

SEAMAN WHOLESALE

BROWN STREET EXTENSION
EVERSON, PA 15631
(412) 887-9830

Loaiload
212-545-3299
Nick Ruffalo

August 2, 1993

**SENIOR CREDIT MANAGER. PRESIDENT OF SALES AND
CUSTOMER SERVICE MANAGER,**

AS YOU WELL KNOW WITH THE IMPENDING DECREASE OF \$4.00 PER CARTON ON FULL REVENUE CIGARETTES ALL WHOLESALERS WITHIN THE STATE OF PENNSYLVANIA, AS WELL AS SIXTEEN KNOWN OTHER STATES, WILL LOSE APPROXIMATELY 23 CENTS PER CARTON PROFIT WHICH CANNOT BE RECOVERED. THUS FORCING MANY WHOLESALERS TO REVIEW RETAIL CREDIT PROCEDURES, REMOVE SLOW MOVING CIGARETTE BRANDS AND ULTIMATELY INCREASING GROSS PROFIT MARGINS ON NON-COMPETING PRODUCT LINES.

WE NEED YOUR HELP !

THE SIMPLEST APPROACH IS AS FOLLOWS:

- 1) CHANGE OUR CASH DISCOUNT RATE FROM 2.00% TO 1/4 OF 1%.
- 2) CHANGE THE ANTICIPATION ALLOWANCE FROM 1.25% TO 3.00%.

THE RESULTS ARE:

- A) CIGARETTE MANUFACTURERS WILL LOSE NO ADDITIONAL FUNDS.
- B) THE PENNSYLVANIA WHOLESALER ULTIMATELY RECEIVES 18.88 CENTS PER CARTON ADDITIONAL PROFIT WHICH HELPS ADJUST THE LOSS OF 23 CENTS PER CARTON TO THAT OF 4.12 PER CARTON - WHICH WE CAN SWALLOW.
- C) STATES WHICH EMPLOY THE SAME CALCULATION FORMULA WILL ALSO BENEFIT.

"WHERE SERVICE IS ALWAYS FIRST"

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IF POSSIBLE, I WOULD APPRECIATE FEED BACK ON THIS
MOST DELICATE MATTER. NO CALLS WILL BE IGNORED SHOULD
YOU WISH TO CALL ME AT 412-887-9830.

SINCERELY YOURS,



THOMAS C. SEAMAN

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