

Robotech® RPG Tactics™ Announcement from Kevin Siembieda, President of Palladium Books

(This was originally posted as a **Robotech® RPG Tactics (RRT)** Kickstarter Update as it most immediately impacts our RRT backers, but it also affects everyone who loves Palladium's Robotech® games.)

When the **Robotech® RPG Tactics (RRT)** Kickstarter funded in May 2013, we cheered, hugged and actually danced down the halls at the Palladium office. Not just because of the amount of money raised thanks to your pledges, but because it meant the realization of our dreams for **Robotech®**. For Palladium Books, it signified bringing Robotech fans – ourselves among them – something new and exciting to the beloved **Robotech®** universe.

So it is with sadness and tremendous heartbreak that I announce that, despite our best efforts, we are unable to produce the **Robotech® RPG Tactics Wave Two rewards**.

Moreover, after proudly carrying the legacy of **Robotech®**

in the role-playing games medium for 30 years, our license has expired and is not being renewed.

Palladium's Business Manager, Scott Gibbons, intended to write this post, but I thought it should come from me. I have spent the better part

of a week trying to find the words to explain what happened and express to you how sorry we are that it has come to this. In the end, we decided it best to keep it simple and share with you the broad strokes of how things unfolded without getting too deep into the weeds or violating any Non-Disclosure Agreements.

Pre-Kickstarter

When Palladium saw the opportunity to do Robotech® miniatures as game pieces, we knew the fans would love it. Even cooler, we wanted to create a whole new RPG with an emphasis on the miniatures, combat and tactics. Something different and exciting.

So, we decided to contract with another company with a good reputation and experience in all the areas where we lacked direct experience ourselves. We considered a few companies, and decided upon *Ninja Division/Soda Pop Miniatures*. We liked what they had to say, they were knowledgeable, enthusiastic and confident, had been working with Cool Mini or Not, Games Workshop and other top-flight companies, and had been involved in 8 or 9 successful Kickstarters. Plus, they had a hit game of their own,

Super Dungeon Explore

, as well as having been involved with the creation of other games. When we inquired about the company, industry people spoke very highly of them and the products they had worked on.

Ninja Division was brought on to do the heavy lifting: Build and run the Kickstarter, select the manufacturer/broker in China, choose the manufacturing process, choose the type of plastic, provide Palladium

with the cost estimates, handle logistics and deal with all the ins and outs and many, many nuisances of manufacturing in China. Ninja Division was also to create the game and hire talented sculptors and artists to create the 3D sculpts, cards, design elements, packaging, and essentially create the game and the Kickstarter from the ground up, or as they liked to say in those early days, “handle 90% of everything.”

At Palladium Books, our primary role was using our extensive knowledge of the Robotech® I.P. to ensure the accuracy of the 3D sculpts, artwork, design elements, and overall look and feel of the game. Palladium provided Ninja Division’s sculptors and artists with all kinds of reference materials, artwork, model sheets, screen shots, and copious notes and communications to get it all just right. This was no small task, as there were many game pieces and most required a vast amount of our time and input to capture all the proper details we knew fans expected. We also handled the approval process with Harmony Gold.

Palladium eventually became more directly involved in the creative process in terms of developing the game rules. We brought in a long-time Palladium freelance writer, Robotech® uber-fan and game designer to assist. We approached it as if we were looking at Robotech® with fresh eyes, re-watched all of Robotech®: Macross, and set out to simulate the action, speed and power of the mecha as seen in the TV show. We used some of Ninja Division’s material as a starting point and built on it from there. Then we worked with them to help with the fine-tuning and number crunching. Ninja Division managed and oversaw the widespread play-testing, and the response from our scores of play-testers was overwhelmingly positive.

The Kickstarter was raw excitement. You know, you were part of it.

After the Kickstarter successfully funded, Palladium announced a Fall 2013 release and said that the game was 98% done, because in the minds of all of us here, it *was* 98% done. The rest was easy ... or so we thought. You take the 3D sculpts, do physical 3D prints, make the molds, run the plastic figures, dice and tokens, print the rule book, cards, and cartons, box it all up, shrinkwrap it, ship it to the USA, and we ship it to you and the stores. Easy, right? Wrong. But, because this is what we thought and because we were so anxious to bring the game to you and the gaming community, we advertised in print and online that the game would be a Fall 2013 release. In retrospect, we probably should have waited until RRT was on the boat heading to America; but we were excited, so we moved ahead.

Plastics and manufacturing

After delay after delay that we, like you, did not understand, we learned the problem stemmed from the fact that STL files, the 3D sculpts from the sculptors, were not compatible with the tooling process the manufacturer would be using.

The 3D sculpts we had all worked so hard on, and that Palladium had

paid \$35,000 for, and looked gorgeous, had to be completely recreated – from scratch – by the manufacturer. And Palladium and Ninja Division had to go through the creation, correction and approval process a second time for ALL of the Wave One and most of the Wave Two game pieces. A process that took MONTHS. Each delay compounding your frustration, and ours, as we would announce one revised release date – and miss it – after another.

Tooling is the engineering and making of the molds. The hard plastic used in Wave One was chosen to preserve the detail and crispness of the game pieces. Using that material requires expensive metal molds. Moreover, the plastic and the molds do not allow for undercuts, requiring the manufacturer to break the miniatures down into many, many pieces in order to manufacture them. Hence, the many parts required to build the miniatures.

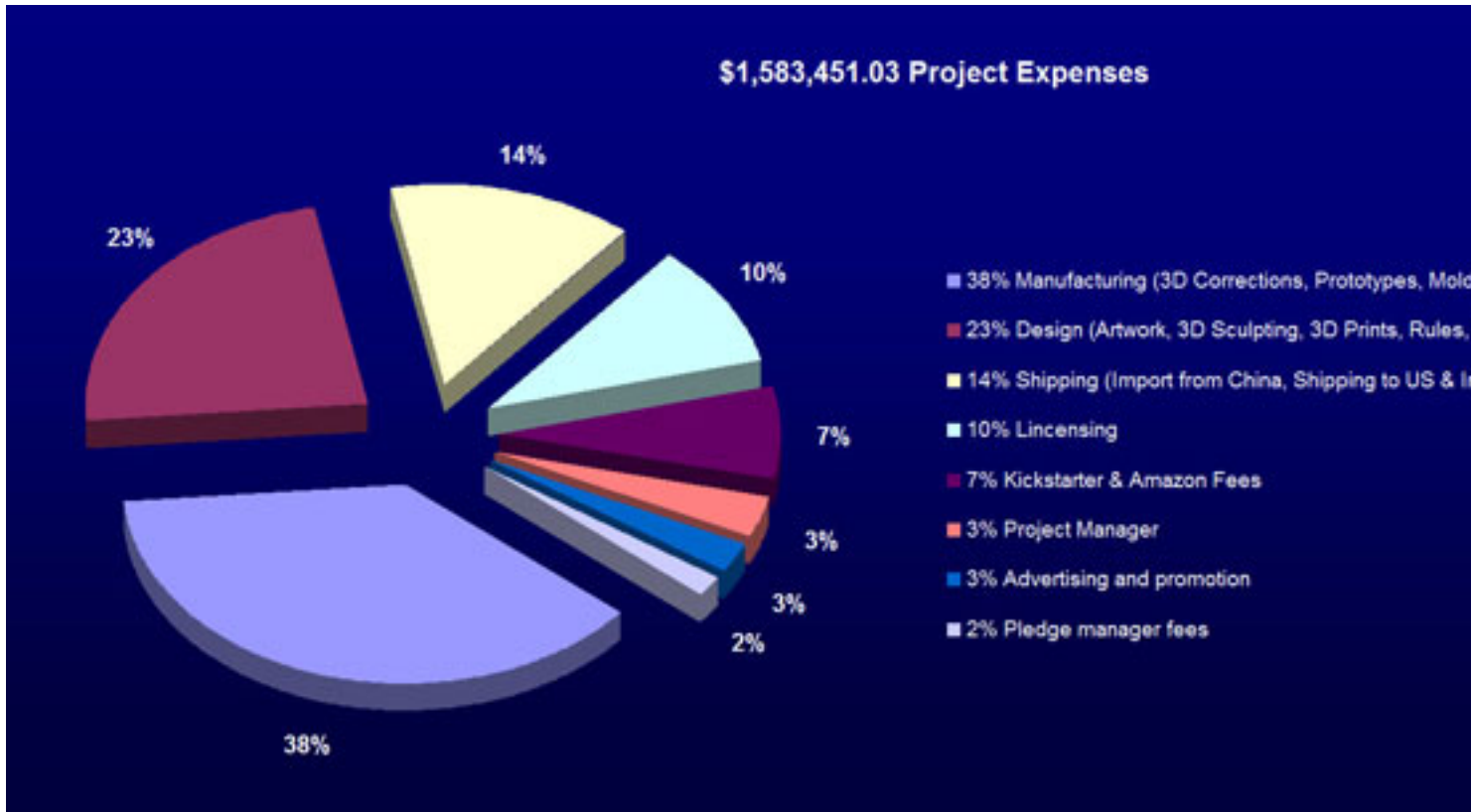
The high cost of tooling/molds – \$75,000 for what would become just the *Wave One rewards* – was unexpected. And that was in addition to the nearly \$21,000 for the 3D file corrections and prototypes by the manufacturer.

Shipping. The next big cost increase came with the announcement that all freight carriers from UPS and FedEx to the United States Postal Service were implementing **Dimensional Weight**. In the recent past, a shipper paid by the pound to send a package. Then someone in the shipping industry came up with the idea that shippers of large but lightweight packages should pay by the *size of the package*

, not just the weight. A formula based upon size (volume), not weight, was made standard so now you have to pay by “Dimensional Weight” after a certain point. And that point is not a very large package. Thus, you now pay by the actual weight or by “dimensional weight,” whichever is greater.

Dimensional Weight dramatically increased the anticipated shipping cost to backers. \$131,843.74 for just Wave One. Another \$9,016.80 for the boxes alone to ship your rewards in. And \$76,401.20 to import Wave One from China into the USA.

Costs were soaring beyond the original cost projections. Ninja Division suggested splitting the Kickstarter rewards into two waves. We were reluctant at first, but ultimately came around to the idea.



Project Expenses to Produce and Ship Wave One = \$1,583,451.03

Percentages Breakdown:

- 38% Manufacturing (3D Corrections, Prototypes, Molds, Manufacturing, Battle Foam Bags)
- 23% Design (Artwork, 3D Sculpting, 3D Prints, Rules, Ninja Division Participation)
- 14% Shipping (Import from China, Shipping to US & International Backers)
- 10% Licensing
- 7% Kickstarter and Amazon Fees
- 3% Project Manager (2013-2015)
- 3% Advertising and Promotion
- 2% Pledge Manager Fees

The effort to make Wave Two

In theory, by making and releasing the Wave One products to the retail market, we could sell enough of them to produce Wave Two rewards. Even if Palladium saw little or no initial profit from it, we figured we would make up for it with later sales as the game line grew and found its place in the market. Not ideal, but it seemed like our best choice at the time.

But after the initial release of Wave One products, for a variety of reasons, including the high piece count to make each miniature and the delay of Wave Two which would have improved the gaming experience, sales stalled. And with sales stagnating, our ability to produce Wave Two stalled with it.

The Kickstarter money was gone with Wave One, but Palladium never gave up on **Robotech® RPG Tactics**. We explored every available option in order to secure more funding or bring in business partners and investors. We solicited multiple quotes and explored different manufacturing options and new production technologies for these potential partners. As you know, there was a period when we felt very confident Wave Two would see production and release. Unfortunately, despite our best efforts, we came up short. But we were so committed, even that did not stop us. We reached out to others. Even Harmony Gold and Palladium's licensing agent tried to help us put deals together with third parties. We made a Herculean effort and did everything we could, right through this past Christmas and into the New Year, but without success.

The cost to produce **Wave Two**, estimated at **\$300,000-\$400,000** for tooling and manufacturing, plus **\$65,000** to import to the USA, plus **\$120,000-\$160,000** to ship rewards to the backers, was more than any potential investor was willing to risk.

Whenever anyone pledges support to a Kickstarter project, you never know if it will be successful or not. It is a gamble. This is true of any business venture. We are sincerely sorry this one fell short. We gave it our all, but that's the rub about life and business, sometimes your all is not good enough. Sometimes you miss the mark despite your best efforts, good intentions, and the money you pour into it. I'm sorry that was the case with RRT.

What we can offer – Wave One Rewards for Wave Two

We know it is not what you expected, but we would like to offer you Wave One rewards in exchange for the unrealized Wave Two rewards – **but you will have to pay for shipping**. We estimate shipping to all 5,000+ backers around the world will cost \$120,000-\$160,000; and, at this point, Palladium Books just does not have the resources to cover that expense.

We will do our best to ship as inexpensively as possible, and we will only pass along our actual costs – with Palladium covering the cost of

labor.

Details about the reward exchange are below.

I would like to state that the people at Harmony Gold USA, Inc., have been wonderful partners to work with these many years. They went above and beyond the call of duty when it came to their assistance with trying to keep RRT alive. Our thanks to everyone involved.

My thanks and humble appreciation to everyone who supported Robotech® RPG Tactics. First and foremost, that includes you, our Kickstarter backers, followed by others who bought and loved RRT, everyone who had a direct hand in its creation, to play-testers, freelancers, Game Masters, and many, many others — far too many people to try to list. Literally, thousands of you. Thank you for sharing our dream. We tried our very best.

With Sincere Appreciation,
Kevin Siembieda
President, Palladium Books, Inc.

Get Wave One Items for your Wave Two Rewards –

but you need to do it fast

You can get Wave One rewards in exchange for the unrealized Wave Two rewards – **but you will have to pay for shipping**. We estimate shipping to all 5,000+ backers around the world will cost \$120,000-\$160,000. We're sorry, but Palladium Books just does not have the resources to cover that expense, so if you would like to get Wave One rewards in exchange for the Wave Two rewards, we must ask you to pay for the shipping.

We will do our best to ship as inexpensively as possible, and we will only pass along our actual costs – with Palladium covering the cost of labor – but Palladium does not enjoy the steep shipping discounts of mega-corps like Amazon. Moreover, our overseas backers will have to contend with Customs fees, taxes and other costs.

Individual costs may vary substantially depending on the volume you are receiving and where it is shipping to. The size or weight of the package will also have an impact on cost. Shipping costs should not be too bad for most backers in the **USA**, probably averaging around \$20-\$35, but shipping to Canada is easily double that amount, and triple or more for overseas thanks to the nightmare that is *dimensional weight*

\$18-\$35 in the USA is our rough estimate for most typical packages shipping within the contiguous United States of America. More to

Alaska, Hawaii, and Puerto Rico. Of course, some will be much less and some much more depending on how much you are receiving. We will pack up your rewards, weigh it all, and let you know the shipping cost BEFORE we charge your credit card and ship.

\$40-\$70 to Canada is our very rough estimate.

\$60-\$100 or more to overseas/EU/Australia is our very rough estimate.

Note: The lower numbers above are based on a 9 pound (4 kg) package consisting of one core game and one of each of the six add-on packages. The second, higher price is based on 2 core box games and one of each expansion pack; 13 pounds (just under 6 kg). We think most backers should fall in this range. Obviously, fewer items will mean a lower shipping cost. More will increase the cost.

We know this isn't what you hoped for. And again, we are very sorry, but it is all we can offer.

Reward Exchange Details

If you want to receive Wave One rewards for Wave Two – and pay the shipping cost – this is what to do:

1. Send us a Kickstarter Message to request reward exchange.

Your absolute best method for contacting Palladium to request Wave One rewards for your Wave Two Remaining Rewards Value (RRV) is via **Kickstarter Message**. This not only makes it easier for us to keep track of your specific reward selections, it also lets us easily verify your identity as a backer of this project. Once we receive your message, we will provide you with your Remaining Rewards Value so that you can select the Wave One items of your choice at the RRT Kickstarter campaign values, not their current retail prices.

If for some reason you cannot send us a message through Kickstarter itself, you can email us at **kickstarter@palladiumbooks.com**, but it will take us extra time to verify that you are a backer, and you might need to provide additional information (e.g. your Backer Number, BackerKit Pledge Number, pledge amount, etc.) to help us do so.

If you cannot send us a Kickstarter Message or an email, you can call the office order line, 734-721-2903. However, to help eliminate confusion and ensure that we send you the correct rewards, please refrain from calling unnecessarily, except to send us your credit card information to cover shipping.

To save yourself time and to get put at the front of the line for

selecting rewards that are very limited in quantity, include your reward exchange selections in your

first Kickstarter Message

. Calculate your own Remaining Rewards Value as follows:

- Blitzkrieg Wave Two components: \$23.78
- Battle Cry Wave Two components: \$31.76
- Showdown Wave Two components: \$52.94
- Reckless Wave Two components: \$105.88
- Rick Hunter: \$15.00
- Roy Fokker: \$15.00
- Armored Valkyries: \$20.00
- Experimental Battloid: \$20.00
- SF-3A Lancer II: \$20.00
- QF-3000 Ghost Drone: \$20.00
- YF-4 Veritech: \$30.00
- VEF-1/VF-1D Valkyrie Pack: \$30.00
- Super Valkyrie Wing: \$35.00
- Mk.II Monster: \$40.00
- Daedalus Attack Wave Two components: \$112.50
- Khyron Glaug Battlepod: \$15.00
- Miriya Queadluun-Rau Female Power Armor: \$15.00
- Gnerl Fighters: \$15.00
- Zentraedi Male Power Armor Pack: \$20.00
- Zentraedi Infantry: \$30.00
- Queadluun-Rau: \$30.00
- Glaug Eldare: \$30.00
- Glaug Eldare Squadron: \$80.00
- Objective Pack 1: \$15.00
- Objective Pack 2: \$15.00
- SDF-1 Resin Bases: \$20.00
- SDF-1: \$20.00

2. Consult the list of reward exchange items below to select a number of Wave One rewards worth your Remaining Rewards Value. Any RRV left unused will be lost.

3. Send us a Kickstarter Message with your reward exchange selections. Please also include your current shipping address, just to make sure we have your correct, current address. Make sure to include your Apartment Number.

4. We will pull your reward exchange selections, pack them in a shipping carton, weigh it, and calculate the exact shipping cost. We will then send you a Kickstarter Message to let you know what that cost is.

5. Send us your credit card info (by phone at 734-721-2903) and we will charge you for the shipping cost,
or send a PayPal payment
to paypal@palladiumbooks.com.

6. Once we have received payment for shipping, we will ship your rewards, and you will receive an email with a tracking number for the

package.

DEADLINE: March 20, 2018

Time is of the essence. We must hear from you as soon as possible and start shipping rewards out. In addition, we have limited inventory, so the sooner you tell us what you want and pay for shipping, the more likely you are *to get the exact Wave One rewards you want.*

AVAILABLE ONLY WHILE SUPPLIES LAST. Thank you for your cooperation and understanding.

Available Rewards

- **Robotech RPG Tactics Core Game Box** – Rewards Value: \$80.00

- **UEDF Decals** – Rewards Value: \$5.00
- **Zentraedi Decals** – Rewards Value: \$5.00
- **UEDF Dice Pack** – Rewards Value: \$12.00
- **Zentraedi Dice Pack** – Rewards Value: \$12.00
- **UEDF Tokens & Template** are gone.
- **Zentraedi Tokens & Template** – Rewards Value: \$10.00

(Extremely limited quantity available!)

- **Combined Token & Template Pack** – Rewards Value: \$15.00
- **RRT Rulebook** – Rewards Value: \$20.00
- **UEDF Valkyrie Wing** – Rewards Value: \$25.00
- **UEDF Tomahawk/Defender Destroids** – Rewards Value: \$20.00

- **UEDF Spartan/Phalanx Destroids** – Rewards Value: \$20.00
- **Zentraedi Regult Battlepods** – Rewards Value: \$25.00
- **Zentraedi Artillery Battlepods** – Rewards Value: \$20.00
- **Zentraedi Glaug Command** – Rewards Value: \$20.00
- **Convention Exclusive: Max Sterling's Valkyrie** – Rewards

Value: \$22.00 (Limit 1 Convention Exclusive per backer, plus 1 per \$100 in Remaining Rewards Value, up to maximum of 11. So as many backers who want them can get some.)

- **Convention Exclusive: Miriya Sterling's Super Valkyrie** – Rewards Value: \$22.00 (Limit 1 Convention Exclusive per backer, plus 1 per \$100 in Remaining Rewards Value, up to maximum of 11. So as many backers who want them can get some.)

- **Convention Exclusive: Breetai in Combat Armor** – Rewards Value: \$22.00 (Limit 1 Convention Exclusive per backer, plus 1 per \$100 in Remaining Rewards Value, up to maximum of 11. So as many backers who want them can get some.)

- **Convention Exclusive: Grell in Male Power Armor** – Rewards Value: \$22.00 (Limit 1 Convention Exclusive per backer, plus 1 per \$100 in Remaining Rewards Value, up to maximum of 11. So as many backers who want them can get some.)

- **Battle Cry Wave 1 Extras Bag** – Rewards Value: \$120.00 (Very limited quantity available!)

- **Robotech® The Shadow Chronicles® Role-Playing Game (Manga size)** – Rewards Value: \$16.95

- **Robotech® The Macross® Saga Sourcebook** – Rewards Value: \$16.95

- **Robotech® The Masters Saga™ Sourcebook** – Rewards Value: \$20.95

- **PDF - Robotech® RPG** – Rewards Value: \$10.49

- **PDF - Robotech® RDF Manual** – Rewards Value: \$8.49

- **PDF - Robotech® The Zentraedi** – Rewards Value: \$8.49

- **PDF - Robotech® Southern Cross** – Rewards Value: \$10.49

- **PDF - Robotech® Ghost Ship** – Rewards Value: \$8.49

- **PDF - Robotech® ATP** – Rewards Value: \$8.49

- **PDF - Robotech® Invid Invasion** – Rewards Value: \$10.49

- **PDF - Robotech® Return of the Masters** – Rewards Value: \$10.49
- **PDF - Robotech® Lancers Rockers** – Rewards Value: \$8.49
- **PDF - Robotech® Zentraedi Breakout** – Rewards Value: \$8.49
- **PDF - Robotech® New World Order** – Rewards Value: \$10.49
- **PDF - Robotech® Strike Force** – Rewards Value: \$10.49

All Robotech® products are to be liquidated

Palladium's license for RRT and the Robotech® RPG book series has ended. That means we will be liquidating ALL Robotech® products, starting with RRT backers who want to receive Wave One items for their Wave Two rewards.

As part of our license agreement, Palladium has a short window (from now until the end of March) to liquidate our stock of **Robotech® RPG Tactics (RRT)**

products,

Robotech® Shadow Chronicles® Role-Playing Game books

, and the

PDFs

of the

original Robotech® RPG series

currently available on DriveThruRPG.com. So you must act quickly.

We will announce specific sales in the days ahead.

RRT Backer Reward Exchange Clarifications

1. Should backers who wish to exchange Wave Two pledges for Wave One rewards submit their credit card info through Kickstarter messaging?

ANSWER: No! In the interest of security, please do not include your Credit Card information in an email or Kickstarter Message. After we have sent you your exact shipping cost, please either call our office at 734-721-2903, or send us a PayPal payment at paypal@palladiumbooks.com.

All other communication should be via Kickstarter Message if possible. If you need to call the Palladium office, be aware that we are getting so many calls the answering machine may be on. Please leave a message and someone will get back to you as soon as we can.

2. With 3D printing so prevalent now, will PB release the STL files for Wave 2 so that people can

print the items themselves?

ANSWER: Sorry, no we cannot. Robotech® is a licensed property. Palladium does not own the rights to exploit the characters, images and I.P.s of Robotech® in any way. Sorry.

3. Can people get select Robotech® books as part of their rewards substitution for Wave 2?

ANSWER: Yes, backers can request select Robotech RPG books that we have an ample number of to satisfy most requests. Those available include:

- Robotech® The Shadow Chronicles® Role-Playing Game (Manga size) – \$16.95 value
- Robotech® The Macross® Saga Sourcebook – \$16.95 value
- Robotech® The Masters Saga™ Sourcebook – \$20.95 value

4. Can people get PDFs of the old Robotech

game as part of their rewards substitution for Wave 2?

ANSWER: Yes, backers can request PDFs of any of the original Robotech® RPG and sourcebooks currently available on DriveThruRPG.com in exchange for part of their Wave Two rewards.

5. The Con Exclusive limit of 1 per backer plus 1 per \$100 – does this mean only one type of figure or can they get multiple models?

ANSWER: You can order any combination of Convention Exclusives that you want, up to the limit as described. For example, backers with up \$99 in RRV can get one Exclusive of their choice; \$100-199 can get two of the same type or two different ones, but just two total; \$200-299 can get any three, etc., up to 11 total Exclusives for those with \$1,000 or more in RRV. The reason there are any limitations is that these items are more limited in quantity than most others, and we want to let as many backers as possible who want them to be able to get some. We hope you understand.

6. Can people pick up their Wave 1 substitutes

at the office?

ANSWER: Backers who would like to pick up their rewards at the Palladium office can do so. **HOWEVER**, please do **NOT** just show up out of the blue. We need you to submit your reward exchange list so we have time to confirm your identity and information, and have it all picked, packed and waiting for you at the door. A few backers already have.

7. Can people pick up their Wave 1 substitutes at the Open House (after the grace period is over)?

ANSWER: Backers *who are attending* the Palladium Open House can pick up their rewards at the POH if that is what they would like to do. **HOWEVER**, if you are **NOT** attending the event, you should pick up your rewards **BEFORE** the actual POH, but we can hold them for a few weeks after the grace period. In any case, the same rule above applies, you must send us your selections in advance so that we can have them ready for you.

8. Can a backer give their remaining balance to another person.

ANSWER: Yes – BUT – the Backer must put in the request for the specific rewards he wants to send to ONE alternative individual AND provide Palladium with one “**ship to” name and address**

if different from his own. After confirmation, Palladium will ship the rewards to the designated alternate person/beneficiary. Please note that the shipping cost calculation will be based on the actual “ship to” address.

9. Do you have enough product for the Exchange of Rewards?

Yes, we believe we do, but over time we will certainly run out of some specific items. The response to the Wave One Reward Exchange Program has been strong and while most items are available in good quantities, they are only available while supplies last on a first come, first served basis. If you want to participate in the Exchange, please get back to us at your earliest convenience. **Dead line is March 20, 2018**

, but please don't wait to the last minute. Thank you.