

CONTROL ARCHITECTURE | RECORD-READINESS ASSESSMENT

The Founder's Armor

Building an operation that withstands the prosecutor's narrative.

"Growth is the goal, but defensibility is the requirement. In high-stakes, regulated markets, your operational record is the only thing standing between your vision and an adversarial narrative. Don't wait for the audit to see if your armor holds."

Two scored screens for founders, investors, and executives operating in regulated markets.

QUIZ 1

Founder Record-Readiness Screen

Pre-Seed to Series A

Are you building the record before scale?

QUIZ 2

Post-Series A Defensibility Screen

Series A and Beyond

Has scale outrun the record?

Each screen takes 3–5 minutes. Score yourself honestly. The score is not the judgment — the record is.

QUIZ 1 OF 2 — PRE-SEED TO SERIES A

Founder Record-Readiness Screen

Are You Building the Record Before Scale?

At the pre-seed, seed, and Series A stage, the founder is usually focused on survival: product, customers, fundraising, hiring, market entry, and traction.

That is understandable.

But in regulated or high-trust markets, early decisions create a record. Investor decks, founder communications, website claims, customer promises, product statements, data practices, legal assumptions, and early compliance decisions may later matter more than expected.

It is a record-readiness screen. The question is not whether you acted in good faith.

The question is whether the company is building a record that can prove good faith later.

How to Score

ANSWER	MEANING	POINTS
A	Yes, clearly in place	0
B	Partially in place	1
C	Informal or inconsistent	2
D	Not in place / not reviewed	3

Answer each question based on the actual current state of the company — not the intended or planned state.
Answer as of today.

1. Founder Claims and Investor Materials

Are your key investor and customer claims — traction, users, revenue, pipeline, product capability, AI function, compliance posture, market access, or customer demand — tied to a source of truth such as CRM data, financial records, customer records, product testing, signed agreements, or counsel-reviewed support?

- A. Yes, key claims are tied to a clear source of truth
- B. Some claims are supported, but not all
- C. Support is informal or inconsistent
- D. Not reviewed / mostly founder-driven

2. Independent Legal Mapping

Has independent counsel, or a qualified external legal advisor, mapped the legal duties that attach to your actual product, customers, data, payments, workflows, market-entry strategy, and regulated activities?

- A. Yes, independent legal mapping has been completed
- B. Partially, but some workflows, products, or markets remain unreviewed
- C. Informally discussed, but not mapped
- D. Not reviewed

3. Live Risk Log

Do you maintain even a simple live risk log — spreadsheet, board memo, counsel tracker, or internal docket — that captures legal, compliance, customer, technical, financial, data, AI, or operational concerns as they arise?

- A. Yes, there is a live risk log with owners and status updates
- B. Some issues are tracked, but not consistently
- C. Tracking happens informally through email, Slack, or meetings
- D. No live risk log exists

4. Escalation and Correction Record

When a concern is raised, does the record show who owned it, what decision was made, what changed, and whether the issue was corrected or deferred?

- A. Yes, escalation and correction are recorded clearly
- B. Partially, but records are inconsistent
- C. Mostly handled informally
- D. No formal escalation or correction record exists

5. External Review Before Scale

If your company handles sensitive data, AI systems, payments, customer funds, crypto assets, remittances, professional judgment, licensing-sensitive work, or regulated customer outcomes, has a qualified external advisor reviewed those workflows before launch, scale, or investor reliance?

- A. Yes, external review has been completed and is current
- B. Some workflows have been reviewed
- C. Review is informal, outdated, or incomplete
- D. No external review has been done

6. Decision Protocol and Authority Layers

For decisions involving legal risk, customer claims, financial flows, data access, AI use, regulated activity, or investor representations, is there a clear decision protocol showing who must review, who can approve, and when counsel or advisors must be involved?

- A. Yes, decision authority is clearly layered and documented
- B. Partially, but some decisions remain founder-driven
- C. Informal or inconsistent authority process
- D. No formal decision protocol exists

Your Score — Pre-Seed to Series A

0 – 4
points

Strong Early Record

Your company appears to be building with documentation, outside review, and defensibility in mind.

Founder takeaway: *Keep maturing the record as you raise capital, enter new markets, deploy AI, sign enterprise customers, or move into regulated workflows.*

5 – 9
points

Emerging Record Gaps

Your company may have some early controls, but they may not yet be strong enough to defend the company's growth record.

Founder takeaway: *This is the ideal time to build Control Architecture before informal decisions become the permanent record.*

10 – 14
points

Growth Ahead of Record-Building

Your company may be moving faster than its legal, financial, data, compliance, or governance record.

Founder takeaway: *The issue may not be bad intent. The issue may be that good faith is not yet provable.*

15 – 18
points

Material Early-Stage Record Gap

Your company may be creating investor claims, customer obligations, data flows, financial activity, or regulated workflows without a defensible record.

Founder takeaway: *Before the next raise, U.S. launch, enterprise customer, AI deployment, or regulated-market expansion, consider a Control Architecture Review.*

QUIZ 2 OF 2 — SERIES A AND BEYOND

Post-Series A Defensibility Screen

Has Scale Outrun the Record?

After Series A, the company changes. There is more capital, more hiring, more customers, more investor scrutiny, more board oversight, more operational complexity, and often more regulatory exposure.

At this stage, informal systems are no longer enough.

The question is no longer only whether the company can grow.

The question is whether the company can defend how it is scaling.

This screen is not designed to accuse the company of wrongdoing. It is designed to test whether the company's record has kept pace with its scale.

How to Score

ANSWER	MEANING	POINTS
A	Yes, clearly in place	0
B	Partially in place	1
C	Informal or inconsistent	2
D	Not in place / not reviewed	3

Answer each question based on the actual current operating state — not what is planned, underway, or intended. Answer as of today.

1. Independent Financial and Control Review

Since the last financing or major growth phase, have financial controls, payment flows, customer funds, related-party transactions, billing practices, and revenue recognition been reviewed by an independent controller, CFO function, or outside financial professional?

- A. Yes, controls are updated and independently reviewed
 - B. Partially, but some areas remain unreviewed
 - C. Controls are informal or not fully tested
 - D. Not reviewed
-

2. Real-Time Verification of Claims

Are investor updates, customer claims, product claims, AI claims, compliance statements, performance metrics, and board-facing numbers verified in real time against source-of-truth records before they are used externally or in board materials?

- A. Yes, claims are verified in real time
 - B. Some claims are verified, but not consistently
 - C. Verification is informal or after-the-fact
 - D. Not reviewed
-

3. Board Minutes and Real-Time Risk Docket

Are material risks, warnings, complaints, control gaps, legal issues, data issues, financial concerns, and corrective actions reflected in board minutes, committee records, or a real-time risk docket?

- A. Yes, risk is reflected in minutes or a live docket
 - B. Partially, but records are inconsistent
 - C. Mostly discussed informally
 - D. Not reflected / not reviewed
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4. Escalation, Ownership, and Completion Evidence

When concerns arise, does the company have a documented protocol showing escalation, owner, decision authority, corrective action, deadline, and completion evidence?

- A. Yes, protocol is documented and operating
 - B. Partially, but not consistently followed
 - C. Informal or inconsistent
 - D. No formal protocol exists
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5. Independent Review of Regulated Workflows

Are financial, data, AI, customer-fund, payment, billing, remittance, crypto, professional-judgment, licensing-sensitive, or regulated workflows periodically reviewed by independent counsel, an independent controller/CFO function, or qualified third-party consultants?

- A. Yes, independent review is current and documented
- B. Some workflows have been reviewed
- C. Review is informal, outdated, or incomplete
- D. No independent review has been done

6. Adverse Reconstruction and Authority Layers

If the company were reviewed by a regulator, plaintiff attorney, prosecutor, investor, acquirer, judge, or appellate court, could the record show who had authority, what risks were known, what was escalated, what was corrected, and why leadership acted in good faith?

- A. Yes, authority layers and decision records are clear
- B. Partially, but some records are incomplete
- C. Informal or inconsistent
- D. No clear record exists

Your Score — Post-Series A

0 – 4
points

Defensible Scale Appears Strong

The company appears to have meaningful controls, independent review, board visibility, authority layers, and real-time record discipline.

Founder takeaway: *Continue stress-testing the record as the company expands into new markets, customers, products, AI systems, data flows, payment rails, or regulated workflows.*

5 – 9
points

Emerging Scale Exposure

The company may have some controls, but the record may not fully reflect the company's current scale.

Founder takeaway: *This is a strong time for a Control Architecture Review before gaps harden into exposure.*

10 – 14
points

Elevated Record Defensibility Concern

The company may be building enterprise value while also accumulating unresolved legal, regulatory, civil, or investor-facing exposure.

Founder takeaway: *Traditional counsel, compliance support, or GRC tools may not be enough if no one is testing how the company's growth record could be reconstructed against it.*

15 – 18
points

Material Record Defensibility Gap

The company may lack the documentation, independent review, authority layers, and control architecture needed to defend how it is scaling.

Founder takeaway: *This is not merely a compliance issue. It may require immediate review of the company's records, controls, representations, warnings, board reporting, financial systems, and operating behavior.*

RESULTS — BOTH SCREENS

Your Score Is Not the Final Question

The final question is: Can the company defend how it is growing?

A company may appear to be building enterprise value while also building legal exposure. Traditional diligence may confirm market opportunity, product traction, contracts, IP, and regulatory posture — while still missing whether the company's growth record can be reconstructed as recklessness, concealment, misrepresentation, willful blindness, or intent.

The score these screens produce is a signal, not a verdict. What matters is not the number. What matters is whether the record exists — and whether, if examined under adversarial conditions, it can be defended.

What a Control Architecture Review Examines

A Control Architecture Review is a focused advisory engagement designed to assess whether the company can defend the legal meaning of how it is growing. It examines:

The Growth Record

- Investor and customer claims
- Product and AI representations
- Compliance posture statements
- Board reporting and risk visibility

The Control Environment

- Identity and access governance
- Fraud prevention and escalation
- AI data governance and oversight
- Authority layers and decision records

The central question the review answers:

Before growth becomes evidence, can the company defend how it is growing?

REQUEST A CONTROL ARCHITECTURE REVIEW

For founders, investors, and boards operating in fintech, AI, cybersecurity, health tech, crypto, payments, data privacy, and other regulated-scale environments.

<https://www.shanpotts.com/booking-calendar/founder-vc>