

**To:** jeffrey E.[jeevacation@gmail.com]  
**From:** Richard Joslin  
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**Subject:** exchange

RJ, LD, EA, AC, RD met with PW exchange attorneys and AH yesterday. We discussed the various options. Given that there may be more than one founder exchanging and given that each founder can choose different options to sell PTP interest, eg underwritten offering, secondary market, private sale and each founder can opt out at different times if price moves lower greater than 10% from Sept 4 closing price, there may be decisions one founder makes that has a effect on another founder. If there is an underwriting, and the underwriter prices with a significant discount, one founder can opt out (assume > 10% price decline) and wait for better price. Alternatively, the underwriter may decide to offer fewer shares in the offering and the scale back would be pro rata. However, if a founder opts out of underwriting then the other founder might not be scaled back despite the underwriter scale back. The underwritten offer has the greatest discount and Josh opted to sell on open market. There are a raft of questions the PW attorneys will be looking into relating to the interaction of founders under the exchange agreement and the principals agreement. If we detect that the exchange agreement does not cover a particular wrinkle or needs to clarify interplay of multiple founders exchanging concurrently, the agreement should be amended by Sept 4. Aug 29 is latest date to notify other founders of intention to exchange. Note that exchange agreement has been amended twice previously and that founders had noodled (disclosed) with other founders far in advance of the deadline for notice.

With regard to pre-exchange transfers to LDB or a new grantor trust, AH (PW) has a vertical slice concern and will review. There are anti-churning issues that need to be reviewed but likely the principal's agreement has been written to cover this sufficiently that there may be little if any flexibility. PW will review and revert

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