SPAC Statement from More than 60 Firms Draws Widespread Media Attention

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International, business and legal press were abuzz with news that Katten, along with more than 60 leading law firms, joined to express concern about recent derivative lawsuits that assert SPACs should be regulated as "investment companies."

Media coverage focused on the collective response from large law firms and the implications for special purpose acquisition companies. At issue is whether SPACs should be treated as investment companies under the Investment Company Act of 1940.

Katten attorneys are among those who say no.

"A SPAC's primary goal is not to invest in securities, but to buy an operating company," Capital Markets Partner Timothy J. Kirby told *The American Lawyer*. "As SPACs went more mainstream, there has been more of an emphasis on transparency. You can go back and forth whether as a vehicle it is preferable to a traditional IPO, but the plaintiffs are trying to push them [SPACs] into being covered through the Investment Company Act. That doesn't apply."

Richard Marshall, Financial Markets and Funds partner told *The American Lawyer* that the derivative litigation isn't good for anyone. He questioned the motivation for filing.

"I think particularly this is a way to get the SEC to weigh in, which I think would be unwise. And that would be a whole different ball game," Richard said.

Read the joint statement here. Related media coverage:

- "Why Big Law Cares So Much About the Pershing Square SPAC Suit," *The American Lawyer*, Sept. 1, 2021
- "A SPAC Counterattack: A group of law firms lined up to condemn lawsuits filed against the contentious blank-check investment vehicles," *The New York Times*, Aug. 30, 2021

- "Nearly 50 law firms have banded together to voice their defense of SPACs as lawsuits mount against blank-check firms," *Markets Insider*, Aug. 30, 2021
- "Wall Street law firms band together to defend Spac business," *Financial Times*, Aug. 27, 2021
- "U.S. law firm group pushes back on lawsuits calling for SPAC regulation," *Reuters*, Aug. 27, 2021
- "Lawyers fight back following attack on SPACs," *New York Post*, Aug. 27, 2021
- "Big Law Stands Up for SPACs as 49 Firms Sign On Against Shareholder Lawsuit," *The American Lawyer*, Aug. 27, 2021
- "49 Law Firms Push Back Against Litigation Targeting SPACs," *Law360*, Aug. 27, 2021

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