

*The*  
**EDUCATED  
SALES REP**

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*Hosted by Paige Mead*

PART 2

**Equity 101:  
The Basics of Stock in Your  
Comp Plan**

# JEREMY KRELL, DMD, MBA



Jeremy is a general dentist with a combined business background. He is the Managing Partner of Revere Partners, the first independent Venture Capital fund focused on oral health. Jeremy previously built out the Barchester Bay Group, a portfolio consisting of over 35 ventures. Jeremy has held key operator roles at startups including Head of Marketing and Chief Dental Officer at Simplifeye (which raised \$27m Series A in 2021), based in NYC, and the Chief Marketing Officer of Verena Solutions, based in Chicago. He oversaw provider and clinical growth initiatives at quip (which raised \$100m Series B in 2021), the oral health and subscription electric toothbrush company and strategic provider innovation and development at Oscar Health (which had an IPO in 2021).

Jeremy has practiced general dentistry part-time for nearly a decade following his DMD at Tufts, sits on the Boards of healthcare and dental startups, and is an angel investor in approximately 30 companies. Jeremy has a 18+ year proven track record with startups through several successful multi-million dollar fundraises and acquisitions.

Jeremy started his career with three web and graphic design startups and moved into a luxury goods and commodity venture, DormAid, for college students. He later founded a venture incubator, CEO in A Box, following his MBA at Chicago Booth.

Jeremy received The President's Volunteer Service Lifetime Achievement Award from President Joe Biden, Crain's Notable in Health Care, Top 100 Healthcare Visionaries award from IFAH USA, Top 100 Doctors from the Global Summits Institute for his commitment to oral health innovation, and 40 under 40 awards from Incisal Edge and YJP.

# REVERE PARTNERS

- First & Only Venture Capital Fund for Oral Technology Globally
- By the industry, for the industry.

# FUNDING ROUNDS & WHAT THEY MEAN

- Funding rounds are a series of fundraising for companies from investors. They are assigned seed, A, B, C, and so on, to communicate what round of funding they are on, and how many rounds prior they have had.
- During a funding round, an investor has the opportunity to invest cash in the company, their money either transfers to equity or partial ownership of the company.

# FUNDING ROUNDS & WHAT THEY MEAN

## **Pre-Seed Funding**

Product in development at  
pre-revenue

## **Seed Funding**

minimum viable product, minimal  
revenue

## **Series A**

Fully commercialized product, growth  
stage revenue

## **Series B**

Further scale of product & revenue

# DEFINITIONS

## **Equity**

The percentage ownership in a company in exchange for services and/or investment.

## **Initial Public Offering (IPO)**

When companies open to public investment

## **Venture capital (VC)**

Type of investment fund that invests in start-ups

# TYPES OF EQUITY

**Direct Equity:** Units or shares of a company (versus the option to buy future equity). File a K1 each year on tax return, if entity is LLC versus c-corp, you must file an 83-B

**Options:** An option to buy future equity - it gives the individual the right but not the obligation to buy equity.

**Valuation:** The value assigned to the company by an accredited third party.

**Cliff:** A period in which no securities vest.

**Vest:** A predetermined schedule, over which you take ownership of a security (options, equity).

**Exercise:** The action of buying the options at the strike price and expiration.

**Strike price:** Price at which the options are fixed.

# UNDERSTANDING COMPANY PROFILES

## **Privately-held**

Owned by private individuals and entities.

## **Publicly Traded**

Open to public investment.

## **VC-Backed**

Venture capital fund has invested into the company.

# "GOTCHA"

- 83-b election
- Units versus percentage
- Dilution and capital table
- Strike versus equity price
- Cliff and vesting schedule
- Termination and 60-90 day exercise period
- Clawbacks and buy backs
- Capital gains tax
- Milestones

# 5 QUESTIONS ABOUT COMPANY STOCK YOU SHOULD ASK

- How much?
- What type?
- What's it worth now?
- What's the vesting schedule (is there a cliff)?
- What is my percentage AND number of units?

# Q&A

\*The best resource for investment information and insight: CPA, CFA or Attorney