United States District Court
Northern District of California
Δ DEFENDANT Δ
Case No. 4:24-CV-04722-YGR
Case Title Musk et al. v. Altman et al.
Exhibit No. DX-0712
Date Entered
Mark Busby, Clerk
By:_____, Deputy Clerk

From: Sam Teller [steller@openai.com]
Sent: 10/2/2017 3:23:09 AM
To: Shivon Zilis [shivon@openai.com]
Subject: Re: OpenAI notes (Question for Sam on top!)

I think better to talk through this one live

On Oct 1, 2017, at 8:10 PM, Shivon Zilis <shivon@openai.com> wrote:

(below is an honest reflection of their views. i am a little worried to share because i don't want to seem like i'm pushing for the b corp or blow this up in their faces but lmk if ok to send. in all honesty, i think literally all of this is putting the cart before the horse because Elon doesn't even yet know if he thinks accelerating AGI is a good thing or not, but it's not my job to say things like that)

Expectations

-Greg and Ilya are aware of the expectations for you to continue funding the non-profit (equal number of board seats / votes for you vs. rest of board, a two year commitment from them, and a reasonable non-solicit).

Long term control
-Greg, Ilya, and Sam all claim the only thing they really care about is there being a long-term control provision that transitions away from short-term majority control at some defined point and ensures a broad group governance of AGI if it's created. This applied not only to the for-profit negotiation but also to the non-profit going forward. It seems like a simple clause could satisfy this if everyone agrees this is ok?

Greg and Ilya's ideal outcomes (in order)

1. Revive the B-Corp idea
-Rationale: Better from an IP / recruiting / fundraising perspective. Greg feels regret because he could "smell blood" re: DeepMind. "We are now legit enough, we should have had the money, and we would have had the equity to get the right people. We even had the right list there and ready".
Would require a clause that ensures that, without doubt, control transitions to a broader board governance structure after two years. (Note: they are not assuming you are open to this idea, but they did share that they regret some of their decisions and think it's the better structure)

2. Non-profit fundraising "experiment"
-Rationale: They think non-profit is a viable structure but only works to serve the mission if it can get 100's of millions in donations, since compute needs and salaries in absence of equity will be costly. Therefore they'd be curious to spend a couple of months trying to see if it's possible to fundraise a sufficient amount before everyone commits to the structure. They know that you would not fund again until your conditions met.

Sam's ideal outcomes (in order)

1. Non-profit, one month pause on any actions and funding.
-Rationale: He likes the non-profit structure more than Greg and Ilya. Team took a morale hit when for-profit didn't happen / all the uncertainty around the process. He has a preference to get the team back in order vs. debating structure (just found out he has done one on ones with whole team this week). He wants Greg and Ilya to focus on leading the team to a couple of short-term wins on the research front since they were distracted for so long. He knows there will not be any funding from you during that time.

2. Non-profit, agree to terms and resume funding now.
-He says he has no issues with the board parity requirement. If Greg and Ilya are willing to commit to the other requirements, he is a go.

3. B-Corp.
-Is game to do it full time in President / COO role so long as there is a long term control provision. Same requirements as above.