

SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Date: [Date]

To: The Board of Directors
[Corporation Name]
[Corporation Address]
[City, State, Zip Code]

RE: Notice of Intent to Initiate Derivative Litigation and Offer of Good Faith Negotiation

Dear Members of the Board:

I am writing to you as a shareholder of [Corporation Name] (the "Company"). This letter serves as a formal notice regarding certain breaches of fiduciary duty and wrongful acts committed by certain officers and/or directors of the Company, as detailed below.

1. Identification of Wrongful Acts:

The following actions have caused significant harm to the Company: [Provide a concise description of the misconduct, e.g., self-dealing, gross mismanagement, or failure of oversight]. These actions constitute a breach of the duties of loyalty and care.

2. Demand for Remedial Action:

I hereby demand that the Board take immediate action to:

- Initiate legal proceedings against the responsible parties to recover damages.
- Implement internal controls to prevent further occurrences of such conduct.
- [Insert any other specific remedial action requested].

3. Offer of Good Faith Negotiation:

In accordance with the principles of efficient dispute resolution and prior to the commencement of a formal shareholder derivative suit under [Applicable State Statute/Rule, e.g., Rule 23.1], I am prepared to engage in good faith negotiations or alternative dispute resolution (ADR). I believe a negotiated settlement may be in the best interest of the Company to avoid the costs and distractions of protracted litigation.

4. Deadline for Response:

Please provide a written response to this proposal by [Date, typically 15-30 days from receipt]. If the Board fails to respond or refuses to engage in meaningful negotiations by this date, I will proceed with the filing of a derivative complaint in the appropriate jurisdiction without further notice.

This letter is a statement of intent for negotiation purposes only and is written without prejudice to my rights or the rights of the Company.

Sincerely,

[Signature]

[Your Printed Name]

[Your Address/Contact Information]