

Date	Description of Transaction	Unpaid Debts due before 8/1/12	Debts paid by Pioneers Press	Owed to Microcosm Publishing
9/13/2014	Total	\$38,542.04	\$11,877.15	\$7,393.87
10/14/2012	Zine payment to Dave Morse	\$13.16		
9/23/2012	Westar Energy Bill	\$87.60		
8/23/2012	Westar Energy Bill	\$96.00		
8/23/2012	Time Warner Cable Bill	\$55.00		
4/15/2013	66% of Taxes (2012)	\$256.00		
2011 and 2012 invoices	Zine payment to Laura Szumowski	\$380.88		
2011 and 2012 invoices	Zine payment to Peter McCoy	\$140.00		
8/1/2012	Money Just Seeds owes Distribution	\$1,221.00		
8/1/2012	Ariel Gore, consignment sales, Jan 1-Aug 1	\$244.60		
7/15/2012	Zine Payment to Lacey Prpic-Hedkte	\$20.00		
7/12/2012	Stolen Credit Card	\$126.16		
7/19/2012	Stolen Credit Card	\$96.87		
7/17/2012	Stolen Credit Card	\$168.10		
7/11/2012	Stolen Credit Card	\$46.64		
6/1/2012	Zine payment to Daniel McCloskey	\$60.00		
6/1/2012	Zine payment to Kristy Kenney	\$60.00		
8/1/2012	Marie Mason T-Shirt Consign Sales, Jan-Aug 2012	\$44.00		
2/1/2012	Zine Payment to Rachel Lee-Carman	\$45.00		
8/1/2012	Credit Card Processing Fees, July	\$919.59		
7/20/2012	Stolen Credit Card	\$266.80		
7/11/2012	Stolen Credit Card	\$53.60		
8/1/2012	UPS Shipping to Animal Rights Conference	\$134.91		
8/1/2012	Boneshaker, consignment sales july	\$70.00		
8/21/2012	Transferring stock of Microcosm Publishing property	\$5,601.99		
8/1/2012	1984 Printing (Fix Your Clothes)	\$2,205.00		
7/30/2012	UPS, weekly bill	\$61.39		
8/1/2012	USPS POSTAGE	\$50		
8/1/2012	USPS POSTAGE	\$200.00		
7/30/2012	ENDICIA INTERNET POSTAGE	\$15.95		
7/27/2012	USPS POSTAGE	\$300		
7/27/2012	USPS POSTAGE	\$300		
7/29/2012	122 COPY & PRINTING	\$78.52		
7/26/2012	USPS 19503705932212409	\$18.95		
7/24/2012	1984 Printing (Crusades)	\$737.00		
7/24/2012	1984 Printing (Wild Fermentation Covers)	\$845.00		
7/24/2012	1984 Printing (Hurt covers)	\$1,112.00		
7/24/2012	1984 Printing (White Elephants covers)	\$1,102.00		
7/24/2012	1984 Printing (Cold War printing)	\$816.00		
7/24/2012	1984 Printing (Cat's Claw Herbal printing)	\$641.00		
7/23/2012	UPS*0000174144	\$55.75		
7/23/2012	USPS POSTAGE	\$300		

Date	Description of Transaction	Unpaid Debts due before 8/1/12	Debts paid by Pioneers Press	Owed to Microcosm Publishing
7/17/2012	UPS*0000174144	\$140		
7/18/2012	USPS POSTAGE	\$300		
7/17/2012	TIME WARNER CABLE	\$55		
7/16/2012	USPS POSTAGE	\$50		
8/1/2012	Raleigh Briggs (june royalties)	\$148.00		
7/1/2012	Raleigh Briggs (may 2012 royalties)	\$480.1		
7/1/2012	PM Press consignment sales, may	\$127.6		
7/1/2012	Portland store utilities, March-August	\$656.65		
7/1/2012	Nate Beaty 2011-2012 paycheck	\$698		
7/15/2012	Jesse Reklaw (july 2012 royalties)	\$101.19		
7/15/2012	PM Press (consignment sales, june 2012)	\$210.86		
7/15/2012	Raleigh Briggs (july 2012 royalties)	\$105.26		
7/15/2012	Slingshot, consignment sales June 2012	\$110		
7/15/2012	Bill Brown (july 2012 royalties)	\$107.35		
7/15/2012	Ayun Halliday (zine payment)	\$120		
7/15/2012	Carrie McNinch (zine payment)	\$105		
7/15/2012	Ashley Rowe (zine payment)	\$127.5		
8/1/2012	Eloisa Aquino (zine payment)	\$437.5		
8/1/2012	Nelson Ross Laguna (zine payment)	\$60		
8/1/2012	Jessica Christian (aug 1, 2012 paycheck)	\$768.00		
8/1/2012	Danielle Duquette (aug 1, 2012 paycheck)	\$229.5		
8/1/2012	Laura Grant (aug 1, 2012 paycheck)	\$180		
8/1/2012	Matt Gauck (aug 1, 2012 paycheck)	\$108		
8/1/2012	Thad (aug 1, 2012 paycheck)	\$360		
8/1/2012	Adam Gnade (aug 1, 2012 paycheck)	\$522		
8/1/2012	Pioneers expenses for establishing new website	\$548.83		
8/1/2012	Bert Davis (royalties, july 2012)	\$105.27		
8/1/2012	Slingshot (consignment sales, july 2012)	\$55		
8/1/2012	PM Press (consignment sales, july 2012)	\$223.85		
7/16/2012	Money Joe Biel Loaned to Microcosm in July	\$6,855.12		
7/3/2014	GOOGLE*2976236776 CC@GOOGLE.COM CA	\$281.85		
7/9/2012	THE REBUILDING CENTER PORTLAND OR	\$86.88		
7/3/2012	STORAGE BOX INC LEAVENWORTH KS	\$146.00		
6/14/2012	STATE FARM INSURANCE 800-956-6310 IL	\$415.00		
6/13/2012	LABEL CITY INC (mailing labels)	\$112.10		
6/13/2012	USPS POSTAGE	\$300.00		
6/15/2012	TIME WARNER CABLE 816-3588833 MO	\$55.00		
6/17/2012	UPS*0000174144 800-811-1648 GA	\$102.30		
6/20/2012	USPS POSTAGE	\$300.00		
6/22/2012	COMCAST CABLE COMM 800-COMCAST	\$66.95		
6/24/2012	UPS*0000174144 800-811-1648 GA	\$28.71		
6/22/2012	USPS POSTAGE	\$300.00		
6/27/2012	CAMPAIGNMONITOR SUTHERLAND NSW	\$34.29		
6/29/2012	ENDICIA INTERNET POSTA 06503212640 CA	\$15.95		

Date	Description of Transaction	Unpaid Debts due before 8/1/12	Debts paid by Pioneers Press	Owed to Microcosm Publishing
6/27/2012	USPS POSTAGE	\$300.00		
6/30/2012	USPS POSTAGE	\$300.00		
7/6/2012	USPS POSTAGE	\$300.00		
6/19/2012	Thomson-Shore (Barefoot & In The Kitchen printing)	\$2254.97		
9/19/2012	Inventory sold by Pioneers to Microcosm		\$848.07	
10/7/2012	Inventory sold by Pioneers to Microcosm		\$166.32	
9/21/2012	Inventory sold by Pioneers to Microcosm		\$95.79	
9/5/2012	Inventory sold by Pioneers to Microcosm		\$57.13	
4/11/2013	Inventory sold by Pioneers to Microcosm		\$8,285.00	
8/16/2012	Boxcar Invoice Credit		\$216.15	
8/16/2012	Quimbys Invoice Credit		\$192.71	
10/19/2012	Bluestockings Invoice Credit		\$145.34	
9/10/2012	Bluestockings Invoice Credit		\$26.00	
12/17/2012	New England Comics Invoice Credit		\$70.20	
5/16/2013	Monkeywrench Books Invoice Credit		\$289.51	
1/3/2013	Left Bank Invoice Credit		\$193.24	
4/23/2014	Sales of Distributed Books, Jan-Apr		\$140.00	
6/1/2014	Sales of Distributed Books, May		\$0.00	
7/1/2014	Sales of Distributed Books, June		\$0.00	
8/1/2014	Sales of Distributed Books, July		\$0.00	
9/1/2014	Sales of Distributed Books, Aug 2014		\$40.00	
12/27/2013	Amazon Sales of Distributed Books, June-Dec		\$349.97	
6/1/2013	Amazon Sales of Distributed Books, May		\$40.00	
5/1/2013	Amazon Sales of Distributed Books, April		\$31.84	
3/1/2013	Amazon Sales of Distributed Books, February		\$30.64	
2/1/2013	Amazon Sales of Distributed Books, January		\$39.40	
1/1/2013	Amazon Sales of Distributed Books, December		\$47.41	
12/1/2012	Amazon Sales of Distributed Books, November		\$17.00	
11/1/2012	Amazon Sales of Distributed Books, October		\$82.65	
10/1/2012	Amazon Sales of Distributed Books, September		\$110.87	
9/1/2012	Amazon Sales of Distributed Books, August		\$289.79	
9/8/2012	Zine payment to Dave Morse		\$6.58	
8/2/2012	Postage on final orders from Aug 1-10		\$65.54	

(1) Effective upon signing this agreement, in exchange for hours worked, continued investment, and extended hours spent negotiating this agreement, the following material and intellectual property of Microcosm Publishing, LLC will become the property of Jessica Christian for the purposes of founding Microcosm Distribution, LLC:

*All non-consigned, distributed inventory in the Portland and Kansas warehouses, including all pamphlets (zines), patches, stickers, buttons, t-shirts, posters and distributed books, excepting the Chaining Heart, Put the Fun Between Your Legs, Evolution, and Sweatshirt designs.

*Possession of all consigned distributed inventory in Portland and Kansas offices (with permission from owner) with intention to sell as per normal arrangements established by Microcosm Publishing, LLC.

*Rights to represent as and use the name "Microcosm Distribution"

*Reproduction rights for Microcosm patches (excluding Chaining Heart, Evolution, and Put the Fun Between Your Legs designs), Microcosm shirts (excluding Chaining Heart, Evolution and Put the Fun Between Your Legs designs), Microcosm stickers (excluding Chaining Heart, Evolution and Put the Fun Between Your Legs designs), Microcosm buttons and "zines (pamphlets) we copy"

*All computers, shelving, office supplies currently in the KS office

*Working relationships with artists and authors

(2) The following property remains in possession of Microcosm Publishing, LLC:

*License of all published titles and their inventory in the AK Press, Tumaround, and IPG warehouses, in storage in Kansas, Chicago, Toronto, and Minneapolis.

*Contracts and digital files for all upcoming releases

*BFF Program

*IPG contract

*Rights to represent as and use the name "Microcosm Publishing" along with associated artwork, including Microcosm logo

*All computers, shelving, office supplies currently in PDX office

*Microcosm Sweatshirts inventory and rights

*Rights to and inventory of Put the Fun Between Your Legs t-shirts, Evolution t-shirts, Chaining Heart t-shirts, buttons, stickers, and patches

*Working relationships and contracts with artists and authors of published titles

*Twitter Account

*Facebook Account

*Endicia Account

*Paypal Account

*Framed Camaro photograph

(3) Microcosm Distribution will file licenses with the state of Kansas and become a separate business entity owned by Jessica Christian. Joseph Biel will not act as a representative of Microcosm Distribution and will forward any/all relevant communications to Jessica Christian within 24 hours. No representatives of Microcosm Distribution will represent Microcosm Publishing and will forward all communications to Joseph Biel within 24 hours.

(4) After August 1, 2012 Jessica Christian will no longer be an owner of Microcosm Publishing and her name will be removed from the bank account and all legal documents. She will not maintain any liabilities for future activities of Microcosm Publishing, LLC.

(5) Efforts will be made by both parties to establish a clear distinction between the two to the public, but neither party will make a public statement or draw undue attention to the split.

(6) Owners of Microcosm Publishing, LLC and Microcosm Distribution each reserve their individual rights to

whatever managerial, organizational, staffing, and professional decisions would best suit their longevity and success in the eyes of the owner, up to those limited by this agreement.

(7) Microcosm Distribution and Microcosm Publishing can collaborate as much or as little as desired. Microcosm Distribution will continue to sell Microcosm Publishing's current and backlist titles and all presently announced future releases. Titles beyond that will be determined on a case by case basis, as per company policy.

(8) Excess inventory in Microcosm Distribution's warehouses will be returned to Microcosm Publishing before August 1, 2012. Remaining inventory will equate at least two years' worth of each title.

(9) Distribution and Publishing can both maintain relationships as desired with AK Press, PM Press, Last Gasp, and other publishers and distributors. Distribution will have a similar relationship with Microcosm Publishing and Cantankerous Titles as it has with other publishers and distributors, carrying titles according to company policy. Microcosm Distribution will have the same relationship with Joseph Biel as it has with other authors/artists, carrying titles/designs according to company policy.

(10) Microcosm Distribution maintains the right to eventually start its own publishing imprint, with a different name and brand identity. Professionalism and respect will be maintained between both parties.

(11) Both parties will make best efforts to defend the rights and reputations of each other and make best efforts to continue respectful and professional relationships to each other and the public.

(12) Microcosm Publishing will ship to Microcosm Distribution or purchase the remainder of Just Seeds posters, Microcosm posters, Microcosm buttons, Microcosm stickers (excluding Chaining Heart, Evolution and Put the Fun Between Your Legs designs), Microcosm patches (excluding Chaining Heart, Evolution and Put the Fun Between Your Legs designs), DVDs, pamphlets/zines, One Less Car t-shirts, Typewriter t-shirts, Fix Shit Up t-shirts, Nuclear Arms t-shirts, Sea Cars Part t-shirts, There's a Special Place in Hell for Bike Thieves (Matt Gauck) t-shirts, My Bike Takes Me Places That School Never Could t-shirts, Deport Illegal Immigrants t-shirts, Slingshot Woman t-shirts, I Didn't Go To Work Today t-shirts, Who Would Jesus Bomb? t-shirts, Camera t-shirts, Smash Capitalism t-shirts, and Support Marie Mason t-shirts.

(13) Microcosm Publishing will sell off remaining inventory of used/remaindered/hurt books currently in its inventory. After August 1, 2012 Microcosm Publishing will make monthly payments of all revenue from these sales minus the cost of postage to Microcosm Distribution. After May 1, 2012 all remaining used/remaindered/hurt book inventory that was in possession of Microcosm Publishing before August 1, 2012 will be shipped to Microcosm Distribution with cost of shipping them split evenly between them.

(14) From August 1, 2012 to August 1, 2014, MicrocosmPublishing.com will be duplicated and setup as an access portal page to both MicrocosmPublishing.com and MicrocosmDistribution.com. At which point each company will maintain its own independent website. Both websites and the portal page would continue to be hosted by Clixel Hosting with no additional expenses or charges to either party. MicrocosmPublishing.com will only list published work by Microcosm and Cantankerous until February 1, 2013.

(15) Before discarding any warehouse or office materials, Microcosm Distribution will consult Joseph Biel to see if he is interested in them.

(16) All pre-existing debts, the expenses of web development to setup a portal page, duplicating the database, contents, and website, shipping inventory to Microcosm Publishing from Microcosm Distribution, shipping inventory to Microcosm Distribution from Microcosm Publishing, and paying for filing 2012 legal

forms for both organizations will be paid out of funds from the current Microcosm Publishing bank account and revenues between the present and August 1, 2012. Microcosm Distribution will be responsible to pay 1/2 of Microcosm Publishing's 2012 taxes, constituting the period of January 1, 2012 to August 1, 2012 where assets, revenues, and sales were shared.

(17) After August 1, 2012 all remaining bank account funds and petty cash will be divided evenly between both organizations and Microcosm Publishing and Microcosm Distribution will each operate with independent finances, bank accounts, and accounting. All unspecified future expenses will be the responsibility of each independent organization. Efforts will be taken to minimize expenses between June 25, 2012 and August 1, 2012 and any expense will be approved by both parties prior to spending any company money.

(18) Sale Invoices generated before August 1, 2012 but paid after August 1, 2012 will have their funds distributed accordingly between Microcosm Publishing and Microcosm Distribution line by line based on which title is owned by whom. Titles on the invoice owned by Microcosm Publishing or Microcosm Distribution would have their full amount paid to the respective party. Shipping totals would be paid to Microcosm Publishing. The recipient of the check or credit card payment would be responsible for reporting the payment to the other party in a timely manner, if a portion of the payment belongs to them, and paying out that portion of the check to the other party within 15 days.

(19) If all pre-existing debts are not paid off by August 1, 2012 both Microcosm Publishing and Microcosm Distribution will continue to make equal payments to the debts until they can be paid off.

(20) Microcosm Distribution will reconsider distributing declined Cantankerous Titles projects including *Henry & Glenn Forever & Ever*.

(21) Microcosm Publishing will create terms to offer Microcosm Distribution's future releases of published titles to be available through their existing contracts through Independent Publisher's Group and Turnaround.

(22) In the event that it becomes an issue Jessica Christian will not be responsible for any taxes before 2012.

(23) Jessica Christian will maintain control over jessie@microcosmpublishing.com until August 1, 2013 or until she no longer finds it necessary. She will continue to forward any relevant communications to joe@microcosmpublishing.com within 24 hours.

(24) Jessica Christian and Joseph Biel will remain friends for a long, long time.

(25) This agreement effective as of June 25, 2012.

Joseph Biel 6/25/12
Joseph Biel, Microcosm Publishing, LLC

J Christian 6/25/12
Jessica Christian

{ monetary damages }

The projection that the “current debt load would be paid off in Mid-August, if not sooner” was based on a new title we were releasing from our best-selling author in July of 2012 and based on her previous book that had the same price with the same publicity and how it was received in July of 2009. This reasonable expectation was communicated to Ms. Christian at the time but the sales of the new title were less than 1/3 of what they were in 2009.

Ms. Christian had been employed by Microcosm for over six years, was the sole manager of, and a 50% owner in June of 2012 when proposing this agreement. She was aware of financial timelines and had access to all daily financial balances, credit card statements, as well as short and long-term financial obligations. The spreadsheet produced reflected current liabilities as they were invoiced.

She was aware that our average monthly expenses were \$20,000-30,000 and had been that way for years. She was also aware that we owed on printing invoices 30-45 days after they shipped from the printer. She had requested a budget and one was produced for her (as well as a pro bono one produced, at her request, for her new business) that reflected these numbers. Many hours were spent communicating a financial literacy of the company to her over the years.

The vast majority of expenses that the company made between June 25, 2012 and August 1, 2012 were already committed to before June 25, 2012, but by agreements, they are invoiced 30-45 days after shipment. All new expenses were agreed to by both parties.

~~

June 21, 2012

~~

hey joe,

one thing i thought of tonight that we didn't discuss is overdue invoices. i just did a search for all unpaid invoices and it said that the total outstanding balance is \$21,524.49. i know a lot of that is money we never actually expect to see (like the shit that's on there from 2007) but just net 30 invoices overdue 30 days is still over \$6,000

how is that going to work? seems like we should have someone try to get as many overdue invoices paid now as possible. but checks made to the organization as a whole will still be coming in after we split, and they'd likely be sent to both locations (and probably Bloomington as well). what happens then? what happens when someone places a net30 order for half published and half distro'd titles the day before we split?

lemme know your thoughts ...

thanks again!

jessie

~~

maybe one of us should apply for another mail forward from bloomington. perhaps me, since you had one most recently.

i looked it up and i'm only seeing about \$10,000 in unpaid invoices. there's another \$22,000 of scheduled payments coming for published stuff but it's all stuff that's paid on schedules.

but i think what seems most fair is something simple like:

“Invoices generated before August 1, 2012 but paid after August 1, 2012 will have their funds distributed accordingly between Microcosm Publishing and Microcosm Distribution line by line based on which title is owned by whom. Titles on the invoice owned by Microcosm Publishing or Microcosm Distribution would have their full amount paid to the respective party. Shipping totals would be paid to Microcosm Publishing. The recipient of the check or credit card payment would be responsible for reporting the payment to the other party in a timely manner, if a portion of the payment belongs to them, and paying out that portion of the check to the other party within 15 days.”

Does that sound fair?

Additionally, I can make phone calls on Friday at work to each of the current overdue invoices.

heart

joe

~~

Thad and I looked over the contract again. There are a couple things we think we should add or that we weren't clear on but mostly it looks great. Here's some additional considerations:

*2012 taxes: this is listed in the things to be paid by the group prior to the split. I'm confused about this. How do we know what this figure will be and why would Distribution pay for taxes incurred after between August 1 and the end of the tax year? Also, Thad would like us to add “Jessica Christian and Microcosm Distribution will not be liable for Microcosm Publishing's taxes in 2012 or any other year.”

As an aside, Thad and Adam are both curious if you plan to function as a distributor at some point in the future.

Thanks Joe!!!

Jessie

~~

The thing about this is that 2012 taxes are paid out of revenue/sales/transactions that are happening right now and for the last six months. So if I'm stuck paying all of the taxes myself that leaves you paying no business taxes for 2012 and me paying all of them. Despite both halves benefiting from the business. The total on business taxes is typically \$300-700/year. And since the split would occur in August we could think of that as 2/3 of the year so if Microcosm Distribution could be responsible to pay 1/3 of the 2012 taxes that seems fair. Does that make sense/seem fair to you? It shouldn't amount to more than \$300, at worst.

As an aside, Thad and Adam are both curious if you plan to function as a distributor at some point in the future.

{ monetary damages }

The short answer is “not really.” There’s a handful of things that I’d want to have available for tours, to pay off barter balances with distributors, and based on retailer demand but the plan is that it would probably never amount to more than a few dozen items. I don’t want to compete with you. I want to have some items of interest. I want us both to be able to win. I have little/no interest in selling the vast majority of zines. And my tastes are so eccentric that I think the things I would end up with would likely be things that you (plural) weren’t interested in. If that’s weird or you want to limit it, we can add it to the contract. The only thing I might actually do is go into remainder dealing on a big scale but that would years in the future once I get this stuff stable, hire a staff, etc.

Joe

~~

Hey Joe,

Here’s the latest. I brainstormed for hours last night and only came up with a few additional things so I think we’re almost there.

Taxes: Sounds good. Thank you. Can we still include the line about me not being liable for past taxes?

You carrying distro titles: Would you agree to not list distro’d titles on your site for 6 months? I just think that would be beyond confusing for people and it would be nice to be able to establish our independence before you moved in that direction.

Jessie

~~

Taxes: Sounds good. Thank you. Can we still include the line about me not being liable for past taxes?

Added.

You carrying distro titles: Would you agree to not list distro’d titles on your site for 6 months? I just think that would be beyond confusing for people and it would be nice to be able to establish our independence before you moved in that direction.

Sure. Added that to the contract. Like I said, it’s not a priority anyway. We don’t go on tour until April so when we come back from that with merch would be about the time that it would be an issue again.

Can microcosm Facebook suggest friends like the distro?

Of course.

heart

Joe

~~

Do you want the random used/remaindered/discounted books or you think it makes the divisional agreement more fair or you just think it makes more sense for you to sell them or because you think I wouldn’t want them? I ask because what’s left is 100-200 books with one copy of each. A total pain in the ass.

heart

joe

~~

I’m fine with you keeping the remaindered stuff in Portland, even though it does seem more to fit as a distro item. But it’s not a big deal for me, and I didn’t consider that something to make the arrangement “more fair.” In my (humble?) opinion, I think Publishing is getting a sweeter deal than Distribution with this arrangement, but if I only look at this in terms of investment of time for you and I (and blood, sweat, and tears) this seems like a fair deal to me. If this is what we go with I’m SURE that Rio and possibly others will think I’m nuts for proposing the split in this way, but I am happy with it and I think I’m going to be able to do a lot with what the distro would be getting.

How much distro inventory is left in Portland that will need to be shipped to Kansas?

I’d like your help putting together a timeline and talking logistics. There’s a lot we’ll need to do in order for this to go smoothly and for both of us to start out on good footing. The expenses will definitely be a big part of that conversation. Do you have time for a phone chat in the next few days?

Thanks Joe.

Jessie

~~

Good morning!

Realistically, there are probably twelve to fourteen boxes of books/zines in distro inventory in Portland if you want *all* of the non-published books.

Alternately, if it’s easier, since all of the books are listed on Amazon anyway, we could continue to sell them and give you all of the money. And then send what’s left after a period of time. Or we could just send all of the books now if you want. Maybe I should take some pictures so you have an idea of what you’re getting and you can see what you want to do. It’s the dregs and random stuff. I think you could sell it all but some of it may work better at events or something. Adding fifty sex books to the website might give people the wrong idea about a «new direction.» :)

Heart

Joe

~~

July 16, 2012:

From Thad ...

\$388.83: Domain Name, 6.29.12

\$160.00: Business Registration w/ KSSOS, 6.29.12

Thaddeus total out of pocket: \$548.83

\$47.57: Stretch Wrap, 7.1.12

\$ 4.09: Hydration, 7.1.12

Microcosm Publishing Card Total: \$51.66

~~

Cool. These all look good.

But that's a lot to pay for a domain name.

At that price I'm assuming he paid a scalper to get the right one that he wanted.

I feel a little weird about paying for that cuz a normal domain is \$9 or so but I understand that you need what you need, so how about we split it and Microcosm for pays for half...?

If you were relying on it or whatnot, I can pay the whole thing.

let me know what you think

joe

~~

<no response>

~~

June 26, 2012:

Is it okay to throw something up on Facebook like:

"We have particularly large bills to pay in the coming days and money has been a bit short lately. Please help if you can!"

Thanks

Joe

~~

Don't go there yet. We're brainstorming. :) let's save that option.

Jessie

~~

Okay.

We need to raise \$8,000 by next Tuesday so it does seem likely that some kind of loan will need floated unless we do really well. An average week is \$6,300 so we need \$1,700 extra *and* to rely on counting on an «average» week.

But my idea for that is:

«Now is a really good time to sign up as a Microcosm BFF and get all of our fall releases! As an added bonus, if you sign up by the end of July we'll throw in all of the Cantankerous Titles releases as a free bonus. That's twenty one titles in the next six months!»

And then we can have the authors promote it to their fans too. If throwing in the Cantankerous stuff makes you squirm, I think it's still a pretty ripe deal to sign up for it right now and it doesn't hurt to put that out there.

whatchathink?

Joe

~~

That sounds great. We'll put it in the newsletter too.

Jessie

~~

June 26, 2012:

it's going to be really tight for paychecks.

as it is today, we are teetering on having enough money to pay the credit card payment tomorrow.

i may have to loan in the last of my savings to cover these bills so the account doesn't bounce.

the good news is that we should have *Fix Your Clothes* soon which could/should/i hope save us from this mess and then some.

I'll inquire if that one can be double-timed.

and the other good news is that every time i send an email like this i go to work to find like \$2,000 in checks...so...

heart

joe

~~

<no response>

~~

July 2, 2012:

can i spend \$100 on a table at sf zine fest once we get wages paid?

and my LLC needs renewed on July 13. It's \$100.

can I go ahead and do that on the credit card?

i think that's my only other extraneous expense until august.

and once we get wages and the old 1984 invoices paid, we should be current on all of the shitz.

thx

joe

~~

Yeah, that's cool too.

-jessie

~~

July 2, 2012:

Hey dude,

So now that we are set on a plan of action, how and when will we be spilling the beans to people?

<3

Jessie

~~

First money: I put in \$4,500 (which is the last of my savings from freelance work) and that will pay the credit card off except for about another \$2,000, which we can easily raise by next week. But between that and shipping the stuff we will likely have debts run over into August. I do however think we can setup a clean financial slate, if only a few weeks into August. The balance should be more relaxed after July 11. And the rest of paychecks can be covered whenever we get the check from IPG or AK + Turnaround. Or if we get some sweet checks otherwise this week.

Second Beans: I agree that we should draft something together. Really, what AK, PM, and Last Gasp need to know is that Publishing and Distribution are going to be independent from each other, have separate accounting—and thus separate accounts—after Aug 1. I don't think they need a formal letter. I think they just need to be informed. That could be as simple as a three sentence email. If you want to tell them more, I'm sure we could agree on something.

joe

~~

July 8, 2012:

I'm building mezzanines and lofts to house the 11 tons of books. Can I spend \$25 on used wood? Construction will fill up most of my time this week.

And last but not least, one thing that was not clear in our contract is: What is the cut off point for sharing expenses? August 1 is when we split and it says that we are both mutually responsible for debts prior to August 1. But is that debts *incurred* before August 1 or debts *due* before August 1? I assumed the latter but either one is fine as long as it's uniform for everyone. Elly gave me an invoice that wouldn't be due until August 4 and said you'd asked me to pay it. But if it's debts incurred before August 1, you'd be paying for half of *Mark Twain Was Right*, which is about \$3,000.

I put in another \$2,500 of [my personal] *Henry & Glenn* money into the Microcosm account on Friday to cover the last of the credit card bills this week. So you can also go ahead and write the remaining paychecks for Monday. As soon as we get some distributor checks we won't be in this tenuous state anymore.

Joe

~~

Hey Joe,

You can spend \$25 on wood (or, as is more likely at this point) pay yourself back the \$25 you already spent on wood.

Sorry about the confusion about the shared expenses. The email I sent to Elly was the last email I sent before heading to the hospital so I was just on autopilot and was stuck in "all invoices go to Joe" mode because that's how it's been. Will you send that invoice to me? (Scanning and sending is fine if that's easier.) I understood that we would share debts due before August 1 and that we would try not to incur more debts in the meantime, excepting expenditures related to the split which we would share responsibility for. Yes?

On a similar note, can we purchase 2 weeks worth of manila envelopes? We've only got a handful left.

What's the word on paychecks? All of us are getting super nervous since we are supposed to get paid again in a few days but still haven't been paid in full (or at all) for the last pay period.

<3 Jessie

~~

Oh crap. Yeah, you can pay the remainder of paychecks.

I sent a message on Monday that you could write em in "a few days." Sorry that was unclear. I thought you got the message because Rio wrote himself a paycheck and cashed it. The 16th paychecks will likely be delayed but not as badly.

The bad news is that I sunk in \$10,000 of my money to pay the credit bill over the last three weeks. But the bill is paid and we are making good progress but we'll have to catch up on that and debts will run into August.

Wood ran \$86 + \$40 for delivery. Can I get paid back the other \$101? We built two mezzanine lofts, got the first nine pallets today, put the books away, and everyone is still chipper and workign hard at 8 pm!

Two weeks of evelopes are fine.

I'll send you Elly's invoice.

Expenses due before Aug 1 was my understanding, yes.

Joe

~~

I told Rio I would let him know when we were good to go on paychecks. I didn't think we were able to write them yet, but I guess maybe it took so long that Rio figured I'd just forgotten to give him the go-ahead.

I'm sorry to hear that you had to use your money to cover the credit card bill, but I very much appreciate you do that, of course. I am concerned about what August and the couple of months after that will look like financially for the distro with us continuing to pay off the credit card debt and the substantial consignment payments while taking a cut to our usual income from published titles. How much do you think the credit card payments are going to be monthly? On the budget that you made for me for the distro, is the «average daily revenue» our current daily revenue? Because it will be considerably less now that the published titles will be on consignment, yes? I know that money is going to be really tight for the distro in the beginning, and the consignment payments have been freaking me out, but adding credit card payments now that we aren't going to have that paid off before the split is really making me panic. Should I be concerned that we won't be able to pay rent on the office space or our house? Please level with me here. You've got a much better grasp of the numbers and of the sales

trends over the course of the year. I need to know if Adam should start looking for a part time job or not ...

I'm fine with you getting paid back the \$101 for the wood.

Do you want to talk later in the week? We've only got 2 weeks before the split so it seems like we should have a few phone check-ins between now and then.

-Jessie

~~

I texted you and Thad about paychecks that the bank had put a hold on my deposit (of money from the same bank) but that you could write them on Wednesday of last week. I thought you didn't write back cuz you were annoyed. But apparently it was cuz you never got it. Ugh. Money is doing a bit better this week. I contested \$800 in overstock fees and won. Got some more checks, including one from Turnaround. I looked at the budget again. It still looks more or less right since it is difficult to predict exactly how things will go. The thing is that with consignment (and consignment on superpack sales and things like that) you'd see vastly see cost if you had lower sales and vastly higher income if you had higher sales. So because those expenses directly correlate to sales, it shouldn't be a problem if you don't have a spending spike elsewhere. Does that make sense?

We could pay off the loan in whatever way works best for you. I think for credit card debt after Aug 1 it will cost around \$4,000-5,000 (shipping and operating expenses between now and Aug 1). I'm working on paying off the remaining invoices and royalties from June (just finished paying off May). Then we'll have a better idea of where we're at come New Day.

At this point, I think you should expect around \$14,000 in unpaid debt come Aug 1, \$7,000 of which you'd be responsible for. But we could break that up into whatever payments you are most comfortable with—whether that's getting the most paid as possible right away or making seven monthly payments of \$1,000.

The average daily revenue now is \$854. So I assumed a 40% drop. You could cut it to \$425 if you want to be more conservative.

Do you mean credit card payments for old debt or new debt? Most of your debt would be on checks, except things like postage and supplies. So you'd have a lot more flexibility about when you pay most of your debt, since it would be invoices. And I'm okay to keep paying down the credit card with H&G money, which seems sort of endless still.

And if you want, I'm happy to help after the fact of the split.

take care

Joe

~~

July 18, 2012:

Hey dude,

Paycheck reporting doc is updated. In addition to those hours, my cousin Elizabeth covered shifts while I was in the hospital. She worked 17 hours but is taking payment in stock. I added her order in admin. Please let me know when we are good to write checks.

Thanks!

Jessie

~~

You can go ahead and write half of these paychecks now and the rest on July 25.

Bills are much smaller this month. So much so that despite \$10,000 in printing bills we are still paying 1/3 less each day of what we were paying up until the 13th. I honestly am starting to wonder just what was so expensive last month. Credit card bills will be even smaller after Aug 13 because there's no printing bills.

Can I get \$300 for shelving and then Microcosm pays for your domain?

Thanks

Joe

~~

July 27, 2012:

god, this months is totally nuts, right? and just flying by way too fast!

how are we looking for paychecks and rent on the 1st? i'm leaving for DC on the 31st and will have hotels to pay for and shit like that so i'm mega hoping that the angry chicken orders worked their magic for this month's finances. also, when do you think we can pay thad back for his out of pocket distro set up expenses?

i have so many other things to ask you and i'm so exhausted i can't remember any of it right now. hopefully tomorrow i'll have a brain again...

-jessie

~~

Angry Chicken [the blog who single-handedly sold tens of thousands of our best-seller in July 2009] wasn't as magical as she was in 2009 but the money situation is way better than a month ago. We still have catching up to do and the freight was twice what I expected but we'll get there. I put half of what was owed to me on the card already and will out the other half on in the next month or two.

We'll have rent money and at least part of paychecks at this rate. Maybe all. Don't wanna jinx it.

The good news is you can put your hotel and expenses on the card and that can come out of your paycheck.

Money for thad...before 16th?

J

August 1, 2012

~~~~

so after today's deposit there's sufficient funds to pay rent on both offices and the aug 1 credit card payment. which means by wednesday, there should be enough to pay the portion of your paychecks that cover your rent. i'm also going to run whatever checks are at the post office to the bank today to help that along. but you can ahead and send in the rent check for the office if you haven't already.

i'm willing to put in the little more money i have if needed, but of course i'd rather not.

thanks

joe

---

hey joe,

can you please give me a progress report for things on your end? any idea when the web split will be happening?

can you tell me what the credit card balance is now so we know what what we are responsible for? to answer your earlier email, yes, i am planning to use the credit card this week. you should cancel it as soon as i get home.

is it an option to put the postage for the orders coming in now on the credit card? ... even if we don't put postage on the credit card, we need to track all of these so that any payments that go through your account are credited towards Distro's portion of the credit card debt.

thanks again!

jessie

~~~

the total outstanding balance on the credit card and for all invoices due before aug 1 is \$28,819.95, which is about average for the two month period we have to pay that off. so that's good, as much as that number probably looks scary right now. there will also be the web development costs on top of that.

since you are getting a \$1,221 credit to Just Seeds for those poster returns, can we factor that in to the split or is that just a fringe benefit, of which there will likely be more on both sides?

without factoring it, your balance would be \$14,409.98. do you want to subtract the money owed to thad from that and you can pay him when you can?

of course you can definitely get paid or credit for everything you ship. don't worry about that.

heart

j

~~~

i'm not sure i understand what you're saying about the just seeds credit. but i've also only gotten 9 hours of sleep in 72 hours so i'm probably just being an idiot.

i'll talk to thad about our portion of the credit card debt and the money owed to him and get back to you asap. i figured the money from the distro orders that came in through your site could just be put towards the money we now owe you. hopefully the postage situation will be okay on our end.

i updated the paycheck reporting doc. let me know what the situation will be with that. i appreciate you letting me put my travel expenses on the credit card against my wages. that really helps.

okay, i'm totally beat and going to bed.

gnight from dc,

jessie

~~~

you have a credit with just seeds for \$1,221. you will basically never have to pay for posters from them for the rest of your life. this doesn't benefit me. i figure we could either split it, i could look the other way, or we could count it as part of the debt.

there's \$804 in the bank right now. did you write your rent check? we'll be good on that tomorrow.

Thx

Joe

~~

September 12, 2012:

I did some massive debt collection, pulled strings at both the bank and credit card, and somehow paid off the giant credit card balance today. So that means I'll be whining to you a whole lot less. Still gotta pay this month's less gigantic credit card bill, you guys, myself back, my own wages, etc. but it's way more manageable than last month. Sheesh.

But it's way less dire to do those things than it was to raise \$16,000 out of ninja wizardry.

Thanks for bearing with me

J

<no response>

~~

September 6, 2012:

i just sent you an order for the store.

can you take that out of the debt?

thanks

joe

~~

Yes. Will ship Monday morning. (Would have shipped today but Adam wasn't sure he should ship it and wanted to confirm with me.)

Just heard from Dave Morse of "Trainwreck." He said he was never paid for his zines, but that he was dissatisfied with microcosm for other reasons and wanted me to pull the zines from our site. I'm going to cut him a check for the zines that were sold and send the rest back. Your half of this "past debt" is \$6.58. Can you add that to the doc, please?

Sigh. But at least he got in touch instead of being secretly angry about it forever.

TGIF?

Jessie

~~

Thanks for getting on my order. No problem.

I updated the spreadsheet for Dave Morse's check. Sorry dude. I can only imagine how much this is stressing you out still. That's nice that he said something. I hope you're taking it all okay.

take care

Joe

~~

September 4, 2012:

your time warner cable bill was charged to my credit card.

they changed the account number but apparently it still went through.

can you move it to your own card?

And in unrelated news, the Microcosm bank account just bounced. Fuck.

This is going to be a fun week.

thanks

j

~~

Sorry Joe. I'll call Thad about the Time Warner bill right now.

Thad says that it was supposed to debit our bank account and that he will call them as soon as he gets off work, and that if it helps we could Fedex you a check for the charge since credit card reversals always take forever.

Jessie

~~

I updated everything on here:

<https://docs.google.com/spreadsheet/ccc?key=0Amm92VRbUtO5dGRSUWZVVIfoR29LQoRxMEV6ModvVoE#gid=0>

I'm not worried about a check for \$55. I won't have to pay it until next month. More concerned about switching it over in the longterm.

I am concerned about the balancing out the debt. \$1,797.33 is what I owe you right now. So after \$1,000 in debt payments, did you sell over \$800 in consignment sales in August? If not, we are even for another month. If so, can you send that ASAP?

I'm seriously struggling to pay down these old debts. I'm getting saddled with a lot of overdraft and interest payments as a result of the split (having bigger payments than usual while having less than half as much income). So anything you can spare is most needed. I'm sure you're not doing awesome either but I need \$535/day just for the credit card payments to pay down this \$34,000 in debts without interest. Needless to say, I'm not earning that.

Did you get the payment from Cindy Crabb for her books? That should have arrived by now but it hasn't. I don't want to get in touch because she's always so surly. But that check would be enough to cover most of this Friday's payment.

Thanks for whatever you can do.

I do think it'll get better and be fine but right now it's *really* stressful for another two weeks.

And the best of planning still ended up in the bank account bouncing by a matter of \$57 when there was another stolen credit card and the credit card fees came through on the same day as three credit card payments. Argh.

take care

j

~~

Thad will get Time Warner in line today. I'm sorry again that they fucked that up.

Consignment for Microcosm Publishing and Cantankerous was just over \$800. The checks are already in the mail. We do need to get on the same page with the debt though. We need to look at the debt as money owed to Microcosm Publishing from Microcosm Distribution. So the money Microcosm Publishing owes its former staff can't be used as a credit by Microcosm Distribution. Same goes for the money owed by MCP to Thad.

You said that we didn't have to start paying off the debt until the wages were paid so we didn't send a payment towards the debt this month. But the other thing is that as much as I'd like to get that debt paid down as quickly as possible, I seriously doubt we will be able to make monthly payments of \$1,000. We didn't have it this month, and unless things improve around here significantly, I can't see having that amount in general. We will try to send something every month in addition to the consignment payments. Like I said, I want to get out from under this as quickly as possible, but we never agreed to pay \$1,000 a month and that's not in our contract. But I know that the debt is also really hurting you and I will shoot for that figure. But again, even if I'd wanted to send that this month, I don't have it. I'm not even able to cover all our wages at this point. We basically just paid our rents and consignment.

I didn't get anything from Cindy. If you give me more information about this situation, I can get in touch with her for you if you want.

It's high stress here too. PayPal put a hold on our account so we can't have the payment for any order until something like 38 days after it posts so that is super screwing us right now.

But I do think things will get better for us both, especially if we try to keep the tension down between all of us. (I know shit like the Time Warner mishap doesn't help.) But we all stand to benefit from us selling your titles, getting those consignment checks out on time, and paying down the debt. Paying down the debt is a priority for MCP and we are doing everything we can think of to bring in the funds necessary to keep the distro going and not owe MCP money anymore.

Thanks Joe.

Jessie

~~

Sorry about the delay. Feeling sort of hopeless and without much recourse about the money situation, I went to Last Gasp yesterday and asked to be paid, to at least feel like I was making progress. And I got this email after I left. They hadn't even been keeping track of the balances but insisted they'd pay me something today, so that's something.

It's not a big deal about Time Warner. But I agree we need to think about these things in the same way.

So here's my problem: Every penny I get has to go to paying this debt or else the interest on it will outgrow the debt. I've put in all of the personal money I got paid back in June and all of my freelance money since then. But I'm still way short and money's not coming in anywhere near fast enough.

Thanks for the consignment checks. That should help a lot.

But the problem is that at this rate there won't be money for paying those Aug 1 wages and the money to Thad until perhaps sometime after all of this old debt is paid off. I was going on the policy that everyone takes a sequential pay delay until there is money to cover paychecks. I never suspected it would go on this long. So that's why I suggested that instead:

1) Microcosm Distribution pays the roughly \$1,700 owed to Thad, your mom, Danielle, Adam, and you. I wrote a check for Matt in early August that's been sitting in my desk waiting for it to be good ever since.

2) Rather than paying out additional funds, you pay that money instead of current payments Distribution would make to Publishing.

3) We subtract that from the debt that Distribution owes Publishing.

Does that make sense? Is that acceptable? It's still Publishing's debt to these individuals and Distribution's debt to Publishing but it make for people actually getting paid.

Otherwise, I don't know where money would come from to pay these old wages. We'll likely be on a course like this for awhile where all money goes to Chase. in the last two weeks I paid myself \$150 from July so my credit card wasn't maxed out. Sigh.

So instead of sending me a check in Oct, can we take it out of these? That's what I meant when I said don't send a check until these are paid off. Otherwise I'd get a check to send it right back to you. Except our overlords at Chase Bank suck it up so quickly that there isn't ever anything to send back. That's why I figured it was easier (and important) just to pay yourselves first.

I understand that you are hurting too. It just sucks all around. I'm having to pay out \$16,000/month on the debt for another month when my gross earnings for the month were less than that. If you don't like this proposal, I could likely pay these out sometime in mid-October.

But I don't know how I can make the money work if you can't pay even \$1,000/month. We sent out a newsletter that plugged you yesterday. I hope that helped.

I hope that people don't feel that it's personal about the delays on paychecks or a sleight. I want to pay that off as much as you want to pay off your debt. I just have no way to do it. There are days where my deposit is literally zero. Ugh. It's really sucky and embarrassing. And here in San Francisco, I'm watching one bookstore after another go out of business. Gross.

Here's the invoice for Cindy. She said she could buy back \$1,000 worth of her book in July and any on-hand copies we had of the other zines besides #23. IPG sent her ten cases of her book and 50 of LGC. We mailed another box of her book to bring it up to \$1,000 worth. Since then we've come across a half dozen or so each of LGC and Support. If you want to see if she can pay this invoice ASAP, offer her those zines, and some more books, I'd really appreciate it.

I agree that the situation is best handled through mutual goodwill and empathy. I'm glad that you feel that way. It's vital.

Take care + Good luck

Joe

~~

<no response>

~~

September 19, 2012:

okay, i finished selecting and purchasing some goodies to keep. \$848.07

<https://docs.google.com/spreadsheet/ccc?key=oAmm92VRbUt05dGRSUWZVVIFoR29LQoRxMEV6ModvVoE#gid=0>

invoice is attached.

and then Tim had an idea for the rest that we could announce the two remaining bookshelves as half off and throw them on the internet.

and then all of the money from that would go against your debt.

so it would help our cashflow and help your debt, a potential win-win.

and maybe you'd be motivated to promote it too?

i figured the best way might be to actually photograph each shelf and take an updated photo each week and post it.

lemme know. there's hundreds of books left still and a shelf of zines.

good to talk

take care

j

~~

<no response>

~~

11/16/12

Sent by Amy McKinney, an attorney representing Pioneers Press:

Dear Joe,

Jessie has requested that I reach out to you as I will be speaking on her behalf in the process of ending the professional relationship between Microcosm Publishing and Microcosm Distribution. My purpose in this process is to allow for an amicable and expeditious separa-

tion. As of now, I am your point of contact and I ask that you speak with me regarding any related business matters.

First, I'd like to address the following items:

Microcosm Publishing owes Aaron Dactyl \$350 for zines sent in April. According to your agreement with Jessie, any invoices due prior to August 1 are the responsibility of Microcosm Publishing. (Microcosm Distribution has talked to Aaron and told him that your two companies will work it out and try not drag him into it so that hopefully both companies can maintain relationships with him.)

The «Every Thug is a Lady» zines were sent to the store in error. They do not want their zines sold there. Can you send them back to Microcosm Distribution, or at the least remove them from your shelves if they have not been sold already.

The press release template you are using was developed as a favor to Jessie from a friend and he doesn't want it to be used by Microcosm Publishing. Please change the press releases using the template and use a different design template in the future. Also, your press releases still appear to list Microcosm Publishing as a distro and list the Lansing location. Can you please change that?

Sincerely,
Amy

~~

Hello Amy,

Thanks for your help in dealing with this business.

1) As far as the payment owed to Aaron Dactyl, the inventory was to be sold on consignment so the invoice was not due before August 1 and thus Distribution would be responsible for the money owed upon reorder.

2) We have not yet received a package of *Every Thug is a Lady* but I will get in touch with you if we do.

3) I have updated the only press release I could find that was designed by Jessie's friend with the one that was designed by me. The template I have been using for the last year uses a different orientation, colors, fonts, composition, and grid and was designed by me. In press releases we issue in the future will not include the Lansing location or make reference to their distro.

As far as unresolved business items on this end:

1) We received sales statements for August through October sales, but as you can see in the attached invoice, we did not receive payment for all sales. We received approximately \$2,258 but are owed \$2,759.21, leaving a balance of approximately \$500. (see attached)

2) Furthermore, there were numerous items that were not included in sales reporting that should be paid out to us, including:

Action

Aftermass Poster

Bamboozled

Between Resistance & Community

God, Forgive These Bastards

Guide to Picking Locks #1

Guide to Picking Locks #2

Henry & Glenn Forever T-Shirts

Monster Bike T-Shirt

Take the Lane T-Shirt

We need reporting on the sales of these items in the last three months and accompanying payment for anything sold.

3) We need to resolve and arrange transfer of our remaining inventory in their possession. I would request that this be done sometime in the following month with the cost being applied to the money they owe us and taken out of their outstanding debt.

4) Most importantly, we need to start receiving at least the agreed upon \$1,000/month paid to us against the \$14,088.08 that Distribution still owes us from the separation. We have been very patient about this matter for three months but have received no payments on their behalf while virtually all of our resources have gone towards this debt.

<https://docs.google.com/spreadsheet/ccc?key=oAmm92VRbUtO5dGRSUWZVVIfoR29LQoRxMEV6ModvVoE#gid=0>

Thank you for your help with these matters. I think these are the only remaining loose ends.

Joe

~~

Dec 18, 2012:

Hello Amy,

I haven't received a response to my email from a month ago.

I've been very patient but despite this clause in our contract, "(19) If all pre-existing debts are not paid off by August 1, 2012 both Microcosm Publishing and Microcosm Distribution will continue to make equal payments to the debts until they can be paid off." I have paid over 90% of debts at great personal sacrifice. Microcosm Distribution has not made any payments towards this debt.

I need to receive copies of *Rad Dad: Dispatches from the Frontiers of Fatherhood* and *Hawaii* shipped to us immediately.

Can I get an update about this situation?

Thank you

Joe

~~

Hello Joe,

I have spoken with Jessie and she has asked me to forward the following correspondence:

Rio has been asked to review all of the consignment sales, including titles that had been inadvertently left off the list; to prepare a final report; and determine how much money MCD owes MCP and Cantankerous for consignment sales. This will get to you by the end of the

week. I (Jessie) hope that all consignment and royalties due will be paid in full by the end of the month.

If the funds are available, *Rad Dad* and *Hawaii* will be shipped by the end of the week.

There is nothing in the contract that states how or when payments would be made to Microcosm Publishing. Had I (Jessie) known that I was going to be expected to pay such a huge amount of money, I would most definitely have wanted an explicit agreement for how this would be handled. As it stands, we don't have the money to make monthly payments, and we aren't contractually obligated to make monthly payments anyway.

Despite you continuing to misrepresent this situation both internally and externally, I (Jessie) am trying to be understanding and not have things deteriorate further. Even though I don't feel like the same courtesy has been given me, I intent to fulfill my commitments. As we are unable to make cash payments, I am willing to send stock of former Microcosm Publishing sidelines, valuing them at cost, to be sold in the Microcosm Publishing store and online. In almost all cases we will then retire the designs and if people approach us looking for these designs, we would direct them to your site. I have attached a list of designs whose stock we would begin transferring immediately if this is an agreeable arrangement. We are in an extremely dire financial state and I'm not even sure we'll be able to keep the distro going, so it is highly unlikely that we would be able to make regular payments any time in the near future. I hope you will seriously consider this offer.

I will be unavailable beginning Friday, December 21st. I will return on Thursday, January 3rd.

Thank you,

Amy

~~

Hello Amy,

Thank you.

I appreciate the review of consignment sales. If the reported sales to me were incorrect, I understand. I was confused that the reported sales did not match the payments.

I appreciate additionally the reasonable tone of this message. I know this must be difficult. And it's really disheartening to hear that Distribution may not be able to continue because of financial reasons.

If funds for shipping are the only thing preventing expedient of *Rad Dad* books and *Hawaii*, I can forward \$25 to cover media mailing as many copies as that allows. The rest can be forwarded when finances allow.

I understand and agree that nothing in the contract states how payments to Microcosm Publishing would be made. The contract says, «(19) If all pre-existing debts are not paid off by August 1, 2012 both Microcosm Publishing and Microcosm Distribution will continue to make equal payments to the debts until they can be paid off.»

There was an outstanding balance of approximately \$36,000 in debt on August 2 and by the contract you should have been responsible for \$18,000 of that debt to the debtee, rather than to Microcosm Publishing. But for your business' income sake, as well as avoiding paying interest on these debts, I have been doing events, went back to teaching, and shooting commercials to put that money into paying those debts as soon as possible. I have been maintaining a balance sheet of these debts and making payments on them.

Honestly, while this wasn't communicated as much as it should have been, I intended this as a favor to your fledgling business. I knew that aside from being impossible, \$18,000 in immediate debt would cripple you to the point of not being able to function. I was trying to be understanding and helpful. In response, I have been repeatedly blamed, told this debt is somehow to my benefit, and have not been paid back. I have also bought quite a bit of your inventory to help reduce this balance.

But because you are correct that the contract does stipulate that you would be responsible to the debtee rather than to Microcosm Publishing, if you are more comfortable paying those debts directly, I can identify \$18,000 (minus money resolved against this balance) worth of debts that you could instead pay directly to the people we owe money to rather than to Microcosm Publishing.

Each week in July, I sent you an updated email about these balances as they were not being paid down as quickly as expected and as we did not reach projected levels of income, despite a new release by our best selling author with adequate press that has produced significantly greater results than even what we needed in the past. That entire balance is from the month of July as well as debts that were owed before July but were unable to be paid due to lack of funds.

I am perplexed how I am «continuing to misrepresent this situation both internally and externally.» I am especially perplexed how I am perceived to be badmouthing your organization. I have no idea what upset you so greatly in the first place. If this can be explained to me, I am committed to preventing future incidences of this.

I am willing to buy out existing inventory and receive rights for the attached. I appreciate the offer and it sounds mutually beneficial. Perhaps this list was prepared for another reason, but I wanted to be clear that there were a number of t-shirts listed at the end that were being sold on consignment but are already my property. I have notated this in the document. I think this is already understood but I wanted to be clear.

If transferring these debts is not agreeable, as long as there can be monthly communication about it, I can continue to be patient and understanding about this debt. Perhaps enacting something very minor like \$100 per month could set some motion. But if that is not possible, I understand. I did not realize how dire your financial situation is and I'm sincerely sorry to hear it. I really hope you are able to continue.

I hope things are well otherwise.

Take care

Joe

~~

Feb 2, 2013:

Hello Amy,

I understand you've been on vacation but it's been over a month and I haven't heard a response or received the updated sales reports.

Since the last message, I've had to take out a loan to cover the balance on this debt, which prompted me to get in touch.

I know that Jessie is having money problems too and is quite busy but I would like to resolve this business as much as she would.

In the interest of expediting resolution and reducing the need for communication, I would suggest:

- 1) An agreement to return one box of our stock to us each week, with the postage spent coming out of their balance due to us.
- 2) I would request that the contract be re-read as it was misquoted in your original email. «According to your agreement with Jessie, any

invoices due prior to August 1 are the responsibility of Microcosm Publishing.» is not what the contract says. It says «If all pre-existing debts are not paid off by August 1, 2012 both Microcosm Publishing and Microcosm Distribution will continue to make equal payments to the debts until they can be paid off.» as well as «Possession of all consigned distributed inventory in Portland and Kansas offices (with permission from owner) with intention to sell as per normal arrangements established by Microcosm Publishing, LLC.» and are outlined on Distribution's website as "for titles \$6 or over," which would include *Railroad Semantics*.

3) Of the approximately \$5,000 paid out of the \$18,000 that constitutes Microcosm Distribution's half of the debt, the vast majority of that was paid for in stock that we purchased from them. So I would suggest that it would continue to be expediently paid off if they would begin to pay off the balance of what they owe in the form of stock transfers of their own stock each month, including the items indicated on the Word Document I returned on Dec 21. I have made an additional order on their website today that I would appreciate being applied as well.

4) Sending the corrected sales statements and payments to fulfill the balance of sales of Microcosm Publishing titles. Further, information on how I am "continuing to misrepresent this situation both internally and externally" and perceived to be badmouthing your organization would be appreciated in order to prevent future instances of it would happening would be appreciated.

If you'd prefer to take responsibility of \$13,256.93 in debts, as the contract states, that is fine by me too.

But, as I said on Dec 21, as long as there can be monthly communication about it, I can continue to be patient and understanding about this debt. Perhaps payments of \$100 per month could be manageable. But if that is not possible, I understand.

I did not realize how dire your financial situation is and I'm sincerely sorry to hear it. I really hope you are able to continue.

Best,

Joe

~~

no response

~~

August 16, 2012

~~

Hey Joe,

Thad called me about the copy situation. How fucking annoying and disappointing! I think you should definitely reverse the charges. Let Thad know if we need to do anything on our end.

On another note, we are really confused about how the credit card debt is \$28,819.95, making our share \$14,409.98. On July 17th you said: «At this point, I think you should expect around \$14,000 in unpaid debt come Aug 1, \$7,000 of which you'd be responsible for. But we could break that up into whatever payments you are most comfortable with—whether that's getting the most paid as possible right away or making seven monthly payments of \$1,000.» How is it that our debt doubled in two weeks?

Also, Thad doesn't want the money owed to him to be rolled into the money we owe against the card. Just like with everyone's paychecks, he needs that money to pay his personal bills.

I'd like us to start using the «owed to joe» google doc again to track Distro's payments against the debt. And I guess the Just Seeds money and half of the «zines we copy» credit card reversal can be our first two credits. Can you set that up?

Actually, I'm realizing that I still don't understand the Just Seeds thing. Can you break this down for me? Like, if they owe us posters and not money, how do we apply that to the debt? And why do they owe us over \$1000 in posters anyway?

Jessie

~~

We returned nearly 1,000 posters for credit in January so we got \$2,000 in credit, \$1,221 of that remains and goes to you, since I can't distribute posters under our contract.

I canceled the charge from the copy place. I have put the charges on hold from 122 Copy. I have to do a written form and then we get the money back.

As far as the debt, these are the major factors impacted it's rapid increase from my estimate on July 17:

- 1) July is always one of our slowest sales months. I had thought with all of the perks and promotions we were offering, we'd hit a normal \$30,000 month but we barely exceeded \$16,000 in sales all month.
- 2) The shipping cost on the books from Kansas to here was \$5,600 and I had expected closer to \$2,500 based on previous shipments of that size.
- 3) To cover the above balances, I loaned in over \$6,850 (including my current paycheck)
- 4) Now including Aug 1 wages, royalties, money owed to Thad, and distro consignment sales due on the 1st, the final debt total is now over \$33,000 and your half, minus the \$47 you spent in postage is \$16,583.03.
- 5) Now the only addition to that total is when Nate invoices us for the web coding work for the split.

I reflected the numbers in the Owed to Joe document (now "Owed to Microcosm Publishing".)

I'm again broke and we had only eleven mailorders between the 1st and today. So I would need at least \$1,000 in checks from Distribution every month plus consignment sales.

But yes, I can pay Thad in a check later this month once there is money in the bank. I put it on the bills to pay out. Nate hasn't been paid for the last year of work yet so he's the priority. Once paychecks go through, it's Nate then Thad.

As far as the Just Seeds money, it's a credit, the opposite of a debit. So in bookkeeping, that's money they owed Microcosm and now money they owe Microcosm Distribution. Basically it means you won't have to pay for more posters for at least two or three more years. So this would apply to the debt as a credit in your favor and you owing half of another \$1,221. If you want, we could explain the circumstances and ask for him to pay back the money or down to a one year supply or so. (about \$300).

Does that all make more sense?

Excitement has turned to bummery over here about this financial situation. I knew it was going to be a hard but it's been unbelievably slow and does leave me worried. We got smart people though.

Attached are the June and July statements.

Let me know if there's any questions.

Thanks

Joe

~~

Hey Joe,

Sorry for the delay. Still trying to catch up on everything after the DC trip.

Can you please send me an itemized list of all purchases/debt that is our shared responsibility? We had our first meeting yesterday (myself, Thad, Adam, Matt, Rio, and Dylan) and I gotta level with you—there is a lot of frustration and disbelief over the amount of the debt. In June when we put together the contract you seemed confident that not only would the debt be paid off but that there would likely be money in our account on August 1st that we'd split. (The wording of the contract also supports this idea that we'd be free and clear after August 1st, but with a brief aside that if we weren't we'd share the debt.) Just a few weeks later you told me that I could expect us to be \$14,000 in debt, and just two weeks after that the debt more than doubled, jumping to over \$34,000. I explained to the group that the cost of shipping the goods between the two locations cost more than expected and that July was a slow month. Folks are crying foul, saying there's no way we could have amassed that kind of debt that quickly or that an amount that substantial could be unforeseen; that as the financial officer for the entire length of the company you knew that the summer months would have been slow; you would have known that we owed money to Nate and that he should have been paid over time and that expense shouldn't have popped up out of the blue now ... that basically you knew that there would be substantial debt come August 1st and you scammed me into agreeing to take on half that debt. (It was also pointed out that you set the buyout amount for the entire company at less than the current debt, so you got to keep half the company but still managed to get more than half of your buyout price.) The perception is that you came out totally on top; you got to get rid of the collective, you've got your store, the original company name and all the zillions of links on the internet that lead back to your site, the IPG contract, the distro paying for warehousing a huge amount of your stock, and the income of us paying you consignment, royalties, and now \$1,000 in monthly debt payments. And the boycott/accountability drama pretty much transferred to us since you don't give a shit what those people think anyway. People keep saying shit like, "Jessie, Joe totally fucked you. He knew exactly what he was doing. You got fucked." Or, that you totally manipulated me and that I should have known better considering your history. And artists and zinesters are coming out of the woodwork to say that they felt taken advantage of by you because they weren't properly compensated for their work or their work was used without their permission. Which is all really fucking hard to deal with when I'm STILL defending you at tabling events and over email and still trying to keep things cool between you and I and our companies.

I feel incredibly naive for thinking that things would be drama-free at this point. At any rate, I think the itemized list of debts would be very helpful and I'd really appreciate you putting that together for us as soon as possible. Please be as detailed as possible so that we can minimize the need for further clarification.

Jessie

~~

Okay, I spent my morning posting every line item with detail about the outstanding debts.

Everything that was due but not paid for as of Aug 1.

<https://docs.google.com/spreadsheet/ccc?key=0Amm9zVRbUtO5dGRSUWZVViFoR29LQoRxMEV6ModvVoE#gid=0>

It's scary to owe this much money and it's awkward because it's talking about money. So I understand it's easier for the collective to villify me for the debts than it is to be scared/frustrated/concerned that there is still such a financial roadblock to surpass.

As far as how things went so sour in 14 days, it felt like things were going well in early July. They probably were. As a rule, having \$33,000 in outstanding debt is not extraordinary for us. That's probably about average for any given time. I was definitely a bit more optimistic (than maybe I should have been) that the BFF promotion and the idea that people would be working together and understanding the rewards and gravity of success would make more of a dent than it did. I was excited and believing. It seemed to be working at first.

As far as not paying Nate...it's like any other bill. People get paid when they invoice. He didn't invoice for 11 months. Neither him nor I caught it and we were both actually looking to see if there was a check we had both forgotten about in the middle because neither of us could believe it had been that long. And it's not like there was a pile of money to pass around. We were spending money for the last year as it appeared so it wasn't like I was seeking out bills unless we needed to clear our credit with someone.

basically you knew that there would be substantial debt come August 1st and you scammed me into agreeing to take on half that debt. (It was also pointed out that you set the buyout amount for the entire company at less than the current debt, so you got to keep half the company but still managed to get more than half of your buyout price.)

This argument doesn't make any sense. What do I gain by leaving substantial debt to pay on Aug 1? I'm the one that has to somehow pay these bills and I'm fucked. Publishing's income is more than halved and I can't pay the bills here. Realistically, I'm going to have to take out a loan. I understand people are frustrated but blaming me isn't going to do anything but make the problems worse.

The idea that the buyout price was less than this debt ignores that 1) if you bought the company you would also still own this debt. You would owe twice as much money. 2) the current debt is included in the value of the company. But rumors don't rely on facts. I don't get to keep the bill money. It goes to pay the bills.

The perception is that you came out totally on top; you got to get rid of the collective, you've got your store, the original company name and all the zillions of links on the internet that lead back to your site, the IPG contract, the distro paying for warehousing a huge amount of your stock, and the income of us paying you consignment, royalties, and now \$1,000 in monthly debt payments.

I accepted almost all of your proposals wholesale and we didn't even add or change much. If I "scammed" you, it was apparently using mind control.

I think it's something to be able to tell these people that this was your proposal that I accepted pretty much without changes. That you got what you asked for, not what I imposed on you.

Love

Joe

~~

Hey Joe,

Thanks for putting that document together. I think people still have some questions and concerns but I'm hoping that we are close to all getting on the same page about this. And I wouldn't say that things are at all internally frustrating still.

Jessie

~~

Sure.

And the big thing I didn't mention specifically in my last email that I had a lot of faith in was Fix Your Clothes being on Angry Chicken. When *Make Your Place* was in 2009 (also during a slow July) it took a very dire debt situation into having a budget surplus for a month. So there was every reason to expect that to happen again. both books were \$5, etc.

Joe

~~

<no response>

~~

March 18, 2013

~~

Microcosm Distribution will package up all of Microcosm Publishing's remaining inventory and the saddle stapler (the one that's not "Heavy D") onto pallets along with \$13,324.82 of agreed upon inventory as offered on Dec 20. Microcosm Publishing will reimburse Microcosm Distribution for packing supplies (tape, boxes, pallets, shrink wrap, etc) and Microcosm Publishing will pay for the shipping of the pallet(s) through Freightquote. Once the stock leaves the Microcosm Distribution office, Microcosm Distribution is no longer responsible for the stock in any way.

When the \$13,324.82 worth of agreed upon inventory (as offered on Dec 20) is transferred to Microcosm Publishing, Microcosm Distribution and Jessica Christian (Jessie Duke) will be released from all liability for any debt to Microcosm Publishing or Joe Biel, and from any debt for which Microcosm Publishing or Joe Biel are responsible. Microcosm Distribution and Jessica Christian will not be responsible for any royalties due for distributed items sold by Microcosm Publishing prior to the company split on August 1st, 2012, and will not be responsible for consignment payments for titles sold by Microcosm Publishing prior to the split on August 1st, 2012. When the stock transfer is complete, the full outstanding debt and all outstanding business matters between Microcosm Publishing and Microcosm Distribution and their owners will be considered resolved and the relationship between Microcosm Publishing and Microcosm Distribution will be completely terminated.

Also:

I only found one stapler that isn't Heavy D that came from Bloomington so hopefully that's the one you are looking for. If it's not, you'll need to take it up with Sparky, because that's all I've got. You paying for packing supplies might seem nit-picky, but I honestly don't have the materials on-hand to do it and have no way to pay for them. As a heads up, I will be sending you slightly more than the agreed upon \$13,324.82 worth of stock because some of the items you declined have your company information on the so they are basically garbage to us. I was going to throw them away, but I am including them as a goodwill gesture.

As I've said before, I'm not going to debate any of this with you. The arrangement as stated above is what we are willing to accept. I don't think either of us are coming out on top here or that either of us are getting what we expected from the split. I'm sure we've both learned some heavy lessons from this situation, and that everyone involved will be happy to be able to put this whole nightmare behind us and move on.

Thanks.

Jessie

~~

Almost all of this is agreeable.

I'm out of town right now but sending a payment tomorrow morning should not be a problem. Uploading files this week shouldn't be a problem either. I figured out a better way to do it.

The following paragraph is agreed and acceptable.

1. *Microcosm Distribution will send Microcosm Publishing 2 mixed boxes of the following titles: Hawaii, Learning Good Consent, Support zine, Herbal First Aid zine, Rough Guide to Bicycle Maintenance, Coffeeshop Crushes, Guide to Picking Locks 1, Guide to Picking Locks 2. Microcosm Publishing will pay for the shipping of these boxes to Portland.*

The following paragraph is agreed and acceptable.

2. *Microcosm Publishing will transfer the zine master files to Microcosm Distribution. This will not be considered a completed task until all files are accounted for and are in useable condition.*

The following paragraph is agreed and acceptable as long as the inventory is packed responsibly, according to industry standards.

3. *Microcosm Distribution will package up all of Microcosm Publishing's remaining inventory and the saddle stapler (the one that's not "Heavy D") onto pallets along with \$13,324.82 of agreed upon inventory as offered on Dec 20. Microcosm Publishing will reimburse Microcosm Distribution for packing supplies (tape, boxes, pallets, shrink wrap, etc) and Microcosm Publishing will pay for the shipping of the pallet(s) through Freightquote. Once the stock leaves the Microcosm Distribution office, Microcosm Distribution is no longer responsible for the stock in any way.*

As long as the math can be shown for the value of the stock transfer of \$13,324.82, this is all agreeable except for us becoming responsible for consignment payments from items sold before August 1, 2012 (unless a reorder was made before August 1, 2012 but payment was not sent or another situation where payment was due but not paid.) It was written in our contract that existing consignment policy would apply and it has been policy for more than a few years that consignment payments have been sent for the previous order upon reorder. Doing otherwise would majorly disrupt cash flow. There are meeting notes to substantiate and explain this policy shift from 2009 or 2010. I can find them if that is of interest.

4. *When the zine masters are received by Microcosm Distribution, the Microcosm Distribution staff will prepare the Microcosm Publishing stock for shipment. When the \$13,324.82 worth of agreed upon inventory (as offered on Dec 20) is transferred to Microcosm Publishing, Microcosm Distribution and Jessica Christian (Jessie Duke) will be released from all liability for any debt to Microcosm Publishing or Joe Biel, and*

from any debt for which Microcosm Publishing or Joe Biel are responsible. Microcosm Distribution and Jessica Christian will not be responsible for any royalties due for distributed items sold by Microcosm Publishing prior to the company split on August 1st, 2012, and will not be responsible for consignment payments for titles sold by Microcosm Publishing prior to the split on August 1st, 2012. When the stock transfer is complete, the full outstanding debt and all outstanding business matters between Microcosm Publishing and Microcosm Distribution and their owners will be considered resolved and the relationship between Microcosm Publishing and Microcosm Distribution will be completely terminated.

The following is agreed and appreciated.

I only found one stapler that isn't Heavy D that came from Bloomington so hopefully that's the one you are looking for. If it's not, you'll need to take it up with Sparky, because that's all I've got. You paying for packing supplies might seem nit-picky, but I honestly don't have the materials on-hand to do it and have no way to pay for them. As a heads up, I will be sending you slightly more than the agreed upon \$13,324.82 worth of stock because some of the items you declined have your company information on the so they are basically garbage to us. I was going to throw them away, but I am including them as a goodwill gesture.

I appreciate you working this out.

Thanks

Joe

~~

If I have a single copy of a book Microcosm Publishing sold 100 copies of sometime since 1996, you are expecting us to pay for those books. That's completely absurd. Your policy also doesn't address when payment is due for books and zines that we don't plan to reorder. I don't have a way of knowing how many titles *that* loophole affects. I also don't have access to records showing what was paid for and when and I'm not going to maintain contact with you for years to come just so I can get in touch with you about Microcosm Publishing's payment history every time some angry author comes out of the woodwork. I'm saying that you pay for what you sold, and I pay for what I sold; that isn't unreasonable at all. But at least your company benefited from selling the books in the first place. You are asking me to come up with money to pay for books and zines that we didn't even sell. It's mind-blowing to me that you continue to break the contract but then expect us to honor our side of the agreement. But for sake of argument, this situation wasn't explicitly addressed in our contract, and I would not have agreed to those terms had they been included.

Regarding shipping: Of course we will pack the books as carefully as we're able, using the methods you trained us to use. I didn't include that point as a way for us to screw you over, but to cover my ass in case the shipper dumps a pallet. After I sent the email this evening Thad explained to me that we don't have the money to buy the shipping supplies up front and then wait for reimbursement. So we'll need to figure out how to handle that.

Regarding this statement, «As long as the math can be shown for the value of the stock transfer of \$13,324.82 ...»: We can provide you with a inventory of the items we send, valuing them at cost as previously agreed. Is this sufficient to

Oh my god. I am such a fucking idiot. This situation gets me so spun up I can't fucking think straight! Damn it! When you sent this on the 2/24: «package up all of our remaining inventory and my saddle stapler (the one that's not «Heavy D») onto pallets along with \$13,324.82 of agreed upon inventory (see attached) as offered on Dec 20 that you would “sell” to us to eradicate all outstanding debt” I read that as you saying we should both cut our losses so we could move on. But what you were ACTUALLY saying was, “Just pay me everything you owe me and I'll consider all outstanding debt eradicated.” As I hadn't looked at the “Owed to Microcosm Publishing” google doc in some time and sent the email about the stock transfer in December, when you referenced the “\$13,324.82 of agreed upon inventory» I was falsely thinking that the \$13,324.82 was what I had valued the stock transfer at, and not just the figure for the amount that you say we owe you. Sorry for misreading and assuming that «your proposal» was actually a new suggestion for dealing with this situation and not just your previous demands restated. I obviously let my hope for this coming to a close to cloud my judgment. There isn't \$13,324.82 worth of «agreed upon inventory» to send you. It will probably take me a day to figure out the value of the «agreed upon inventory» is, but I can say without a doubt that it won't be \$13,000 worth of stuff.

Fuck. I would seriously rather quit this whole fucking business than try to debate and agree to some new arrangement and terms that I will inevitably get screwed by again anyway. This is unreal. Every time I think I'm going to be able to be free of Microcosm and move on with my life I'm served another heap of bullshit.

I'm done.

Jessie

~~

You may reference payments for any/all past consignment checks on the existing 2011 and 2012 balance sheets without contacting me about them. That was a major reason that system was enacted. If a title was sold out but a reorder was not made, the publisher was still paid for the books sold. Additionally, I explained the existing system and sent Thad pre-addressed envelopes with balances owed for each outstanding consignment that we had paperwork submitted for. Since consignment was not created for any titles until 2010, all payment should be covered in the below.

You can review 2011 and 2012 payments here:

<https://docs.google.com/spreadsheet/ccc?key=0Amm92VRbUtO5dE5yRElfdnBtOXl6aEZWN3dYX25KTGc#gid=0>

<https://docs.google.com/spreadsheet/ccc?key=0Amm92VRbUtO5dEJ5WVdUaTBsRS1Ec3JvOHY5VEdWOGc#gid=0>

While you may end up paying for some inventory that you never had after the split, you did receive many thousands of dollars worth of inventory more than that, that you did not have to pay for.

All of this is consistent with the existing contract.

The only reason I did not add up the value of the inventory for the stock transfer is because it not include quantities on those titles. If it had, I would have done the math but as it is, I have no way to know what you have in your possession.

If there are questions about the specifics of prior debt, the spreadsheet should have everything individually itemized. If there are questions about an item, I'm happy to answer them.

Thanks

Joe

~~

Joe,

This is my final proposal. I will not debate this further, nor will I accept any modifications to these terms.

Microcosm Publishing will pay for the shipping of these boxes to Portland. The cost of shipping the two mixed boxes is \$24.62. When payment is sent via PayPal to orders@pioneerspress.com, we will ship the packages.

The “agreed upon” inventory for the stock transfer is valued at \$8,573.75. (Individual items are valued “at cost” based on figures from Joe to Rio, as follows: shirts are \$5.50 each, patches are 50 cents each, stickers are 25 cents each, buttons are 50 cents each.) There is additional sticker stock that contains Microcosm Publishing contact information valued at \$3012.75. Because we were lead to believe that there wouldn’t be any debt, and since a large portion of the alleged debt includes personal money Joe loaned his own company—without discussing it with Jessie first, and since Microcosm Publishing broke our contract repeatedly, this \$11,586.50 stock transfer, combined with our past stock transfers, our unpaid wages, Thaddeus’ unpaid reimbursements, the checks for Microcosm Distribution invoices paid in error by wholesalers to Microcosm Publishing that were cashed by MCP, the stock of distributed titles never sent from the store to Kansas, the unpaid labor of our entire staff boxing up/moving/preparing MCP’s stock for shipment back to Portland, and Jessie’s cost of treatment for emotional abuse by Joe will be considered payment in full for any and all outstanding debts allegedly owed by Microcosm Distribution and/or Jessica Christian to Microcosm Publishing and/or Joe Biel.

Microcosm Distribution will package up all of Microcosm Publishing’s remaining inventory and the saddle stapler (the one that’s not “Heavy D”) onto pallets along with the agreed upon inventory as offered on Dec 20, and the additional stock containing Microcosm Publishing company information. In order to prepare your stock for shipment we will need to buy supplies (boxes, pallets, shrink wrap, tape, and packing material). Please send us \$200 via PayPal to cover these costs. We will provide receipts for materials purchased and will transfer to you any money remaining when the shipment is prepared. If \$200 is insufficient to cover the expenses, Microcosm Publishing will be expected to send additional funds via PayPal to cover the costs. Microcosm Publishing will schedule and pay for the shipping of the pallet(s) through Freightquote. Joe will coordinate the pickup with Thaddeus. Once the stock leaves the Microcosm Distribution office, Microcosm Distribution is no longer responsible for the stock in any way.

When the zine masters and the PayPal payments are received by Microcosm Distribution, the Microcosm Distribution staff will prepare the Microcosm Publishing stock for shipment. When the Microcosm Publishing stock and additional Microcosm Distribution inventory (valued at \$11,586.50) is transferred to Microcosm Publishing, Microcosm Distribution and Jessica Christian (Jessie Duke) will be released from all liability for any alleged debt to Microcosm Publishing or Joe Biel, and from any debt for which Microcosm Publishing or Joe Biel are responsible. Microcosm Distribution and Jessica Christian will not be responsible for any royalties due for distributed items sold by Microcosm Publishing prior to the company split on August 1st, 2012, and will not be responsible for consignment payments for titles sold by Microcosm Publishing prior to the split on August 1st, 2012. When the stock transfer is complete, all outstanding business matters between Microcosm Publishing and Microcosm Distribution and their owners will be considered resolved and the relationship between Microcosm Publishing and Microcosm Distribution will be completely and permanently terminated. Joe Biel will not directly contact any member of the Microcosm Distribution or Pioneers Press staff. MCD/PP will forward all inquires about MCP royalties or consignment payments generated from Microcosm Publishing sales before August, 1st, 2012 to Microcosm Publishing, as they will be the sole responsibility of Microcosm Publishing.

6. When the zine masters are sent to us and the PayPal payments arrive, we will understand that to mean that these terms have been accepted in full and we will move forward with shipping the stock. It is Microcosm Publishing’s responsibility that the Freightquote shipment be picked up BEFORE 3/30/2013.

Alternately,

If you decide you can’t accept these reasonable terms, you will need to arrange for your stock to be removed from our office by someone other than you or Elly BEFORE 3/30/2013 as I will be handing over keys to a clean, empty office to our landlord on 3/31/2013. If this is the course you choose to take, we will not transfer any further stock to you and you can expect no further payments or acknowledgment of any alleged debt. We will direct authors and artist seeking payment for goods sold by Microcosm Publishing to contact you as we will did not sell those goods and will not be held responsible for them.

Please let us know as soon as possible which course of action you’d prefer to take, so that we can plan accordingly.

Jessie

~~

Hey guys,

Weststar just billed another month to our bank account.

Can you send us a check for \$87.60 and give them another call?

Thanks

Joe

~~

God, they are fucking idiots. I’m sorry Joe. Thad has been on the phone with them easily half a dozen times. -jessie

~~

Sorry dude.

It’s cool.

I’m not as broke as I was a month ago so it doesn’t majorly fuck me with fees this time.

-joe

<they never paid for this>