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PROFESSIONAL EXCELLENCE

## INNOVATION AWARDS



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### **Q&A** What are some of your proudest achievements from the past year?

We were delighted and honored to have collaborated with our client ConsenSys, a thought leader and innovator in the blockchain technology space, on the Automated Convertible Note. The OpenLaw-based online document generator helps startups raise capital with customizable market standard terms and optional digital token provisions. The free-to-use tool builds in protections and much needed flexibility to navigate securities regulatory concerns in nascent token projects. Also, the tool addresses the commodities regulatory issues present in investment structures that offer the investor a right to tokens. We are gratified that the novel document generator has been positively received, and a large number of entrepreneurs and startups are using the tool to efficiently raise capital and push forward with their innovations, particularly in this critical and fast-evolving market.

In general we are delighted to work with our visionary clients—major banks, technology giants, and startups—navigate their most complex business decisions, whether they're considering the regulatory implications of establishing a new cryptoasset, adopting a

new technology or system, or investing in, or acquiring, a fintech company. We also play a key role in educating trade associations and government regulators about developments in financial technology and market infrastructure as they determine how best to regulate the rapidly evolving sector. Notably, in the last year we advised Energy Web Foundation, a global nonprofit distributed ledger technology foundation, in connection with the offering of its technology platform to US customers and navigating the concerns of the SEC. In 2019 Energy Web Founda-

**IN THE LAST YEAR WE WERE EXCITED TO LAUNCH OUR GLOBAL FINTECH & PAYMENTS BLOG, AS WELL AS THE BOOK OF JARGON®-CRYPTOCURRENCY & BLOCKCHAIN TECHNOLOGY.**

tion launched the Energy Web Chain, the world's first open-source, enterprise blockchain platform tailored to the energy sector.

We regularly produce thought leadership on the latest tech, regulatory, and market trends driving innovation in financial services, and in the last year we were excited to launch our Global FinTech & Payments blog, as well as The Book of Jargon®-Cryptocurrency &

Blockchain Technology, a digital glossary and app of nearly 300 terms that demystifies the complex legal and regulatory terminology, acronyms, and slang of the cryptocurrency and blockchain industry.

### **What, if any, obstacles stood in the way of your innovation, and how did you overcome them?**

Given the lack of any viable alternatives in the market, Latham and ConsenSys agreed that making such a convertible note widely available to the market for free would benefit the blockchain ecosystem as a whole by helping industry players comply with applicable securities and commodities laws. Recognizing the regulatory obstacles and potential pitfalls, Latham and ConsenSys lawyers refined the convertible note form over many months, taking into account evolving guidance and informal feedback from government agencies. In addition, at a time when there had been wide market acceptance of the Simple Agreement for Future Token (SAFT), we publicly objected to the SAFT and helped develop the Automated Convertible Note as a free alternative that is truly viable under the securities and commodities laws. Recent enforcement and litigation activity vindicates our securities law advice embodied in the Automated Convertible Note.

### **What is the best advice for younger attorneys looking to advance their own innovative ideas or visions?**

As previously described, the Automated Convertible Note was developed in response to inefficiencies we saw with other token pre-sale instruments, including the SAFT, despite it being widely accepted in the market at that point in time. Don't be afraid to go against the tide and advocate for your idea or innovation if you've done your due diligence, and you see an opportunity to solve a problem or make a process more efficient and effective.