

From: William J. Lynch
Sent: Tuesday, June 22, 2010 2:00 PM
To: Shanks, David
Subject: RE: A question

slipped by me--you won't see another one. Thanks for bringing this to my attention David.

-----Original Message-----
From: Shanks, David [mailto:David.Shanks@us.penguin.com]
Sent: Tue 6/22/2010 2:44 PM
To: William J. Lynch
Subject: FW: A question

William,

I am still baffled as to why you would push RH books over people who stood up for you.

From: Kennedy, Susan
Sent: Tuesday, June 22, 2010 12:26 PM
To: Shanks, David
Subject: FW: A question

I am glad Dick did this.

The ad really annoyed me. 3 Random House books and 2 Hyperion books.

From: Heffernan, Dick
Sent: Tuesday, June 22, 2010 12:22 PM
To: 'thorner@book.com'
Subject: A question

Theresa,

Hi, it has been a while since we spoke. Hope all is good with you.

I am writing to you after seeing your nice full page ad in the Times today for the Nook. It has been exciting seeing your sales increase each week on our titles and now with this great new price, I am sure you will sell a ton in the upcoming months.

Not to be a nudge but the ad prominently showed 5 titles, 3 of which were Random House. I don't understand why you would advertise a publisher who has not gone to an agency model. B&N actually loses money on each sale of these books at the \$9.99 price so advertising them rather than so many other great profitable books makes no sense to me.

Penguin went to an agency model to help support booksellers like B&N where the retailer can raise the price and perceived value of a book and make the retailer a profit. To have B&N support the one publisher who didn't do that in this ad makes us feel like our efforts to make our industry stronger are not appreciated by the biggest book account in the country.

I hope in the future you would pick 3 Penguin titles among some other agency model publishers. Certainly we have many great bestselling books and authors which the public would recognize to show how great the Nook is as a reading device.

Regards

Dick

