

## The Form is Always Wrong

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We are often asked as to why we don't simply provide "forms" on our website that can be downloaded and used. After all, a number of law firms let you download term sheets and other forms such as SAFEs. Our simple answer is: THE FORM IS ALWAYS WRONG! Legal forms are merely starting points and most forms are typically only half an inch deep. A successful enterprise truly needs so much more depth than what is provided in a basic form.

While many of the issues involved in various transactions are similar, every single transaction that we get involved in is nuanced and different in some way from other similar transactions. Pattern matching is important, but each successful enterprise is successful in a unique way. Building an enterprise requires a balancing of the economic interests of the various parties. The Founders may want to control their destiny or be captains of industry, in addition to making outsized returns. Investors will be laser focused on those returns but may also be interested in promoting activities that involve sustainability or technical breakthroughs. Employees will be hoping for financial rewards but may also want to be involved in cutting-edge technologies and a flexible workplace. Finally, the Board of Directors needs to monitor the enterprise and provide relevant advisory insights. Getting this right is so much more than processing a form; it requires deep domain knowledge of the industry sector and a good sense of the people involved. It is similar to why the best doctors examine a patient before prescribing medication. Knowing the context of the situation truly matters and one size never fits all.

One other aspect that we all need to remember is that different sectors have different customs as to what is "market." While much of the popular press is focused on information technology companies, such as social media and e-commerce businesses, a significant portion of venture capital activity involves other sectors such as life sciences, biotech, and energytech. Each industry sector has its own patterns and customs. To try to simplify it so that one size fits all would be a disservice to each and every entrepreneur who is trying to build a large and meaningful enterprise.

Finally, as a number of pundits have pointed out, we are in an era in which experts and expertise are often ignored. Why do you need an expert when you can find it on the Internet? But as we have all witnessed, information on the Internet is often misinformation, out of date, or simply not relevant or applicable. Using a legal form without legal advice reminds us of the commercial where people are deemed knowledgeable about many esoteric topics simply because they stayed at a Holiday Inn

Express. In reality, that is really not the case. We have on too many occasions had to correct mistakes that were made in forms used before we represented a particular client, often at greater expense than if the client had sought legal advice initially instead of using a form.

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