

Fintech Group Of The Year: Skadden

By Aislinn Keely

Law360 (February 12, 2025, 4:02 PM EST) -- Skadden Arps Slate Meagher & Flom LLP helped longtime client Squarespace go private in a \$7.2 billion acquisition and stayed on the cutting edge of securities law questions for digital assets in litigation both in district court and the Second Circuit, earning it a spot among the 2024 Law360 Fintech Groups of the Year.

Skadden had a full-circle moment this year when it closed Permira's purchase of Squarespace Inc. to take the website builder private in October 2024, just three years after it helped it go public in 2021. Co-head of the mergers and acquisitions group Jeffrey Brill said the Squarespace transactions are representative of Skadden's efforts to find fintech clients early and stick with them as they grow.

"We're still there earlier in their life cycle than you would expect for many of our peers, and we think that's been an important part of the growth story," he said.

While it often pays off in the form of bigger business as clients mature, working with earlier-stage startups also keeps the firm ahead of the curve on emerging technologies and the legal issues they present, said co-head of the Web3 and digital assets group Stuart Levi.

"What we learn from them almost inevitably helps with our larger clients, because they eventually follow what the startups are doing," he said. "And that's really where often we gain our expertise and know-how in order to advise what people would see as our more traditional, larger-spend clients."

The firm doesn't have a dedicated fintech practice, instead favoring a working group that spans different departments. Skadden takes a "decentralized" approach to the collaboration among partners on fintech matters, encouraging direct communication among attorneys with various expertise rather than relying on the bureaucracy of a dedicated group, said Brill.

The Squarespace transaction is also indicative of the types of complex matters Skadden "thrives on," said mergers and acquisitions partner Christopher M. Barlow, who advised on the deal. It faced challenges from shareholders that ultimately led Permira to increase its offer, but Barlow said the firm shines in matters "where there's not a lot of rules to guide, not a lot of precedent, but takes a lot of creative thinking and sort of leaning on all of our collective experience to solve."



While the firm takes an intentional approach to working with smaller startups, its work with crypto mining businesses was more coincidental, said Levi. This past year, Skadden led Bitfarms through a series of events, including an unsolicited takeover offer from competitor Riot Platforms, marking the first proxy battle in the crypto mining space, according to the firm. The firm went on to counsel Bitfarms through its acquisition of Stronghold Digital Mining Inc. in August 2024.

On the litigation front, Skadden has continued to counsel crypto firms through cases that seek to untangle how existing securities laws apply to digital assets and their intermediaries.

The firm counseled trading platform eToro to a \$1.5 million settlement with the U.S. Securities and Exchange Commission after the regulator claimed that certain tokens on its platform were securities. The settlement, which saw the platform neither admit nor deny the allegations, allowed eToro to continue serving U.S. customers after shutting off access to all crypto assets beyond bitcoin, bitcoin cash and ether, marking the first time an SEC crypto settlement allowed a firm to continue offering crypto in some capacity, according to Skadden.

The ability to operate in the U.S. has been important to many of Skadden's crypto clients, said co-head of its Web3 and digital assets group Alexander Drylewski, a litigator who worked on the matter.

"I think that's important, and something we're going to hopefully see now with the change of administration is more regulatory clarity, [it] will allow more businesses to want to conduct their businesses in the U.S. in the crypto space," he said.

On the civil side, Skadden continues to represent Coinbase in a proposed class action alleging the platform sold unregistered securities. A lower court threw out the case last year before the Second Circuit revived the matter, and it continues to work its way back through the district court.

At the core of the dispute is whether Coinbase can be considered the seller of the tokens on its platform, and the question of who is responsible for a token's sale has been at the center of other Skadden-led cases.

Skadden is representing venture capital firm Paradigm at the Second Circuit in *Risley v. Universal Navigation*, where buyers are seeking to hold decentralized crypto exchange Uniswap and its backers accountable for scam tokens sold on its platform.

Skadden is also representing Yuga Labs, the blockchain startup behind the Bored Ape Yacht Club nonfungible token collection, in a proposed class action from investors who say they were misled by celebrity endorsements into buying the NFTs and other assets. Yuga Labs is only one of many defendants in the case, which includes several celebrities.

While Drylewski couldn't discuss the specifics of the ongoing cases, he noted that Skadden is leading the charge for a variety of clients on the novel issue of what conduct makes an entity responsible for the sale of an asset. The Coinbase case and others "involve some first-impression and novel legal issues, and that's the kind of stuff that we're built to take on," he said.

--Editing by Adam LoBelia.