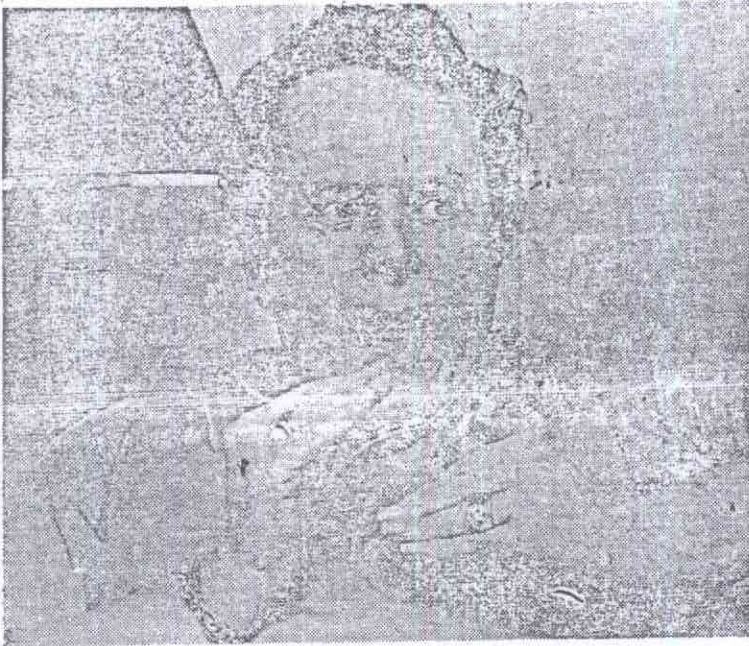


# Flynt Gets Into Magazine Distributing



By Vanessa Barnes—The Washington Post

Hustler's Larry Flynt make a point during an interview.

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## FLYNT, From E10

edly breaching the same contract. The suit goes to court next year.

Essentially, the national distributor is a middleman between the publisher and the hundreds of wholesalers around the country. Flynt was beginning to see less and less of a reason for having to pay a percentage to a middleman.

That, coupled with problems he was having getting other national distributors to take him on after his problems with Capital, convinced Flynt to go out on his own.

"They only thing I want is service," Flynt said in an interview. "Like all other publishers, I was getting caught in the middle in the distribution game. Wholesalers would tell the national distributor to give them a higher percentage. The national distributor would say, 'sure' because it's not his money. The publisher winds up paying with no say in the matter."

So Flynt decided to be his middleman, and take on some new clients, like High Times, Blueboy, a Miami-based homosexual-oriented publication, and At Home, a New York home furnishing magazine.

By most accounts, the venture has

By Larry Kramer

Washington Post Staff Writer

Larry Flynt is at it again.

The 34-year-old Kentucky farm boy who parlayed a chain of Ohio go-go clubs into a huge skin-magazine publishing empire is taking on a new target: the national magazine distribution industry.

The publisher of Hustler and Chic magazine has begun to distribute three non-Flynt publications.

He is the first new national magazine distributor to enter the scene in decades. And he is rapidly making both friends and enemies.

Among his friends is Andy Kowal, the 25-year-old publisher of High Times magazine, a publication devoted to the drug culture which has had difficulty in getting a national distributor.

Flynt had been having his own problems with national distributors. He sued his distributor, Capital Distributing, for \$4.5 million in 1975 claiming they had breached their contract and alleging problems getting money from the distributor.

Capital turned around and countersued Flynt for \$5.1 million, for alleg-

See FLYNT, E16, Col. 3

been a success so far. Flynt pays up front and does his own collecting.

That is where some of Flynt's enemies come in.

There have been charges that Flynt's employees have strong-armed wholesalers who haven't paid their bills a technique that was once rampant in the industry but had subsided in recent years.

In one incident, Flynt's brother, Jimmy, 31, who was once the president of the distribution company, and two Flynt Employees reportedly beat up a wholesaler who couldn't pay and went broke.

The incident caused a furor at a wholesalers convention in Chicago last month, and Flynt addressed the convention to defend the action. He claimed that the wholesaler had given him a personal commitment to pay his debt.

But when the inevitably bankruptcy occurred, according to Flynt, the wholesaler laughed in Jimmy Flynt's face and reportedly said, "Too bad I couldn't get you guys for more." The "scuffle" occurred at that point. Flynt has apologized in a letter to the wholesalers.

Whatever really happened, there is general agreement among the frater-

nity of wholesalers and national distributors that Flynt is an unwelcome addition to the scene.

There are three major national distributors. Largest is Independent News Company, a subsidiary of Warner Communications Inc. The next

two are Curtis Distribution Company and Select Magazines. All have in the range of 15-20 per cent of the market.

Then comes Flynt with about 5 per cent but moving up.

"Larry has caused a lot of chaos in the industry," says Frank Herrera, president of INC and an outspoken critic of Flynt. "But he is not changing the industry. He started his distribution company because he had trouble finding people who would handle him."

Herrera says many people in the industry were outraged at the rough tactics associated with Flynt. "We spent years living down that reputation. The industry is relatively clean, and we don't need that kind of trouble."

Flynt, of course, sees his role differently. He says he is challenging a magazine distribution system that is outdated, inefficient and suicidal for the publishers.

He is now making about \$5 million a year on billings of about \$84 million for his distribution company alone. And 102 people on his payroll are costing him \$50,000 a week.

So far, it seems to be working.

"His image doesn't affect us," says High Times' Kowal. "He is just looking at distribution the old way, when the publisher ran the industry, not the wholesalers. It's shaking up the wholesalers, who aren't used to being talked to like that."

"But it doesn't bother us." y