
From: Richard Joslin [REDACTED]
Sent: Wednesday, November 26, 2014 4:42 PM
To: jeffrey E.
Subject: followup on Regan publishing

When title is produced, there are one time development costs (aka Plant expense) – photography for book cover, copy editing, artists fees. When a book goes into second printing then these costs do not recur.

Royalty payments increase as more units are sold. If there is a blockbuster, there is a higher royalty cost per unit, ie =5% on Art of the Pimp, the title that Judith hopes to be blockbuster. John is building model to show the margin/cash flow if there is specific title that has a second printing.

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