

MAELSTROM GAMES



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PUBLIC STATEMENT REGARDING BATTLEFRONT MINIATURES

To introduce myself, I am Rob Lane, the Managing Director of Maelstrom Games.

THE BEGINNING

Maelstrom Games began stocking Battlefront Miniatures products back in 2006, when Maelstrom Games moved to a little retail shop and back room in Mansfield. Peter Simunovich - the main man behind Battlefront - visited in 2007, along with Gordon Davidson, head of Battlefront Europe, a division of Battlefront Miniatures New Zealand.

From there we grew until that little shop could not contain us, and we moved to Matlock Mill in 2009, a huge, grand old mill on the River Maun that now houses our gaming venue (able to hold 120+ players on 6' x 4' tables), retail store and distribution centre, as well as our bar and restaurant. Because of our move we could increase our stock levels and, indeed, the wargaming products that we now stock; and we have plans for expansion in 2011 so that we can stock more. Needless to say, Battlefront Miniatures' products proved very popular and we stocked the range in its entirety, both in our webstore and retail store.

Our gaming hall has proved extremely popular and, every Tuesday and Thursday night, you can see up to a hundred people attending, and we have events for a myriad of gaming systems virtually every weekend this year. Our bar is open downstairs and can seat and refresh well over a hundred gamers quite comfortably, and hopefully the community likes what we have done and will continue to support us.

The gaming hall attracts its share of Flames of War players, many of which have come from Warhammer World which no longer supports the playing of non-Games Workshop games (which is fair enough) and thus Battlefront Miniatures became very interested in what our venue could do for them. As a Flames of War player myself, as many of you will know, I was happy to support Battlefront's desire to create events in Europe for their product, which I believe is an excellent game and one in which the historical/fantasy crossover became blurred - a very good thing in my opinion.

Thus, we have tried to support Flames of War as much as possible, and have invested a lot of time and effort and money (at least £10,000 in 15mm terrain) in holding Flames of War events which, frankly, have been largely unsupported due to us trying to support Battlefront over the Mid War Monsters miniatures but we have just about managed to "break the back" of this tournament scene, we feel, and are expecting quite a few numbers to our Mid War event in June.

A reassurance is due at this point: despite what has happened with Battlefront, we will continue to hold Flames of War tournaments. We do not wish the public to be penalised for disagreements between Battlefront and Maelstrom Games!

So at least those of you reading this will know that, when all is said and done, Maelstrom Games is not simply "a webstore".

A PUBLIC STATEMENT

Now, I arrived at work on Thursday morning and received some very sad news. My staff informed me that Battlefront Miniatures had "dropped" us as a retailer of their product, and showed me their website. The press release on their website states:

"Battlefront Miniatures Ltd of Auckland, New Zealand announces that Maelstrom Games of Mansfield, United Kingdom is no longer a retailer of its products. This applies to all brands and ranges sold by Battlefront Miniatures Ltd. With immediate effect Maelstrom games will no longer be one of our retailers. Any customer who has advance orders for product yet to come out should contact Maelstrom to confirm their ability to supply or contact us directly and we will put you in touch with an alternative supplier."

Now, immediately I read this, I had a member of staff contact Battlefront Miniatures in the UK to ask whether an existing order that we placed on Wednesday would still be honoured, with the reply from Matt Sulley (Battlefront Europe's trade sales manager) that we must speak to their solicitors and that he has been instructed not to talk to us at all. Read into that what you will, but that immediately leaves our customers at a disadvantage so I have taken the decision to set all Flames of War, Gale Force Nine and Wargames Illustrated products for sale in our retail shop and on our webstore to 'WHILE STOCKS LAST'.

SOLICITOR'S LETTERS

Following that statement, our solicitors, Elliot Mather LLP, forwarded a letter they had received from Battlefront Miniatures' solicitors - Jackson Russell Lawyers, of New Zealand - on Thursday morning stating that they would be withdrawing our 40% discount on the recommended retail price of its product, the reasons for which can be seen in the link below.

http://www.maelstromgames.co.uk/downloads/3471_001.pdf

Now, in the letter from Battlefront's lawyers it does not state that we cannot trade further with Battlefront Miniatures, nor does it tell us whether we can continue to trade with Battlefront Miniatures at a different discount. However, the website statement does.

Further, the opening statement of this letter reads:

We refer to your letter addressed to John-Paul Brisigotti dated 13th January 2011. Battlefront does not take issue with the right of Maelstrom Games to sell Battlefront products at a discount.

This letter from our solicitors to John-Paul Brisigotti (a director of Battlefront Miniatures) can be read with this link:

http://www.maelstromgames.co.uk/downloads/2011-01-13_Letter_Battlefront_M_NZ-1.pdf

This letter was written in response to an e-mail from Gordon Davidson, head of Battlefront Europe, to myself on January the 11th of this year. Amongst other things in this e-mail, it states:

To Rob Lane, John-Paul Brisigotti, John Matthews, Matt Sulley

Dear Rob,

I am dissapointed to see that once again you have included Battlefront on your January discount voucher scheme. Writing that it doesn't include it on the voucher, yet allowing it through your webstore is lip service at best.

When you ran the October/November voucher there were long discussions through phone and email between Gary, John Matthews and myself. It was made absolutely clear then that this was not acceptable and that if you did wish to run any future promotions they needed to be cleared through me 1st.

Then in December you ran another, I was going to come over and discuss this in the new year with yourself but a couple of other points came up.

[...]

It is plain to me that our previously solid relationship has degenerated and you have reverted to your old ways to doing whatever you want. The complete lack of respect you are showing Battlefront and the breaking of the terms and conditions you signed leave me no choice but to redefine or end this relationship going forward.

Whilst you run your 17.5% discount I will simply not supply any more goods to you. Your account is on stop from now.

Ongoing, if this happens again we will simply close your account permanently and move on.

I have instructed the shop floor to pick your current orders on the system that are worth around 20K, once you take the discount scheme off I will send them to you on our normal terms. This is only to satisfy the needs of people who have already ordered as I see no need to punish them.

No matter how we resolve the above Battlefront Miniatures Europe is no longer prepared to give you any form of terms and after the outstanding orders are dealt with, all orders must be paid for in advance.

You seem to be under the delusion that somehow we are desperate for your business and cannot live without you. Let me be clear we will suffer a one month blip at worst and the business will be replaced by the rest of our UK accounts and very large

growth in both the Eu and the rest of the world. If every other retailer can fundamentally live by our terms and conditions I see no reason to make an exception for a single account, no matter what the size.

On both a personal and professional level I am very saddened to have to write this letter, until the middle of last year we were really growing well together and had found an accord. However i am no longer prepared to fight your corner with the owners of Battlefront as to why i'm supplying the biggest internet discounter in the business and who is causing never ending problems with other retailers (who do obey the 10% rule) worldwide.

If you wish to discuss this further I am available on the number below.

Please let me know if we will be continuing to trade together and if so how we prevent this from occurring again. If not then I wish to know when our outstanding invoices will be cleared.

Yours truly,

Gordon Davidson
Head of Battlefront Europe

This was a bit of a shock, at first, as you can imagine - especially the quite personal nature of the e-mail. However, there are a couple of points in this e-mail that I'd like to address first so that you do not believe that Maelstrom Games have behaved in any way dishonourably, illegally or against the terms of any contract we have signed with Battlefront Miniatures.

Point 1:

I am dissappointed to see that once again you have included Battlefront on your January discount voucher scheme. Writing that it doesn't include it on the voucher, yet allowing it through your webstore is lip service at best.

This is entirely untrue, as a view of our voucher e-mail can attest to. We actually post these on "The Warhammer Forum" too, and you can see it here:

<http://warhammer.org.uk/phpBB/viewtopic.php?f=2&t=59059&start=180>

As you can see, the statement from the e-mail below entirely negate Gordon's argument.

OUR JANUARY SALE VOUCHER

Your 17.5% off UK RRP discount voucher starts tomorrow, the 1st of January 2011 (from the first second after midnight GMT, 31st of December 2010) and ends on Monday the 10th of January 2011 at midnight (GMT), ten days of blues-beating fun! It's a great chance to grab yourself all those lovely BaneBeasts we've created over the past year, try out some of the new ranges we've brought in as well as grab stuff for your old favourites at a great discount! It will work on all the items within our webstore, but:

- not on any Seeds of War items
- not on any Too Fat Lardies items
- not on any Games Workshop Direct items
- not on any event tickets
- and additionally, not on anything within our eBay store.

Apart from the above, the voucher will work on pre-orders and, crucially, you'll still earn Moneyback - although tiered discounts are disabled when using a voucher of course.

Point 2:

When you ran the October/November voucher there were long discussions through phone and email between Gary, John Matthews and myself. It was made absolutely clear then that this was not acceptable and that if you did wish to run any future promotions they needed to be cleared through me 1st.

This is indeed true, there was a conversation about our voucher runs; and it was clear that this was not acceptable to Battlefront, but equally it could well be construed as the illegal practice of price fixing and thus we simply ignored it.

Point 3:

It is plain to me that our previously solid relationship has degenerated and you have reverted to your old ways to doing whatever you want.

Indeed it had, but - in reality - we have acted according to the law in the United Kingdom and with the best interests of the hobby, our customers and our company at heart. I find the comment "you have reverted to your

old ways to doing whatever you want" is quite revealing - at the end of the day, we are not beholden to Battlefront Miniatures in any way, and we can, in fact, do whatever we want within the law and the terms of any contract we sign with them and, of course, keep the customer as our main concern.

Point 4:

The complete lack of respect you are showing Battlefront and the breaking of the terms and conditions you signed leave me no choice but to redefine or end this relationship going forward.

[...]

You seem to be under the delusion that somehow we are desperate for your business and cannot live without you. Let me be clear we will suffer a one month blip at worst and the business will be replaced by the rest of our UK accounts and very large growth in both the Eu and the rest of the world. If every other retailer can fundamentally live by our terms and conditions I see no reason to make an exception for a single account, no matter what the size.

In this e-mail he does not state which terms and conditions we had actually broken, so I can only surmise which terms and conditions he is talking about. Certainly, there are no terms and conditions on any written contract with Battlefront Miniatures that mention price fixing. I am still not aware which terms and conditions we have actually broken, at least according to Gordon, although of course their solicitor's letter now reveals the terms and conditions we have allegedly "broken".

Whether you, the wargaming public, believe that we are simply "a webstore" is entirely up to yourselves - but I think the people that visit us, and I include such Battlefront luminaries as John-Paul Brisigotti, John Matthews (Battlefront Miniatures' General Manager) and Gordon Davidson in that group as they have all visited Maelstrom Games at the Eye of the Storm in Mansfield will know the truth.

As well as that, I am sure the wargaming public is aware that there are many online retailers that do not have a physical store or, indeed, who only have a very small physical store that sell Flames of War.

DECISIONS, DECISIONS

At this point I had a choice of dropping Battlefront entirely, which my heart was telling me to do, or continuing under the new terms and conditions and suffer cashflow problems in the short term so that our customers could still get their hands on what I still believe is an excellent product.

This was my response:

To: Gordon Davidson, John Matthews, John-Paul Brisigotti

Hi Gordon

Thank you for your e-mail.

My first priority is our existing customers. We have been awaiting the order you mention, around £20k, for well over a week now and my customers need it. I too do not see why my customers need to be punished for a problem that can be resolved amicably. Unfortunately my customers (your customers) will have to wait until the voucher run ends naturally, which is on Monday night. In other words, I would expect that £20k order on Tuesday, and I hope you can confirm that this will be the case. I strongly urge you to send it as soon as you can, because it is the people that we are all in this for - the gamers and the collectors and the painters - that are suffering, regardless of the perceived problems you have with us.

Regarding everything else on your e-mail, I have contacted our solicitors and once I have received advice from them I will act accordingly and respond to each individual point you make in turn. Until then, we will not be making any orders to yourselves.

As always, it is the customer that loses out the most in these situations, and I am saddened that you feel it was necessary to send the above e-mail. I too am saddened at the break down in our business relationship, and hope we can resolve it in the near future.

Happy new year.

Cheers

Rob Lane
Managing Director
Maelstrom Games Ltd

I decided to contact my solicitor and find out what could be done to "fight our corner" so to speak, appeal to Battlefront's better nature and continue to sell and support Flames of War.

Battlefront's eventual response to our solicitor's letter was somewhat brief:

To: Rob Lane, Gordon Davidson, John Matthews, Matt Sulley

Hi Rob,

Given the "breakdown" in the relationship i have no choice but to change our terms of trading.

Battlefront's actions in this matter have been proper and appropriate at all times and we do not believe it would be productive to engage in any further discussion in response to your letter dated 13th Jan 2011.

Our new terms, should you wish to keep purchasing our product, are on a "cash up front" basis only. I will honour the terms you had in place on previous orders including the order you got last Friday.

We also expect your account to be kept up to date at all times.

Yours

John-Paul

BETWEEN THEN AND NOW

Since that time, mid-January, we have traded with Battlefront Miniatures under their new terms and conditions, until Thursday. It seems "the internet" knew of their decision before we did, as it was posted on their website and I have had no communication with Battlefront in order to try to smooth things over. To be honest, this whole thing was - all right, not unexpected, because there was always the thought they would drop us at the back of my mind; but equally, I knew nothing about their decision until yesterday. I had thought we were back on an even keel with them.

THE FUTURE FOR MAELSTROM GAMES

So why have Battlefront suddenly made this decision to "drop" us, after a month of trading under their new terms, and trading well at that? Well, I can only speculate, and I am not willing to bring my personal feelings into this argument or, indeed, bring a case of defamation down on our heads. Battlefront Miniatures have made their decision and, ultimately, they have the right to sell their miniatures to whoever they wish.

We will, of course, continue to trade with the best in miniature wargaming and more genres besides, and look forward to bringing you more and more exciting products (not least our own!) over the next few years as well as continue to run a quality venue that you can be sure you will be welcomed at for whatever wargame you wish to play.

OUR BATTLEFRONT STOCK SALE

In the short term, we will be selling off all of our stock of Battlefront Miniatures products - Flames of War, Gale Force Nine and Wargames Illustrated - at 25% off the recommended retail price, via a voucher code which is:

BATTLEFRONT-STOCK

To use this voucher simply register on the webstore, <http://www.maelstromgames.co.uk> (if you haven't already), copy and paste the code into the appropriate field in your basket when you have selected the items you want, press 'REDEEM', and the webstore will do the rest. You are not limited to one purchase and, indeed, we would ask you to recommend us to your friends with this voucher!

Remember though that this voucher is intended for the webstore only - it does not apply to any of our auctions or shop inventory items on eBay.

This voucher works from now until the end of time, or until we run out of Flames of War stock, whichever is sooner.

IN CONCLUSION

May I take this opportunity to thank all of our Flames of War customers over the years for their support and, indeed, for their support in other areas, which I hope will continue. We will try to bring more 15mm miniatures and games to our customers, and certainly Forged in Battle and the like will be a part of that, but the unique style of Flames of War will mean that it is unlikely we can regain what we have lost in the foreseeable future.

I would like to take this opportunity to reassure our customers firstly, that we will honour all orders outstanding that we have stock for, and secondly refund any orders that we do not have stock for. We hold quite a lot of stock of Battlefront Miniatures products, so there will be very few that we cannot fulfil - and most of those will be pre-orders for new releases over the coming months.

I hope, additionally, that our customers understand the pressures we are put under by our retailers, for we face a constant battle to keep our customers and our manufacturers happy.

The fact is that the internet has completely changed the way our hobby works in many ways but certainly in terms of sales, and I feel that some manufacturers simply do not understand what the customer wants any more - which, to us anyway, is good products, cheap prices and fast service, and not necessarily a tiny retail store near them that could never stock the huge ranges many manufacturers have (and therefore have to "order stock in", meaning customers have to wait days or weeks to get them). In our opinion, retail stores only work in this internet age if customers have a reason to visit other than to buy - in other words, to play wargames socially - and simply blaming the internet and, indeed, internet retailers for the struggles of local gaming stores is somewhat Luddite and certainly narrow-minded. Our business model is there for all to see. There are good reasons why it has worked so well for us.

In the end, manufacturers and retailers alike will do well to understand that it is the customers that grow this wonderful hobby, not businessmen in suits, and if we neglect the wargaming public and what they want from this hobby they will simply play computer games instead.

Rob Lane
Managing Director
Maelstrom Games Ltd