



Fintech Unicorn Chime Adds 10 Lawyers Ahead of Possible IPO

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- Chime Financial is on an in-house legal hiring spree
- Kate Karas has been its general counsel for two years

Chime Financial Inc., a financial technology startup mulling a potential initial public offering, has recruited at least 10 lawyers to its in-house ranks this year.

The privately held San Francisco-based company saw its [valuation hit \\$14.5 billion](#) last September to [briefly surpass](#) fintech darling Robinhood Markets Inc., now preparing for its [own stock market debut](#). At the time, Chime co-founder and CEO Chris Britt [told CNBC](#) that his company would be “IPO ready” in 12 months but cautioned that Chime wasn’t locked into such a timetable.

Chime most recently saw California’s financial services regulator [prohibit the company from calling itself a bank](#), a move that came after [Reuters reported](#) in March that Chime had held preliminary talks with investment banks about an IPO by year’s end that would value the company at \$30 billion.

Chime general counsel Katherine Karas declined to discuss the company’s going public plans or its regulatory entanglements but acknowledged that Chime has been busy bringing on new legal talent.

“We are growing our team to meet the expanding needs of our company and community,” Karas said in a statement. The former [senior associate general counsel](#) at the LendingClub Corp. [joined Chime](#) as its legal chief in August 2019.

Karas has worked to build out a corporate law department that “ensures we are running our business responsibly,” as well as helping Chime observe applicable laws, rules and regulations, she said.

“We bring on lawyers and retain outside firms who understand the obligations and importance of maintaining that focus in all we do,” Karas said. “Diversity, equity, and inclusion are key components of our internal hiring and firm selection strategy.”

Paul Hastings, King & Spalding, Buckley, and Maynard, Cooper & Gale are some of the law firms that have represented Chime on a variety of matters since the company’s founding in 2013. Chime, [which provides online banking services](#), has sought to grow its business by [appealing to millennials](#) and other groups looking for lower fees and more perks than those offered by traditional financial institutions.

Chime partners with FDIC-insured banks to give its customers access to checking and savings accounts, a credit card, and other financial services. The company claims that its platform eliminates unnecessary fees and allows users to establish a stable financial foundation. Britt, Chime’s CEO, [told Bloomberg News last year](#) that many of the company’s customers come from big banks.

Legal Group Growth

While Chime has vaulted itself into a [group of high-flying fintechs](#) like Robinhood, Stripe Inc., and Plaid Inc., it has experienced some hiccups, such as a [service outage in October 2019](#) that left its customers without access to their accounts. Chime fixed that temporary interruption in about 24 hours.

Public records reveal some of the firms on Chime’s outside counsel roster. Buckley represented the company in its [May settlement](#) with California regulators, while Paul Hastings and Maynard Cooper have advised Chime on general litigation and intellectual property matters, respectively.

King & Spalding has received at least \$70,000 from Chime since late 2020 to handle federal advocacy work for the company related to stimulus funding, electronic payments, and the Economic Security Act, [per U.S. Senate filings](#).

J.C. Boggs, co-head of King & Spalding’s fintech and state attorneys general practices, and former Rep. Kendrick Meek (D-Fla.), [since 2017](#) a senior adviser for government advocacy and public policy at the firm, are leading the lobbying team for Chime.

Chime has [cornered a leading market position](#) among [so-called challenger banks](#) by picking off potential competitors like Pinch, which Chime acquired in an [all-stock deal in 2018](#). Chime has also taken advantage of other mergers when recruiting lawyers to bolster its legal department.

Product counsel William Morrison and litigation and regulatory counsel Julie Breyer joined Chime earlier this year from Postmates Inc., a food delivery service whose [nearly \\$2.7 billion sale](#) to Uber Technologies Inc. closed in December. Chime also recently hired privacy counsel Taylor Widawski and senior security counsel Justin Okun from T-Mobile US Inc., which last year [completed its \\$26.5 billion takeover](#) of telecommunications giant Sprint Corp.

In May, Chime also hired employment counsel Anna Choi, most recently a manager of ethics and compliance at Raytheon Technologies Corp., [which merged last year](#) with United Technologies Corp. That same month, Chime landed Lyft Inc. senior patent counsel Amol Purohit as a senior IP counsel.

Other hires by Chime include commercial counsel Azima Subedar and Neel Limaye—hired from Robert Half International Inc. and On24 Inc., respectively—and product counsel Alexander Lutch, who spent the past two years as lead counsel for privacy and product at Facebook Inc. Apple Palarca, a senior corporate counsel at DocuSign Inc., [a legal artificial intelligence startup](#), took the same role at Chime in February.

Chime is also currently hiring for a head of products and payments legal, a senior payments product counsel, and a compliance lead for testing, monitoring, and reporting, according to the company's [online jobs board](#).