BIZFORMIQ | FICTIONAL WORK SAMPLE

Founder Equity & Governance Snapshot

SignalHarbor, Inc.

An illustrative founder-record and governance discussion for a fictional early-stage software company.

FICTIONAL SCENARIO

Two fictional founders expect to hire a small team and consider outside financing. They need to distinguish planning figures from legally effective corporate actions.

The central insight is that authorized shares, issued shares, and a contemplated equity reserve answer different questions. They should not be treated as interchangeable labels.

1 Illustrative ownership frame

Authorized common shares

10,000,000 shares are used only as an illustrative planning assumption. Authorized shares describe a potential ceiling, not a completed allocation.

Founder issuance scenario

5,000,000 and 3,500,000 shares are shown as fictional planning allocations for two founders. No issuance is approved by this sample.

Contemplated reserve

1,500,000 shares are shown only to illustrate how a future hiring or incentive reserve can affect the overall picture.

Governance record

Board, officer, consent, cap-table, and stock-ledger records need a deliberate sequence rather than an after-the-fact reconstruction.

2 Decision insight

01 **Authorized is not issued**

A company can show an authorized amount in its organizational documents while only a portion is ever issued or outstanding.

02 **Share count is not ownership logic**

The count alone does not resolve relative ownership, dilution, vesting, valuation, tax treatment, voting rights, or securities-law questions.

03 **Record sequence matters**

Founders benefit from knowing which questions should be resolved before they describe an allocation as final or circulate it to investors, workers, or advisers.

SIGNALHARBOR, INC.

Governance and record sequence

3 A disciplined starting sequence

Formation assumptions

Confirm the intended jurisdiction, proposed corporate name, incorporator role, registered-agent arrangement, and any variable state filing inputs.

Leadership map

List proposed directors, officers, signing authority, and ordinary versus major decision rights before documents are treated as settled.

Equity questions

Identify the facts that must be discussed with securities and tax professionals before founder issuance, equity reserves, options, transfers, or fundraising.

Record system

Plan a secure record set for formation documents, consents, share ledgers, capitalization records, board actions, and future amendments.

4 Questions that require qualified review

A **Securities and corporate counsel**

What share classes, authorized amounts, issuance terms, vesting, transfer restrictions, investor rights, notices, exemptions, or board actions are appropriate for these facts?

B **Tax and accounting review**

What are the tax consequences of formation, founder ownership, compensation, capitalization, potential elections, or equity compensation?

C **Jurisdiction and compliance**

What state-specific articles, reports, franchise obligations, registered-agent requirements, licenses, and foreign qualification issues apply?

Illustrative sample only

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