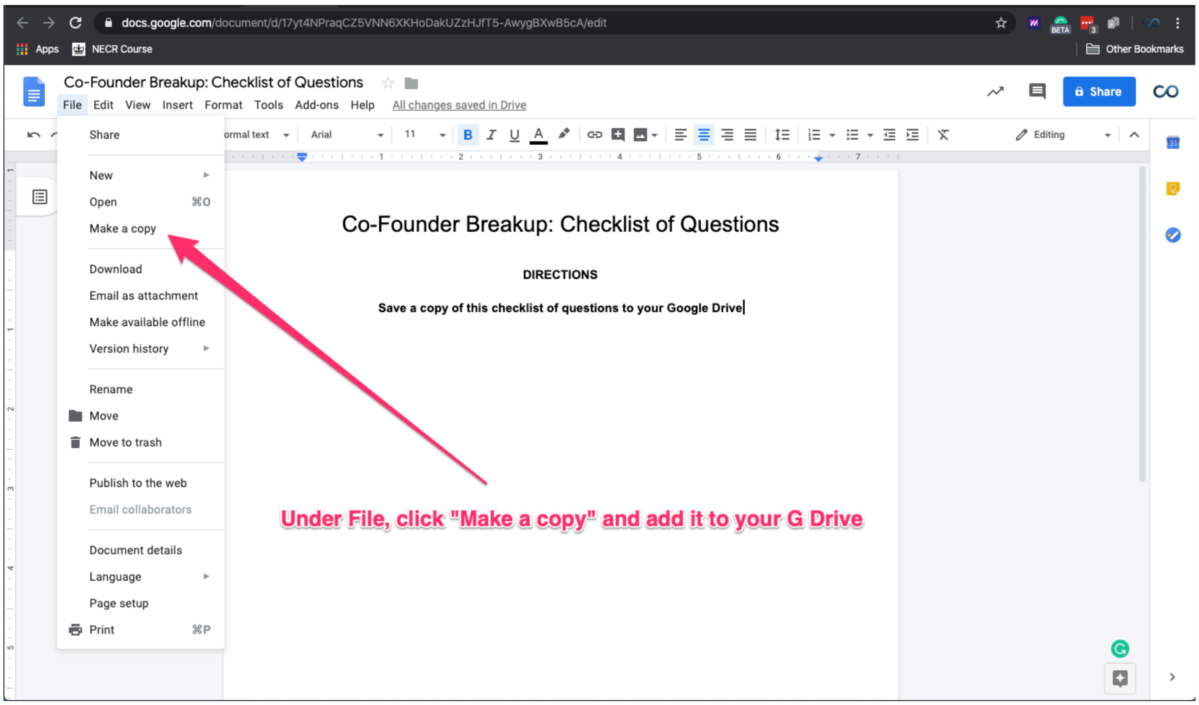
Co-Founder Breakup: Checklist of Questions

DIRECTIONS

Save a copy of this checklist to your G Drive



Go through the questions and answer them.

If enough trust exists between the co-founders, answer the questions together. It'll be the first step in the separation process.

Tip

Your responses will determine your negotiation of the separation.

COllabs HQ

To learn more visit: www.collabshq.com

Co-Founder Breakup: Checklist of Questions

1. **What does your partnership agreement say?**
    - What happens should a founder be forced out or willingly decide to leave? Is there a separation clause?
    - Did you have a vesting schedule in place?
    - Can you repurchase shares? And at what cost?

2. **How much capital did each founder put in?**
    - Did everyone put in an equal amount or did someone put in more?
    - Was the capital converted into convertible debt?
    - Or was the capital considered a loan to the company?

3. **What does a transfer process look like?**
    - Does the separating founder stay on in the interim while you find a replacement?
    - If so, do they become a contractor and how much do you pay him or her?
    - Does the founder want any equity? If so, how much and does that become part of the severance (if any)?

4. **Are you willing to dissolve the company?**
    - What intellectual property was created?
    - Does your founder agreement specifically say that any IP created stays with the business?
    - Do you need any reassurance that any property or IP will be brought back?

5. **Do you need to use lawyers or a neutral third party?**
    - What next steps need to be identified?
    - Who will help create calm and civility?
    - What type of assistance is necessary to have an effective negotiation process?