

The Learned Owl Book Shop

204 North Main Street

Hudson, OH 44236

330-653-2252

www.learnedowl.com

May 15, 2012

John Read
Chief Litigation III Section
Antitrust Division

U.S. Department of Justice
450 5th Street, NW, Suite 4000
Washington, D.C. 20530

Re: eBook Agency Model Suit

Dear Mr. Read:

I have owned a successful independent bookstore for 28 years, and the store, The Learned Owl Book Shop, has been in the same Main Street, Hudson location for almost 44 years. Although we had Borders stores north, south and west of us, Amazon has always been our biggest threat, because of their no-tax advantage, and their continued use of books as loss-leaders.

I have always been a great believer in changing with the times (one of the reasons my store still thrives), so when eBooks arrived, I embraced them as another option for my customers. Unfortunately, even if I had been willing to sell them at cost, I was forced to charge at least \$17 or \$18. Amazon was selling the same eBooks, with no tax, for \$9.99 or less – a loss to them, but one they chose to take. Virtually no one was buying eBooks anywhere but through Amazon – they had a 90 percent market share in eBooks.

When the Agency Model went into effect in December, 2010, I, along with many forward-thinking independent bookstores, immediately started marketing eBooks to my customers as an option. Barnes & Noble, Google, Apple, Kobo and others also joined in, resulting in a much more competitive and diverse eBook market.

This is not a case about losing in a fair market competition; this is about an enormous corporation who has in large part built their success by under-pricing ONE industry – book publishing. The Agency Model LEVELED the playing field – it didn't give anyone an advantage. If it goes away, there is every reason to believe that Amazon will quickly again price below cost, thus re-capturing most of the eBook market share. This will give Amazon great control with not only readers, but authors, and could result in a cultural

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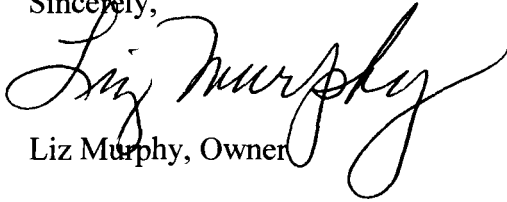
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LITIGATION III, ANTITRUST DIV.
U.S. DEPT. OF JUSTICE

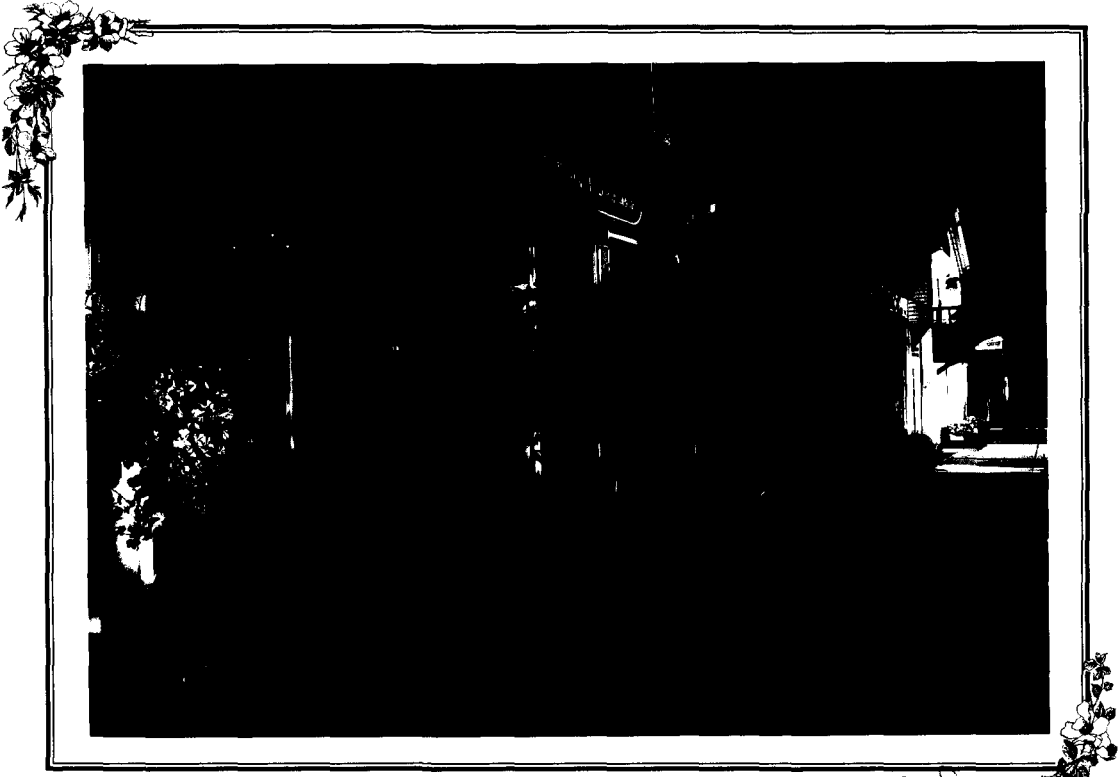
landscape far less diverse, and scarily reminiscent of “Big Brother” - one mega-corporation controlling all that is printed and read.

I am writing this letter, not to ask for protection from Amazon, but to ask that the DOJ give us the opportunity for a fair fight. Independent bookstores are often the backbone of a town’s small business, playing a much bigger role in the town than just selling books. Those of us who have survived and thrived, despite bookstore chains and Amazon, know how to fight for survival and win. On behalf of myself, all the Merchants of Hudson, and towns and independent bookstores across the country, I urge you not to eliminate the Agency Model, which would give Amazon that most unfair advantage.

Sincerely,

A handwritten signature in cursive script that reads "Liz Murphy". The signature is written in black ink and is positioned above the typed name.

Liz Murphy, Owner



Historic Hudson Shopping District

Car Jane



Historic
Hudson Series

*An original photograph
Opus 157
by Tom Jones*

Historic Shopping District in Hudson

Early Thursday morning, April 28, 1892, a fire broke out in the rear of Lockhart's Saloon on Main Street. Soon most of Hudson's original wood buildings overlooking the village green were destroyed. Because the fire did not cross Clinton Street, the picturesque buildings on North Main dating from 1828 to the 1870's were saved and now are listed on the National Register of Historical Places. How appropriate that Hudson's favorite bookstore, The Learned Owl, is housed in a structure built in 1867, the same year one of America's favorite authors, Laura Ingalls Wilder, was born.

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