



## Business & Legal Developments in Silicon Valley

**FOLEY**  
FOLEY & LARDNER LLP

Friends,

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

The fourth quarter has seen significant upheaval in technology and life sciences markets. The IPO window has been shut since January, and the phenomenon of SPACs have seen their PIPEs freeze over.

Valuations for innovative companies have come down significantly both for capital as well as sales of controlling stakes. With uncertainty over an election and who will lead in a new Congress, stubborn inflation, the horizon for continued interest rate hikes, continued fears of a recession, war in Europe, civil unrest in Asia, the lingering effects of a global pandemic, all topped off by a major bankruptcy in the fintech industry, the pace of dealmaking has finally and understandably slowed.

Some companies have cut back on headcount and pushed out software, IT, and other capital expenditures to extend their runway. If your business is facing a reduction-in-force, Foley's labor and employment team has highlighted [seven best practices to consider when a reduction-in-force might be required](#).

We have been partnering with our clients to weather the potential downturn by investing in some exciting companies and structuring smart deals over the past month and have highlighted them below. Our full service Foley team is always available to advise you on any business or legal issues, give one of us a call.

We are grateful for your trust and confidence, and wish you have a joyous holiday season as 2022 comes to a close.

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

## What's Next for Blockchain and Crypto?

While the story of the first ten months of 2022 was surviving crypto winter, there was also some optimism that better times were coming. But then the month of November saw some of the smartest and most prolific digital investors in the world hit by a case of frost-bite.

Read this article from [Louis Lehot](#) and [Patrick Daugherty](#) as they dive into the trends of cypro for 2022 and discuss what's to come.

[Learn More](#)

## **What Would an Economic Downturn Mean for Technology M&A Activity, and How Should Buyers and Sellers Get Ready for the Coming Cycle?**

Starting with a sell-off in public technology stocks (trading “FAMMGA” is no longer a winning strategy), the outbreak of war in Europe, upcoming midterm elections in the US, out of control inflation, rapidly rising interest rates, rotating COVID19 shut-downs in China rippling through the supply chain, escalating prices at the pump, threats of war in the Taiwan straits, and increasing regulation by enforcement, all while the world has otherwise seen a return to “in real life” activity after two years with minimal in-person events, have had sweeping effects from the gas station to the grocery store to capital markets to technology M&A activity.

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## **Foley Represents NEA as Lead Investor in \$12M Series A Round for College Social Media App Fizz**

Foley & Lardner LLP represented New Enterprise Associates (NEA) as the lead investor in the \$12 million Series A funding round for Fizz, a peer-moderated social media platform exclusively available for college campuses to create hyper-local digital communities where students can communicate about campus life. The Fizz app launched on 13 campuses and, in less than two months, has expanded to 25 campuses. After this Series A funding, Fizz’s goal is to reach 1,000 campuses by the end of 2023.

The Foley team was led by Partner Louis Lehot and included Senior Counsel Alicia D’Alba Dorner and Associates Saige Gallop and Cayman Weimer.

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## **Retaining the Team: How to Mitigate Your Number One Risk in a Tech M&A Deal**

On the heels of the “great resignation,” a historically low unemployment rate of 3.7% (October 2022, US Bureau of Labor Statistics), and so much change in how we work, attracting and retaining top talent is more challenging today than ever. This situation continues despite the recession.

Indeed, in an M&A transaction, losing the team required to operate the business, maintain and develop technology and serve customers is considered by many to be the number one risk for successfully executed deals.

In the recent few years, companies are (or, at least, have been) offering very attractive incentives to lure employees and fill critical vacancies, making keeping employees even in stable conditions challenging.

Difficulty retaining employees is only compounded when a company enters an M&A transaction. When employees sense uncertainty, they are more likely to look for what they consider to be a more stable and secure workplace.

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## **Foley Represents Technology-Focused Growth Equity Fund Riverwood Capital in \$123M Series E Funding Round for Alation,**

## **a Provider of Data-Cataloging Software**

Foley & Lardner LLP recently represented Riverwood Capital, a technology-focused growth equity fund, as an investor in Alation, a provider of data-cataloging software, in its \$123 million Series E funding.

The Foley team was led by Partner Louis Lehot and included Partners Casey Knapp, Michael Overly, and Raj Tanden, Of Counsel Alidad Vakili, and Associates Ethan Floyd and Tiffany Young.

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## **Foley Partner André Thiollier Moderates Global Venture Market Session at BayBrazil Conference**

Foley & Lardner LLP Partner André Thiollier recently moderated a panel at the BayBrazil Conference, Brazil in the 21<sup>st</sup> Century. The event which took place on October 20 and 21 is BayBrazil's signature event bringing together entrepreneurs, investors, and private-sector leaders to discuss science, technology, innovation & Brazil's role in the global economy.

Thiollier moderated a session looking at the global venture market and taking a deep dive into the hottest trends and the impact of the economic slowdown on startups. The session featured keynote speaker Hans Tung with GGV Capital.

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## **Foley Represents Valera Health in \$44.5M Series B Funding**

Foley & Lardner LLP represented Valera Health, a leading virtual mental health provider, in its \$44.5 million Series B funding round led by Heritage Group, a healthcare-focused private equity firm. This most recent investment brings the New York-based company's total funding to over \$71.4 million.

The Foley team was led by Partner Natasha Allen and Associate Ashley Lee and included Partners Andre Thiollier, Nathaniel Lacktman, Nathan Beaver, Jennifer Hennessy, Hannah Zaitlin, and Raj Tanden and Associates Talita Duarte, Saige Gallop and Cayman Weimer.

[Learn More](#)

## **Events, Deal Announcements, and Quotables**

- [Foley Represents Nomad in Acquisition of Brazilian Fintech Husky](#)
- [Innovative Technology Insights podcast Episode 2: The Intersection of Health Care and AI with Jeff Elton](#)

## **We are hiring!**

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

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