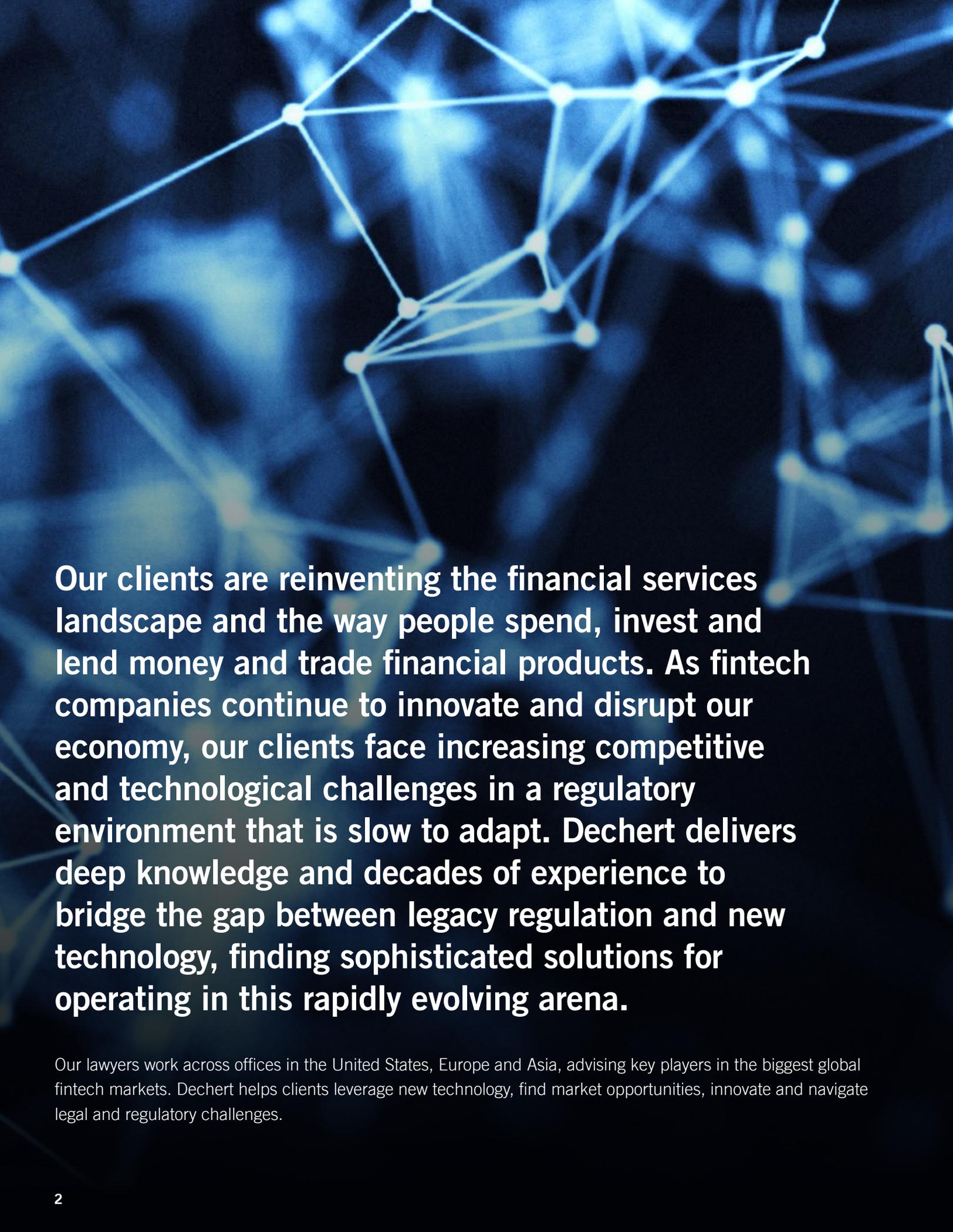


Evolving With the Fintech Sector



Dechert
LLP



Our clients are reinventing the financial services landscape and the way people spend, invest and lend money and trade financial products. As fintech companies continue to innovate and disrupt our economy, our clients face increasing competitive and technological challenges in a regulatory environment that is slow to adapt. Dechert delivers deep knowledge and decades of experience to bridge the gap between legacy regulation and new technology, finding sophisticated solutions for operating in this rapidly evolving arena.

Our lawyers work across offices in the United States, Europe and Asia, advising key players in the biggest global fintech markets. Dechert helps clients leverage new technology, find market opportunities, innovate and navigate legal and regulatory challenges.



Blockchain and digital assets

We know blockchain. Our lawyers help clients leverage the benefits of distributed ledger technology (DLT) to innovate and re-envision how financial instruments and investment products can be constructed. As our clients incorporate cryptocurrency and digital assets across loan origination, purchase, sale, servicing, financing and securitization transactions, Dechert is at the forefront of these sophisticated transactions – providing advice to help clients increase their efficiency, accuracy and value. We are uniquely positioned to apply our deep knowledge of blockchain to complex regulatory problems faced by disruptive fintech firms.

Alternative loans and finance

Borrowers and lenders have new ways of connecting in the marketplace, creating opportunities for private investors, small and medium-sized enterprises and institutional investors. Our lawyers explain the legal framework and familiar structures employed (144A, Reg D, S1) as well as the key differences as digital and tokenized securities bring new asset types to the markets. With broad experience in marketplace lending and capital market structures, Dechert is well- positioned to guide established and emerging fintech clients executing sophisticated structured finance and securitization transactions, pursuing strategic financings and maintaining regulatory compliance.

Electronic financial services

The digital economy has changed the way consumers pay for goods and services and how we invest, online and offline. Dechert represents providers and customers on legal issues in connection with emerging digital services ranging across electronic payments, online investment advisers and marketplace lenders. We advise both providers and customers in connection with the provision of electronic services, including software-as-a-service and cloud services. We assist clients on legal, statutory, contractual and strategic issues related to the use of data analytics and machine learning to collect, develop and monetize financial data. Our global team offers perspectives on the legal matters that vary from one jurisdiction to another, along with insight into customer behavior and the cultural mindset in different regions.

Electronic trading activities

Electronic trading has accelerated across securities and product offerings and includes most market participants, including retail investors, sophisticated proprietary traders, institutional investors, and broker-dealers. Our cross-practice team advises clients on legal and regulatory matters, including compliance with securities laws and regulations, intellectual property protection, and privacy and data protection related to offering direct market access and directed brokerage, developing proprietary trading algorithms, and operating alternative trading systems and securities exchanges. We also regularly represent clients seeking to invest in electronic trading firms and their technology.





A trusted advisor across a range of services

Relying on our fintech solutions are companies, platforms, technologists, investment managers and funds, banks, broker-dealers, exchanges, and private equity and venture capital investors. We work extensively with alternative trading systems, high frequency and algorithmic trading firms, digital investment advisers, data companies and other financial services innovators.

Our aim is to provide companies with a comprehensive range of industry-specific legal services. In addition to the areas above, we advise on business-critical matters related to:

- Breach response, litigation and enforcement actions
- Compliance with public and private regulatory requirements
- Cybersecurity compliance advice, analytics and litigation
- Data privacy compliance advice, analytics and litigation
- Domestic and international tax
- Fund and investment adviser formation and related regulatory matters
- Government enforcement, investigations and examinations
- IP advice, protections, licensing and litigation
- Software-as-a-service and data monetization
- Data protection laws
- Joint ventures, strategic alliances and outsourcings
- Mergers and acquisitions
- Private equity and venture capital transactions
- Registration as alternative trading systems and broker-dealers
- Securities litigation
- Structured finance and securitization
- Technology and software disputes

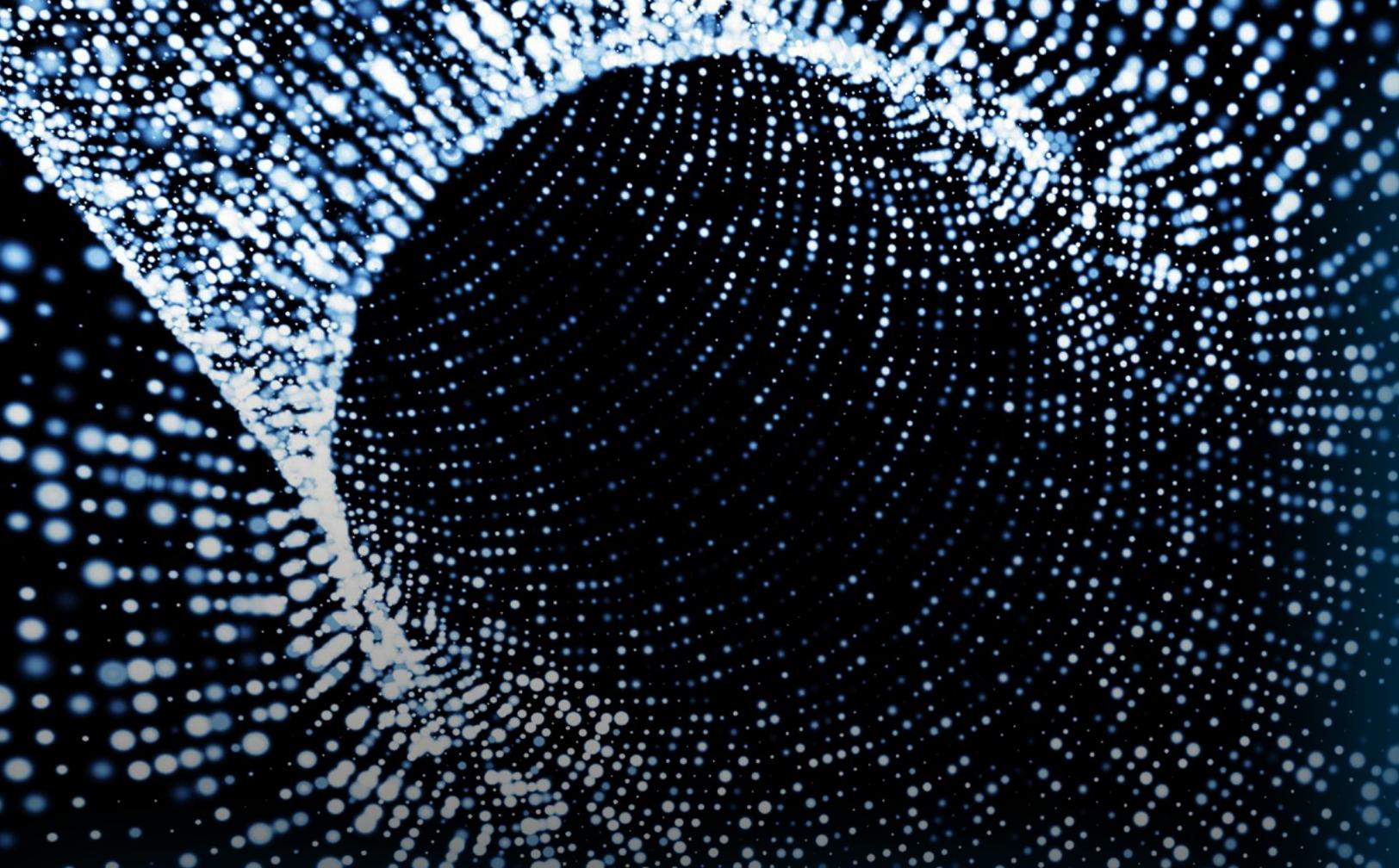
Integrated resources to simplify complex global issues

Our global resources resolve the complex legal matters that apply to technology development, deployment and implementation. From the largest financial institutions with operations spanning many countries, to entrepreneurial companies launching their businesses in a single jurisdiction, we help clients meet their business objectives, protect their technology assets and successfully navigate regulatory requirements.

Experience

- **A Chinese bitcoin mining company** in connection with a global data breach in which US\$500 million of bitcoin was stolen.
- **A digital asset and technology company** with respect to the establishment of a de novo special purpose national bank charter.
- **Affirm, Inc., Avant, Inc., Carvana Co., BFS Capital, Inc., Enova International, Inc. and loanDepot.com, LLC** in connection with bank partnership arrangements; whole loan sale and forward flow programs; 144A securitization transactions; and warehouse and term financing facilities.
- **A global e-commerce trade association** regarding the development of comprehensive, practical behavioral advertising and other online privacy guides.
- **A global financial services institution** in connection with the establishment of a business to provide digital credentials and authentication services. We advised on strategies for the protection of core technologies and for the commercialization of products and services. We also prepared and negotiated agreements relating to the development of the digital technologies, partnering agreements with third parties to support the exploitation and commercialization of the technology, and customer and user services agreements.
- **A global financial services provider** on a Microsoft Office 365 email intrusion that led to the exposure of thousands of health insurance records, including information protected under HIPAA; as well as the defense of HHS/OCR and day-to-day counseling on privacy/cybersecurity issues.
- **A global financial services provider** regarding legal risks associated with implementing novel actions to protect company systems and customer data.
- **A global provider of financial services software** on formulating and implementing a CCPA program for current and contemplated products and services.
- **A global provider of services to the financial services sector** in Board training on the evolving role of corporate boards in understanding and accountability for cyber and data security risk.
- **A hedge fund** in its complex settlement agreement with a software developer with respect to the ownership of high-frequency trading software and the underlying algorithms used to make trades using the software.
- **A major fintech company** in an inquiry regarding money transmission licensing requirements.
- **Angels of Impact**, a Singaporean social enterprise group, in establishing a fund that uses blockchain technology to make sustainable and ethical investments. The technology allows Angels of Impact to track returns and reduce misuse of funds.
- **A private equity firm** in its investment in a global electronic trading firm.
- **A U.S. start-up** in its registration with the SEC and membership in FINRA as the first broker-dealer approved to operate an alternative trading system to trade U.S. Treasury securities.
- **BerkShares** in connection to the development of the BerkShares platform, in what is expected to be an exciting new application of blockchain technology within the context of a digitized local currency. Dechert worked with its client, the Schumacher Center, and a consortium including BerkShares, banks and app developers, for over a year in migrating BerkShares to a blockchain-based system, addressing unique regulatory and licensing issues.
- Advised **BitFury Group**, a leading bitcoin infrastructure provider and bitcoin transaction processor, on equity financing.
- **Blackboard Inc.**, a leading global educational software company and an affiliate of Providence Equity Partners, in its US\$260 million acquisition by tender offer of Higher One Holdings Inc., a NYSE-listed financial technology company and the 2019 sale

- of its Blackboard Transact business unit to Reverence Capital Partners, LP.
- Advised **Blockchain Limited**, the largest crypto e-wallet and blockchain search provider, on its reincorporation and initial equity financing transactions.
- Certain large mutual funds complexes and their boards of directors** with respect to the acquisition by the funds of residential mortgage loans.
- Digital Asset Strategies** in connection to the launch of a cryptocurrency hedge fund.
- Figure Technologies, Inc.** on the US\$20 million security token offering successfully completed by Provenance Blockchain, Inc.
- Figure Technologies, Inc.** on its closing of a US\$1 billion asset-based financing facility custodied on its Provenance.io blockchain.
- Fund managers** in connection with loan purchases and financing facilities related to loans originated on platforms sponsored by Lending Club, SoFi, Freedom Plus, Square, CommonBond, Funding Circle U.S., Funding Circle U.K., Upstart and others.
- Further Global Capital Management** in its acquisition of Payment Alliance International, the nation's largest privately-held ATM provider.
- GIC** in connection with the US\$20 billion acquisition by an investor group of a majority stake in Thomson Reuters' Financial & Risk Business (Refinitiv) and subsequent sale by the investor group of Refinitiv, a global provider of financial market data and infrastructure, to the London Stock Exchange for US\$27 billion.
- GIC** on the merger of Ultimate Software, a specialist HR software solutions and HR payroll, and Kronos Incorporated for an enterprise value of US\$22 billion.
- A **Hong Kong-licensed fund manager** in connection with securing regulatory approval to manage portfolios that directly invest up to 100% in virtual (crypto) assets from the Hong Kong Securities and Futures Commission (SFC).
- Interactive Brokers Group**, an automated global electronic market-maker and broker that operates in more than 60 electronic exchanges and trading venues around the world, in its US\$1.2 billion initial public offering. This represented the second largest IPO (at the time of issuance) in 2007. Beyond its significant size, the transaction was noteworthy because: it was conducted through a non-traditional "best efforts"/Dutch auction approach.
- iTrustCapital** on a variety of tax and regulatory issues related to their highly innovative product offerings. iTrustCapital is the world's largest platform for buying and selling cryptocurrencies through individual retirement accounts and has secured a US\$125 million Series A equity raise for its Crypto IRA software platform, with a post-funding valuation over US\$1.3 billion.
- JetPay**, a provider of end-to-end payment processing and Human Capital Management solutions, on its US\$184 million sale to NCR Corporation.
- Morgan Stanley Investment Management** in the establishment of AIP Alternative Lending Fund A and AIP Alternative Lending Fund P - registered closed-end funds organized primarily to acquire marketplace loans.
- Multiple alternative trading systems** regarding compliance with Regulations ATS and NMS and responses to the SEC and FINRA in connection with SEC and FINRA examinations.
- Conduct comprehensive reviews of electronic order routing by **multiple stock and options exchanges** for compliance with Regulation NMS's trade-through rule.
- Pagaya** in connection with several asset-backed securitizations, including in the expansion of the Pagaya AI Debt Selection Trust (PAID) platform with a US\$900 million securitization.
- People's United Bank** in a summary judgment victory in a landmark case, which involved an alleged breach of the bank's online security system through keylogging malware. One of the first cases of its kind to be decided by an appellate court and named a "national case to watch" by the American Banker, the dispute was resolved after the First Circuit reversed in part and remanded the district court's decision.
- PPC Enterprises** in connection with its acquisition of Private Client Resources, L.L.C. ("PCR"). PCR provides wealth data aggregation solutions and services to financial institutions, advisors and leading technology providers to the ultra-high-net-worth segment
- Public Pension Capital (PPC Enterprises)** and its portfolio company Viteos, a tech-enabled provider of end-to-end middle and back office administration for asset managers, on Viteos' sale to Intertrust N.V.; recognized as finalist for "Private Equity Deal of the Year" by The Deal Middle Market Awards 2020, and in connection with the prior acquisition of Viteos.
- SolidX** regarding SEC compliance and related issues in connection with a proposed bitcoin-based exchange-traded fund on the NYSE.



Awards and Recognition

Financial Times Most Innovative Law Firms in North America for the Practice of Law

Dechert was ranked among the top five law firms in North America for innovation in the practice of law by the *Financial Times* in 2021. California-based financial services partner Timothy Spangler's work advising Franklin Templeton on development of the world's first blockchain-based mutual fund was honored in the "Innovation in Creating New Standards" category. Dechert helped Franklin Templeton break new ground by navigating the unique legal and regulatory challenges raised by using money market funds to trade in digitalized securities.

LendIt Fintech Industry Awards 2022

Dechert was shortlisted as a "Top Service Provider" in the LendIt Fintech Industry Awards. The award is presented to the service provider that has demonstrated deep expertise, unique value, strong ROI, commitment to clients and the fostering of a deeper understanding of fintech.

Chambers and Partners 2021

The 2021 edition of *Chambers FinTech* ranked Dechert as a leading firm in the California FinTech Legal category. The annual guide features global-wide tables of the leading professionals in the legal, consulting, finance, and PR/communications aspects of fintech and covers two dozen regions.

Chambers praised Dechert as a “very active” and “nuts and bolts” firm in the fintech space. The guide particularly noted Dechert’s proficiency in advising companies “through growth on a range of regulatory and transactional issues” and for the firm’s “great expertise in the blockchain and digital asset space.”

The Legal 500 (U.S.) 2021

Dechert was recognized for “Media, Technology and Telecoms: Fintech” excellence by *The Legal 500* (U.S.), which notes that the firm is “particularly strong in cryptocurrencies and blockchain, an area where Silicon Valley partner Timothy Spangler has developed a solid reputation.”

The Legal 500 also recognized Dechert’s active presence in the online investment and lending segments – highlighted in this area are partners Susan Grafton, Matthew Hays and Mark Perlow, who were praised as “names to note for online investment advisers and marketplace lenders.”

LendIt Fintech Industry Awards 2020

Dechert was named among the top five law firms for fintech in the fourth annual LendIt Fintech Industry Awards 2020, which were established to celebrate outstanding achievement by influencers and innovators in the fintech industry.

Dechert was one of a handful of firms named to the shortlist in the “Top Law Firm” category, which was presented to the firm that best demonstrated deep expertise, commitment to clients, and the fostering of a deeper understanding of fintech. The publication received more than 500 nominations.

Financial Times Innovative Lawyers 2019

In the “Accessing new markets and capital” category, a team led by partners Ralph Mazzeo and Timothy Spangler was “Highly Commended” for guiding Figure Technologies in the development of a blockchain-based home-equity business.

After helping Figure launch a proprietary blockchain (Provenance.io) with its own native digital asset (Hash), Dechert provided a number of sophisticated legal solutions allowing Figure to secure a landmark billion-dollar financing facility from Jeffries. Spangler was personally commended by the *FT*. Figure Technologies’ legal team also received a “Commended” ranking in the in-house category.

fintech **NEXT** Webinars

Dechert's fintech **NEXT** webinar series explores the evolving issues that the industry faces, partnering with clients and other experts to present conversations addressing fintech opportunities and challenges.

[A Conversation on the President's Executive Order on Digital Assets](#), featuring Cassandra Lentchner, COO of BitGo, and Carly Lowery, CLO of Copper.co, discussed the implications of President Biden's executive order on fintech companies and related businesses as well as the U.S.'s role as a regulator in the global financial ecosystem.

[Modernizing Capital Formation and Secondary Markets Through Digitalization](#) discussed employing digital technologies to simplify capital raising and restricted securities management for private companies and private funds with Tom Gordon, co-founder and CEO of Equity Shift. The webinar highlighted the legal and technological efficiencies of digital automation when raising capital and participating in capital markets, avenues for investors to monetize their private equity holdings at any stage of a company's life cycle, and how blockchain technology supports the inherent complexity of private markets.

[Better Understanding Risk in the Investment Process](#) discussed portfolio risk management in the post-pandemic era, including the role of digital assets in portfolio construction with Rick Bookstaber, co-founder of Fabric. Rick began developing Fabric's core methodology at the U.S. Treasury in response to the 2008 financial crisis, and was the Chief Risk Officer at some of the largest banks and hedge funds in the world.

[Crypto vs. Fiat: Can the new world of crypto and the old world of fiat live side-by-side?](#) In this fintech **NEXT** webinar, Nick Saponaro, Co-Founder and Chief Information Officer at Divi Project, joined Dechert for a conversation on crypto regulation and its impact on the mainstream adoption of digital assets. The webinar covered lessons learned from recent industry and regulatory developments, including the Binance ban by the UK's Financial Conduct Authority, and how Divi Project's mission addresses the advantages and challenges facing the future of regulated cryptocurrencies.

[The CPRA and What It Means for Your Business](#) discussed the key differences between the CCPA and CPRA and related operational impacts, potential restrictions on targeted advertising, as well as practical

business takeaways with Alastair Mactaggart, Founder of Californians for Consumer Privacy, Jules Polonetsky, CEO of the Washington, D.C.-based Future of Privacy Forum and Leah Perry, Senior Director and Global Head of Policy & Privacy, at Box, Inc.

[Cryptos and IRAs: Opportunities and Challenges for Investors](#) discussed Crypto Investment Retirement Account (IRA) platforms with Todd Southwick, CEO of iTrustCapital. The webinar highlighted the company's growth story, how they interact with the crypto community and influencers, the customer demand driven by the rapid addition of new coins, and the decentralized future of finance.

[The Institutionalization of Bitcoin: What's Next](#) discussed the implications of continued institutional flows into Bitcoin, what trends will emerge over the coming months, and why investor and platform solutions are equally important plays for institutions looking to make a name for themselves in digital assets with Yan Zhao, recently appointed President of NYDIG and Co-Founder of Stone Ridge Asset Management. Yan also talked about her experience as a woman in both the financial services and crypto worlds, and how her professional background frames her go-forward strategy for NYDIG.

[The Mainstreaming of Bitcoin](#) discussed the evolution of the space, including the drivers of demand, the resulting price action and how investors might consider it as part of a balanced portfolio with Peter Jubber, Head of Digital Assets at Fidelity Investments.

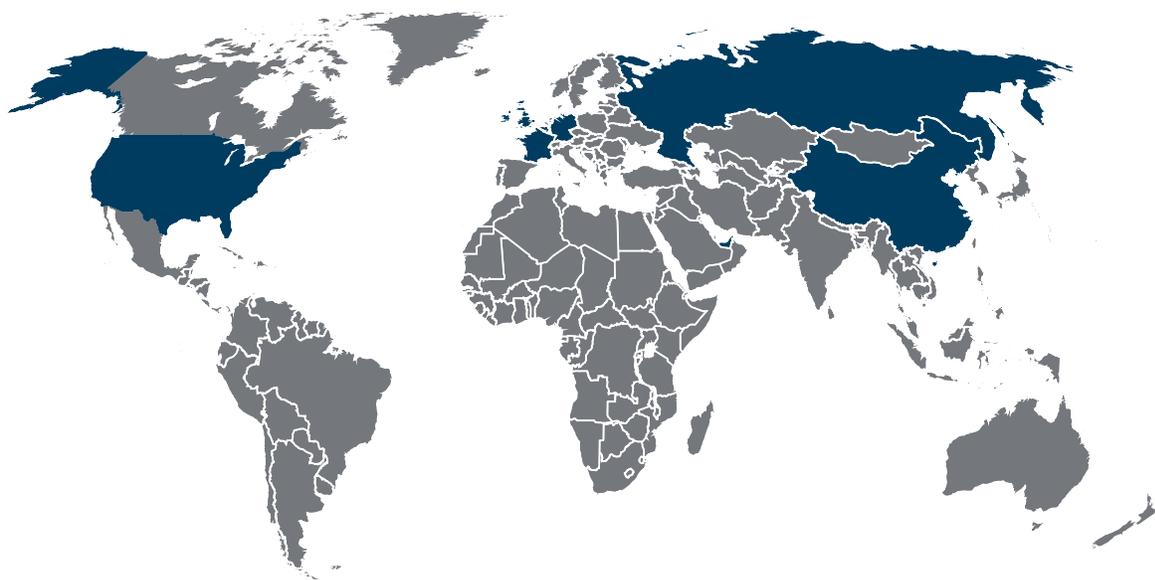
[Digital Investment Advice in the Age of COVID-19](#) covered trends in and future prospects for digital investment advisory service offerings and businesses with Dan Mercurio, the Head of Strategic Partnerships at digital adviser SigFig.

[The Venture Capital View of Fintech](#) discussed the venture capital view of fintech and how recent trends are affecting venture capitalist investment in fintech businesses with Maurice Werdegar, investment partner and CEO of Westech Investments.

[Digital Fund Services – Unleashing the Power of Blockchain](#) focused on how distributed ledger technology is being used to revolutionize the issuance, exchange and management of fund shares and interest with Figure Technologies' Managing Director Ben Borton.

[Alternative Data and the Future of Investment Management](#) examined the use of alternative data by investment managers in a growing number of ways, including investment performance and risk management with Joe Boerio, Executive Vice President, Chief Risk & Transformation Officer of Franklin Templeton.

[Bitcoin 2020 – Navigating Opportunities During Uncertain Times](#), featuring Mike Belshe, CEO and co-founder of BitGo, the leader in digital asset financial services, discussed what 2020 holds for traditional financial services firms who want to include Bitcoin and other digital assets in their future products and services.



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