

Fintech Group Of The Year: Paul Weiss

By Michele Gorman

Law360 (February 22, 2023, 2:02 PM EST) -- Paul Weiss Rifkind Wharton & Garrison LLP's multidisciplinary fintech practice group tallied an impressive series of victories over the last year that included working with high-profile clients from a variety of sectors, such as FIFA, PayPal and Coinbase, earning it a place among Law360's 2022 Fintech Groups of the Year.

Paul Weiss doesn't have a single fintech group, but rather a collection of about 30 partners who are "well versed" in these matters and can provide value to clients as they approach related transactions, litigation and advisory work from their specific areas of expertise, said partner Jonathan Ashtor, whose practice includes mergers and acquisitions transactions, intellectual property licensing and technology dispute resolution.

"We found that this model really serves us very, very well in fintech matters because they tend to be very complex and very multidisciplinary," he told Law360. "There are matters where we will have a team comprised of people from each one of our areas of expertise, and bring that expertise to bear for a given deal."

Ashtor added, "Because the space blurs the lines of what is it to be in tech vs. in M&A vs. in litigation, it really allows us to spread our wings and practice as experts in, 'How do you do this deal? How do you achieve what the client needs here?'"

Partners credited the firm's success in this space over the past year to that multidisciplinary approach, which gives attorneys a comprehensive understanding of the sector.

They highlighted a recent transaction with FIFA. In advance of the FIFA 2022 World Cup, Paul Weiss advised soccer's global governing body in its sponsorship deal and technical partnership with blockchain developer Algorand, including the creation of a non-fungible tokens platform.

The NFT portal launched Sept. 2, representing FIFA's first foray into Web 3.0 and blockchain-enabled digital assets, according to the firm.

"It was just transformative for FIFA to be able to be technologically at the cutting edge, selling NFT versions of collectible media and content, and really engaging with fans in that way," Ashtor said.



Another highlight from the year was winning the dismissal, for now, of a proposed securities class action accusing PayPal and its executives of misleading investors about two federal investigations into some of its credit and debit products.

In August, the judge granted the motion to dismiss brought by PayPal and several of its officers, saying the complaint didn't plausibly allege that the financial company misrepresented anything. The plaintiffs have since filed an amended complaint, and a motion to dismiss hearing is scheduled for April, according to Paul Weiss.

Roberto Gonzalez, a partner whose experience spans economic sanctions, anti-money laundering, consumer financial protection, payments and cryptocurrency, said the number of matters in the fintech area has grown each year since he joined the firm in 2016.

In the past year, Paul Weiss attorneys saw increases in number, scale and stakes of litigation, transactions and advisory work in the fintech space. And while that time frame in the cryptocurrency space includes the sharp downturn often referred to as the "crypto winter" and the U.S. Securities and Exchange Commission signaling its intention to take crypto lending to task — among other issues — that has not led to a slowdown of work for the firm.

Instead, the firm is seeing a different composition of tasks.

"Our focus has always been, meet our clients where they are and bring the best advice there is to their needs," Ashtor said. "Their needs have changed over the past year, and that's where we've been able to meet them and accomplish their objectives, even in what has been a very challenging 12 months for a lot of clients."

Meredith Dearborn, a partner in the litigation department who has tried high-stakes commercial disputes for leading technology companies, said one of the firm's strengths is its broad-based litigation experience across sectors.

"That experience is very translatable, frankly, to any market downturn, and to litigation theories that we are seeing in this particular market," she told Law360.

Adding to that is the ability to provide clients with the benefit of a deep expertise, both in litigation and advising, especially in following the developing regulatory environment.

"It's a good time to be a lawyer in this space," she added.

The lawyers at the firm work with big-name companies in the sector. On Jan. 6, the firm helped Coinbase when its lawyers successfully moved the court to decide that customers of the cryptocurrency exchange will see an arbitrator weigh their claims that the company misrepresented the stability of a purported "stablecoin" offered on its platform, hurting investors when the coin came untethered from the fiat currency to which it was supposed to stay linked.

Coinbase had sought arbitration in October, arguing that the customers in the case agreed to the firm's latest user agreement, which includes a commitment to arbitrate any disputes over its services, products or communications.

Thinking about the continued growth in this space, Paul Weiss attorneys are learning new products,

interpreting regulatory trends and mentoring more junior lawyers in this area, Gonzalez said.

Those are critical "to not only grow, but also roll with the changes in the market and the different mix of work that emerges over time," he said.

The attorneys said they're excited about the future of fintech, which will require them to roll up their sleeves and dig in, say, to a changing technological climate.

"This is a time to understand where the clients are going, understand where the regulation is going and the impact of the things that have happened over the past year, and really pave the way for the next generation of transactions and the next generation of client accomplishments," Ashtor said. "The next slate of fintech matters is going to look very different than the previous one, because the market and economy has changed so much in such a short period of time."

--Editing by Linda Voorhis.