



Week 9 – Get Your Startup Legally Ready

Why This Week Exists

Legal isn't sexy, but screwing it up is fatal. Investors don't back messy cap tables. Customers don't sign dodgy contracts. And co-founder fallouts get nuclear fast if you never set terms. This week, you'll handle the basics that keep you fundable, protect your equity, and stop you being rinsed later.

Your Mission

By the end of this week you'll:

1. Know the 5 legal basics every investor checks first.
2. Have an equity + founder agreement that stops future headaches.
3. Use AI to draft, review, and sanity-check contracts before you pay a lawyer.

Step-by-Step

1. Cover the Big 5 Legal Basics
 - Incorporation docs
 - Shareholders' agreement
 - IP ownership
 - Data protection & privacy
 - Contracts that won't get laughed at

AI Prompt:

"You are a startup lawyer. List the top 5 legal documents an early-stage startup must have in place before raising money. For each, explain the purpose in plain English and the risks if missing."

2. Lock Down Founder Agreements
 - Split equity now — arguments later kill companies.
 - Vesting = protection (4 years with a 1-year cliff is standard).

AI Prompt:

"You are a founder agreement coach. Draft a simple founder vesting agreement with: 4-year vesting, 1-year cliff, and protection if one founder leaves early. Keep it in plain English."



3. Protect Your IP

- Make sure everything built belongs to the company.
- Contractors must sign IP assignment agreements.

AI Prompt:

“You are an IP lawyer. Draft a plain-language IP assignment agreement that ensures all work created by contractors belongs to the company, not the individual.”

4. Sanity-Check with AI Before Paying Lawyers

AI Prompt:

“You are a contract reviewer. Explain this clause [PASTE CLAUSE] in plain English. Highlight any risks or red flags for a startup founder.”

Pro Tips from the Trenches

- Equity arguments are the #1 startup killer. Sort it early.
- Investors won't touch messy cap tables — they'll just walk away.
- A £500 lawyer bill today can save a £50,000 disaster later.

Your Deliverables This Week

- Checklist of the Big 5 legal basics (all ticked).
- Founder agreement draft with equity split + vesting terms.
- IP ownership confirmed (contractor agreements signed).

Why This Matters

You don't get a second shot at first impressions with investors. If your legals are sloppy, they'll assume the rest of your business is too. Get it clean now so you're ready to move fast later.