- Federal Deposit Insurance Corporation
- Financial Crimes Enforcement Network
- Securities and Exchange Commission
- Commodity Futures Trading Commission
- Financial Industry Regulatory Authority