

# The Full Analysis

*How we got to the proposed structure, what we considered along the way, and the protections built in for both of us.*

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For: Sol From: Jeff Date: May 11, 2026

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## 01 - On This Document

### Why You're Reading This

You asked to see the full picture before we land on the structure together. This is that. It's the analytical companion to the letter I wrote separately, which sits in your inbox alongside this. The letter is the warm version. This is the work behind the warm version.

Three things I want to say up front. First, I asked the 50/50 question seriously. It was on the table, I considered it, and I want you to see why I am proposing something different. Second, what I am proposing protects you in concrete ways that 50/50 would not. Third, you are not being asked to accept anything in this document. You are being asked to read it and push back where it feels off. We land this together.

## 02 - The Three Paths I Considered

### What Was on the Table

PATH CONSIDERED, THEN REJECTED

## 50/50 Equal Founders

I wanted to be honest with myself about whether this could work for us, because I love you and the relationship side of me wanted to give you everything. So I sat with it for real.

It does not hold up for four reasons, all structural rather than personal:

- **No decision maker.** In a 50/50 partnership both parties have effective veto over every meaningful decision. There is no tiebreaker. Either it is unanimous or it is paralyzed. Companies run on hundreds of small daily decisions that cannot wait for consensus. I was in a 50/50 partnership without an operating agreement once before. That exact dynamic killed it. I cannot put us through that.
- **Investors will pass or steeply discount.** Couple founders at 50/50 is the single biggest red flag investors call out, far above any other concern. Even otherwise open investors pass or push valuation down significantly. Lower valuation means everyone owns less in absolute dollars at exit. 50/50 actually makes us both poorer.
- **It is not what you actually want.** When you picture the company at scale, with employees and ad campaigns and product decisions and conference contracts, you probably do not want to be the second signature on every operating call. You want a domain you own (brand, community, audience) with real authority inside it.
- **The risk of relationship dynamics bleeding into business decisions.** 50/50 forces every business disagreement to also be a relationship negotiation. The structure I am

proposing keeps the business clean so the relationship stays clean.

INITIAL PROPOSAL, REVISED

## 75/25 with Standard Vesting

This was my first call after walking away from 50/50. It gives you real ownership, real co-founder dignity, and clears the investor red flag. It is fundable, defensible, and clean.

The reason I revised it after more conversation: you and I both acknowledged that your commitment timeline is genuinely uncertain. You might be all-in for four years. You might decide in year two that the brand-and-community work has run its course and you want to step back. The 75/25 flat structure does not distinguish between those outcomes well. If you stayed four years you would earn 25%, but if you tired at year two you would walk with 12.5% which felt like over-rewarding the partial path. And if you crushed it past expectations the structure had no built-in way to reward the over-delivery.

WHAT I AM PROPOSING

## 20% Base + Earn-In to 30%

This is structurally cleaner and more honest about how this might actually play out.

- **20% base equity** vesting over 4 years with a 1-year cliff. Industry-standard schedule, which matters for investors.

- **Up to 10% additional equity** earnable through company revenue milestones (2.5% at \$1M, \$5M, \$10M, \$25M cumulative revenue). Aligned to outcomes, not vanity metrics like follower counts.
- **Total range: 20% to 30%** depending on your contribution and the company's success.
- **Termination-without-cause acceleration:** if we mutually decide you are stepping back into a passive role, you get accelerated vesting on the remaining unvested equity. Soft landing built in.

The reason this works better: your upside is now bigger than 25% flat would have been if the company performs (30% at full earn-in is more than 25%). Your downside is cleaner for both of us if you step back early (you keep what you have earned). And the structure rewards the version of you that brings the energy I think you want to bring, without trapping you if you discover this is not your forever work.

### 03 – The Math at Real Outcomes

## What 20% to 30% Actually Means

Numbers below are pre-tax and approximate. Real-world outcomes depend on dilution from future investor rounds (which everyone takes, including me).

OUTCOME	WHAT 20% MEANS	WHAT 30% (FULL EARN-IN) MEANS
<b>\$10M acquisition</b>	~\$2M pre-tax	~\$3M pre-tax

OUTCOME	WHAT 20% MEANS	WHAT 30% (FULL EARN-IN) MEANS
<b>\$50M acquisition</b> (realistic Mindvalley-tier outcome)	~\$10M pre-tax	~\$15M pre-tax
<b>\$200M acquisition</b> (rare but plausible at app scale)	~\$40M pre-tax	~\$60M pre-tax
<b>Distribution path:</b> \$200K/mo revenue, year 2	~\$24-36K/year passive	~\$36-54K/year passive
<b>Distribution path:</b> \$500K/mo revenue, year 3	~\$120K/year passive	~\$180K/year passive
<b>Distribution path:</b> \$1M/mo revenue, year 4+	~\$300K/year passive	~\$450K/year passive

The distribution path is the one I am most excited about. Affirmology has 98% gross margins on every audio sold. At scale, the company prints cash. If we choose not to sell and instead run it as a profitable company taking owner distributions, you receive that income annually for as long as the company operates. That is not "wait five years and hope for an exit" wealth. That is "this year, and every year going forward" wealth.

**The key insight:** in the distribution path, your 20% is more valuable per year than your 20% would be in the exit path. Because every year you get a check, and the company keeps existing. Most founders do not realize this until they look at the math.

## How the Equity Actually Earns

Both of us vest on the same schedule: 4 years with a 1-year cliff, starting from the date we sign the operating agreement.

TIME	WHAT YOU HAVE EARNED (20% BASE)	STATUS
Day 1 to Month 11	0%	Cliff period
Month 12 (1-year cliff hits)	5%	25% of total vested at once
Month 24	10%	50% vested
Month 36	15%	75% vested
Month 48	20%	Fully vested base

I considered shortening this to 2 years for you specifically. Two reasons I am not:

First, the 4-year schedule already gives you meaningful equity at year 2 (10%) if you decide to step back. That is enough that you walk away in a real position, not empty-handed. In the distribution path, 10% of \$200K/month revenue is \$20-30K per year of passive income to you, indefinitely.

Second, investors expect 4-year founder vesting. Compressing it signals "the founders are not planning to stick around" and tightens the funding window. We already have a few non-standard elements in our story (couple co-founders, low initial cap). We do not need to add more.

The lever for the "what if she decides to step back generously" scenario is different. The operating agreement will include a

termination-without-cause clause that accelerates 50% of your unvested equity. So if we mutually decide you are transitioning to a passive role, you get accelerated vesting as the soft landing. Investors see the standard 4-year vest. We have the relationship-aware safety valve built in.

## 05 – The Operating Agreement: Your Protections

### **What Goes On Paper**

The operating agreement is the document that protects you specifically. I want to walk through what it will say, because the protections are real and they matter.

### **The Romantic Dissolution Clause**

This is the unique provision for our situation. It states explicitly that the end of the romantic relationship between us does NOT, by itself, constitute "cause" and does NOT trigger any leaver provisions. In plain language: if we split, your equity does not get taken back, your title does not get stripped, and your role does not automatically end. The breakup and the company are legally separate events.

This protects both of us, but mostly it protects you, because you are the partner with less day-to-day control over the company's direction.

### **Good Leaver / Bad Leaver Definitions**

If you leave for reasons beyond your control (illness, terminated without cause, mutually agreed transition), you keep all your vested equity. If you leave for cause (fraud, material breach of the agreement, criminal conviction relating to the company), the company can repurchase even vested equity. "Cause" is defined narrowly so it cannot be weaponized. Vague "loss of trust" language is not in there.

## **Behavioral Covenants (Mutual)**

Both of us agree to: not disparage each other publicly, not disparage the company, not solicit company employees or customers for 24 months after either of us leaves, not start a competing affirmation/spiritual SaaS product for 12-18 months. These are mutual, not one-sided. They apply to me as much as to you. Florida is friendly to enforcing these for senior executives, which both of us are.

## **Tag-Along Rights**

If I ever sell my stake to a buyer, you have the right to sell yours on the same terms. You cannot be left behind in a sale.

## **Drag-Along Rights**

If a qualified buyer wants to acquire the whole company and I support the deal, you participate in the sale. This protects the company from one founder blocking a good exit.

## **Major Decisions Requiring Both Founder Approval**

Sale of the company, taking on debt above a threshold, issuing new equity above a threshold, hiring or firing C-suite executives, materially changing the business model. Everything else runs through me as CEO, but the big decisions are joint.

## **IP Assignment**

Both of us assign all Affirmology-related IP (your brand work, my code, both of our content contributions) to the company. Standard, mutual.

**The honest framing:** the operating agreement is, in real practical terms, more protective of your stake than it is of mine. Because you are the partner who entered later, has less financial control over the

company's direction, and is more exposed to the relationship dimension. The agreement is for your safety as much as it is for the company's structural integrity.

06 – The Round We're Raising

## What \$150K to \$250K Buys Us

Target: \$150K to \$250K total seed round. Structured as **direct LLC membership unit purchases**, not SAFEs. Investors become real owners of Affirmology LLC the day they sign, with distribution rights, voting rights, and clear economics from day one. This is cleaner for a company designed to operate profitably and distribute earnings (same structure Jeff used at Oria).

### HOW THE ROUND STACKS

- **Anchor investor (Colin) at deck terms:** \$30K for 10% of the company at a \$300K pre-money valuation, preserved from the original deck. He is the named lead investor.
- **Standard tier:** additional investors at \$1M pre-money valuation. Reflects the demo timeline and conference traction story relative to where Colin came in.
- **Stretch tier (negotiable):** major investors (\$100K+) can negotiate up to \$1.5M pre-money in exchange for strategic role or operational involvement (Josh Parini being the obvious candidate).
- **Sol's network as natural fit:** Gabby, her partner, and the benefactor are obvious follow-on participants at the Standard tier.
- **Founder retention after a \$250K round:** approximately 60% Jeff, 16% Sol (post-dilution from 20% base), 4% unallocated team pool, 20% across all investors combined.

## WHAT THE \$150K FUNDS

- **Founder runway, 6 months:** covers rent and lifestyle so I can stop worrying about monthly income and put full undivided attention on building.
- **Tech engineer hire:** brought in once the demo lands, to build the PWA and own technical infrastructure going forward.
- **Ad testing budget:** nano-testing on Meta and TikTok across multiple audience angles (Gene Keys, astrology, manifestation, Human Design).
- **Content production:** voices, music library, knowledge base expansion.
- **Event collateral:** Faena conference booth, affiliate program activation materials, branded cards with QR codes for the booth.
- **Team activators:** a small monthly retainer for Randy Green as project assistant, and per-event pay for Glo and Suey to staff booths at events you and I cannot personally cover.
- **Tools, APIs, legal review:** ongoing operational overhead.

## THE 6-MONTH MILESTONE

Goal: 1,000 active monthly users by end of month 6. That puts us roughly at \$22K/month MRR plus Starter Kit revenue from new signups. Profitable ad loop. Faena conference completed with real traction data. Position to either raise a follow-on round at a much higher valuation, or transition to running profitably from revenue.

07 – The Team Coming Together

## You're Not Alone in This

The structure does not stop at the two of us. Here is how I am thinking about the broader team.

## **Founders**

- **Jeff:** CEO and CTO. Product, technology, investor relations, financial strategy. 75% pre-money, vesting standard.
- **Sol:** Co-Founder and Chief Brand Officer. Brand, content, community, audience growth, conference activation. 20% pre-money + earn-in to 30%, vesting standard.

## **Potential Operational Addition (In Discussion)**

Colin, if he chooses to come in as both investor and operator (rather than just investor), would take a meaningful equity stake (likely 8-12% combined SAFE conversion plus operator grant) and own enterprise sales and strategic partnerships. His background includes LucasArts software experience, current involvement in a startup going public this year, real estate fund advisory, and corporate sponsorship sales. If he opts in, he is real value. If he opts to just write a check and not operate, his stake is smaller and we keep more of the company.

## **Team Members (Small Equity)**

Randy Green: project assistant, indispensable executor type. Probably ~2% equity vesting over 2-3 years with a small monthly retainer once funded. He is a brother and I want him growing with us.

## **Event Activators (Paid Hourly or Per Event, No Equity)**

Glo, Suey, and others in the Miami spiritual and wellness scene who can staff booths, run demos, and represent the brand at events we cannot personally attend. They get paid per event, plus affiliate commissions on conversions they drive. No equity, but real income.

## Future Senior Hires

- **Senior tech engineer:** hired post-seed, owns the technical stack going forward. Equity grant from the unallocated pool.
- **Future CEO candidates:** Gabby and Jacque are both real options for the day Jeff steps back from operating. That conversation lives in year 2 or 3, not now. Equity for that role would come from Jeff's stake, not from yours.

08 – The Strategic Question We Don't Have to Answer Yet

## Exit, or Print Money?

This is the most important strategic question for the company, and we do not have to answer it today. But you should know both paths exist.

### EXIT PATH

Build for 3 to 7 years. Sell to a strategic acquirer (Mindvalley is the most obvious, you literally interviewed Vishen Lakhiani at one of my events). Founders cash out in one big liquidity event. Pro: massive single payday. Con: lose control, may not get the best price, often have earn-out requirements.

### DISTRIBUTION PATH

Run profitably indefinitely. Take owner distributions from the company's 98% gross margins. Pro: ongoing income, full control, no dilution, lifestyle business that throws off cash. Con: less sexy in a single moment, requires sustained operating attention.

The math actually favors distribution for most companies that work. A company at \$500K/month revenue with 60% net margin throws off \$3.6M/year to owners. Over 10 years that is \$36M in distributions, and we still own the company. A \$50M exit in year 5 with a 20% holder nets ~\$10M after fees and taxes. The single-event math is sexier in the moment, the distribution math wins over time.

The operating agreement preserves both options. Drag-along rights are in there in case we ever do want to sell. Distribution policy is defined for the case where we run profitably. Either party can request a partial buyout mechanism if one of us ever needs liquidity without selling the whole company. We get to choose 5 years from now when we have the data.

## 09 - The Timeline

# What Happens Next

The Omaha trip starts May 24. That is the squeeze on this whole conversation, because investors I am meeting in Omaha will ask about team structure and I want to walk in buttoned up. Working backward:

BY WHEN	WHAT HAPPENS
<b>This week</b>	You read this and the letter. We talk. Decide together if 20% + earn-in is the structure.
<b>Thursday May 14</b>	Jeff meets with Colin to lock in his role (investor only, investor + advisor, or investor + operator).
<b>Saturday May 17</b>	Operating agreement first draft ready. We review it together.
<b>Wednesday May 21</b>	Final operating agreement signed (or right after Omaha if needed).
<b>May 24 to 28</b>	Omaha trip. Soft pitches with clients. Jay Wilkinson conversation. Conference.
<b>June, post-Camp Brotherhood</b>	Demo build sprint. Demo ready by end of June.

BY WHEN	WHAT HAPPENS
<b>July-August</b>	Sol's network conversations. Round closes. Soft launch to first 50 customers.
<b>September 2026</b>	Faena Ultimate Wellness Conference. Live demos. Real traction.

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*The structure is asymmetric because origination and primary execution are asymmetric. The asymmetry is in labor, risk, and build, not in the value of the human.*

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10 – What I Need from You

## The Real Ask

Read this and the letter. Sit with them. Take the time you need. If something feels wrong, tell me. If the math is off in a way I missed, tell me. If you want to push back on the percentage, the package, the team structure, the timeline, any of it, push back. We land this together.

If after reading and reflecting you feel the structure is right or close to right, we have the conversation, make any final adjustments, and sign before Omaha. If you need more time, we take it. The worst version of this is one where we agree to something neither of us fully believes in. Better to talk it all the way through.

I love you. I want this to work for both of us in the long run. This document is one of the most important pieces of evidence that I am building this with you, not at you. Let's land it.



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