

Whether you're Democrat or Republican or something else, in a term sheet, voting rights are generally just a restatement of what you have.

**Clint:** What are voting rights?

**Brad:** Voting rights are almost always just a restatement of how the preferred and the common vote relate to each other. For all practical purposes, the language and the term sheet generally has no impact on anything in the financing, because those voting rights are defined in advance, anyway, and are fairly standard.

There are occasionally situations where companies and entrepreneurs specifically try to be cute and have extra voting rights, where certain classes of shares have a lot more voting rights than other classes of shares.

You hear about this with media companies where a small shareholder might control a huge percentage of the voting rights of the company, or situations where someone controls the voting rights of other people.

Generally speaking, in an early stage start-up voting rights are simply saying how the preferred and common stock interact with each other in terms of the votes. It's not something that's worth spending a lot of time on unless it's atypical.