

Capital Structure

One In The Hand, LLC

Ownership Summary

Owner	Membership Units	Ownership %	Voting Rights
Matthew Ross	1,000,000	100%	100%
Total	1,000,000	100%	100%

Membership Unit Structure

Authorized Units

- Total Authorized:** 10,000,000 units
- Issued and Outstanding:** 1,000,000 units
- Reserved for Future Issuance:** 9,000,000 units

Unit Classes

Class	Units Authorized	Units Issued	Voting Rights	Distribution Rights
Class A (Founder)	5,000,000	1,000,000	Yes - 1 vote/unit	Yes - Pro rata
Class B (Future Investors)	3,000,000	0	Negotiable	Yes - Pro rata

Class C (Employee Pool)	2,000,000	0	No	Yes - Pro rata
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Initial Capitalization

Founder Contributions

Contributor	Type	Debt	Fair Value
Matthew Ross	Initial Capital	\$[AMOUNT]	capital
Matthew Ross	IP	\$[VALUE]	Product concept, designs, specifications
Matthew Ross	Services	\$[VALUE]	Development research
Total Initial Capital			\$[TOTAL]

Capital Allocation

Use of Initial Funds

Category	Allocation	Purpose
Product Development	40%	App development, testing
Marketing	25%	User acquisition, branding
Operations	15%	Tools, hosting, services
Legal & Compliance	10%	Formation, IP protection

Reserve	10%	Emergency fund
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Funding Strategy

Phase 1: Bootstrap (Current)

- **Source:** Personal funds / savings
- **Target:** MVP development and initial launch
- **Timeline:** [TIMEFRAME]

Phase 2: Seed Round (Future - Optional)

- **Target Raise:** \$250,000 - \$500,000
- **Use of Funds:** Team building, marketing
- **Structure:** SAFE or Convertible Note
- **Dilution Target:** 10-20%

Phase 3: Series A (Future - Optional)

- **Target Raise:** \$1M - \$3M
- **Use of Funds:** Scale operations, expand market
- **Structure:** Preferred equity
- **Dilution Target:** 15-25%

Valuation Analysis

Revenue-Based Valuation

Based on **\$10/month subscription** model and market size:

Scenario	Year 1 Users	Year 1 Revenue	Implied Valuation (10x ARR)
Conservative	8,000	\$314,000	\$3.1M

Moderate	20,000	\$807,000	\$8.1M
Aggressive	56,000	\$2,500,000	\$25.0M

5-Year Revenue Projections

Year	Active Users	Annual Revenue	Growth Rate
1	20,000	\$807,000	-
2	75,000	\$3,500,000	334%
3	200,000	\$12,000,000	243%
4	400,000	\$28,000,000	133%
5	650,000	\$52,000,000	86%

Market-Based Valuation

Comparable	Users	Valuation	Value/User
Hinge (acquisition)	6M	\$300M	\$50
The League	500K	\$75M	\$150
Thursday	200K	\$50M	\$250
OITH (Y3 Target)	200K	\$30-50M	\$150-250

Valuation History

Date	Event	Pre-Money Valuation	Post-Money
[DATE]	Formation	N/A - Founder Equity	N/A
Seed	SAFE with Cap	\$4M cap	\$4.5M
Series A	Equity Round	\$15-20M	\$18-24M

Distribution Policy

Owner Distributions

As a single-member LLC, Matthew Ross may take distributions at any time, subject to:

1. Maintaining adequate operating capital
2. Meeting all financial obligations
3. Tax planning considerations

Recommended Distribution Process

1. Ensure 3-6 months operating expenses remain in accounts
2. Pay all outstanding vendor invoices
3. Set aside estimated quarterly taxes
4. Distribute remaining profits as desired

Tax Considerations

- LLC profits flow through to owner's personal tax return
- Quarterly estimated tax payments required
- Self-employment tax applies to LLC income
- Consider S-Corp election for tax efficiency when profitable

Equity Reserved for Future

Employee/Contractor Equity Pool

- **Reserved:** 2,000,000 units (20% of authorized)
- **Purpose:** Attract and retain key talent
- **Vesting:** Typically 4-year vest with 1-year cliff
- **Strike Price:** Set at fair market value at grant date

Investor Pool

- **Reserved:** 3,000,000 units (30% of authorized)
- **Purpose:** Future funding rounds
- **Terms:** To be negotiated per round

Cap Table Pro Forma

Current State

After Seed Round (Example - 15% dilution)

After Series A (Example - Additional 20% dilution)

Anti-Dilution Protections

As sole owner, Matthew Ross maintains:

- 1. Right to refuse dilution** - No obligation to issue new units
 - 2. Preemptive rights** - Right to participate in future rounds
 - 3. Control threshold** - Maintain >50% voting rights through all rounds (recommended)
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Document Control

Version	Date	Author	Changes
1.0	[DATE]	Matthew Ross	Initial capital structure