We’re thrilled to announce a totally unsexy, yet super useful, set of legal documents for founders and investors affectionately called the **KISS** *(“Keep It Simple Security”)*. While regular folks can probably ignore this earth-shattering news completely and go back to watching the World Cup, founders and investors should probably pause the game for 5 minutes and keep reading.

**The KISS docs are designed to SAVE founders & investors TIME and MONEY. They’re FREE legal docs you can use to RAISE MONEY quickly & easily, hopefully WITHOUT GETTING SCREWED.\***

Got that? Good. But wait… why the hell are we doing this?

We’ve seen lots of people get screwed over in the past (both founders and investors, and sometimes people = us), and we’ve also paid a lot of money to lawyers (who are otherwise very nice people) who don’t really need any more money.

Over the past few years, convertible notes have become one of the most popular ways to structure seed stage financings. Although some VCs and investors may not always like using convertible notes, they are nonetheless an extremely common and frequent form of legal structure in the US and particularly in Silicon Valley. Because convertible notes are generally simpler and less expensive than doing a more formal priced round, many founders and investors use them to “bridge” a company until it gets to larger, more traditional financing.

If done right, convertible notes are a simple and efficient means to close a round of financing because they contain limited rights and defer some of the more complicated negotiations until the (larger) priced round. However, convertible note financings have grown increasingly more complicated recently as companies push for complex conversion scenarios and an abundance of features. This complexity increases legal costs (for companies and investors) and extends the time it takes to close a deal.

***But it doesn’t have to be that way.***

To keep convertible equity financings quick and simple, 500 Startups has created the**KISS** legal docs. The KISS docs are short and sweet “open source” documents drafted after multiple discussions with a number of Silicon Valley law firms and early-stage investors. They are designed to be *flexible* without being overly customizable, *simple*while still including all of the necessary features, and *balanced* from both a company and investor standpoint. We have provided two flavors of KISS to address the most common convertible financing structures we see today, along with a summary of the key terms\*\*:

* [KISS: Debt Version](https://500startups.box.com/s/8ybxx9y3bhk4mte50v7k) (which includes an interest rate and a maturity feature)
* [KISS: Equity Version](https://500startups.box.com/s/wxkh7gqyqsfmoxixk7vm) (without interest or maturity)
* [Summary](https://500startups.box.com/s/bqhdzjvx8x8fsn8s4zlt)

There an abundance of convertible security forms floating around these days – whether championed by accelerators, investors or law firms. And over the course of the last 4 years, we have seen hundreds (if not thousands) of permutations on the “standard” convertible note.Each has its merits, and the YC SAFE docs in particular were a big step forward in creating a true industry standard (we have used them on several occasions since we are a frequent investor in YC companies). Still, we have yet to see a form that strikes the *right* *balance* for us – a balance between the interests of the founders as well as those of the investors. While historically investors have usually had more negotiating leverage than founders, sometimes we feel the pendulum has swung too far, and now smaller angel investors may well be the ones under pressure to accept unbalanced terms. The KISS legal docs were built on the shoulders of our predecessors and were designed with *balance* and *simplicity* in mind.

We’ve put in a lot of work to make KISS docs one of the best convertible instruments on the market, and we encourage companies seeking an investment from 500 to use KISS docs (either flavor is fine with us). In fact, we’d love to see KISS docs adopted by other investors, thereby reducing legal costs for everyone and eliminating some of the friction involved in closing a round of financing.

As with other startup products and services, we expect we will iterate further on KISS. If you have comments and/or suggestions as to how we can improve our docs, or if you want to be included on the list of investors who has agreed to accept the forms, let us know by sending us an email at [kiss@500startups.com](mailto:kiss@500startups.com) or sending a tweet to me[@gregraiten.](http://twitter.com/gregraiten)

Special shoutout to Gunderson Dettmer for collaborating with us on this!

*\*You are encouraged to review the terms of the KISS documents with your own lawyer before using them. 500 Startups does not assume any responsibility for any consequence of using KISS.*

*\*\*Additional platforms that support KISS:*

* [Clerky](http://support.clerky.com/customer/portal/articles/1613223-500-startups-kiss-forms) (if you are a 500 company, email [support@clerky.com](mailto:support@clerky.com) and let them know you’re part of the 500 family)
* [CooleyGO](http://www.cooleygo.com/documents/kiss-convertible-debt-equity-agreements)
* [Shake](http://www.shakelaw.com/blog/500-startups-kiss-funding-docs-shake/)