



Business & Legal Developments in Silicon Valley



Friends,

As the snow begins to melt from the slopes of the Sierra Nevadas, Silicon Valley's #bigtech companies have announced a return to the office. After spending the last two years working almost exclusively on a remote basis, we are all on the edge of our seats to see what the future of work looks like. Meanwhile, the world has become increasingly mired in a conflict that we all saw coming, but still leaves us shocked and in disbelief. In Silicon Valley, we #StandWithUkraine and are responding by supporting [Nova Ukraine](#).

While bigtech and life science companies in the public markets have seen a significant correction to valuations in terms of multiples of revenue, which is slowly trickling down to late-stage and now mid-stage private market deals for tech businesses, we continue to find that it's an entrepreneur's market for capital raising, with investors continue to compete ferociously to get into the best deals. Clean energy tech deals are back in action, and life sciences are seeing some challenges but still getting deals done. Web3, Metaverse, DApp and DeFi deals continue to outperform, particularly with business models that tokenize products. Our team continues to work with some of the most prolific content creators, entrepreneurs and investors to create new platforms aligned with new technology paradigms, and all over the world.

We are always available to help you brainstorm legal and business challenges, foster new introductions, and to help you build.

We are grateful for your trust and confidence, and look forward to seeing you very soon.

[Your Legal Team at Foley & Lardner in Silicon Valley and San Francisco.](#)

Foley Partners Louis Lehot, Natasha Allen, and Andre Thiollier To Speak in Livestream Discussion with 4thly on Optimizing Founder Equity for Post-Pandemic, High Resolution Startups

Tuesday, April 5th, 2022, 11am PST / 2pm EST

A Panel of Experts Discusses How Startups can Optimize Founder Equity.

Company founders need to sell equity in order to raise capital, while still preserving as much as they can for themselves and their team. Each round of financing causes more dilution (and potentially less control of the company). How do company founders manage this process in an optimized way?

Also, the road from founding a company to getting to a liquidity event can be many, many years, so how do founders get a little liquidity along the way?

[Learn More](#)

Conference: Foley Partner Louis Lehot Will Present at the Propy Crypto & Real Estate Summit in Miami

Crypto and Real Estate Summit: March 10-11, 2022

Join us for the first-ever conference that merges the power of real estate with the power of Crypto, Blockchain, and NFTs in the real world and the metaverse.

Grow your knowledge and learn how to make these new technologies work for you – today and in the future.

This 2-day summit gives you the tools and information you need to get started:

[Learn More](#)

Foley Partner Andre Thiollier Authors Article For LatinVex

Originally published in LatinVex on February 23, 2022.

The year of 2021 may have marked Latin America's golden gate towards innovation and economic prosperity.

Global benchmarks indicate that Latin America was the fastest-growing region in the world for venture funding in 2021 according to the most recent data coming from Crunchbase. Early and late-stage venture technology growth investors poured in the region an estimated \$19 billion. That represents a staggering threefold increase in volume compared to previous years.

[Read Full Article](#)

Foley Partner Louis Lehot Participates in Livestream Discussion with 4thly on Due Diligence for Startup Founders and Investors

Foley & Lardner LLP Partner [Louis Lehot](#) recently participated in a livestream discussion with startup accelerator 4thly, "Due Diligence for Startup Founders and Investors." The discussion zoned in on why investors need to have full visibility into a company's technology and operations before making an investment decision and why founders need to be careful about all their representations.

View the full version of the livestream below.

<https://www.foley.com/en/insights/news/2022/03/louis-lehot-4thly-due-diligence-startup-founders>

Pat Daugherty and Louis Lehot Author Article for Law360 on SEC's Stealth Digital Assets Regulation

Foley Partners [Pat Daugherty](#) and [Louis Lehot](#) recently authored an article for *Law360* titled, "[The Drawbacks of the SEC's Stealth Digital Assets Regulation](#)." The article examines the SEC's recently published Reg Flex

agenda, which is how the SEC tells the world what rules it plans to propose. The authors note that while crypto-assets and digital assets were conspicuously missing from the proposed rules, this is a stealth proposal to increase SEC control over the digital asset industry.

(Subscription Required)

Garage2Global podcast series hosts Robert Bartlett of Guggenheim Securities Discussing Market, SPACs, 2021's Hypergrowth, and 2022's Market Expectations

Foley Partner [Louis Lehot](#) recently co-hosted another of Richard Levick's "In House Warrior - "Garage2Global" podcasts featuring Robert Bartlett, senior managing director of Guggenheim Securities, to discuss the state of the market, SPACs, 2021's hypergrowth, and 2022's market expectations.

Watch to the full podcast [here](#).

Foley Senior Counsel Eric Chow Quoted in LegalTech News on Data Privacy in M&A Transactions

Foley & Lardner LLP Senior Counsel [Eric Chow](#) was recently quoted in the *LegalTech News* story, "[Data Privacy Due Diligence is Becoming More Vital in M&A Transactions](#)." The article notes that carriers insuring private equity-backed transactions are paying close attention to a company's data privacy practices. Chow commented, "Insurers' due diligence is a new workstream. The coverage that we would get from the insurer regarding compliance with data privacy laws, data breach [notification requirements] and security at-large are key parts of that negotiation. Sometimes carriers will look to have different deductibles [and] caps and the scope of coverage can be negotiated—that's a growing area of M&A."

Patrick Daugherty Quoted on DAO Mergers

Foley & Lardner LLP Partner [Patrick Daugherty](#) was quoted in the *Mergermarket* article, "[DealTech: DAOs dip toes into M&A, scope for advisors to get involved](#)," about crypto-based startups called decentralized autonomous organizations (DAOs) that are beginning to gain M&A experience.

"More mergers involving DAOs are coming," said Daugherty, and "there are not enough lawyers involved yet to iron out the potential issues that may arise in such deals." For instance, "U.S. tax rules are demanding" and DAOs are increasingly on the radar of governments.

(Subscription required)

DeFi World Has a New Star Called DAO

Originally published in [Global Trade Magazine](#) on February 13, 2022. Reprinted with permission.

As financial markets wrap up the year 2021 and launch into 2022 at warp speed, the "DeFi" world has a new star called the "DAO".

Decentralized finance, short-handed as "DeFi", refers to peer-to-peer finance enabled by Ethereum, Avalanche, Solana, Cardano and other Layer-1 blockchain protocols, as distinguished from centralized finance ("CeFi") or traditional finance ("TradFi"), in which buyers and sellers, payment transmitters and receivers, rely upon trusted intermediaries such as banks, brokers, custodians and clearing firms. *DeFi app users "self-custody" their assets in their wallets, where they are protected by their private keys. By eliminating the need for trusted intermediaries, DeFi apps dramatically increase the speed and lower the cost of financial transactions. Because*

open-source blockchain blocks are visible to all, DeFi also enhances the transparency of transactions and resulting asset and liability positions.

[Read More](#)

Takeaways from Webinar on Doing Business with China

The US and Chinese economies remain intertwined. Even throughout a global pandemic that has slowed international commerce and rising geopolitical tensions, China remains the largest trading partner of the United States. US businesses and investors rely on China for its manufacturing capabilities, its massive consumer market, and its robust capital markets. Investors are well aware of the actions that the US government has taken to curb technology exports to China and restrict inbound Chinese investment into critical US industries. Foley Partners [Mike Walsh](#) (ex-General Counsel of the US Dept of Commerce), [Natasha Allen](#) and [Louis Lehot](#) teamed up with Martin + Crumpton's H.K. Park to lead a discussion about what to look out for in the year ahead.

Events, Deal Announcements, and Quotables

- [Cocktails & Conversation at SXSW2022 - March 14th 6pm](#)
- [Foley Partner Louis Lehot Quoted in Crunchbase Discussing SPACs Searching for Targets](#)
- [Foley Partner Louis Lehot Interviewed on Hsu Untied Podcast Discussing His Practice](#)
- [Foley Represents NEA and Cortical Ventures as Lead Investors in \\$16M Series A Financing of SeMi Technologies](#)
- [Foley Represents Altis in \\$7M Seed Funding Round](#)
- [Foley Represents Snowcrash in Launch of New NFT Platform and Partnership with Universal and Sony Music](#)
- [Foley Represents ZERO in \\$12M Series A Investment Round](#)
- [Brazil's Grão Direto Lands Series-A2 from Agribusiness Powerhouses Cargill, Louis Dreyfus Company, Archer Daniels Midland Company and Amaggi Agro.](#)

We are hiring!

Click [here](#) for further details and to apply.

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