

Blank-Check Companies Under Fire in the U.S.

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Since the start of 2021, investors in the United States have already filed more than one hundred lawsuits against SPACs because they feel that they were misled. This trend may be a precursor to a similar wave of complaints in Europe.

This seems like a simple process, but several potential conflicts of interest pop up along the way. Investors who think they have been duped can go to court to get their money's worth. This is happening now especially in the U.S., where there has been real SPAC hype over the past year. Since the beginning of this year, more than 370 blank-check companies have gone public there. That's half as many as in all of 2020, and six times as many as in 2019. By comparison, Europe has yet to hit the 25 mark this year.

Legal rulings are still pending in most cases, says Jeffrey Steinfeld, an attorney at the Chicago law firm Winston & Strawn. "The legal battle was often started not so long ago, and the pandemic has caused the courts to lag behind."

Read more of Jeffrey's thoughts in the full article [here](#).

This article originally appeared on [Het Financieele Dagblad](#).

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