

To: Epstein Jeffrey[jeevacation@gmail.com]
From: Joi Ito
Sent: Sat 5/3/2014 3:24:50 PM
Subject: Re: SmartThings - Documents for Series A Investment
signature.asc

So too late now right?

You'll email when you're free?

On May 3, 2014, at 11:05 , jeffrey E. <jeevacation@gmail.com> wrote:

> Sorry much later then

>

> On Saturday, May 3, 2014, Joi Ito [REDACTED] wrote:

> I'll have time in 30 min if that's ok

>

> On May 3, 2014, at 10:41 , jeffrey E. <jeevacation@gmail.com> wrote:

>

> > if you have time 011331 441 70210

> >

> >

> > On Sat, May 3, 2014 at 3:49 PM, Joi Ito [REDACTED] wrote:

> > Update on SmartThings

> >

> > Begin forwarded message:

> >

> >> From: JEREMY HECKMAN [REDACTED]

> >> Subject: Re: SmartThings - Documents for Series A Investment

> >> Date: May 3, 2014 at 9:32:51 AM EDT

> >> To: Joi Ito [REDACTED]

> >> Cc: ALEXANDER LOURIE [REDACTED]

> >>

> >> Yes, Sandy forwarded the docs to Darren (Jeffrey's lawyer) yesterday morning. Sure, feel free to forward my note to Jeffrey.

> >>

> >> Jeremy

> >>

> >> On May 3, 2014, at 7:30 AM, "Joi Ito"

[REDACTED] wrote:

> >>

> >> Super. Have you shared the docs with Jeffrey's lawyer? Jeffrey emailed me asking for the docs. Can I send this note from you along with the copy of the agreement to Jeffrey?

> >>

> >> - Joi

> >>

> >> On May 2, 2014, at 8:25 PM, JEREMY HECKMAN

[REDACTED] wrote:

> >>

> >> Hi Joi,

> >>

> >> Sandy asked me to take a look at the SmartThings investment docs. They are based on the NVCA forms and I did not see anything troubling. There are no non-compete issues, and the Investors' Rights Agreement includes the standard NVCA acknowledgment by the Company that the Investors are in the business of venture capital investing, and nothing precludes them from investing or participating in any enterprise whether or not that enterprise competes with the Company.

> >>

> >> The Purchase Agreement was dated as of November 4, 2013, and the Additional Shares provision only contemplated later closings through January 31, 2014 - so it's unclear how these shares can be sold under this Purchase Agreement unless they have sought a waiver from the holders of a majority of the outstanding shares of Series A Preferred Stock. Jeffrey's lawyer asked to see these docs as well, so once I hear back from him, we can follow up with the company's lawyer to make sure that issue has been considered.

> >>

> >> Besides that, just wanted to make sure you were aware there is another series of Preferred Stock already outstanding called the "Series Seed Preferred Stock" (lest anyone think the Series A is the only series of preferred):

> >> • Series Seed ranks pari passu with Series A, but Series Seed has a higher stated dividend (\$0.1169 per annum per share of Series Seed vs. \$0.0929 per annum per share of Series A) and Original Issue Price (\$1.4608 per share of Series Seed vs. \$1.1611 per share of Series A). (Per usual, despite the stated dividend, dividends are payable only when authorized by the Board and are not cumulative.)

> >> • Series Seed and Series A vote together, as a single class, on an as-converted basis

> >> • 2,813,723 shares of Series Seed authorized, of which 2,074,194 issued and outstanding per the Purchase Agreement

> >> • 11,865,888 shares of Series A authorized - per the Purchase Agreement, 11,021,880 were purchased at various closings in November

> >>

> >> Finally, unless we hear otherwise from you, we will form the LLC investment vehicle on Monday.

> >>

> >> Thanks,

> >> Jeremy

> >>

> >> From: ALEXANDER LOURIE

> >> Sent: Friday, May 02, 2014 9:06 AM

> >> To: Darren Indyke

> >> Cc: JEREMY HECKMAN

> >> Subject: FW: SmartThings - Documents for Series A Investment

> >>

> >> Darren,

> >>

> >> I guess we are back to SmartThings. Here are the documents. I am out of the office today, but am available by email.

> >>

> >> Jeremy, could you also take a quick look? I don't think that we are not going to be able to negotiate anything here, --

> Please use my alternative address, [REDACTED] to avoid email auto responder

>

>

>

> --

> please note

> The information contained in this communication is
> confidential, may be attorney-client privileged, may
> constitute inside information, and is intended only for
> the use of the addressee. It is the property of

> JEE

> Unauthorized use, disclosure or copying of this
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>

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Please use my alternative address, [REDACTED] to avoid email auto responder