

**Deirdre Nelson**

**From:** Sal Rosselli [srosselli@seiu-uhw.org]  
**Sent:** Sunday, September 17, 2006 11:08 AM  
**To:** Deirdre Nelson  
**Subject:** FW: IEB Polling on ALS Book  
**Attachments:** image001.png; Tentative Schedule of Book Event Locations - Oct 2006.doc; Insert - Article 3 Section 6-8.doc; Details for IEB Review.doc

file

**From:** Donna Alston on behalf of Anna Burger

**Sent:** Wed 8/23/2006 10:14 AM

**To:** Anna Burger; bhobbs99@hotmail.com; kcook@seiu925.org; alejandro.stephens@seiu660.org; aliced@seiu49.org; sterna@seiu.org; agrajeda@seiu660.org; bob.moore@1199.org; Carmen Boudier; chackett@seiu1000.org; seiucathy@qwest.net; Celia Wcislo; cboardman@seiu73.com; Damita Davis-Howard; dana.graham@mseaseiu.org; d.legault@sqees.ca; dregan@seiu1199.org; dholway@nage.org; drolf@seiu775.org; drseiu@aol.com; dpalmer328@msn.com; dianas@seiu1199nw.org; seiu205dd@aol.com; kirline@seiu.org; medinae@seiu.org; FranciscoG@ncfo.org; georgeg@1199.org; hudsonsong@seiu.org; williamsg2000@mindspring.com; Helen Miller (seiu880.acorn.org); Janice Platzke ; jays@1199.org; jhard@seiu1000.org; jmooney@seiu790.org; ugt@coqui.net; jschnell@seiu113.com; kristys@seiu715.org; franel@opeuseiu.org; Marc Earls; mariac@1199.org; mblake@1199.org; bradleyt@SEIU.ORG; cuttittam@seiu500.org; mfishman@seiu32bj.org; garciam@seiu1877.org; prezsea@peoplepc.com; mackerman@seiu105.org; monicar@seiu105.org; Norman Yen; pthompson@seiu517m.org; Muhammad66@aol.com; seiu1985@aol.com; Randy Dorn; rlarcher@uieslocal800.org; spt1996seiu@yahoo.com; rsaenz@seiu615.org; rbenson@pef.org; Sal Rosselli; stewart@seiu.ca; lerners@seiu.org; ssegat@seiu888.org; balanofft@seiu1.org; Tom DeBruin; woodruft@seiu.org; tyronef@seiu434b.org; Vlong@seiu32bj.org; WJHAMPTON@email.com

**Subject:** IEB Polling on ALS Book

Please see the attached IEB polling for your review and response.



**TO:** International Executive Board  
**FROM:** Anna Burger, International Secretary-Treasurer  
**RE:** President Stern's Book Contract and Associated Costs to SEIU  
**DATE:** August 22, 2006

In the executive session at the February 2006 IEB meeting in Phoenix, Arizona, the Board was presented the description and financial details of the book contract between Simon & Schuster, Inc. and President Stern for his book, **A Country That Works**, analyzing the state of America in the Information Age; how we must adapt to be competitive; and the future of America's workers and unions. Thereafter, the Board adopted a motion to "approve President Stern's book contract along with any incidental costs to the Union associated with the book's production, publication and promotion."

ANDREW L. STERN  
 International President

9/18/2006

The book is now scheduled for public release on October 3, 2006. As the Union's International Secretary-Treasurer, I want to bring this matter before the IEB once again to seek its approval of the specific expenses and process that are being proposed for the publication and promotion of the book. I also seek the Board's review and approval of the prior union costs associated with the book's production.

I have attached a comprehensive explanation of the book contract and associated costs for your review before you vote on this poll. Once you have examined the attachments, please submit your vote on the following resolution:

**WHEREAS** the Board believes that the publication and wide distribution of President Andy Stern's book, "**A Country that Works**," will serve a proper and important union purpose by advancing the Objects and Purposes of SEIU as set forth in Article II of the SEIU Constitution and Bylaws, serving to educate the public at large on the crisis facing working families from the perspective of an experienced labor union leader and president of SEIU, and further helping to promote discussion over possible solutions; and

**WHEREAS** the Board has been informed of the financial details of President Stern's book contract and the associated costs to SEIU connected to the production, publication and promotion of the book, as described in this polling document;

**NOW THEREFORE, BE IT RESOLVED that:**

The Board hereby affirms its approval of President Stern's book contract and the associated costs of the production, publication and promotion of the book, "A Country that Works," as more fully detailed in this IEB poll.

Please indicate below your response regarding the above matter. **PLEASE RESPOND AS SOON AS POSSIBLE BY PHONE (202-7314) OR FAX (202-350-6614).**

- I approve of this Resolution regarding President Stern's book contract and the associated costs to SEIU.
- I disapprove of this Resolution regarding President Stern's book contract and the associated costs to SEIU.
- I abstain

Signature \_\_\_\_\_ Date: \_\_\_\_\_

## DETAILS FOR IEB REVIEW RE: "A COUNTRY THAT WORKS" (August 2006)

### Description of the Book:

The book contract describes the book as providing Andy Stern's analysis of the state of America in the Information Age; how we must adapt to be competitive; and the future of America's workers and unions. The finished manuscript covers numerous subjects of concern to working families. As described in more detail below, the message of the book promotes a society that is based on working family values.

The book attempts to accomplish many things, each of which (at least in part, if not in full) is critical to advancing the mission of the union as SEIU fights for social and economic justice in the US and globally.

1. As a study of the trends affecting American workers at home and abroad, the book makes the case that the economic anxiety that so many families face is the product of the broader economic and political trends rather than the failings of individuals. At a time when the labor movement is perceived as "dead" by so many of the very people who need labor organizing the most, the book argues forcefully for a re-imagined role for the labor movement to make the future work for more people. The book will help SEIU's organizing and community outreach efforts as we seek to draw working families into our broader efforts for labor and political organizing.
2. The book explains to the broader world SEIU's vision for effective labor/management partnerships in our key industries. For the audience of business leaders, exploring these issues in the format of the book is an important tool in making the case that SEIU will be an effective partner for change. In the same way that President Stern's recent Op-Ed in the WSJ about health care issues was an attempt to communicate SEIU's willingness to engage with the business community on these issues, the book brands SEIU as a forward-thinking and ambitious organization ready to change the rules of the game in the pursuit of our mission.
3. For politicians, the book lays down the gauntlet about what their obligations to the labor movement should be. By assailing the complacency of so many in the labor movement towards the Democratic Party's distance from labor issues, the book establishes clearly what SEIU's expectations from politicians will be on the national level.
4. The book presents (from President Stern's perspective) the events that broke up the AFL-CIO and started CtW, and explains how his opinions formed and why he took the actions he did. The book should help dispel many of the myths that still surround SEIU's breakup with the AFL-CIO. The book refocuses the debate away from the grievances of the split and presents a compelling vision for the future of CtW. It will help clear the dust from the air that lingers from the events of last summer and allow us all to get on with our work.

The viewpoints of union leaders who promote the concerns of working families often get little coverage compared to those of other public figures. It is my belief that if the book gets sufficiently wide circulation, it should advance the mission of SEIU to improve the lives of workers and their communities by influencing opinion makers, decision-makers and the public at large about what has to change in America to bring about a more just and humane society.

### Financial Terms of the Book Contract:

**The Book Contract:** The financial details of the book contract were explained to the Board

during the executive session at the Phoenix Board meeting in February 2006. They are provided here again for your background information. Anyone who would like a copy of the full contract should contact Judy Scott, SEIU General Counsel, who will forward the contract to you as well.

Under the book contract, Andy Stern is to be paid \$175,000 in advance payments. Out of this advance, President Stern will pay a 15% commission to the book agent (The Elizabeth Kaplan Literary Agency) and \$30,000 plus expenses to Jodie Franklin, his collaborator on the book.

The schedule for payment of the advance is as follows:

- Payment 1: \$50,000 on signing of the book contract;
- Payment 2: \$45,000 on delivery and acceptance of the complete manuscript, as satisfactory to Publisher;
- Payment 3: \$45,000 on Publisher's first publication of the hardcover edition of the book or 18 months after delivery and acceptance of the complete manuscript, whichever is earlier; and
- Payment 4: \$35,000 on Publisher's first publication of the paperback edition of the book or 12 months after Publisher's first publication of the hardcover edition, whichever is earlier.

In addition, President Stern is entitled to royalty payments based on the nature (e.g. hardback or paperback) and number of books sold by the Publisher. A copy of this royalty schedule (Sections 6, 7 and 8 of Part III of the Contract) is attached to this poll for your review. Future royalty payments earned may be counted against the advance payments made to Andy as described above. If future royalties do not cover the advance payments, however, the Publisher will not seek to recoup the overpayment. **No royalties, including future royalties, shall be payable to President Stern on copies sold to SEIU or its local unions. Future royalties will be paid on books sold to the general public.**

#### **Book Purchasing Arrangement for SEIU and SEIU Local Unions/Royalty Waiver**

The publisher's retail price for the book is \$24.00. Two different arrangements have been made for the purchase of the book by SEIU and/or SEIU locals at a discounted price with the publisher, Simon & Schuster, or with Powell's Bookstore, an independent unionized bookstore in Portland, Oregon. If the IEB approves this poll, information will be distributed to the locals on how to make such purchases if they so desire.

Any future royalty payments resulting directly or indirectly from the sale of these books to SEIU or SEIU local unions through either of the two purchasing arrangements shall not be paid to Andy Stern. Instead, such royalty amounts that may have accrued shall be contributed to the SEIU Education and Support Fund.

**NOTE:** Local Unions that wish to purchase the book in bulk for resale to members or for free distribution to their officers and/or members should first ensure that the purchase is properly authorized pursuant to the Local Union's constitution and bylaws. If approved by the IEB, the substance of this Board resolution and accompanying documents may be helpful to any Local considering whether to authorize such a purchase. No union officer, Local Union, union staff, or member should feel compelled in any way to purchase a book. This is truly a voluntary decision on the part of those who make it, and no adverse impact will result for anyone or any entity who refrains from purchasing or promoting the book.

#### **Costs Associated with Production of the Book**

9/18/2006

President Stern has delivered his final manuscript to the Publisher. In preparation of the manuscript, he relied on certain individuals at the Union to read the manuscript for comments and to assist in fact-checking certain research. SEIU Communication Department also conducted a photo shoot for the book's cover photos, which are now available for SEIU use as well. The secretarial staff in the President's office also helped, on occasion, arranging meetings and doing copying and other administrative work. President Stern's own work on the book was conducted primarily on personal time.

#### Costs Associated with Publication and Promotion of Book

Because of the nature of the book and the fact that it will advance the mission of the Union to improve the lives of working families, the Union would like to undertake an active plan to promote the book so it gets wide attention and is read by a broad population. We believe the book can be a very effective communication tool to advance our seven strengths programs. We would like the IEB to review the three major ways we plan to promote the book, and decide whether or not you approve of them.

While the publisher, Simon & Schuster, will also be planning, at its expense, promotional efforts associated with the publication of books of this type, this promotional undertaking will be relatively minimal. Experienced consultants have advised us that a book author must undertake his/her own efforts to promote the book, apart from the publisher, to achieve the goal of generating widespread public interest in a book's message.

The proposed SEIU Promotion Plan involves: 1) Book events with President Stern, 2) SEIU local union/member events and 3) website publicity.

I have outlined below more specifically the costs to SEIU of various components of the plan to promote the book.

1. **Purchase by the SEIU from Simon & Schuster of 500 books** for free distribution to IEB members, opinion makers and individuals determined at the discretion of Executive Officers to advance the Union's objectives, at a cost of approximately \$6000 (plus shipping and taxes). No additional royalty payment or royalty credit shall be given to Andy Stern on account of this purchase. Additional purchases by SEIU for such purposes shall be subject to approval by the other four executive officers, without President Stern's participation.
2. **Travel and Time of Andy Stern related to Book Events (an initial October schedule of cities with book events is attached).** A current employee on the Union's staff may accompany President Stern on occasion. If approved by this poll, books would be available for sale to the SEIU locals for use at local union events (with royalties diverted to the SEIU Education and Support Fund, rather than paid to Andy Stern), and, depending on the event, for sale to the public under the regular royalty conditions.
3. **In-House SEIU Services:** The SEIU would like to utilize the services from time to time of a small team of SEIU staff (primarily, Bandle McQueen and Gina Glantz). Steve Trossman, the acting Communication Director, and TJ Michels in the Communications Department shall assist occasionally on communications needs. Secretarial/administrative support also on occasion would be provided to assist the book events. This team would help in planning the book events, book arrangements, press contacts, and publicity.
4. **Additional Monetary Costs:** SEIU proposes to contract for the additional following services in promotion of President Stern's book, up to a maximum amount of \$80,000:

Public Relations/Publicity Coordination: PRSolutions \$45,000

Internet Site and Blogosphere Promotion of Website: ACountrythatWorks.com: This public website will be created and maintained by EchoDitto. It will feature reviews of the book, a discussion forum, and provide a public link to booksellers in the event an individual visitor to the site wishes to purchase a book.

EchoDitto	\$18,000
Book Events:	\$ 7,500
Expenses	\$ 9,500
<b>TOTAL:</b>	<b>\$80,000</b>

Tentative Schedule of Locations for Book Events for October 2006

Tuesday, 10/3 -- New York

Wednesday, 10/4 -- DC,

Thursday, 10/5 -- Philadelphia

Friday, 10/6 -- New York

Sunday, 10/8 -- New Jersey

Monday, 10/9 -- to Chicago,

Tuesday, 10/10 -- Chicago

Wednesday 10/11 -- L.A.

Thursday 10/12 and Friday 10/13 -- L.A.

Saturday, 10/14 or Sunday, 10/15 - Phoenix,

Monday, 10/16 -- Portland 1 PM event at Powell's Bookstore

Tuesday, 10/17 -- Seattle

Wednesday, 10/18 and Th., 10/19 -- SF Bay Area (includes San Jose, Berkeley, Oakland)

Sunday, 10/22 -- Minneapolis

Monday, 10/23 and Tuesday, 10/24 - Denver

## EXCERPTS FROM BOOK CONTRACT ON ROYALTY SCHEDULE

6. The publisher shall pay the Author royalties on all copies of the Work sold by the Publisher, less returns, as follows:

(a) if published as a hardcover edition, 10% of the catalog retail price on the first 5,000 copies sold, 12½% of the catalog retail price on the next 5,000 copies sold, and 15% of the catalog retail price on all copies sold thereafter, subject to the exceptions set forth below;

(b) if published as a trade paperback edition, 7½% of the catalog retail price on all copies sold, subject to the exceptions set forth below;

(c) if published as a mass-market paperback edition, 10% of the suggested catalog retail price on all copies sold thereafter, subject to the exceptions set forth below;

(d) if published as an electronic text (e-book) or electronic audio (e-audio) edition, 15% of the catalog retail price on all copies sold, except that on special discount sales (as defined in Paragraph 34(e)), the royalty shall be 15% of the net amount actually received from such sales. At the Author's request, but no sooner than three (3) years after Initial distribution of an book edition of the Work, the Publisher agrees that It will review the e-book royalty rate and if the industry standard for such an edition has changed, negotiate in good faith with the Author a change to the royalty rate to reflect said current Industry standard;

(e) if published as an abridged or unabridged audio edition intended primarily for sale in the trade retail marketplace, 5% of the catalog retail price on the first 10,000 copies sold, 6% of the catalog retail price on the next 10,000 copies sold, and 7% of the catalog retail price on all copies sold thereafter, subject to the exceptions set forth below; if published as an unabridged audio edition intended primarily for sale in the library and school marketplace, 10% of the net amount actually received from such sales;

(f) if published as a large print edition, 10% of the net amount actually received from such sales, subject to the exceptions set forth below;

(g) if published as a low-cost hardcover edition (which publication shall be subject to the Author's prior approval, not unreasonably to be withheld), 10% of the net amount actually received from such sales, subject to the exceptions set forth below;

(h) on copies of the hardcover and trade paperback editions sold for export to third parties or outside the United States by Publisher or its affiliates, royalties shall be calculated on the net amount actually received from such sales, On copies of the mass-market paperback, large print, low-cost hardcover and calendar editions sold for export to third parties or outside the United States by Publisher or its affiliates, the royalty shall be 5% of the net amount actually received from such sales. On copies of the audio edition

sold for export to third parties or outside the United States by Publisher or its affiliates, the royalty shall be one-half the prevailing rate in subparagraph (e) above, calculated on the net amount actually received from such sales;

(i) on mail order sales and other direct response sales, the royalty shall be 5% of the net amount actually received from such sales, except that on mail order sales and other direct response sales of the audio edition, the royalty shall be one-half the prevailing rate in subparagraph (c) above, calculated on the net amount actually received from such sales;

(j) on special discount sales (as defined in Paragraph 34(e)), the royalty shall be 7½% of the net amount actually received from such sales, except that on special discount sales of the audio edition, the royalty shall be one-half the prevailing rate in subparagraph (e) above, calculated on the net amount actually received from such sales;

(k) on copies sold to book clubs on a royalty-inclusive basis, the royalty shall be 5% of the net amount actually received from such sales, except that on copies of the audio edition sold to book clubs on a royalty-inclusive basis, the royalty shall be one-half the prevailing rate in subparagraph (e) above, calculated on the net amount actually received from such sales;

(l) on remainder-in-place sales (as defined in Paragraph 34(f) and remainder sales, the royalty shall be 5% of the net amount actually received from such sales, except that on remainder-in-place sales and remainder sales of the audio edition, the royalty shall be one-half the prevailing rate in subparagraph (e) above, calculated on the net amount actually received from such sales, and except that no royalty shall be payable on copies of the Work sold at a discount of 85% or more from the catalog retail price.

#### Proceeds on License of Subsidiary Rights

7. The Publisher shall pay the Author 50% of the proceeds received by Publisher from the sale or license of subsidiary rights, except as follows:

<u>Type of Right</u>	<u>Author's Share</u>	<u>Publisher's Share</u>
first serial rights for all editions of the work except the audio edition	90%	10%
British Commonwealth rights for all editions of the Work except the audio edition	75%	25%
foreign language rights	75%	25%

In calculating the proceeds on disposition of the subsidiary rights, Publisher may deduct from the gross amount received any third party agent's commission which may be paid for services rendered in connection with such disposition, and any bank fees or other monetary transfer charges incurred by the Publisher in connection with or by reason of such sale or disposition.

### Special Royalty Provisions

8. With respect to each edition of the Work published hereunder, the following shall be applicable:

(a) no royalty shall be payable on copies damaged or destroyed or on copies furnished gratis for review, publicity, promotion, sample or similar purposes; further, no royalty shall be payable on copies sold by Publisher directly to the Service Employees International Union ("SEIU") pursuant to the provisions of Paragraph 30(c) below;

(b) no royalty shall be payable on sales by Publisher to its parent, subsidiaries, affiliates, or related divisions for resale, but any resale thereby shall be deemed a sale by Publisher subject to the applicable royalty herein provided;

(c) in some instances Publisher prints on the jackets and/or covers of its books a suggested cover price that is higher than its catalog retail price. In such instances, where the royalty is based on the retail price, the catalog retail price, not the suggested cover price, shall be the basis for the Computation. The difference between the two prices enables the retailer to recoup its freight costs. The Publisher shall supply the Author with a current schedule of freight pass-through prices on Author's request therefor. In no event will the difference between the suggested cover price and the catalog retail price exceed 5%;

(d) when the Publisher in its sole discretion determines that copies of the Work are not readily salable at regular prices within a reasonable time, the Publisher may remainder copies of the Work (but not earlier than 12 months from the publication date unless it is a remainder in-place, which may occur at any time), or dispose of such copies as surplus at the best price obtainable. Publisher shall make no remainder sale (other than a remainder-in-place sale) without first offering copies to the Author at the estimated remainder price, provided, however, that inadvertent failure to offer such copies to the Author will not be deemed a material breach of this Agreement. The Publisher will consult with the Author on any remainder-in-place sales of the Work;

(e) any advance royalties or other sums paid to or on behalf of the Author under this Agreement or otherwise, and any amounts due from the Author to the Publisher, may be applied in reduction of any amounts payable to the Author under this Agreement

(f) in the event of any overpayment by Publisher to Author, Publisher may, in addition to any other remedies available to it, recoup such overpayment from any sums due to Author under this Agreement or any other agreement between Author and Publisher. For purposes of this provision, an unearned advance on this or any other work shall not be considered an overpayment. Further, any claim on Publisher's part for repayment of an overpayment shall be fully documented;

(g) any amounts payable to the Author hereunder shall be subject to such reasonable reserve for returns of copies of the Work as the Publisher shall establish in its reasonable discretion. Following the fourth full accounting period after publication, Publisher's reserve for returns shall not exceed 20% of the total copies theretofore shipped and not returned, except that (i) after each subsequent substantial printing, the reserve may be reasonably increased above 20% for four additional accounting periods, (ii) Publisher may maintain a reserve in excess of 20% which reserve is equal to the actual percentage of returns in the preceding period or consecutive periods, and (iii) Publisher may maintain a higher reserve for any period preceding or during which it is expected that the Work will be or is out of print or is remaindered. Reserves shall be maintained separately with respect to each edition (hardcover, paperback etc). Notwithstanding anything to the contrary in the foregoing, the Publisher will not hold a reserve for returns of copies of the Work sold on a non-returnable basis;

(h) if the Publisher exercises rights for which royalties are not specifically set forth in this Agreement, then royalties shall be --- to the Author at rates to be negotiated in good faith by the Author and Publisher;

(i) As used herein "net amount received" shall mean the Publisher's gross receipts less returns, allowances, shipping and handling charges, postage and any sales, use or similar taxes.