

# EXHIBIT A

(Plaintiff's Trial Exhibit 369)



# Nick Denton steps down as Gawker president, names seven-person managing board



Gawker C.E.O. Nick Denton with chief strategy officer Erin Pettigrew and president Heather Dietrick. (Gawker Media)



By Peter Sterne 1:03 p.m. | Dec. 10, 2014 4

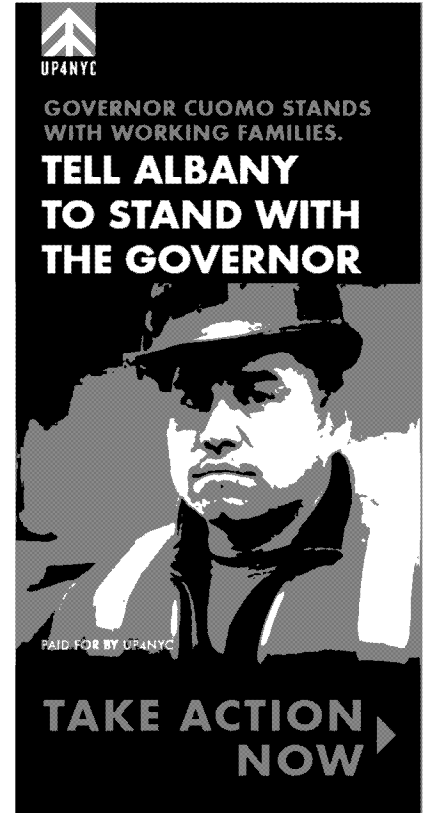
Gawker owner Nick Denton is stepping down as president of Gawker Media and scaling back his day-to-day involvement in running the company, he announced in a memo to staff today. (Click here to skip to full text of the memo.)

Denton has named a seven-person managing board to run the site, which consists of: Denton himself, who will remain as C.E.O.; president Heather Dietrick; chief strategy officer Erin Pettigrew; advertising head Andrew Gorenstein; chief operating officer Scott Kidder; and executive editor Tommy Craggs, previously the editor of Gawker Media's sports site Deadspin. Also among them is chief technology officer Tom Plunkett, who will continue to work on the product side but shed the title of C.T.O. He is proposed as a member of the three-person board of directors for the company, which Denton tells Capital will likely expand this year to five members; his replacement as C.T.O. will then take his spot on the managing board.

The managing board will make company decisions by consensus, or majority if consensus can't be reached and individual members dissent.

As Capital previously reported, the executive editor position replaces editorial director Joel Johnson.

In his memo, Denton referred to his decision to hire Johnson as editorial director as “a



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mistake.” Johnson was a product visionary, but he was not an ideal editorial manager. When Denton removed Johnson as editorial director last month, he offered Johnson a V.P.-level position, but Johnson is likely to leave the company altogether. **POLITICO** reported yesterday that he was seen interviewing for a job at Vice Media.

“During this period I made a mistake in Editorial, hiring a talented guy whose voice and vibe I loved, who represented nerd values, and whom I thrust into a job which changed under his feet: he was competing with Lockhart Steele of Vox and Ben Smith of BuzzFeed, two of the most effective editorial managers in the business, each with the funding to go after the very best talent. ... I was in so much in a hurry that I didn’t even look at other candidates, a cardinal sin. I made a mistake, and I’m sorry to Joel, and I’m sorry to those to whom he is a friend,” Denton writes.

The memo also mentions that Gawker's revenues are up 30 percent year-over-year and the company has hired Paul Sundue to head Studio@Gawker, the company's in-house native advertising agency. Sundue replaces James Del, who Denton says is moving into a communications role. Peri Hochwald, Gawker's V.P. of product operations, will also leave the company.

Read Denton's full memo below:

“I have some important news.” Usually, that’s how I start a conversation with someone who is being promoted, or fired. This time, that conversation is about me: my solo leadership of this company, and the collective management that is going to replace it.

Here are the highlights: I am announcing the formation of a managing partnership of seven people which will make key decisions together. Among them, Heather Dietrick will take over my position as President. Having helped lift gross commerce revenues to \$60m, Erin Pettigrew will head Strategy, including responsibility for the Kinja software product. Deadspin’s Tommy Craggs is the new Executive Editor over all eight flagship titles. And we will return to our mission: more linebackers with fictional dying girlfriends; less pandering to the Facebook masses. In 2015, Gawker will be the very best version of itself; I will be the best version of myself. We will be bloggers again.

Don’t get me wrong. I am not stepping down as CEO. And department heads will continue to report into me. I am proud of my management track record of the last decade. I am proud of what we have made together.

Gawker Media is the only truly independent media company to achieve lift-off on the web. Even this year, not one of our best for stories, our U.S. monthly audience has grown healthily, up a fifth, a growth rate that many media companies would be thrilled with. We have plenty of momentum.

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Our business became profitable without venture or corporate capital. Our writing style has permeated the English-writing online world. Manti Te’o and Rob Ford: those scoops are of legend, and they are ours. Our blogs are read by 1 in 3 of those readers that

tackier media companies would lump together as millennials, a demographic to be traded by advertisers, capitalists and dealmakers. By contrast, we think of them as individuals with interests as unpredictable as our own. We are beholden to no one. That is a precious thing.

That independence is guaranteed by me. I am the largest shareholder in the company. I choose to stay, and I believe we can be better. I am excited for 2015. I believe you still need me, to set a broad direction, and shake the company up if it's drifting (but to leave it alone when it's humming).

We are transparent by virtue of what we do, opinionated journalism. Of course this memo will be leaked, and it will likely cause us some problems. The truth hurts. And though most of the criticism is self-criticism, I'm sure I've said something that will offend, inadvertently. But the needs of open internal communication trump external messaging and internal quiet. I'd rather be slightly embarrassed, and open with you. By our natures, we can't stay quiet.

The problems I'm going to identify are common. Excellence in software development is elusive; no online publisher has yet succeeded in transforming itself into a platform. As a company grows -- Gawker is approaching 300 employees in New York, Budapest and around the globe -- an upgrade of management is inevitable. The thing that marks us out from more tightly controlled corporations: we're able to recognize our handicaps, and address them. This organization is more than ever designed for continuous improvement.

I feel free to show vulnerability here because of my overwhelming confidence in our company's underlying strength and mission. Yesterday's **sensational emails between the head of Sony and Scott Rudin**: that's how good our editorial can be every day. We will be the first online media company to create its own technology, rather than be reduced to a content provider subject to someone else's algorithm. And our Sales team is the best in the business, defying market trends to lift up revenue per page for the third year in a row.

Our future opportunity -- to host the most lively and informative conversation on the web -- is too great to fumble. Boldness is required not just of me, but of the organization. And the excellence of our execution is directly related to the honesty of internal communications.

This memo is long. If you're in a hurry for the full set of names and promotions, you can skip ahead to the bullet points. But there's a lot to go through. The organization has long made most big changes at the end of the year, to start the new one with maximum energy and a clean slate. Better to get changes out the way in one fell swoop. (And yes, this will wrap up the swoop for 2015.)

So many of you are here in New York this week for the all-hands and the

company party; it's a good chance for you all to meet the new team in person. And you know me: I'm a showman; I do like to make a splash.

But before we fill in the rest of the news, here's the story behind the story.

The eight flagship blogs -- Gawker, Gizmodo, Deadspin, Jezebel, io9, Jalopnik, Kotaku and Lifehacker, oh, beloved Lifehacker -- are fearless and uninhibited, dedicated to putting truths on the internet and out to the world.

Yet in our internal communication, as a company, we didn't act that way. The current principles of software product development hold that *candid* conversations--with developers, designers and users--lead to a better web experience. We lacked that necessary candor. We left too many opportunities on the table, too many known problems unresolved. And in our external communications, in our stories, we sometimes shied away from controversy, fearful of online critics. We weren't ourselves.

We all understand how this works. Editorial traffic was lifted but often by viral stories that we would rather mock. We -- the freest journalists on the planet -- were slaves to the Facebook algorithm. The story of the year -- the one story where we were truly at the epicenter -- was one that caused dangerous internal dissension. We were nowhere on the Edward Snowden affair. We wrote nothing particularly memorable about NSA surveillance. Gadgets felt unexciting. Celebrity gossip was emptier than usual.

We pushed for conversations in Kinja, but forgot that every good conversation begins with a story. Getting the stories should have come first, because without them we have nothing to talk about.

And the development of Kinja itself was a challenge. Our Tech department proclaimed a new era of multi-disciplinary cross-functional teamwork and collaboration. The reality: the best tech teams in online media in both New York and Budapest, with too many developers grinding away at re-factoring (thankful though we'll be next year for that prep work). And a product manager on the 2015 design refresh had barely talked to the consultant who had driven the other major new project of the forthcoming year. Open collaboration in theory; the opposite in practice.

Who raised the alarm? Would I have even heard it? For a good 12 months from the summer of 2013 I was variously betrothed, distracted, obsessed by Kinja, off on honeymoon, obsessed by Kinja, off on sabbatical. I'm not sorry for that. For ten years, I've danced with this octopus. That's what one person on Twitter calls Gawker: an *octopus armed with chainsaws*. I deserved a break.

When I was disengaged, I didn't leave any real authority in place. In my absence, the company ticks along nicely; with the challenge of BuzzFeed and Vox, ticking along nicely is no longer enough. Even when I'm here, if I'm obsessed by something, other parts of our common project can spin off in unpredictable directions, causing me to overlook developing risks and opportunities. As Joel said, I am the company's greatest asset -- and it's greatest liability. To be saved from myself, like many of us, I need partners in the fullest sense of the word, to take up the slack or keep me on focus. And I didn't have them.

During this period I made a mistake in Editorial, hiring a talented guy whose voice and vibe I loved, who represented nerd values, and whom I thrust into a job which changed under his feet: he was competing with Lockhart Steele of Vox and Ben Smith of BuzzFeed, two of the most effective editorial managers in the business, each with the funding to go after the very best talent.

I was so obsessed with the design of Kinja discussions, I didn't even think to warn that Gawker is always first about the story. I took that for granted. I was in so much in a hurry that I didn't even look at other candidates, a cardinal sin. I made a mistake, and I'm sorry to Joel, and I'm sorry to those to whom he is a friend.

And during this time too, we embarked piecemeal on a software project whose eventual scope we barely imagined. Tom told me years ago he did not want to run the department beyond 30 people, that he wanted to get back to coding. Tech is now at 55 people. Tom didn't push me. I didn't want to mess with what was comfortable, the best relationship with a CTO by far that I've ever had in my career. And no other views were solicited.

So we attracted impressive technical talent -- with our culture, audience testbed, and idea -- and then we let those people down. We embarked on the Kinja expansion before we'd recruited the management; each major hire was reactive, each to fix a problem created by the last. *Hire engineers. Now manage engineers. Oh no, we need product people.* Lean, *what's that?* I had to learn fast. It wasn't quite that bad; but not that far off.

That was down to me. Tom and those who didn't speak up: them too. But mainly me, because not only do you have my mistake, you have the silence of others, and that too is my responsibility. If people are afraid to be candid, that is my responsibility. I need you each to point out my errors, or at least to throw in your own idea without fear it might be impolitic, and I need you to do that with your manager, too. (You'll have your first chance of many at the Q&A that Annalee Newitz will moderate this afternoon at the Sunshine at the end-of-year all-hands.)

And if the organization depends so heavily on my full presence for action, then that's on me too, for failing to recognize and fix that. Until now.

It's okay for all of us to make mistakes, especially when we're moving fast -- so long as we learn from the experience, and we don't repeat the same one twice. That's all we're doing here: iterating endlessly, through words and software, to make the world a more open, hopeful and tolerant place. This is my new iteration.

First, I recognize that I need a backup. I intend to be fully engaged next year -- in the helpful-to-others-at-work sense, rather than about-to-get-married and distracted. But you don't know that absolutely for sure. I need someone who can act with my authority if I'm not contactable at least by video call.

Now there will be a permanent deputy, someone who can represent the company in public and who sits above the big departmental interests -- the barons, I call them. This person must be universally regarded as fair. A tall order, but I think

we have the candidate.

Second, I need to share power more broadly. I need a team, a group I can trust to act in the best interests of all of us. I need to be edited. I need advisors with whom I can be fully candid, and who can be candid with me, even when it's uncomfortable. I'm told seven is the perfect number for a team (or an online conversation, for that matter).

So I am naming the first six managing partners -- seven, with me included -- with whom I will consult on major matters such as tech investments and the reassignment of department heads. The partnership will make decisions by consensus, or majority vote if any managing partner dissents. We are collectively committed to the company's independence. Alphabetically, ending with myself:

*Executive Editor:* Tommy Craggs

Tommy inadvertently sparked this whole reshuffle, but not out of any personal ambition. If anything, I feared he wouldn't take a position that a friend had so recently occupied. It's only because of his sense of obligation to colleagues that he's accepting the appointment.

What Tommy did was simply to set me thinking, through something he said during a conversation just as Gamergate was subsiding. "I just want to break a *fucking* story." Or maybe it was "I just want to fucking *break* a story." One of the two.

Anyway, it got me thinking. Yes, that's exactly it. That editorial freedom we're so proud of: just *do* something with it. Something meaningful, more meaningful than a toxic flame war that showed only the internet's capacity to divide, and none of its capacity to reconcile.

Then I went off the rails, as I do, and asked myself: damn, is *Gamergate* really our story of the year? You are only as good as your last story, that's what they would say on Fleet Street. Yes, we do need to break a fucking story, or fucking break a story, whichever it was. And we need to grab hold of our own company narrative, change the conversation in the only way we know how, through sensational scoops and unfettered opinion.

Anyway, the only person telling me this is Tommy, and then comes the realization that we'd have a better chance of being great, of *breaking fucking stories*, with his inspiration. Even Harry Potter reads *Deadspin*, for God's sake. What more endorsement do you need?

Supporting Tommy will be Lacey Donohue as Managing Editor and John Cook running Investigations. Other appointments will be made before Tommy starts officially on January 1.

Editorial management's mission for next year is simple. Here's your budget. Break some stories. Expose the story behind that story. Say what others cannot or will not. Make us proud. This is the one of the greatest editorial openings of all time. Don't fuck it up!

*President:* Heather Dietrick

Heather will be my deputy. She's perfect for this, a much better official representative of the company than a half-Hungarian homosexual could ever be. Heather will arbitrate, especially when I'm out of the office. And she will propose decisions to the managing partners. That's what few people understand about Heather: she's about the most decisive person at the company. Also, there's this: she prepares most of the documents that I sign; I'd rather she be the one signing off on them too.

Heather will retain responsibility for legal affairs. She will take on internal and external communications. For programming of the new space on 2 West 17th Street, to turn it into a hub of real-world and video-ready discussion to complement Kinja's online, Heather has tapped someone from within the company: James Del, who will be joining her as head of programming. Moving with James to Heather's department: Victor Jeffreys, who will handle events for all departments.

*President, Advertising & Partnerships: Andrew Gorenstein*

A promotion for Andrew Gorenstein. Richly deserved: Andrew has grown revenues by more than 30%. Actually, Andrew would never say that. Let me get that right. *We* have grown revenues by more than 30%. With Andrew, it's always a *We*. Go, team!

And I have to thank Andrew too for warning me we were headed in the wrong direction -- gently, artfully, *menschily*. Not just in the wrong direction, but toward an iceberg, with the captain in his quarters, and that was actually the dream he had that set all this off. Andrew is the very best head of advertising sales and e-commerce that I could possibly imagine for Gawker; he is my business partner. He has made us all better. Andrew will stay until he has enough money to retire; I am happy he has expensive tastes.

Among those reporting to Andrew will be Michael Kuntz of Sales, ascending head of Business Development Ryan Brown, and starting this week as head of Studio, Paul Sundue from the agency world, specifically DDB New York.

*Chief Operating Officer: Scott Kidder*

Scott is essential. Nothing would work without him, from finance to people and culture to facilities. (The gorgeous buildings we're moving into next year, in both New York and Budapest, are his projects.) Beyond overseeing these key functions, Scott works with me and the other Managing Partners on our most important initiatives -- Scott knows everything. And everybody knows that Scott knows everything. That is all. Scott is being promoted to COO.

*Chief Strategy Officer: Erin Pettigrew*

Erin has been at this company, and immersed in online media, almost as long as I have. By the testimony of her staff, she is the most respected unit head in the company: scarily organized, scrupulously fair, and wholly logical. Even before she's formally started, it's clear Erin will have a transformative effect on product strategy and management, which will fall under her. The mood on the second floor is palpably more light. Erin will be a more open partner to the engineers;



that will be eased by shared *palinka* in Budapest, which Erin knows as well as any other American at the company.

*CTO:* Tom Plunkett

As the Tech team learned on Monday, once Tom has helped identify a suitable replacement, he will be shedding the CTO role to lead a product innovation team of five people. Tom and I have shared a vision -- *intimacy at scale* -- for better discussions on the internet for half a decade. We can keep talking, but it's time to do so as a group, including others, and it's time to actually build.

It is my hope Tom will join the Gawker Media board and he will be a permanent member of the Product steering group, which decides on priorities. He continues to be vital to the culture: Tom was the one who got us all to read Ed Catmull's book on his light-touch management techniques at Pixar, a book that had a powerful effect on my thinking.

But he may now finally have the time and the resources, the managerial support and the freedom from administrative distractions to fulfill our longstanding dream: such filtering and personalization that discussions feel like a friendly debate or exchange of information.

No, headhunters: he is not in the job market. As I said, Tom wants to write code, he wants to keep together this Tech family we've built. The culture of our development teams -- both pleasant *and* talented -- reflects Tom and Keki's character. I think of them like a couple, and in a sense they are, both essential to the connection between Budapest and New York. We will all retire together to Lake Balaton.

*CEO:* Nick Denton

Yep, I end up with a title I don't even like. For the longest time I called myself Publisher. I was once a magazine guy, and I liked the archaic ring. CEOs seemed like such douches. If I was going to be a douche, I'd be a douche with a different title.

The fact is that I would like to end my career as a behind-the-scenes powerbroker, a Deng Xiaoping of Gawker Media, exerting discreet influence through obscure committees. It's more my style. Or maybe I can merge with the benign AI that will evolve from Kinja discussions.

But my fellow partners won't let me do that just yet. The chainsaw-wielding octopus scares off not only potential acquirers; it scares even the most competent of executives. Just look what happened to Pierre Omidyar when he wrestled with John Cook and company at First Look. Or that accidental Facebook founder so injured by *The New Republic*, a lightly-armed squid, if that.

Anyway, I've negotiated a compromise deal. I will continue my duties as CEO. I will be relaxed and confident in the knowledge that I have a capable deputy. I will be able to participate in editorial, product and advertising brainstorming, without so overpowering the conversation. I really hope that. And in the new year, give me a few days, I want to resume the activity that brings the best out of me: *blogging*.

As a company, we are getting back to blogging. It's the only truly new media in the age of the web. It is ours. Blogging is the essential act of journalism in an interactive and conversational age. Our bloggers surface buried information, whether it's in an orphaned paragraph in a newspaper article, or in the government archives. And we can give the story further energy by tapping readers for information, for the next installment of the story, and the next round of debate.

The natural form of online media is the exchange, not the blast. Tommy's ethos gives us the best chance of recapturing the honesty of blogs, before their spirit was sapped by the tastes of the Facebook masses. "We put truths on the internet." That's Tommy's motto. I can subscribe to it. Dauntingly, it's down to our writers to provide a constructive but critical voice in an American culture. And it's down to our product managers, designers and developers to encourage a similar tone in the discussions sparked by stories.

This company was founded by a gay man and two women. I have never been comfortable with the role of a traditional CEO. And for obvious reasons I have never been comfortable in a company dominated by territorial men. I hope I have made space for others who don't fit the mould. And I pray that my information networks are still good enough to identify those leaders too busy being capable to promote themselves. At Gawker, despite the reputation of our journalism, nice guys finish first. And women.

I have now a balanced team of partners whose capabilities are widely acknowledged. These are six people I can confide in. I am happy to share power with them. We will be candid with each other. The drift this year: it will never happen again.

And you should be straight up with us, too. If you know something's wrong, if you're not proud of the work you're doing, or if you have an idea that's not being recognized, bring it to your manager, and then if need be, your manager's manager. Or just tell someone.

Speak up. It's what we do. Do it today at the all-hands; do it at the bar at the party on Friday. I started Gawker, a blog which read like a conversation between journalists, because I learned at newspapers that the best story was the story behind the story. And the real story, the deeper truth, that you were most likely to hear at the bar with colleagues, after deadline. I'll be by the bar. See you there.

Most of my motives in making these changes are for the good of us all. But I am being selfish in one respect: just as Tom wants to spend more time with his code, I want to spend more time with my blog.

It's a little daunting. The last time I was writing regularly was 2008, when I ran Gawker, and I'm out of practice. I'm sure any blogger knows the feeling.

But I still believe that writers are the unacknowledged legislators of the world. I am a politician, just not the analog kind. I could never win election. But I *can* play the system. And I can exercise most influence now through writing on my blog, and in the comments on others.

The way out of every mess is candid exchange of opinion and the search for the common ground. Truth and reconciliation. That's what this memo is all about, all the conversation that led up to it, and the conversation that will continue between us this afternoon, and for the broader conversation we're sustaining on the platform. My goal as a blogger for next year: the radical transparency, . *Live what we preach. Show, don't tell.* But regular posting would be a first step. Hold me to it.

I will be a user of our platform. User-in-chief. My feedback will be from real experience. Our software should be what we want ourselves to use. I am going back to blogging. As are we all.

In the *New Yorker* profile in 2010, Anil Dash said. "Who has more freedom in the media world than Nick Denton?" I haven't always felt that, this last half decade. I do now. I hope you share that feeling. Let's make use of it.

**CORRECTION:** A previous version of this story mischaracterized James Del's new role with the company. He will move to a communications role. The article is updated to reflect this correction.

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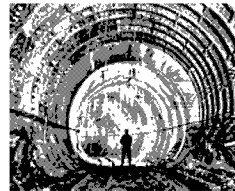
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