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From left: Yong Soo Ping (Walden), Kris Leong (Walden), Ong Chiahli (Legalese), Alexis Natalie Chun (Legalese), Wong Meng Weng (Legalese). Photo credit: Walden

Legalese secures \$600,000 to automate legal services

SINGAPORE, 9 January 2016 – Singapore-based LegalTech/FinTech startup [Legalese](http://legalese.com) announced today that it has secured SGD 600,000 in funding commitments, led by VC firm [Walden International](http://waldeninternational.com). A number of angel investors joined the round. Legalese is pioneering computational law, a computer-science approach to the generation, management, and execution of legal paperwork. Proceeds will fund the development of its first web application and further R&D in computational law.

“We were impressed by their ambition: to automate every legal service that can possibly be automated,” said Yong Soo Ping, executive director of Walden International Singapore. “The

legal industry is worth about \$400 billion a year, and it runs on expensive manual labour. Software is transforming contract law through automation and A.I. We like their business model: Legalese is not selling primarily to lawyers, but directly to in-house counsel in enterprises.”

Will an army of Legalese robots put *all* lawyers out of work? “That’s not going to happen,” explained Alexis Chun, one of the co-founders of the startup. “As an ex-litigator myself, I don’t expect an A.I. to argue court cases. But when it comes to business contracts, SMEs prefer online solutions over traditional law firms—just look how well DragonLaw is doing in Asia, or LegalZoom in the U.S.” Ms Chun read law at Queen Mary in London, was called to the bar in Singapore, and previously worked at TSMP Law Corporation and Rajah & Tann, two of Singapore’s most preeminent law firms.

“Two in three small businesses needing legal services cannot afford a lawyer. So they DIY. They copy from friends and write agreements themselves,” said Ong Chiah Li, another co-founder. “But using found templates is risky. Our web apps will help users to DIY with confidence: configuring the terms, verifying the content, capturing the parties’ details, generating the PDFs, and even chasing for signatures.” Ms Ong previously worked at Expara-IDM Ventures in Singapore, and at JFDI.Asia, Singapore’s first startup accelerator.

The Legalese software was developed at JFDI.Asia in 2013 and 2014, and spun out of JFDI.Asia in 2015. The product has already helped over 30 startups produce paperwork for more than \$1.5 million in funding, said Ms Ong. “The need for something like Legalese became obvious during my time at JFDI; during peak periods we’d be making a dozen investments in a single month. Law firms would have charged an arm and a leg! We looked for software that could handle the volume, but we couldn’t find any. So we wrote some software ourselves. It was so popular we incorporated Legalese as a standalone startup.”

Among its users: Legalese itself. “We used our app to close our own round. That’s what Silicon Valley calls eating your own dog food!” said Ms Ong.

“As an active tech investor myself, I know the pain point,” said [John Tan](#), one of the investors in Legalese. “No startup wants to burn money on lawyers—it’s pure overhead. After using their product for one of my other investments, I was so delighted I asked to join their round.” Mr Tan is married to a lawyer.

“It’s the perfect team,” said Legalese investor [Ravi Mantha](#). “Not only is Meng is a founder with exits under his belt, but he spent years at JFDI mentoring a generation of entrepreneurs that I’ve done very well investing in! When I got wind Meng was assembling a team to solve a pain point they know intimately, backing them was a no-brainer.” Before becoming an angel investor, Mr Mantha was a fund manager for Fidelity Investments in Boston.

“In recent years software-as-a-service has disrupted nearly every industry,” said Rowan Simpson, a New Zealand-based early-stage technology investor. “Companies we’ve invested in and worked with, like [Xero](#) and [Vend](#), have grown rapidly to become category leaders, with customers globally. So we’re excited to see Legalese apply the same deep tech approach to the legal industry. As an early investor I get the problem; as a software engineer I like the solution.”

“2016 has been a good year for us,” said co-founder Wong Meng Weng. “We got a USD 8,888 grant from cryptostudio [String Labs](#) and a AUD 30,000 Innovation Grant from [ISIF.asia](#). After doing three startups myself and watching many more succeed and fail, I

know that cash is king and revenue is vital. After we close this round of investment, the clock is ticking, and we're on the hook: in the next 12 months our job is to turn capital into revenue, launch the product commercially, and strengthen the source of our competitive advantage, our core IP which supports the rest of our tech stack. That means talking to PhDs."

Wong was [recently appointed](#) a [Fellow](#) at Harvard Law's Berkman-Klein Center for Internet and Society. "For the past few months, I've been talking with postdocs and faculty at Harvard and MIT about designing a new programming language, for tomorrow's lawyers to code in."

"Legalese is a deep-tech startup," said Walden's Ms Yong. "They're not just building a marketplace for lawyers or a search engine for court cases. Legalese is applying recent advances in computer science theory to disrupt the legal industry." Ms Yong holds a Bachelor's degree in Electrical Engineering and an MBA from the National University of Singapore. She manages Walden's portfolio of digital and Internet investments.

Legalese is part of Singapore's [growing wave of FinTech innovation](#). "When it comes to financial instruments, LegalTech and FinTech are two sides of the same coin," said Wong. "We interpret 'smart contracts' broadly, to include both blockchain and off-chain transactions."

"Legalese's approach is unique," said Virgil Griffith, a researcher at smart.mit.edu and advisor to the startup, "in applying technologies developed for blockchain smart contracts to the legacy world of paper. Contract drafting lawyers are basically hapless programmers working without a formal language: the poor souls code in English! They've been in pain their entire lives, but they do not know it doesn't have to be that way." Griffith, who received his Ph.D. from Caltech, spoke on Legalese in September [at the Ethereum Devcon 2 conference](#) in Shanghai.

"Software has transformed industry after industry," said Wong. "Computational law is new, but we are following in the footsteps of giants. Computational creative: Adobe. Computational accounting: Intuit. Computational 3D design: Autodesk. Computational chip design: Cadence."

"I think Legalese has a good shot at becoming a standout legal-tech startup," said John Young, an American telecoms executive and investor based in Dubai. "When I heard Meng was forming Legalese and raising funds, I booked a flight to Singapore to meet the team and make a commitment. I'm confident this team has the capability to have a global impact." Mr Young is a member of the bars of DC, California and the United States Patent Office and became active in the angel community while in Singapore with Intellectual Ventures.

Legalese has attracted contributors from all around the world. "Our DNA is opensource and our team is global. We have developers in Bangkok and Bangalore, and community contributors from Canada to Malaysia. We run remote-first, on Slack. We have offices all over the country ... well, in every café with good cold brew, that is. Why Singapore? We are the legal and financial hub for Southeast Asia. Lawyers here are often foreign-qualified for jurisdictions all over the world. Since one of our goals is to abstract away the jurisdiction and language of an agreement to a single 'import' line at the top of a file, Singapore actually makes more sense than the U.S., which is more legally insular," said Wong.

How will the team spend their new money? "[Lean Startup methodology](#) gives us a list of milestones and assumptions to de-risk," explained Wong. "If our revenue experiments are successful, we'll be in a good position to raise a seed round in late 2017."

For more information, visit <https://www.legalese.com> or contact Alexis at alexis@legalese.com.

About Legalese

Legalese.com is pioneering computational law. Legalese's core technology makes it possible to write legal apps the way programmers write software apps. A key element is L4, an opensource programming language for contracts. With that foundation, Legalese is developing a suite of SaaS applications aimed at tech-savvy end users. The flagship app, which helps entrepreneurs produce all the paperwork for an angel or seed round, has already processed over \$1.5 million in deal volume to date. Legalese was spun out of JFDI.Asia, Southeast Asia's first startup accelerator, in 2015, and is currently based in Singapore, with contributors around the world.

About Walden International

Walden International is a leading international venture capital firm that has provided investors access to cross-border, IT opportunities with the advantage of an unrivaled Pan Asia network since 1987. The firm's funds total over US\$2.3 billion in committed capital. Walden International's investments include GoPro, Inc., Creative Technology, MindTree, SINA, Semiconductor Manufacturing International Corp., AutoNavi, Inphi, Silergy Corp., Ambarella, Inc., Ndoors, Com2uS, SundayToz, JobStreet, Brandtology, HungryGoWhere, YFind Technologies, iKang Healthcare Group, Sinosun Technology and Solaredge Technologies Inc.

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What other investors in the round have said

Seasoned angel investor and entrepreneur, John Tan of *Saturday Kids*: "As an experienced angel investor, I got the value prop right away: in fact I couldn't wait, so I used Legalese to produce the paperwork for my own company! So I'm not just an investor, I'm also a happy customer!"

Ravi Mantha, one of India's most prolific investors: "I've known Meng and the Legalese team for almost 10 years! Meng is one of the most incisive minds I know."

Rowan Simpson, computer scientist and experienced early-stage investor in high-growth tech companies: "I've co-founded and invested in startups that have grown into category leaders: Trade Me is the eBay of New Zealand and Xero is rapidly transforming SME accounting. I'm impressed by the scale of Legalese's ambitions, and look forward to being part of Singapore's first billion-dollar success story. As a software engineer, I appreciate how tools and techniques which are well known by programmers can be used to

transform the current manual and inefficient processes of the \$400 billion legal profession, of which about \$80 billion is corporate contracts.”

John Young, angel investor and general counsel of Ireland's *Orixcom Limited*: “I've looked at a lot of startups both as a technology lawyer and as a potential investor, but this team at this time using this approach feels to me like a good bet. Deep learning, AI and computer science are at the point where automation of routine legal matters is well within reach. That does not mean it will be easy, but I think they can do it. Partly because their business model is customer-centric and open in a way I have not seen before. It would be nice to see a couple of technology law journals follow Legalese as its story unfolds--this is going to be interesting!”

Roland Turner, software and network engineer, computer scientist, startup mentor and advisor, and experienced early-stage investor: “Bugs in hand-written natural language contracts have been causing avoidable losses for centuries and have already put tens of millions of dollars at risk in a single incident last year with the DAO's hand-written smart contract. Beyond simple templating, Legalese is bringing engineering approaches to improving quality and reducing costs to bear in contract drafting, thereby making robust contracts available for use in a far wider range of situations than is currently feasible.”

FAQs

Your release says “funding commitments” - are you still in the process of closing the amount? has the money been wired to you?

The round is split across two tranches at different valuations. The first tranche of \$300,000 is closed and the funds have been wired. All the investors have also signed commitments toward the second tranche, which is still open. That tranche will close at a higher valuation when we have met certain milestones. The signed commitments toward the second tranche are \$300,000 to date; that number is expected to grow. So the total commitments are \$600k.

We first decided to fundraise in Singapore in August 2016. At that time, we were looking at a figure of \$500K to fund product development. However, two unexpected but positive things happened soon after: (1) investors offered us more than \$500K, so we would have been oversubscribed, and (2) we realised that we needed less than \$500K to achieve our goals, because a friend of the founders who runs a dev shop offered to develop the product for less.

As a result, we had to move a few pieces around and break the round into 2 tranches, the first for 300K (of which we have received all funds) and the next, which we only intend to close when certain self-assigned milestones (such as product development, user interface design) are met.

How does Legalese work exactly? How do users use it?

Legalese's first product is a web application that users (startups, SMEs, founders) can use to generate, manage and execute fundraising paperwork – not just the main contract that is needed, but all other ancillary and corporate documentation such as resolutions, waivers, notices, etc. that are required for that main contract. (It is very easy for DIYing founders to omit legally required prerequisites, thereby casting doubt on the validity of the main contract!)

Our barebones MVP was basically an app built around Google Sheets. It has validated what lean startup methodology calls *problem-solution fit*. (This is where a startup answers the key question of whether the problem is one worth solving, defines the minimum features needed to solve said problem, puts it in front of early users, and decides if a business can be justified.)

The next stage, the product development of the MVP into a complete web application with a fully automated user interface, is akin to the “Instagrammification of law” where users can DIY with confidence. Most of the money raised goes towards this.

In parallel with product development, we have R&D in L4 going on. L4 is a domain-specific language for law that Legalese is creating and developing. At some point in the near future, the two will dovetail as L4 is our core innovation, our secret sauce (more on that below).

Can you explain what L4 is all about?

L4 is a domain-specific language (DSL) that is being designed and developed by Legalese. Our innovation premise is that deep down, contracts want to be programs – computer programs. Law is one of the oldest industries in the world. The ways lawyers operate haven’t changed much over the last 200 years: lawyers use technology to help them with the typing, but not with the thinking. Backed by our DSL, the paperwork generated on Legalese apps are not just dumb templates stitched together by auto-complete fields; it goes much further than that. A DSL essentially gives Legalese contracts a formal, computer-readable representation of the parties’ intent. This means that Legalese paperwork can be internally checked for correctness and consistency, and the paperwork can all talk to each other. For example, a convertible note can read a Series A funding document and automatically convert accordingly.

Computational law means that we can apply the batteries of tools and techniques programmers have at their disposal, to law:

Software tools v.s. Legal	
app stores, self-updating packages	opportunity
StackExchange, IRC, code reviews, agile pairs	opportunity
build dependency management	opportunity
FOSS Libraries, apps, tutorials	opportunity
git+github: versions, issues, pull requests	Track changes
static analysis, fuzzing, lint	opportunity
unit testing, code coverage	opportunity
m4 macros, MVC template filling	opportunity
IDEs: Eclipse, Sublime, Atom, Emacs, Vim	Microsoft Word
C, C++, Java, Javascript, Lisp, Prolog, Haskell	Latin
Lambda calculus	opportunity

Slide from Legalese 2016 pitch-deck

This is deep tech: as our investor Walden said, it goes beyond obvious innovations in LegalTech, such as online legal marketplaces. The idea of unifying computer science and law is at the heart of our approach to computational law. But good news for us, it has been done before. Adobe, category leader in the domain of the printed page? Their first product was not Photoshop, or Illustrator, their first “product” was Postscript, the language. We’ve seen this time and again across different categories: Oracle with SQL for databases; Autodesk with DWG for 3D drawings; Cadence with Verilog for chip design. We thought, Legalese, why not L4 for legal?

Is Legalese confined to only funding contracts? if not, what other contracts?

The domain of our first web application is strictly fundraising paperwork. Not just the main contract though, but all other ancillary filings and corporate resolutions needed to effect that contract. We want to allow users to generate, manage, and execute *workflows* that achieve an outcome they had in mind. We don’t just offer disconnected pieces of paper.

In the future, the product map will expand both vertically and laterally. Vertically, to grow with the companies and follow them through their lifecycles. (For instance, after fundraising, companies usually go on to hire more employees. This means employment contracts, but also ESOP agreements, shareholders’ agreements, NDAs, and IP rights assignments.) Beyond employment, we would expand to cover contracts and workflows for industries such as shipping, real estate, construction.

Lateral expansion means supporting other legal jurisdictions and natural languages: imagine a cross-border contract that starts life in L4, that compiles (with mathematical certainty) into identical representations in English, Chinese, and Bahasa Indonesia.

Where will you specifically use the funds you just raised?

The funds will be used for product development of our first web application for fundraising paperwork. Right now, the product sits on Google Sheets and is pretty finicky. We’ve given early users a fair amount of handholding. The next version will have a fully automated UI that will intuitively take users from generation to management and execution of the paperwork to, as they say, “close the deal”. The key features we are looking to build in coming versions are an interactive captable, scenario visualisations, encoded inter- and intra-contract dependencies, and API integration with state registers (ACRA’s API isn’t quite ready yet, but the UK equivalent, Companies House, has an excellent API.)

What’s your revenue model? how do you make money? What are the “revenue experiments” you’ve performed as stated in your release?

Instead of paying \$600 per hour for a lawyer to draft a contract, imagine getting the drafting for free. Instead, you might pay \$1 per signature, no matter what the contract was about. That’s the kind of business-model disruption that software promises the legal industry.

We haven’t charged any money to date as the MVP was a specific fact-finding and user-understanding phase. We do, however, believe that the way to monetise Legalese is to go against the grain of the traditional service models that law firms have. Law firms / lawyers operate on a closed service model, on human labour, on a time-for-money basis, where they charge for input, not output. The result of that is high margins but low volume, as most people who need lawyers end up not engaging one. I know this: I was a practicing lawyer for

years. We intend to do the opposite: software as a service, opensource, high volume, low margins, utility pricing.

We will run experiments over the next 12 months to find out whether we should charge \$1 per signature, \$10, or \$100. Or maybe we will make money in a different way, for example charging customers for automated unit testing and bug reporting on their contracts. Whatever it is, our business model will look more like software than hourly billing.
