



PATENTS ™ TRADEMARKS ® COPYRIGHTS © LICENSING ♦ LITIGATION ♦ TRADE SECRETS

209 kalamath street, unit 9, denver, colorado 80223-1348 usa  
main phone 303-271-9468  
website [www.jacksonip.com](http://www.jacksonip.com)

roger a. jackson  
registered patent attorney  
email [roger@jacksonip.com](mailto:roger@jacksonip.com)

## Term Sheet

Definition: A letter of intent from an investor of proposed financial & legal terms

### Content:

1. Securities detail-preferred, common, dividends, rights, liquidation preference, redemption, conversion (IPO), right of 1st refusal, dilution, voting, quorum, # of shares, price per share, allocation of shares to founders, investors, and options & vesting-treasury reserve (for employees), plus integrating with current shares (if any)-all equating to a company valuation.
2. Board detail- investor representation , composition, special approval items, and access to company information.
3. Due diligence required-audit (verification); financials, legal documents (NDA's, employment agreements, compensation, non compete, etc.), intellectual property, litigation, insurance, etc.
4. Business milestones
5. Purchase agreement-of shares
6. Closing, disclosure of legal fees, finder's fees, placement fees, transaction fees, etc.

### Major Issues:

- a. Valuation of the company, multiple valuations and various stages life/growth (i.e. 10 times earnings)
- b. Future capital needs of the company
- c. Investor returns + miscellaneous fees of finder's, due diligence, legal, admin, etc.
- d. Investor reasonable control and reasonable milestones

Roger A. Jackson is licensed to practice law before the U.S. Patent and Trademark Office, The State of Colorado, and The U.S. District Court for the District of Colorado. All Term Sheet Information Contents © Copyright 2012 by the Intellectual Property Law Firm of Jackson Esquire. All Rights Reserved. This document is Term Sheet Information only and is not, nor is it intended to be, legal advice. You should consult an attorney directly for individual advice concerning your specific situation and the applicable law at that time. This document does not, nor is it intended to create an attorney-client relationship.