

Dear Nate,

It's discouraging that I find the need to write and send you this letter. Since when you get back to the office I will be starting my vacation, we won't be in the same place for a couple of weeks and I believe this needs to be addressed now.

I was concerned after our discussion last week when you told me you hadn't made any progress on either the YouTube Beginnings course or any of the more advanced offerings we previously discussed. My concerns were multiplied when I ran the numbers for the month and saw how Channel Makers is performing.

I want to preface this by saying that I'm trying to not make assumptions. I'm sharing with you as transparently as I can what it looks like. So please understand that this is what I'm perceiving. If I'm off base, please clarify for me.

I've done all I can to provide you with a work environment that's conducive to your creative process. I've allowed a lot of work from home, time off for mental health in addition to our generous and flexible vacation policy, and I've been very hands-off of the YouTube side of the company because you've told me that you like having the creative control that comes with ownership. I've also provided you with an income and a pay structure that gives you control of your income without any of the risks that actually come with business ownership.

Yet over time this freedom and income haven't seemed to be satisfactory, and over the last 3 months while we worked remotely my concerns have amplified. Here is the gist of my most serious concerns right now:

1. I have no visibility into what you were doing for 3 months while working remotely. Here is the output that I can see from 3 months of your work.
 - A few lesson outlines for updates to the YouTube System that I could find in Teams.
 - No progress on YouTube Beginnings Course despite that being one of the main projects I understood you to be working on while remote. We discussed having that course totally ready to film once we returned to the office, which we originally expected to happen over a month earlier than it did. A simple call to me would have clarified my priorities if that was ever in doubt.
 - Approximately 6 videos filmed for Channel Makers, some of which were planned at least in part by other team members.
 - 3 channel audits for Channel Makers Insiders
 - Approximately 6 podcast episodes recorded that were planned by Julia.

This output accounts for no more than 2 full work weeks, and that's generous. Is there some other work you were doing that I'm not accounting for?

Over this time, you should have done 512 hours of work based on 64 workdays from the day we went remote until you came back into the office. Even accounting for a week of sick time, you should have accomplished far more than what I've listed above. This breeds serious doubt that you were actually working throughout the time we were all working remotely. This is further exacerbated by the many times I noticed you were completely offline on Teams during normal work hours. All of this leads to a perception

that you were collecting a paycheck while not working for the better part of 3 months, $\frac{1}{4}$ of a year.

2. Channel Makers is on a downhill slide. March, April, and May are showing fewer views each month.
3. Revenue from Channel Makers was the lowest it's been in a full year. In fact, new sales of Project 24 were lower this May than they were a year ago in May. It's likely that Channel Makers cost more to run last month than it earned.
4. We hired Julia to create processes for us to help us make better videos more productively, but you've had her change the system over and over again, and then not followed it in many instances, leading to delays and causing your videos to take, on average, twice as long to edit as Income School videos.
5. You've taken excessive time off compared to any other member of the team. Our handbook states that you should plan for 15 days and that our policy is generous but requires that everyone be respectful of the company and other employees.
6. I've expressed many times the need to add other people to Channel Makers videos. We discussed it at Vid Summit. We talked about kicking off the new year with other people as characters on Channel Makers. Yet that's not happening and there is a perception that you are dragging your feet and don't want anyone else on the channel.

In the meantime, you've asked other team members to plan your videos. It sounds like you expect Nathan and Julia to each plan a video for you each month, but that leaves no videos for you to own.

You've told me many times that you want to have unlimited earning potential, and that you want the motivation that comes from having your earnings tied to your output. You want the benefits of ownership. If you were an owner, you wouldn't get paid this month because you didn't earn anything.

Owners put in the most work and get paid last out of what's left after paying everyone else.

Channel Makers has grown significantly under your creative control, and I've paid you well for that. Both of the last 2 years you took home a six figure income. Channel Makers has thrived because I gave you the license to run with it, and because I created the environment where you could grow it, risk free. It earns what it does because I built Project 24. You've added to it, but what you've done is all built on what Jim and I created first and was made possible because I gave you the environment to build it. In short, Channel Makers is doing well under your control but it only earns what it does because Project 24, its infrastructure, and our YouTube instruction already existed. On your own, you never would have built what we have today, yet it seems (again, my perception) that you want to claim credit for more and more of it.

Based on these concerns, here's what I see needs to change for the time being.

- Commissions. The current structure incentivizes the wrong behavior. I've never failed to give generous bonuses to people who put in the work and achieve results. But this

commission structure makes it too easy to just run a sale in months that are typically high and coast through months (like May) that are historically low.

- Work from Home. You need to be in the office working a full 40-hour work week until further notice. Given the
- Time Off. Paid Vacation for the year has all been used up. Once you return from this vacation, any other time off will be un-paid leave.

This probably sounds like overkill. I assure you it's not. The rest of the team works from the office except upon request or unless they have prior arrangements with me. Other jobs I've worked have expected employees in the office during work hours without exception. Likewise, 2 weeks of paid vacation per year is standard for professional employees. Many people are only allowed unpaid vacation. You've already used up more than 2 weeks of paid time off and we're not even half-way through the year.

I'm not trying to punish you. I'm letting you know what I'm seeing and setting a boundary. I can't pay people to not put in a full work week. If you are putting in the time and I'm just not seeing it, then chances are we need to reevaluate the work you're doing so it is better tied to results.

Given the current perception and results from the YouTube side of the company, here are my expectations.

- Weekly Channel Makers videos including other team members on video in at least 50% of videos.
- Follow the SOPs for video production as written by Julia and agreed upon by the team.
- Participation in planning and creating content for all channels we're working on. You've expressed a desire to run our YouTube strategy. This should be across all channels, not just one.
- Film the YouTube beginnings course by July 15th so we can publish it. It honestly is likely to have a lot more financial benefit to the company than any small-group high-touch offerings we can sell.

I care about you and your happiness and job satisfaction. I want you to be able to provide for yourself and your family to the level of your satisfaction. I've done what I can to provide an environment that's conducive to that, but I'm not seeing the engagement from you that I've seen in the past and that I'd expect given the environment and opportunities I've provided.

I honestly hope that I'm mistaken and that you have more to show for the last 3 months and that I'm reading too much into things. I would be happy to reconsider some of these conditions, but I need assurance that the situation is not as it seems.

Please respond by the end of business hours on Thursday with anything you think I should know.

Sincerely,

Ricky Kesler