

From: Murray, Brian (HarperCollins US)
Sent: Friday, December 11, 2009 6:01 PM
To: Kenney, Verne
CC: Girkins, Moe
Subject: RE: Hachette conversation today

Certainly is!

From: Kenney, Verne
Sent: Thursday, December 10, 2009 5:47 PM
To: Murray, Brian (HarperCollins US)
Cc: Girkins, Moe
Subject: Fw: Hachette conversation today

Brian,
FYI, interesting considering your suggestion Tuesday.
Sincerely,
Verne Kenney
Sent from BB

From: Woodmancy, Betty
To: Kenney, Verne
Cc: Close, Tim
Sent: Thu Dec 10 17:29:14 2009
Subject: Hachette conversation today
Verne,

I spoke with Maja Thomas from Hachette today. They are currently considering a different business model for their digital content and she just wanted to run it by us to get our feedback. Essentially, it is the iTunes model. Hachette is the "seller" to the consumer – they set the selling price and retailers are not allowed to discount off that price. They would pay their "agents" a 30% commission for each sale. If we were distributing, that 30% would be split between us and the retailer.

We talked about our unique offering with the retail cards and the costs incurred for card production, marketing, etc. and I asked if they would be willing to pay for the cards under this scenario. She seemed to consider that a possibility and something for their consideration as they work through this.

They are going to continue to discuss this option over the next week or two and I told her we would discuss it and consider the financial model next week and get back to her with our thoughts.

Let's put this on the list of items to discuss next Monday.

Thanks,

Betty

Betty Woodmancy

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