

MEMORANDUM

The American Tobacco Company
A DIVISION OF AMERICAN BRANDS, INC.

DATE	June 14, 1977
TO	Mr. C. R. McKeever - Vice President - Marketing
FROM	Norman H. Chester - Media Director
REF	Hustler and Chic <i>File Budget Data Corporate</i>

Hustler and Chic are two monthly magazines published by Larry Flynt.

Hustler commenced publication in June 1974 and is aimed at a blue collar market. Its current rate base is 2,500,000.

Chic commenced publication in September 1976 and attempts to be the antithesis of Hustler. It has a rate base of 500,000.

We have been offered our choice of the following packages. All covers offered are with continuing options.

Package # 1 - 12 Page Schedule In Each

	<u>Hustler</u>	<u>Chic</u>	<u>Total Cost</u>
Back Covers	6	6	
Second Covers	3	3	
Third Covers	3	3	
Cost:	\$195,000	\$25,875	\$220,875

Package # 2 - 24 Pages Hustler - 12 Pages - Chic

	<u>Hustler</u>	<u>Chic</u>	<u>Total Cost</u>
Back Covers	9	6	
Second Covers	3	3	
Third Covers	6	3	
First Right Hand Page	6		
Cost:	\$345,937.50	\$22,425	\$368,362.50

*Inventory
required
4/16*

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Package # 3 - 6 Pages - Hustler - 12 Pages - Chic

	<u>Hustler</u>	<u>Chic</u>	<u>Total Cost</u>
Back Covers	3	3	
Second Covers	2	3	
Third Covers	1	3	
First Right Hand Page		3	
Cost:	\$104,125	\$26,775	\$130,900

Both of these magazines have had limited acceptance by national advertisers. Hustler, which has been published for three years, has at least nine out of twelve back covers available for sale. Chic, published since last September has at least six back covers for sale. Not only has the rate card for Hustler been lowered, but "introductory" discounts, in the case of Chic, are also still being offered.

Recognizing our budget constraints, and the fact that we are well represented in Playboy and Penthouse, we recommend rejecting this offer.

MD
MD 6/15
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MD 6/15

REVIEWED WITH RRM
 WHO AGREED TO REJECT.
MD 6/15