



Using Low-Cost DIY Legal Services: Risks Far Outweigh Benefits

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It is estimated that the DIY (do-it-yourself) legal services market in the U.S. generated more than \$11 billion in revenue during 2021. Among the most well-known brands now operating in the DIY legal services segment are LegalZoom, LegalShield, Nolo, Filenow, Incfile, Zen Business and Rocket Lawyer.

All these companies offer DIY legal services, including thousands of blank court forms, contract templates and other documents, which can enable non-lawyers to undertake a vast range of legal and business activities, including:

- Business formation
- Trademark, copyright and patent registration
- Wills/trusts/family law
- Rental and lease agreements
- Sales agreements and service contracts
- Loan contracts
- Employment contracts/non-closure & non-compete agreements
- Registered agent services

With a la carte pricing that begins as low as \$100 (plus filing fees) for LLC formation and \$599 for trademark registration, many companies are finding the prospect of saving thousands of dollars in attorneys' fees for routine legal services to be irresistible.

Risks of Using DIY Legal Services and Products

As evidenced by the continuing growth of these providers of legal documents and related services, there are a number of legitimate, successful companies which have utilized DIY legal services to a degree of success.

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There are also however business entities and private citizens who have chosen to utilize DIY legal services and ended-up paying thousands in attorney's fees and other expenses just to correct a legal or regulatory violation caused by a problematic filing or use of an illegal or improper document provided by a DIY legal service.

Despite the powerful value proposition of a low-cost option for meeting the legal needs of a business or an individual, there are several very good reasons not to rely on low-cost DIY legal services, including:

1. They Create a False Impression That the Legal Process is Simpler Than it Really Is

With the easy availability and widespread use of DIY legal services and products, users can be lured into a false sense of security. The kinds of legal problems created by cheap DIY solutions – including financial liability – may not surface for months or years.

If problems with the legality or appropriateness of their legal solutions occur when using their services, the terms of service posted by all the DIY legal companies are similar in clearly stating that they bear no responsibility or liability for legal problems due to the use of their services.

LegalZoom's disclaimer reads as follows: "I understand and agree that LegalZoom is not a law firm or an attorney, may not perform services performed by an attorney, and its forms and templates are not a substitute for the advice or services of an attorney..."

In other words, there are no guarantees from any DIY legal service company if things should go south in any way after utilizing their services -- you're on your own.

2. One Size Does Not Fit All

DIY legal services sell basic legal documents, court forms and other templates that are generic and applicable to many, but not all circumstances. The paperwork they sell is intended for use by the masses. These documents don't contain the customized language necessary to address your specific situation or circumstances. Neither do they include amendments or clauses, which are critical in meeting the unique legal requirements of your business or personal matters.

In addition, DIY forms and templates provided aren't always tailored to comply with specific state and local laws and ordinances. Neither are the forms dependably updated to reflect changes in wording nor revised court instructions.

Too often, the money-saving, cookie-cutter approach to complying with the law isn't going to appropriately meet your legal needs. In fact, it may even limit your options and opportunities or worse, will require a legal fix that is sure to cost much more than the price of off-the-shelf DIY materials.

3. DIY Services Focus on Low Cost, Overlooking Value and Security of Legal Counsel





There's no question that the services available from DIY legal services can be very cost-efficient and seem to carry little risk. And on the surface, you can't beat the price.

But DIY legal services can never come close to providing the individualized focus and advice regarding your business or personal legal needs that an experienced attorney brings to the table. Lawyers are highly trained to deal with all the routine legal, contractual and compliance issues related to your business. In addition, they will always be willing and ready to deal with the minor glitches and major problems that can and will arise at any time.

And don't forget that the primary reason to skip low-cost DIY services and collaborate with an attorney: You can be sure that your contracts and other agreements will always protect you and work in your best interests.

Best Legal Advice: Don't Do It Yourself

Just as you'd never attempt to work on the wiring of your office's electrical system if you weren't a competent electrician, you shouldn't attempt the same with your company's legal system or your personal finances.

These days, with so many attractive and useful legal services available online at such a low cost, it's always tempting to take the cheap and quick path. But it's also the most unpredictable and hazardous route.

By engaging an attorney or law firm, getting competent, experienced legal advice, you're getting a professional colleague who can manage the smallest legal matter, as well as contribute valuable counsel toward the continued viability and success of your business overall.

The cost of collaborating with an attorney -- on large and small matters -- will surely be more than whatever you'll pay for equivalent DIY services, but the confidence and peace of mind that comes with it can be priceless.

If you have concerns about using online DIY legal resources, contact your Foster Swift attorney.