



## Justin S. Wales

### Partner

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## OVERVIEW

Justin Wales is a partner at the firm's Los Angeles and Miami offices. A nationally recognized leader in the blockchain and virtual currency industry, his practice focuses on the rapidly evolving legal and regulatory issues impacting decentralized technologies including cryptocurrencies, decentralized financial (DeFi) platforms, smart contracts, non-fungible tokens (NFTs) and other related technologies.

## PROFESSIONAL BACKGROUND

An early advocate for the blockchain and virtual currency industry, Justin previously served as the founder and chair a national law firm's blockchain and virtual currency practice group since 2014. He has experience representing a wide range of clients in the space including cryptocurrency exchanges, money transmitters payment processors, DeFi platforms and protocols. He also advises clients on corporate, fundraising and regulatory matters, including international corporate structuring, executing compliant token offerings, regulatory compliance including with state money transmission rules and federal regulations including those imposed through the SEC, CFTC, and FinCEN. He speaks and writes often about the intersection between law and technology and authors the premier treatise, published by Thomson Reuters, on the application of state rules on blockchain and virtual currency businesses.

Justin is also an experienced litigator who serves as defense counsel for his financial services or cryptocurrency clients. He successfully litigated one of the first DeFi cases in the country and has also litigated First Amendment and trade secret cases. He is the author of *Bitcoin is Speech: Notes Toward Developing the Conceptual Contours of Its Protection Under the First Amendment*.

## ACHIEVEMENTS

- "State Regulations on Virtual Currency and Blockchain Technologies (Updated)" recognized as a Top Article in Finance & Banking, Securities by the 2020 *JD Supra*Readers' Choice Awards
- Florida Trailblazers, *Daily Business Review* (2019)
- On the Rise Award, *Daily Business Review* (2019)

- “Most Fascinating People in Miami,” *Miami New Times* (2016)
- Florida Rising Stars, *Super Lawyers Magazine* (2019–2020)

## PROFESSIONAL / CIVIC ACTIVITIES

- The Florida Bar
  - Digital Currency Task Force
- Florida International Bankers Association (FIBA) Innovation Committee
- City of Miami Charter Review and Reform Committee
- Code For Miami
  - *Policy Advisor*: Organize and lead a brigade of civic hackers in drafting and implementing an Open Data Policy for Miami-Dade County.

## SPEAKING ENGAGEMENTS

- Presenter, “Bitcoin, Blockchain, and the Unpredictable Future of the Internet,” Florida Council of 100 (2019)
- Presenter, “The First Amendment as Applied to Bitcoin and its Lightning Network,” AtlantaTABConf(2019)
- Led roundtable on the adoption of proposed cryptocurrency-specific legislation before Florida's Office of Financial Regulation (August 16, 2018)

## EDUCATION

- J.D., University of Miami School of Law, 2012 *Summa Cum Laude*, *Senior Notes and Comments Editor University of Miami Law Review*, *Bruce J. Winick Scholar* (awarded to top 1% of class)
- B.A., University of California, San Diego, 2009 *Magna Cum Laude*

## ADMISSIONS

- Bar of California
- Bar of Florida

## OTHER PUBLICATIONS

- “Blockchain Technology and its Impact on Product Litigation” (Prod. Liab. Litig., 2nd ed. March 2021)
- “You Say You Want A Bitcoin Revolution?” Coindesk (2020)
- “Why Bitcoin Is Protected by the First Amendment” Coindesk (2020)

- "Exponential Growth: What Research Into Blockchain and Cryptocurrencies Tells Us About Law Practice Disruption" Legaltech News (Aug. 25, 2020)
- "Noded Bitcoin Podcast with Pierre Rochard" (Aug. 13, 2020)
- "Foreign Token Sales May Be Subject to U.S. Securities Law," Los Angeles Lawyer (2020)
- "Bitcoin Has A Florida Problem," Coindesk (2020)
- Bitcoin is Speech: Notes Toward Developing the Conceptual Contours of its Protection Under the First Amendment," 74 U. MIAMI L. REV. 204 (2019)
- "Justin S. Wales on How The First Amendment Protects Bitcoin," Bitcoin Magazine (2019)
- "Is Cryptocurrency Money? Depends on Your State," Longhash (2018)
- "The US Supreme Court Just Opened the Gates to Filing Crypto Class Actions in State Courts," Daily Business Review (2018)
- "Bitcoin and Taxes: If Not HODLing, Consider Donating," Forbes: Digital Money (Dec. 2017)
- "When High-Tech Cryptocurrencies Meet Low-Tech Scammers," Los Angeles Daily Journal (Sept. 2017)
- "State Regulations on Virtual Currency and Blockchain Technologies," Thomas Reuters (Quarterly, Since 2017)
- "FUTURLAWMA: 21st Century Solutions to 31st Century Problems" 68 U. MIAMI L. REV. 87 (2013)
- "El Salvador's Bitcoin Legal Tender Law And Its Implications" Crypto Monday LA
- "Exponential Growth: What Research Into Blockchain and Cryptocurrencies Tells Us About Law Practice Disruption" LegalTech News

## NEWS & EVENTS

- 16 June 2021, K&L Gates Enhances Digital Currency and Blockchain Technology Capabilities with Additions to Miami and Los Angeles Offices (*Press Release, Practice & Regional News*)

## MEDIA MENTIONS

- Quoted, "Romancing Cryptocurrency in South Florida," *BiscayneTimes.com*, 3 September 2021
- Mentioned, "Florida cryptocurrency users gain another trading platform after state," *Miami Herald*, 25 August 2021
- Mentioned, "Crypto Laws, Lobbying & Activism: The Time Has Come For DeFi to Get Serious About D.C.," *thedefiant.io*, 20 August 2021

## AREAS OF FOCUS

- Complex Commercial Litigation and Disputes
- Anti-Money Laundering (AML)
- Appellate Litigation
- Financial Services Policy
- Payments, Banking Regulation, and Consumer Financial Services
- Securities and Transactional Litigation

## INDUSTRIES

- Blockchain
- Financial Services
- Fintech
- Technology

## REPRESENTATIVE EXPERIENCE

### Blockchain and Virtual Currency Experience

- Successfully defended first-of-its-kind litigation against the creators of a Decentralized Finance platform by a protocol's user on claims that a court should enjoin planned development of the platform because of an alleged dispute by a user of the platform.
- Represents centralized and decentralized cryptocurrency exchanges in connection with corporate formation and a global regulatory strategy, including issues relating to SEC and CFTC licensure.
- Advises DeFi protocols and platforms on regulatory issues regarding yield farming, liquidity pools, and the deployment of governance tokens.
- Represented digital currency exchanges, lightning network facilitators, and numerous money transmitters in 50-state analysis of application of state money transmitter rules to cryptocurrency focused-business models.
- Represented cryptocurrency companies before various state regulators, including the New York Department of Financial Services, in order to obtain or receive clarity on application of state money transmission licenses.
- Represented multi-million dollar brands in connection with the development and sale of non-fungible tokens including analysis of relevant IP issue, contract negotiation with artists and NFT platforms, and technical and marketing strategy.

- Advised numerous digital currency payment processor on issues pertaining to capital formation and early-stage financing, as well as corporate formation issues such as registration in foreign jurisdictions including Gibraltar, Malta, Taiwan, Singapore, Mexico, Bermuda, Puerto Rico, and Cayman Islands.
- Advised high-frequency/algorithmic trading funds dealing in various digital currencies on issues related to fund formation and regulatory compliance.
- Counseled several digital currency payment processors on anti-money laundering and "know your customer" compliance including assisting in the development of a global AML/KYC policy.
- Counseled numerous companies in conducting technical analysis, building "minimum viable ecosystems" and token design.
- Represented contingent of "Small Blockers" with regard to liability associated with attempts to hard fork the Bitcoin blockchain.
- Analysis of securities and other regulatory issues related to token sales, including analysis of regulatory implications of governance tokens, security token offerings, initial coin offerings, token curated registries, airdrops, forks, and applications using the Lightning Network.
- Provided numerous instances of litigation and regulatory mitigation strategies for completed token sales including counseling individual defendants against charges from the SEC and DOJ.
- Provided analysis and privacy counseling regarding application of the GDPR and other privacy regulations to data stored on decentralized networks.

### **First Amendment and Constitutional Litigation Experience**

- *Zoological Wildlife Found., Inc. v. Humane Society of the United States, Inc.*, No. 1:15-cv-23529 (S.D. Fla. 2017). Successful defense of Humane Society in libel suit brought by founder of zoo who was also convicted of multiple felony crimes.
- *Wollschlaeger v. Governor, Fla.*, No. 12–14009 (11th Cir. 2016) (reh'g en banc pending). Counsel for American Bar Association seeking rehearing of panel opinions and seeking en banc affirmance of district court injunction precluding enforcement of Florida Firearm Owners' Privacy Act.
- *Hoefling v. City of Miami*, 811 F.3d 1271 (11th Cir. 2016). Reversed district court order dismissing Section 1983 suit of mariner against city that alleged it violated mariner's Fourth and Fifth Amendment Rights after it seized and destroyed his vessel without notice.
- *Obergefell v. Hodges*, Nos. 14-556, 14-562, 14-571 and 14-574 (U.S. 2015). Represented the Campaign for Southern Equality and Equality Federation in support of marriage equality before the U.S. Supreme Court.
- *Pareto v. Ruvin*, No. 2014-1661-CA-01 (Fla. Cir. Ct. 2015). Represented plaintiffs in constitutional challenge to Florida's same-sex marriage ban.
- *Int'l Players Championship v. Matheson*, 190 So. 3d 643 (Fla. 3d DCA 2015). Moved for summary judgment on professional tennis center developer's challenge to decades-old development restrictions on Crandon Park. Decision affirmed by Florida's Third District Court of Appeal.

- Club Madonna, Inc. v. City of Miami Beach, No. 1:13-cv-23762, 2015 WL 5559894 (S.D. Fla. Sept. 22, 2015), awarding attorneys' fees under 42 U.S.C. § 1988 in the amount of \$102,460.660; No. 13-23762, DE 45 slip op. (S.D. Fla. 2014), granting dismissal with prejudice in frivolous civil rights action.
- Eisenberg Dev. Corp. v. City of Miami Beach, 95 F. Supp. 3d 1376 (S.D. Fla. 2015), finding entitlement to attorneys' fees and costs pursuant to 42 U.S.C. § 1988, 28 U.S.C. § 1927, Federal Rule of Civil Procedure 11, and the court's inherent authority; No. 13-23620, DE 172 slip op. (S.D. Fla. 2014), granting final summary judgment in favor of defendant; 54 F. Supp. 3d 1312 (S.D. Fla. 2014), granting in part motion for judgment on the pleadings; 1 F. Supp. 3d 1327 (S.D. Fla. 2014), granting in part motion to dismiss.
- Biscayne Bay Waterkeeper v. United States Army Corps of Engineers (2014). Represented various environmental organizations in suit against Army Corps of Engineers challenging their failure to comply with specific Endangered Species Act requirements.