

# Start Ups -- Deal Killers

And Near Death Experiences

By Daniel Jauchen

1

## Questions:

- How should we solve due diligence surprises?
  - Failure to efficiently organize and establish legal compliance (entity formation, IP ownership, cap table)
- How can we avoid a myopic focus on what parties believe a deal requires?
  - Myopic focus on particular form
  - Myopic focus on what is “Market”
- How should investors avoid not investing in winners?
- How should people agree on valuation?

2

How should we solve due diligence surprises?

3

Most surprises are fixable (if money is no object)

So is it just a transaction cost analysis?

4

# Entity formation

- Automated robot legal forms are great!
- Or are they? Some structures are very difficult to undo or have terrible tax consequences for founders.
- But if it's about transaction costs, what are good ways to do it right?

# IP ownership

- Doesn't every single form agreement have a rep as to CIIAAs?
- So how come these still pop up?

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Startups - Deal Killers

Also available as part of the eCourse

[2018 Technology Law eConference](#)

First appeared as part of the conference materials for the  
31<sup>st</sup> Annual Technology Law Conference session

"Startups - Deal Killers and Near-Death Experiences"