



Business & Legal Developments in Silicon Valley



Friends,

Please find below our June monthly newsletter about the global Silicon Valley.

In this issue, we share news, insights, data and practical solutions to business and legal challenges in entrepreneurship and investing, as well as our calendar of events for the coming weeks.

We are grateful for your trust and confidence, and hope to see you all in real life soon.

Your Foley & Lardner Silicon Valley team ([Natasha Allen](#), [Eric Chow](#), [Brandee Diamond](#), [Louis Lehot](#) and [André Thiollier](#)).

Foley Ignite Webinar Series: Legal Considerations for High-Growth Startups

Together with Bret Waters and the 4thly Accelerator, Foley & Lardner LLP has produced a four-part series of podcast discussions on “Legal considerations for high-growth startups.” The series looks at the legal issues every startup founder and investor should understand.

Incorporating your Startup – Natasha Allen & Louis Lehot

[Natasha Allen](#), and [Louis Lehot](#) explored issues related to incorporation, such as selecting the type of legal entity to form (C-Corp., S-Corp., LLC, B-Corp.), deciding on a jurisdiction (Delaware, Nevada, Canada), and the importance of making the right choice now to optimize your operating and fundraising efforts in the future.

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VC Term Sheets – Louis Lehot & Andre Thiollier

When a VC is ready to invest, they will give you a Term Sheet outlining their proposed terms of their investment. [Andre Thiollier](#) and [Louis Lehot](#) discussed the importance of understanding each provision (and the implications of each). They also examined commonly negotiated provisions and current market trends.

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M&A for Startups – Eric Chow & Brandee Diamond

Successful entrepreneurs will eventually receive an offer from a potential acquirer, and very successful entrepreneurs may be making offers to acquire other companies. [Brandee Diamond](#) and [Eric Chow](#) explored the typical outlines of an M&A term sheet and the key value drivers to outline, consider, and negotiate.

[View Video](#)

Employment for Startups – Louis Lehot & Krista Cabrera

Onboarding talent is a crucial step for startup founders, and you want to make sure it is done right from the start. [Krista Cabrera](#) and [Louis Lehot](#) discussed how to document onboarding of employees, advisors and contractors ensuring confidentiality and IP are protected as you build, as well as other critical issues for founders and investors.

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Foley to Attend Global Corporate Venture Institute in June 2022

After a several years long, pandemic-induced hiatus, we are coming back to [Global Corporate Venture Institute](#) in Monterey, and are all looking forward to the conference.

The State of Corporate Venture Capital

On May 10, 2022, CB Insights issued a new report on corporate venturing, detailing the mixed start to 2022, as deals rise and funding fell quarter over quarter. The report, a copy of which can be found [here](#), had some key takeaways:

- Which global regions saw the most CVC-backed deals, and where emerging areas are heating up
- Average CVC-backed deal sizes
- How many CVC backed mega-rounds occurred
- Which CVC's were most active
- What sectors saw the most CVC activity

The Varying Federal, State And Local Attitudes On Crypto

The U.S. Securities and Exchange Commission is adding 20 positions to its Crypto Assets and Cyber Unit. These positions are all enforcement-related.

None of the new staff will be charged with carrying out the SEC's statutory duties to propose rules and interpret the law for industry participants.

The SEC proposed two new regulations recently, each of which would augment its powers while potentially stifling the burgeoning digital asset industry. While the SEC is pumping the brakes on growth and development of that industry, other government actors, including the Biden administration, Congress and the Newsom administration in California are taking a more balanced approach.

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Stop Making Sense: What's New in the Law of Digital Assets

The Securities and Exchange Commission announced last week that it is adding 20 positions to its Crypto Assets and Cyber Unit. These positions are all enforcement-related. None of the new staff will be charged with carrying out the SEC's statutory duties to propose rules and interpret the law for industry participants. The SEC has

proposed several regulatory initiatives in recent months that would further augment its powers, while potentially stifling the burgeoning digital asset industry.

Meanwhile, we provide a brief update on the cacophony of potential responses from Congress, the Executive and private industry as we continue trying to make sense of the law of digital assets.

[Learn More](#)

Foley Hosts Discussion on Future of Primary Care Across Africa

On Wednesday, May 18, 2022, Foley & Lardner LLP's New York office hosted [Beyond Capital Ventures](#), a women-led impact venture capital firm offering a diversified portfolio of companies in "need-to-have" sectors, and [Penda Health](#), the third-largest primary care provider in Kenya, for a discussion on the future of primary care across Africa. Attorneys from Foley's Venture & Growth Capital Practice Group and Health Care and Innovative Technology Sectors also participated in the discussion.

Foley's Health Care Industry Team is a nationally recognized group of legal and industry professionals who are well versed in the complex and ever-changing challenges of the health care industry. Our team of more than 150 attorneys provide deep talent in other substantive law areas beyond traditional health care law such as labor & employment, real estate, tax-exempt bonds, antitrust, estate planning, and environmental law.

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Building Safe Playgrounds for the Legal Metaverse

The success of any Metaverse project over the medium-term will be defined by its ability to maintain law, order, privacy and safety for all, particularly the target audience, especially where children under 16 are involved.

As the web provides new ways for us to connect and interact with others, new virtual worlds called Metaverses combine virtual reality and augmented reality devices, and they are multiplying. Some iterations integrate virtual and physical spaces, and web3 technologies can layer on top to enable virtual and fully decentralized economies to thrive.

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Natasha Allen Featured on Podcast Discussing Canadian Startups Increasingly Looking to Access U.S. Investors

Foley Partner [Natasha Allen](#) was featured on the Corporate Counsel Business Journal's "In House Warrior" daily podcast to discuss how Canadian startups are increasingly looking south to the U.S. for angel investors. Allen covers what Canadian entrepreneurs need to do to entice American investors, the corporate and personal tax benefits and government incentives that come with incorporating in Canada, the potential tax issues that can come about when U.S. investors look to take distributions or dividends, and more.

To listen to the full podcast, click view video below.

[View Video](#)

Foley Represents Accern in \$20M Series B Funding Round

Foley & Lardner LLP represented [Accern](#), which uses artificial intelligence (AI) to analyze online conversations around particular companies, trends, and industries, in its \$20 million Series B funding. The round was co-led by Mighty Capital and Fusion Fund alongside Tribe Capital, Shasta Ventures, Gaingels, and others.

Accern provides AI-powered apps and natural language processing (NLP) models trained to recognize, classify, and extract domain-specific financial language. The service can scan public sources, including news publications, blogs, and SEC filings, to gauge consumer sentiment or predict how supply chain disruptions might impact a business. Accern also offers a visual dashboard users can tap to build custom AI-powered apps and pre-built taxonomies that cover companies, people, places, and themes.

[Learn More](#)

Foley Represents LottieFiles in \$37M Series B Financing

Foley & Lardner LLP represented LottieFiles, a micro animation design company, in its \$37 million Series B financing round. The round was led by Square Peg Capital, with participation from XYZ Venture Capital, GreatPoint Ventures, and returning investors 500 Startups and Microsoft Venture Fund, M12.

LottieFiles streamlines the process of turning animations made in software like Adobe After Effects into Lotties so they can be placed in apps. LottieFiles is now used by animation and motion designers at 150,000 companies, including Google, TikTok, Disney, Uber, Airbnb, and Netflix.

[Learn More](#)

Foley Represents Brazilian Fintech Nomad in \$32M Financing

Foley & Lardner LLP recently represented Nomad, a Latin American fintech that enables Brazilians to establish bank accounts in the United States, in its \$32 million (R\$160 million) financing. The round was led by Stripes, followed by monashees, Spark Capital, Propel, Globo Ventures, and Abstract.

Founded in 2019 by Patrick Sigrist, Marcos Nader, and Eduardo Haber, Nomad has 300,000 customers and aims to acquire 1 million new customers by the end of 2022. This latest source of funding will be used to invest in new technology, launch new products, and expand the operating team. The company previously raised a \$20 million Series A round in 2021.

The Foley team was led by Partner [André Thiollier](#).

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Foley Represents Brazilian Startup Marvin in \$15M Series A Financing

Foley & Lardner LLP recently represented Brazilian fintech startup Marvin in its \$15 million Series A financing. The round was led by Canaan Partners and included Canary and Mauá Capital, and included new angel investors Carlos Selonke (CIO of Revolut), Juan Pablo Ortega (co-founder of Rappi), Israel Salmén (co-creator of Méliuz), Lucas Amoroso (founder of Lupa Capital), and Doug Scherrer (former CFO of Nubank).

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Foley's Innovative Technology Sector Sponsors TIECon 2022 Silicon Valley Conference

Foley & Lardner's Innovative Technology Sector is proud to sponsor TIEcon 2022, whose mission is to foster technology entrepreneurship globally through a network of technology professionals, entrepreneurs, tech influencers, enterprise executives, and venture capitalists. Foley Partners [Louis Lehot](#), [Natasha Allen](#), and [André Thiollier](#) are also participating in this year's event.

[Learn More](#)

Join us at our summer celebration!

Thursday, June 16, 2022 | 5:30 p.m. PDT

As the summer heats up, and business is back and reopening in San Francisco, your friends at Foley & Lardner cordially invite you to join us for an evening reception.

Our event will take place at La Mar San Francisco - Private Waterfront Patio on Thursday, June 16 at 5:30 p.m. PDT. Join some of the leading entrepreneurs, venture capital and private equity sponsors, investment bankers, and in-house counsel for lively conversation and breathtaking views of the San Francisco Bay and Treasure Island.

We hope to see you at our summer celebration.

RSVP

Events, Deal Announcements, and Quotables

- [What GCs Exploring NFT, Web3 Opportunities Need to Know](#)
- [Beyond Capital Ventures | Unlocking Opportunity in Rural Markets](#)

We are hiring!

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

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