**Evaluation of the Situation of Mason and Shepherd**

**Legal and Ethical Issues:**

* **Non-Disclosure and Intellectual Property:** Both Mason and Shepherd are **bound by non-disclosure agreements (NDAs)** with their respective employers. Ethically and legally, they must ensure that they are not using or disclosing proprietary information or trade secrets from their current employers in their new venture, InteliSoft. If they are using such information, this could lead to legal repercussions, including lawsuits for breach of contract and misappropriation of trade secrets.
* **Duty of Loyalty:** Ethically, as employees, they have a duty of loyalty to their current employers. If they are working on a competing venture while still employed, this could be seen as a conflict of interest or a breach of that duty.

**Advice:**

* Mason and Shepherd should seek legal counsel to ensure they are not infringing on any NDAs or intellectual property rights of their current employers.
* They **should be transparent with their current employers if they intend to leave** and should avoid working on their new venture during their current employment.

**Evaluation of the Non-Disclosure Agreement (NDA) and Its Impact on Venture Capitalists**

**Potential Impact:**

* The NDA could deter potential venture capitalists (VCs) from investing because it could limit their ability to discuss the investment opportunity with their partners or evaluate competing opportunities.

**Reasonableness of Expecting VCs to Sign:**

* It is generally considered unreasonable to expect VCs to sign an NDA at an early stage. VCs typically review numerous business plans and need the freedom to discuss them openly within their firms and network.

**VC Perspective:**

* As a VC, one might refuse to sign the NDA to maintain flexibility and avoid potential conflicts of interest. However, they might consider signing if the opportunity is particularly unique or compelling, provided that the terms are fair and limited.

**Actions for Terminating Employment**

**Steps Mason and Shepherd Should Take:**

* **Formally Resign:** They should formally resign from their current positions, ensuring that they provide adequate notice as per their employment contracts.
* **Return Company Property:** They should return any company property and ensure that they do not retain any confidential documents or information.

**Actions They Should Have Taken:**

* Ideally, they should have disclosed their intention to leave and start a new venture earlier, avoiding any potential conflicts of interest.

**If You Were to Leave Your Firm:**

* I would advise giving formal notice, ensuring all company property is returned, and seeking legal advice to ensure compliance with any non-compete clauses or NDAs before starting a new venture.

**Timeline of Events**

* **Shepard at Riverhead:** Exact date not provided, but Shepard was initially employed at Riverhead.
* **Shepard to Nova:** At some point, Shepard moved from Riverhead to Nova.
* **Mason Graduates HBS:** Mason's graduation date from HBS would typically be in May/June of a given year.
* **Eureka Moment on the Beach:** This event happened after both had started thinking about their new venture, InteliSoft.
* **Mason and Shepherd Start Collaborating:** They started collaborating on their business idea after the Eureka moment.
* **Drafts to VCs, Started Scheduling Meetings with Customers and Classmates:** This would be after they had a solid business idea and began seeking funding and partners.
* **Opening of Case and Nasty Note:** This likely refers to an event where their actions became public or were contested by their employers.
* **$⅓M Options Vest for Mason:** This is a key financial milestone for Mason, likely tied to his time at his current employer.