
From: Richard Joslin <[REDACTED]>
Sent: Wednesday, December 3, 2014 2:36 PM
To: jeffrey E.; Brad Wechsler
Subject: FW: Regan Arts

I summarized open questions to Phaidon accounting team below

From: Richard Joslin
Sent: Wednesday, December 03, 2014 9:26 AM
To: '[REDACTED]'; John Murphy
Subject: Regan Arts

Please take a look at this – I'd like to have a call this morning to discuss. Thanks

Revenue

How was 47% of list price derived? Is that contractual with distributor? If there is a second printing, is the 47% to continue to apply?

Direct costs

PPB - what is the derivation on a per title basis – cost varies per unit/ median \$1.72/ title.

PPB - If there is a second printing would the per unit amount remain the same?

Plant expense - what is the derivation on a per title basis. Please provide detail, eg development, photo, artist fees, copy editing

Plant expense – please confirm that if there is a second printing then there is no incremental plant expense

Royalty – pls send some sample contracts

Royalty – I see benchmark payment schedule, eg=amount at hardcover publish date; amount at softcover publish date.
=re these contractual by date?

Royalty – Under what circumstances would these=amounts need to be returned?

Royalty – if there is a scheduled softcover pa=ment and the book is not release in softcover, is the payment cancelled?

Royalty – what is Royalty/ expense memorandum?=I assume it is the total amount of advances paid to author?

Royalty – Cash flow – Cash Outflow (Best=case scenario) includes “Royalties advances (14)” (\$1,441,000)=and
“Additional (14) Royalty Payments” (\$1,552,071). The=e two amounts add up to \$2,993,071. I understand this amount
to be e=ual to total royalties payable if all print quantities sold. Pleas= clarify that the “Royalty Advances(14)” were
actually paid in=2014 (not 2015).

Selling and distribution – 10% is paid to dist=ibutor; what is the additional 3%? If there is a second printing, is=13%
continue to apply?

M&P - what is the derivation on a per titl= basis. Please provide detail

Freight - what is the derivation on a per title basi=. Please provide detail

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