JGB

EDITION 001

THE DROP LIST / FOUNDER FALLOUT

THE FIRST FIVE QUESTIONS

Five must-asks before you share the equity

Pulled from Founder Fallout: 100 Must-Asks Before You Share The Equity

BY JEREMY G. BARKER

OGDEN, UT + LEXINGTON, KENTUCKY

A NOTE BEFORE WE START

Welcome to the Drop List. You did not join for theory. You joined because you are about to hand someone a piece of something you bled for, and a quiet voice in your gut said ask first. Good. That voice is right. I have built seventeen companies, gone bankrupt twice, and slept in my truck before any of it turned into Murphy Door and 200,000+ orders shipped. The five questions below are the ones I wish someone had forced me to answer out loud. Read them slow. Answer them honest. Then we will get to the other ninety-five.

Jeremy

01

BEFORE THE HANDSHAKE

Would I still partner with this person if the company failed tomorrow?

I ask this before anything touches paper, because equity is a marriage and the money is the easy part. When I was sleeping in my truck I learned exactly who stayed and who vanished, and that list told me everything. If a person only looks good when the numbers look good, they are not a partner, they are a passenger. Run the failure test in your head. Picture the worst quarter of your life, the lawsuit, the empty account, and ask whether you would still want this human in the room. If the answer wobbles even a little, walk. A handshake feels great in the sunshine. You are signing up for the storm.

> *"Equity is a marriage. The money is the easy part."*

02

EQUITY SPLITS THAT BREAK

Are we splitting equity for the work already done, or for the work still coming?

Most fifty-fifty splits are not fairness, they are a coin flip dressed up as friendship. I have watched founders torch a real business because someone got half for an idea while the other person carried ten years of execution. Equity should price the future, not reward the introduction. Ask what each of you is actually going to do at three in the morning when it is hard, then split for that. The person who shows up every day with their hands dirty is worth more than the person who showed up once with a pitch deck. Put the work on the table before you put the percentages on the table. Pretty splits break. Earned splits hold.

> *"A fifty-fifty split is a coin flip dressed up as friendship."*

03

VESTING & CLIFFS

If my partner quit in ninety days, how much of my company would they own?

If that number scares you, you already know vesting is not optional. I do not hand anyone full equity on day one, ever, and I am not being cynical, I am being kind to the version of us that might fall apart. A standard four-year vest with a one-year cliff is not a trust problem, it is a respect for reality. People leave. People change. People get an offer that turns their head. The cliff protects the company from rewarding someone who bailed at month three with a slice they never earned. I learned this the expensive way, twice. Vesting is the seatbelt you put on before you ever feel the crash coming. Buckle it.

> *"Vesting is the seatbelt you put on before you feel the crash coming."*

04

DECISION RIGHTS

When we disagree and cannot agree, who actually has the final call?

Two captains is how a ship sinks in calm water. I have been in the room where two good people, both right in their own way, froze a company solid because neither would yield and nobody had written down who decides. Equity and authority are not the same thing, and pretending they are will cost you the business. Before the first real fight, name the tie breaker. Maybe it splits by domain, you own product, I own money. Maybe one of you simply holds the deciding vote. Either works. What kills you is silence. Decide who decides while you still like each other, because by the time you are screaming it is far too late to be fair.

> *"Two captains is how a ship sinks in calm water."*

05

EXIT & BUYOUT CLAUSES

If one of us wants out, what is the exact price and process to make it happen?

Write the divorce while you are still in love, because nobody negotiates clean while they are bleeding. Every partnership I have built now has a buyout clause before the champagne is even cold, a formula for valuation, a timeline, and a path that does not require a courtroom. I have watched companies die not from bad products but from two owners locked together, hating each other, unable to leave. That is a cage, not a company. Decide today how someone gets out tomorrow, what it costs, who can buy, and how fast it closes. A clean exit clause is the most loving thing two founders can sign. It means when it ends, and someday it might, the business survives both of you.

> *"Write the divorce while you are still in love."*

JGB

WANT ALL 100?

Get the book.

Founder Fallout: 100 Must-Asks Before You Share The Equity. The other ninety-five questions are waiting. The ones that get asked in the conference room, the courtroom, and the quiet drive home after the deal goes sideways.

shop.jeremybarker.com

or on Amazon / ASIN B0FFT83WJS