Membership Interest Purchase and Ownership Adjustment Agreement

Effective Date: [Insert Effective Date]

This Membership Interest Purchase and Ownership Adjustment Agreement (“Agreement”) is entered into and made effective as of the date above by and between:  
  
SELLER:  
Micah Roberson, an individual residing at 2603 Rollingwood Circle, Westfield, IN 46074 (“Seller” or “Micah”)  
  
BUYER:  
Drushya Musham, an individual residing at [Insert Chicago Address] (“Buyer” or “Drushya”)  
  
Together referred to as the “Parties.”  
  
The Parties hereby agree to the following terms relating to the transfer of membership interests in [LLC Name], an Indiana limited liability company (the “Company”).

# 1. Purpose

Micah Roberson owns forty-nine percent (49%) of the Company’s membership interests, and Drushya Musham owns fifty-one percent (51%).  
  
The Parties agree that:  
- Micah will sell thirty-nine percent (39%) of his membership interest to Drushya.  
- Micah will retain ten percent (10%) ownership in the Company.  
- The purchase price shall be based on a fair valuation method tied to the Company’s net profit.  
- The Company shall recognize this new ownership structure moving forward.

# 2. Purchase Price and Valuation Terms

2.1 Valuation Method  
The Parties agree to value the Company based on its Trailing Twelve Months (TTM) Net Profit (defined as total revenues minus expenses, excluding taxes and one-time adjustments). The agreed multiple is:  
- 2.5× Net Profit  
  
2.2 Example Calculation  
If TTM Net Profit = $100,000 → Company valuation = $250,000  
39% of $250,000 = $97,500 (purchase price for 39% interest)  
  
2.3 Final Calculation  
The final TTM Net Profit and resulting purchase price shall be calculated and confirmed no later than [Insert Date or # days from signing], with documentation (e.g., bank records, accounting reports) provided by the Company or independent accountant.

# 3. Payment Terms

The Buyer shall remit the total purchase price of $[insert final amount] to the Seller in accordance with the following schedule:  
- Upfront Payment: $[Amount] upon execution of this agreement  
- Installment Payments (if applicable): $[Amount] monthly for [X] months  
- Final Payment Due: [Insert Date]

# 4. Transfer of Interest

Upon full execution of this Agreement and completion of any required payments:  
- Seller shall transfer 39% of membership interest in the Company to Buyer.  
- Buyer shall become the lawful owner of 90% of the Company’s membership interests.  
- Seller shall retain 10% ownership interest.

# 5. Anti-Dilution Protection

Micah Roberson shall retain anti-dilution protection over his 10% ownership interest. In the event the Company:  
- Issues new equity,  
- Admits new members, or  
- Accepts capital that alters the current ownership percentages,  
Micah shall have the right to purchase sufficient membership units to maintain his 10% ownership on the same terms as others.  
  
The Company must give written notice at least 15 business days prior to any such transaction. Micah shall have 15 calendar days from receipt to elect to participate and maintain his 10% stake.  
  
If Micah does not exercise his rights within the period, the Company may proceed, and Micah's ownership may be diluted.

# 6. Removal of Access and Operational Control

Micah Roberson agrees to:  
- Transfer all admin access, source code, accounts, and credentials related to:  
 - Application source code repositories  
 - Notion  
 - Mercury banking platform  
 - Hosting, cloud, and API services  
- Remove himself from internal dashboards and management systems  
- Retain no proprietary copies of code or documentation  
  
Micah shall cooperate in good faith to ensure a smooth transition within 7 days of the Effective Date.

# 7. Representations and Warranties

Each party represents that:  
- They have full authority to enter this agreement.  
- The ownership interests are not encumbered by liens or third-party claims.  
- The execution of this agreement does not violate any other agreement or law.

# 8. Tax and Legal Disclosures

8.1 Form 8594 and Basis Reporting  
Both parties shall work together to file IRS Form 8594 to report the asset transfer value (if required) and update basis documentation.  
  
8.2 Gift vs. Sale  
This transfer is a sale, not a gift, and shall be reported accordingly by both parties.  
  
8.3 K-1 Allocations  
- Micah: 49% ownership for [start of fiscal year → closing date]  
- Micah: 10% for [closing date → year-end]  
- Drushya: 90% for [closing date → year-end]

# 9. Governing Law

This Agreement shall be governed by the laws of the State of Indiana.

# 10. Entire Agreement

This Agreement constitutes the full agreement between the parties. No oral or written statements not included herein shall be binding.

# 11. Signatures

SELLER:  
Micah Roberson  
Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
  
BUYER:  
Drushya Musham  
Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_