Fintech and Financial Services

HIGHLIGHTS

End-to-End Legal Guidance for Fintech Innovators
Wilson Sonsini provides extensive and cutting-edge corporate, regulatory, IP, and litigation legal services for innovative companies across the fintech and financial services industries. We specialize in helping clients with innovative financial platforms and products comply with existing law. Select clients include Block, AngelList, Roblox, Crypto.com, CrowdStreet, Bitwise, Bakkt, Rally Rd, and Checkout.com.

Tailored Services for a Broad Range of Clients
As a leading law firm for technology enterprises, Wilson Sonsini represents an expansive group of companies in the financial services sector, including companies harnessing innovative, disruptive technologies such as artificial intelligence, machine learning, or blockchain; alternative investment platforms; robo-advisers; peer-lending platforms; and innovative payment systems. Our fintech practice constantly evolves and grows as our clients adopt new technologies and pursue innovative business lines.

Comprehensive Regulatory Experience
At the heart of our work is regulatory compliance. We advise companies with financial products and services on the requirements of statutes and regulations that range from the Investment Company Act of 1940 ('40 Act), the Investment Advisers Act, the Commodity Exchange Act, and the Bank Holding Company Act, to the rules of self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA) and the National Futures Association (NFA), to state money transmission and trust company statutes.

OVERVIEW

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At the heart of our work is regulatory counseling. We advise companies with financial products and services on the requirements of statutes and regulations that range from the Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940 ('40 Act), the Investment Advisers Act, the Commodity Exchange Act, and the Bank Holding Company Act, to the rules of self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA) and the National Futures Association (NFA), to state money transmission and trust company statutes.

And regulatory counseling is just the beginning of the story. Wilson Sonsini supports the unique needs of each fintech client across almost every area of the law and throughout its lifetime. Our corporate attorneys have deep expertise in guiding fintechs from founding and early-stage seed financings through later-stage venture financings, mergers and acquisition transactions, and beyond as public companies. Our technology transactions, intellectual property, tax, national security, privacy, and other specialist teams take a creative and practical approach to addressing the unique issues that fintech clients face. Working together on a comprehensive basis, we help companies avoid foot faults that can lead to future problems and we point them toward success.

Our attorneys have extensive experience across all fintech and financial services sub-sectors, including the following:
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
- Raising capital through the sale of equity and token warrants in a compliant regulatory manner

Crowdfunding and alternative investment platforms:
- Platforms offering investments in alternative asset classes, including angel, movie development, gaming, collectible, real estate, drug and medical device, and other specialized investment platforms
- Broker-dealers and funding portals facilitating Regulation Crowdfunding offerings
- Peer-lending platforms offering payment-dependent notes or other investments in consumer, mortgage, or small business loans, publicly or privately

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

Investment advisers, broker-dealers, alternative trading systems, and other intermediaries:
- 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
- Commodity trading advisors, commodity pool operators, and futures commission merchants

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 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 and financial services expertise includes the following:

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 SAFEs, SAFTs, convertible notes, token warrants, 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 or financial services company facing business disputes in critical areas like antitrust, privacy, and securities litigation.

**RELATIONSHIPS WITH REGULATORS**

Wilson Sonsini’s attorneys have represented thousands of start-ups and fintech and financial services clients. They are thoroughly familiar with the latest developments in the fintech and financial services industries, 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 and financial services 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 Federal Reserve.

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

**CLIENT SUCCESSES**

**Select Client Successes in the Fintech and Financial Services Sectors**

**Corporate**

- Blockstack’s SEC-qualified token offering worth $28 million, the first of its kind
- Better.com’s $180 million Series C funding
- Brex’s $500 million Series D financing
- eHealth’s $70 million IPO
- Block (then Square)’s $243 million IPO
- BlackLine’s $146 million IPO
- Credit Karma’s $7.1 billion acquisition by Intuit

**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