

Internal Communication - Mobile Software Company. This document was ghostwritten on behalf of the CEO. The name of the company has been changed to Company Y, and other names have been omitted for the purposes of this sample.

Team Company Y,

It has come to my attention that there is some confusion within our company with regard to the corporate restructuring that has taken place as part of our recent recapitalization and new funding activity.

As was announced in our all employee meeting in April, [name of private investor] committed to a significant investment of \$10 million towards our success. At the time of that meeting there were still some corporate actions in process so the instrument of the investment may not have been made clear. What occurred is as follows: [private investor] acquired a controlling equity position in the preferred stock of the old corporation (Company Y, Inc.) from [name of venture capital firm] in April of this year and conditioned his \$10 million investment in the company on completion of a number of actions by the corporation, including the purchase by the company of the shares held by [name of a private investment group]. Those various actions were completed by the corporation, which put [private investor] in a position to create a new entity in which the employees of the going-forward business could more easily be granted meaningful opportunities to share in the company's future success. Therefore, a new limited liability company entity, Company Y, LLC was created, and the assets of the old corporation were transferred to the new LLC. The net result is that Company Y, LLC is now the holder of all assets of the corporation, including contracts, leases, and capital equipment, has assumed all of the corporation's liabilities and is now your employer. Stock options do not fit with an LLC format; hence, the new tracking stock plan is being implemented.

We want our most valuable assets, our employees, partners and customers, to know that the change from COMPANY Y *Inc.* to COMPANY Y **LLC** was simply a legal transaction to facilitate the funding event and should have no other effect on them than to better equip Company Y to go forward and capture the leadership position in the mobile software arena.

In the past six months this company has had to make some significant changes to align our efforts with our market potential, it has not been easy, but we have accomplished a lot and have emerged a more streamlined and nimble organization for the effort. However, to assure our success we need more than internal strength and flexibility, we also need running room and meaningful incentives as we go forward. [private investor]'s investment has given us both these things: Company Y LLC now has the drive, intellect and leadership to succeed as well as the healthy runway necessary to hit our stride, but thanks to the restructuring we can also now move forward knowing that the success we will achieve will not be diluted away from those who are working so hard to get us to our goals. GO COMPANY Y!