From: "jeffrey E." <jeevacation@gmail.com>
To: Brad Wechsler <[redacted]>
Subject: Re: Regan Arts
Date: Wed, 03 Dec 2014 15:28:51 +0000

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i am not in this loop, but can see bullshit in large amounts

On Wed, Dec 3, 2014 at 10:23 AM, Brad Wechsler <[redacted]> wrote:

> Has anyone reached out to keith and judy to provide them a little context so they don't feel threatened. If yes, good; if not I will. Pls let me know.
>
> ---
>
> **From**: Richard Joslin [mailto:[redacted]]
> **Sent**: Wednesday, December 03, 2014 09:35 AM
> **To**: jeffrey E. <jeevacation@gmail.com>; 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 – [redacted] 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% 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. Are these contractual by date?

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

Royalty – if there is a scheduled softcover payment 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). These two amounts add up to $2,993,071. I understand this amount to be equal to total royalties payable if all print quantities sold. Please clarify that the "Royalty Advances(14)�€ were actually paid in 2014 (not 2015).

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

[redacted] - what is the derivation on a per title basis. Please provide detail

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

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Richard Joslin

CFO

Elysium Management LLC

445 Park Ave

Ste. 1401

New York, NY 10022

[redacted]

[redacted]

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please note