



## Business & Legal Developments



Friends,

Sharing business and legal developments from around the global Silicon Valley as we see them today.

In the world of deals, down and flat rounds were the story last quarter, and in June the trend only accelerated. Companies took longer to raise capital and investors took much more time to deploy it, as they adjusted to the pricing environment. We saw something of a Series B crunch and a smaller number of new Series A deals. Seed was also down. We saw investors asking for better terms and doing deeper due diligence, and we saw deals taking much more time to close.

Global VC investments decreased by 42.8% in the second quarter of 2023 as compared to the year-ago quarter and 13.1% from the first quarter. The number of deals was off 38.7%, and there was also a slight increase in average deal size.

On the plus side, several initial public offerings were completed in the period, and there are signs that the IPO market will come back to life in September after a long freeze.

We started off June with the first of many 4thly co-hosted webinars, [Early Stage Startup Financing in 2023 Webinar](#).

Artificial Intelligence continues to dominate headlines as Foley co-hosted an in-depth [AI, ML, and Generative Tech Webinar](#) discussion for both startups and investors. The [European Union approved the AI Act](#), drawing a regulatory roadmap for the international community.

Looking beyond the horizon, Jeff Atkin gave his thoughts during the [Climate Tech and Renewable Energy Webinar](#), Natasha Allen and Christopher Cain explored [Venture Considerations for Better-For-You Products](#), and Eric Chow and I discussed [Key Considerations for Founders Exploring M&A as an Exit Strategy](#).

As always, we would love to see you at our upcoming events. Mark your calendars for October 17 for [Ted AI](#) at the Herbst Theater in San Francisco. We are sponsoring this landmark event focused on the power and impact of artificial intelligence, which has already booked entrepreneur, chief scientist and co-founder of [Open AI](#), [Ilya Sutskever](#), President and Co-Founder of [Anthropic](#), [Daniela Amodei](#), and founder and CEO of [ARK Invest](#), [Catherine Wood](#).

As always, do not hesitate to reach out if we can help you brainstorm a legal or business challenge you are facing or if we can connect you to a potential investor, professional, or entrepreneur.

Your Foley & Lardner Silicon Valley team ([Natasha Allen](#), [Eric Chow](#), [Brandee Diamond](#), [Louis Lehot](#), [Lyman Thai](#), [André Thiollier](#), [Alicia D'Alba Dörner](#), and [Alidad Vakili](#)).

## Events

## Recent Events:

### [Early Stage Startup Financing in 2023 Webinar](#) | June 14, 2023

Foley recently co-hosted the Early Stage Startup Financing in 2023 Webinar with 4thly. Partners Louis Lehot and Natasha Allen joined a panel of experts and discussed early stage startup financings in the new economy. The panel discussed various topics including what people should know about the pace change in early-stage financings, the change in the financial structure, and things they are most excited about in 2023. Read more on the key takeaways from their discussion and to view the recording.

### [AI, ML, and Generative Tech Webinar](#) | June 21, 2023

Partner Louis Lehot recently joined a panel of experts during the AI, ML, and Generative Tech Webinar, co-hosted with 4thly. The panel discussed various topics including the rapid rise of ChatGPT, how generative AI can make business operations more nuanced, how to turn your technology into a product, language models, and much more. Read more on the key takeaways from their discussion and to view the recording.

### [Climate Tech and Renewable Energy Webinar](#) | June 28, 2023

Partner Louis Lehot recently joined a panel of experts during the Climate Tech and Renewable Energy Webinar. The panel discussed various topics including climate tech and renewable energy trends, greenwashing, the level of risk in investing in these industries, where each speaker would be investing right now, and much more. A recording is available for anyone interested.

### [How to Do a Venture Capital Financing](#) | June 29, 2023

Of Counsel Alidad Vakili hosted a webinar discussion on How to Do a Venture Capital Financing. He covers various topics like what venture capitalists are looking for when they invest in a company and common pitfalls when raising venture capital. A recording is available for anyone interested.

## Upcoming Events:

### [Biotech and Early-Stage Funding](#) | July 12, 2023

Foley is co-hosting an upcoming webinar with 4thly on Biotech and Early-Stage Funding. Biotech remains a red-hot area for startup founders and investors. Next-generation gene therapies, precision medicine, using AI and ML for speeding discovery and development of new drugs, and entire new delivery methods. What does the future look like, and how should investors and founders parse the opportunities in this sector? Join us as a panel of experts discusses these topics and more. Registration is required and space is limited.

### [2023 Digital Health](#) | July 19, 2023

Foley is co-hosting an upcoming webinar with 4thly on Digital Health in 2023. There is tremendous innovation going on today in medicine and health. AI and big data are coming together to drive personalized medicine, robotics is driving advances in minimally-invasive surgery, and telehealth is changing the way primary care services are delivered. Meanwhile, Digital Health platforms are better connecting clinicians and patients and helping consumers everywhere live healthier lives. How do startup founders and investors navigate all the tremendous opportunities in this sector? What are the trends? Join us as a panel of experts discuss all this and more. Registration is required and space is limited.

### [The Second Annual West Coast M&A and Private Equity Forum](#) | September 28, 2023

Foley is proudly sponsoring the upcoming West Coast M&A and Private Equity Forum this September taking place at the Four Seasons Hotel Silicon Valley in East Palo Alto. This event offers guidance on key trends and developments impacting the dynamic U.S. middle market. See some familiar faces as Partner Louis Lehot will speak during the Market Moves of Private Equity panel, and Partner Natasha Allen will speak during the post-merger integration panel. Mark your calendars for a day of insights and networking.

### [TED AI 2023](#) | October 17, 2023

Join us at TED AI 2023 where pioneers and trailblazers will host a full day of TEDTalks about Artificial Intelligence. They will share their vision and work about the benefits and challenges of welcoming AI into the fabric of our society.

## Highlights

### **EU Paves the Way for U.S. in the Regulation of A.I.**

As concerns about Artificial Intelligence continue to swell worldwide, the European Union is providing a regulatory roadmap for the international community. On May 11, 2023, the European Parliament's Committee on Civil

Liberties, Justice and Home Affairs and Committee on Internal Market and Consumer Protection voted to approve the Artificial Intelligence Act.

[Learn More](#)

### **Good News in Digital Health**

CB Insights has released their State of Digital Health Report for Q1 2023, and there is finally some good news to report. After four quarters of declines in funding in the digital health space, global digital health funding held steady in the first quarter of this year at \$3.4 billion. This is positive news to see stabilization after a year of continual decline, and the first time funding did not drop quarter to quarter since Q4 of 2021.

[Learn More](#)

### **Natasha Allen and Christopher Cain Explore Venture Considerations for Better-For-You Products**

Partners Natasha Allen and Christopher Cain authored The National Law Journal article, "Better-for-You CPG: Venture Considerations & Opportunities," discussing the legal considerations that businesses should consider when it comes to marketing and selling better-for-you products to ensure compliance with relevant laws and regulations.

[Learn More](#)

### **Key Considerations for Founders Exploring M&A as an Exit Strategy**

This article explores the most important considerations for founders when assessing whether a potential acquirer aligns strategically with their vision and goals.

[Learn More](#)

## **Deals**

[Foley Represents Helium Health in \\$30M Series B Funding](#)

## **Additional Articles of Interest**

[LLC vs. C-Corp vs. S-Corp](#)

[Director Fiduciary Duties in the Sale of a Company](#)

[Allocation of Equity to Founders, Directors, and Advisors](#)

[Louis Lehot Named to Law360's 2023 Mergers & Acquisitions Editorial Advisory Board](#)

[Silicon Valley Business Journal Names Natasha Allen Among 2023 Women of Influence](#)

[Will the Downturn in IPOs and Valuations for Venture-Backed Technology Companies Lead to the Demise of Dual-Class Voting Structures?](#)

[Foley Attorneys Named 2023 Northern California Super Lawyers](#)

## **We are hiring!**

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

# Attorney Contacts



**[Louis Lehot](#)**  
Partner  
*Silicon Valley / San Francisco /  
Los Angeles*

650.251.1222  
[llehot@foley.com](mailto:llehot@foley.com)



**[Natasha Allen](#)**  
Partner  
*Silicon Valley / San Francisco*

650.251.1112  
[nallen@foley.com](mailto:nallen@foley.com)



**[Eric Chow](#)**  
Partner  
*Silicon Valley*

650.251.1120  
[echowfoley.com](mailto:echowfoley.com)



**[Brandee Diamond](#)**  
Partner  
*San Francisco / Austin*

415.438.6401  
[bdiamond@foley.com](mailto:bdiamond@foley.com)



**[Alicia D'Alba Dornier](#)**  
Senior Counsel  
*Boston / New York*

617.502.3213  
[adorner@foley.com](mailto:adorner@foley.com)



**[Lyman Thai](#)**  
Partner  
*San Francisco*

415.438.6436  
[lthai@foley.com](mailto:lthai@foley.com)



**[André Thiollier](#)**  
Partner  
*Silicon Valley / San Francisco*

650.251.1137  
[athiollier@foley.com](mailto:athiollier@foley.com)



**[Alidad Vakili](#)**  
Of Counsel  
*San Francisco*

415.438.6421  
[avakili@foley.com](mailto:avakili@foley.com)



SUBSCRIBE



CONTACT US



SHARE



FOLEY.COM



**ATTORNEY ADVERTISEMENT** This is an update published by Foley & Lardner LLP. To manage your mailing subscriptions [please click here](#). To ensure that you continue receiving our emails, please add us to your address book or safe list. If you do not want to receive similar communications in the future [please click here to unsubscribe](#).

This message was sent by Foley & Lardner LLP, 321 N. Clark Street, Suite 3000, Chicago, IL 60654, USA.

The contents of this message, current at the date of publication, are for reference purposes only and do not constitute legal advice. Where previous cases are included, prior results do not guarantee a similar outcome. Images of people may not be Foley personnel. Learn more about our [privacy policy](#).

© 2023 Foley & Lardner LLP