

Date: [Insert Date]

To:

The Board of Directors / Legal Department

[Company Name]

[Company Address]

RE: Notice of Good Faith Mitigation and Settlement Offer Regarding Potential Derivative Action

Dear Members of the Board,

This letter is formal notice regarding the potential shareholder derivative claim concerning [describe the specific breach of fiduciary duty or corporate misconduct, e.g., the failed acquisition of XYZ Corp or the oversight failure regarding environmental compliance].

In accordance with the principles of corporate governance and the requirement to act in the best interests of [Company Name], I am writing to propose a good faith mitigation strategy to resolve these issues without the necessity of protracted litigation. It is my belief that an internal resolution will preserve corporate assets and minimize reputational harm.

Proposed Mitigation Steps:

- [Step 1: e.g., Appointment of an independent special litigation committee]
- [Step 2: e.g., Implementation of enhanced internal audit controls]
- [Step 3: e.g., Clawback of executive bonuses related to the specified misconduct]
- [Step 4: e.g., Resignation or reassignment of involved officers/directors]

I request that the Board provide a formal response within [Insert Number, e.g., 30] days outlining the steps the company intends to take to rectify the harm caused by the aforementioned actions. Please be advised that this letter is sent in a good faith effort to exhaust internal remedies and mitigate damages prior to the formal filing of a derivative complaint.

This communication is a confidential settlement offer and is protected under relevant evidentiary rules governing compromise negotiations.

Sincerely,

[Your Name]

Shareholder of [Company Name]

[Your Contact Information]