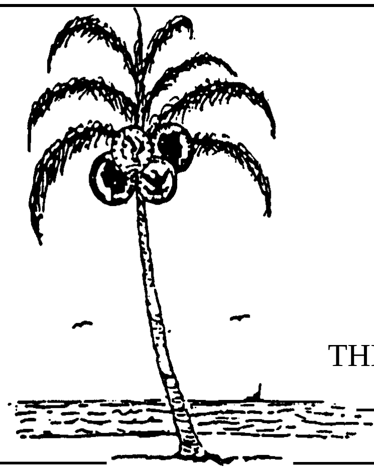

Palm Beach Coin News

THE MONTHLY NEWSLETTER OF THE PALM BEACH COIN CLUB

April 2019 **Volume 29, Number 4**

April 2019 Events

April 7

Gold Coast Coin, Stamp & Collectible Show
Hollywood Rotary Club, 2349 Taylor St, Hollywood

April 10

PBCC Meeting: **Doors open at 5:00PM**
Meeting Begins at 7:00PM
✶ Free Food Night and Special Auction #6 ✶

April 14

Coin, Stamp and Collectible Show
Eau Gallie Civic Center, Melbourne

April 21

Coin and Stamp Show
Volunteer Park Community Center, Plantation

April 24

PBCC Meeting: **Doors open at 5:00PM**
Meeting begins at 7:00PM
✶ Estate Auction #39-2 ✶

April 28

PBCC Coin Show
American Polish Club,
4725 Lake Worth Rd., Greenacres

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	**10**	11	12	13
14	15	16	17	18	19	20
21	22	23	**24**	25	26	27
28	29	30				

Presidents Message

Wednesday, March 13th, Estate Auction #38 sold 98 of 99 lots for $5766. The club made $288. There were 75 members in attendance.

Dues are due for 2019. 256 members have paid their club dues but 85 have not. If you have not paid your dues, this will be your last newsletter. Not sure? Contact Tony, 561-964-7236 or swicer@comcast.net

Wednesday, April 10th is Free Food Night & Special Auction #6 - We eat at 6 PM. Italian subs from Vince's and calzone, Stromboli, pizza, and desserts from Columbino's.

This auction is 178 lots of mostly slabbed (graded) coins. There is a 5% commission for both the buyer and seller.

Wednesday, April 24th is Estate Auction #39-2 - A large group of modern commemorative dollars, proof & mint sets, and 18 Proof silver eagles; 101 lots. The *2020 Red Books* should be in by this meeting. Cost is still $8.50 for soft cover and $9.50 for hard cover.

Wednesday, May 8th is Estate Auction #39-3 - 139 lots of Colonials, 1/2 cents, large cents, Indians, Lincolns, Walkers, Franklins, Morgans, Peace dollars, and 4 - 1996 Silver Eagles.

Saturday, May 11th is our Annual Club Picnic - At John Prince Park, just south of Palm Beach State College, at the Tim Granowicz pavilion. We eat at Noon. Cost is $5 per person. See Tony.

Wednesday, May 22nd is Estate Auction #33-7 - 95 lots of Large cents, and partial sets of large cents thru Jefferson nickels.

Friday, July 12th, Bus Trip to *Summer FUN* - Leaving at 7AM from Iglesia Familia Church, 855 Jog Rd. on the NW corner of Summit Blvd & Jog Rd. Returning about 8PM. Cost is $10 per person. See Tony.

All Auctions and the club newsletter are on our club website at http://pbcc.anaclubs.org/

Tony

Forbes Magazine, Mar 11, 2019

F+W Media, Citing Debt, Decline and Mismanagement, Files for Bankruptcy Protection

Tony Silber, Contributor

F+W Media, facing near-term liquidity issues with only about $2.5 million in cash available and $105.2 million in outstanding debt, yesterday filed for protection under Chapter 11 of the federal bankruptcy code, citing in various documents a perfect storm of secular industry decline, poor investments, and even mismanagement.

The New York-based company, one of the country's largest publishers of specialty and enthusiast media, said it plans to sell its businesses while continuing to operate, in order to "maximize the value of their estates for the benefit of all their stakeholders."

F+W's portfolio is diverse, including online education, print and digital books and magazines, subscription video sites, consumer and trade events, and curated e-commerce stores. Its brands include *Deer and Deer Hunting*, *Sky & Telescope*, *Old Cars Weekly*, *Popular Woodworking*, *Coins*, *Numismatic News*, and various crafting titles, among others. In all, it segments its media into ten categories, including crafts, artist's network, collectibles, writing, outdoors, sky & telescope, woodworking, family tree, construction, and horticulture.

The segments, which F+W calls "communities," produced a total of $67.7 million in revenue in 2018. The largest was the crafts community, with $32.5 million, and the second largest was the artists network, with $8.7 million. The company's book division, which produces about 120 new books each year and has a backlist of 2,100 titles, produced $22 million in 2018.

F+W said in the bankruptcy filings that it has an estimated 1,000 to 5,000 creditors. It estimates assets at $50 million to $100 million, and liabilities at $100 million to $500 million. Its list of unsecured creditors read like a who's who of magazine-industry suppliers. Among the top 30, it owes:

- LSC Communications $2.7 million
- Oracle America $952,582
- Palm Coast Data $729,025
- Adobe Systems $695,233
- R.R. Donnelley Asia Printing $689,626
- ProCirc $377,386
- Zinio $109,294

It also owes $486,138 on a lease in Norcross, Georgia; $400,723 to the book publisher Dover Publications; and $82,024 to Lindenmeyr Paper.

Over the past decade, F+W has grown significantly, acquiring Catalyst Aspire Holdings Corp., Frontenac Aspire Holdings Corp., Aspire Media, Aspire Operations, and Interweave Press. But in the last 12 months it has scrambled to divest various assets.

According to a declaration by CEO Gregory Osberg that accompanied the filing documents, the bankruptcy was caused by several factors, internal and external, most of them related to a shift toward ecommerce in 2008. First, the market for subscription print periodicals of all kinds, including those published by F+W, has been in decline over the last decade. Indeed, since 2015 alone, F+W's subscriber base decreased from 33.4 million to 21.5 million, and its ad revenue decreased from $20.7 million to $13.7 million. As a result of this trend, the company shifted into digital platforms and ecommerce.

However, according to Osberg, one consequence of this shift to digital commerce was that the company entered into various technology contracts that increased capital expenditures by 385% in 2017 alone. And because it ventured into fields where it lacked expertise, "it soon realized that the technology used on the company's websites was unnecessary or flawed, resulting in customer-service issues that significantly damaged the company's reputation and relationship with its customers," Osberg said in his statement. In 2018 in the crafts business alone, "the company spent approximately $6 million on its efforts to sell craft ecommerce and generated only $3 million in revenue," he said.

A 2017 restructuring reduced debt, but "largely as a result of mismanagement, the Company exhausted the entire $15 million of the new funding it received in the six (6) months following the Restructuring," CEO Osberg continued. "In those six (6) months, the Company's management dramatically increased spending on technology contracts, merchandise to store in warehouses, and staffing, while the Company was faltering and revenue was declining."

"The Company's decision to focus on e-commerce and deemphasize print and digital publishing accelerated the decline of the Company's publishing business," Osberg continued, "and the resources spent on technology hurt the Company's viability because the technology was flawed and customers often had issues with the websites."

Ultimately, the former CEO and several top managers were dismissed and Osberg took over on January 9th, 2018. "Immediately following my appointment, I worked to create analytics and determined that the worst performing business channel of the Company was its ecommerce channel," Osberg said in his declaration. "Of the Company's four (4) major channels, the only channel that did not positively contribute to the Company was the channel responsible for physical products sold through e-commerce."

It sold off assets throughout last year, but couldn't build a cash-flow model that projected sustained liquidity. Among the assets sold:

- The Keepsake Quilting e-commerce business for $2.45 million.
- Blade, a knife collector magazine and large trade show, for $4.34 million. These assets sold for approximately $2.45 million and $4.34 million, respectively
- The Martha Pullen online business for approximately $1.54 million.

Ultimately, "realizing that periodic asset sales are not a long-term operational solution," the F+W board determined that the only viable alternative was to pursue a sale transaction within the context of a chapter 11 filing.

PBCC Membership Application

Dues are $15 for the year

Name ___________________________________

Address ________________________________

____

____

Phone __________________________ (optional)

Date _______________

How did you hear about us? __________________

____

Join Today!

Mail your completed application and check for $15 to:

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