

McLEAN & EAKIN
BOOKSELLERS

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JUN - 7 REC'D 2012

LITIGATION III, ANTITRUST DIV
U.S. DEPT. OF JUSTICE

Dear Mr Read-

I am an Independent bookstore owner; my wife and I own McLean & Eakin Booksellers in rural Northern Michigan. For years now we have been selling eBooks, but it is only recently that we have really been able to increase our eBooks sales. Surprisingly, as our eBooks sales have grown so have the sales of other items on our website. This customer trend is something our largest competitor, Amazon, is aware of, and it is why I'm so concerned about the settlement you've proposed with several publishers.

Our store is not large in space, but we hold a lot of real-estate in the hearts of our customers. They go out of their way to support and shop with us. Over the last couple of years our store has worked particularly hard to make our customers aware that even our little store has the ability to get whatever eBook they are looking for and very often for the same price as other online competitors thanks to the Agency Model. We've jumped at the opportunity to make our customers aware of temporary discounts or sales that the publishers offer on certain titles to help grow our customer base. These promotions proved very popular with our customers. Every month we've seen growth in our eBook sales, but 2012 has been particularly impressive.

When I bought our store in 2009 online sales were not even worth mentioning in our profit and loss statements; they simply weren't of any significant importance. In 2011 online sales increased quite a bit, comprising about 1% of total sales for our business. This increase tracks nicely with our increase in eBook sales. However, it is in 2012 where things have really taken off. To date, our online sales are about 2.8% of our total sales, and this month they are over 3% of our total sales. This means we have more than doubled our online sales in a year and this trend shows no signs of slowing. I fear the settlements you are proposing will put an end to these successes.

When we first started selling ebooks what I didn't expect was how many customers would start coming back to our website for non-eBook purchases. They are buying gifts for friends, tickets to author events, gift cards, etc. We now feel eBooks are a "gateway purchase" for customers and if treated properly they'll come back for other purchases, something Amazon is intensely aware of. In an industry as embattled as bookselling is these small increases can make or break stores like ours and the settlements you're proposing stand a very good chance of destroying this progress.

Make no mistake, your proposed settlement will hand Amazon a monopoly in the eBook market. Yes, they will give the customer the lowest (im)possible price, even if it's at a loss, but the cost will be high. This will have repercussions through my entire industry and will certainly have great repercussions for my store, my customers, and my community. I implore you to reconsider the terms of this settlement; the destruction of the Agency Model does not seem a logical conclusion when Agency hasn't been shown to be illegal. Simply put: the punishment does not fit the crime.

Yours,

Matt Norcross

Owner

McLean & Eakin Booksellers

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