

UNITED STATES BANKRUPTCY COURT District of Delaware PROOF OF CLAIM

Name of Debtor: Anderson News LLC Case Number: 09-10695(CSS)

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property): Michael Myers - Myers Distributors Inc
Name and address where notices should be sent: 8868 Oak Ave, Orangevale CA 95662
Telephone number: 916-987-1506

Check this box to indicate that this claim amends a previously filed claim.
Court Claim Number: (If known)
Filed on:

Name and address where payment should be sent (if different from above): Same
Telephone number:

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ 49,189.75
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.
If all or part of your claim is entitled to priority, complete item 5.

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.
Specify the priority of the claim.

2. Basis for Claim: gold sold
3. Last four digits of any number by which creditor identifies debtor: 4239
3a. Debtor may have scheduled account as:

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.
Nature of property or right of setoff: Real Estate Motor Vehicle Other
Describe:
Value of Property: \$ Annual Interest Rate %
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ Basis for perfection:
Amount of Secured Claim: \$ Amount Unsecured: \$

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).
Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).
Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.
If the documents are not available, please explain:

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().
Amount entitled to priority: \$
*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

Date: 1-20-2010 Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.
Michael G. Myers MICHAEL G. MYERS / OWNER / PRESIDENT

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 371.

Anderson News LLC
Barcode
00027

FILED
JAN 25 10:57
BANKRUPTCY COURT DISTRICT OF DELAWARE

SUPPLY & SERVICE AGREEMENT

Anderson News, LLC ("Anderson") on its behalf and on behalf of its subsidiaries and Myers Distributing Company hereby agree that Anderson shall be the exclusive distributor of magazines and books to Myers Distributing Company in Orangevale, CA. In this supply and service agreement, we will sometimes refer to Anderson as "we", "us", and "our", and will sometimes refer to Myers Distributing Company as "you" and "your".

1. **Basis of Agreement:** During the term of this agreement, Anderson will be the exclusive provider of magazines and books (the "Merchandise") to Myers Distributing Company stores (the "Stores"), identified on Exhibit A to this letter (the "Territory"). New Stores opened and Stores acquired by you will also be subject to this agreement to the extent that such Stores are not legally prevented from being included herein due to preexisting contracts. From time to time you may purchase products that are not included in Merchandise from us. The terms for purchase of these products will be mutually agreed upon.
2. **Pricing:** During the term, the price to be charged by Anderson for the Merchandise will be determined. (See Exhibit B)
3. **Term:** The term of this agreement will be three (3) years from July 28, 2006, ending July 27, 2009, unless the agreement is terminated before the end of the three year period as allowed in Paragraph 9 in this supply and service agreement.
4. **Credit Terms:**
 - (a). **Payment terms** Payment of the magazine and book invoices will be due net seven (7) days from the invoice date. Invoices not paid in a timely fashion will be subject to a 1.5% interest charge per month.
 - (b). **Material Adverse Change** In the event the financial condition of Myers Distributing Company should change negatively, or other adverse situation arise, Myers Distributing Company must notify Anderson in writing immediately. Further, Anderson has the right to suspend the provision of credit, suspend deliveries or terminate the Supply and Service Agreement without further notice or cure period in the event of a material adverse change to Myers Distributing Company's financial condition. Anderson agrees that it will use good faith in making a material adverse change determination.
- * 5. **Returns:** All or any part of the Merchandise will be returnable by you for full credit (the "Return Credit"). Credit invoices may be deducted by Myers Distributing Company thirty (30) days from credit invoice week ending date; to be processed in accordance with terms calculated on delivery invoices. If Myers Distributing Company's system will not allow credits after thirty (30) days, then the payment terms become fifteen (15) days.
6. **Exclusivity:** During the Term, Myers Distributing Company agrees to exclusively purchase all magazines, book and other products, specified in Exhibit B, for your Stores from Anderson, unless we are unable or choose not to supply particular products, in which event you are free to purchase such products from someone else.
7. **Indemnification:** Anderson shall indemnify, defend and hold Myers Distributing Company harmless from and against any and all loss, cost, damage, liability or expense arising out of or related to any accident or other occurrence causing injury to any person or property, which arises in connection with Anderson negligently performing its obligations thereunder. All property of any description, with the exception of delivered Merchandise, of Anderson at or near the stores covered by this Agreement shall at all times be at the sole

risk of Anderson, and Myers Distributing Company shall have no responsibility for any loss or damage to Anderson property from pilferage, robbery, theft, burglary or disappearance, from fire or any other casualty, from the elements or from leaks or defects in or breakdown of any plumbing, wiring, heating, or air conditioning facilities or other machinery or casualty.

8. **Insurance:** Anderson shall carry worker's compensation insurance with respect to its employees. Anderson shall at all times during the term of this Agreement maintain and pay for comprehensive general liability insurance affording protection to Myers Distributing Company and Anderson, naming Myers Distributing Company as an additional insured, for a combined bodily injury and property damage limit or liability of not less than \$1 million for each occurrence. Anderson shall deliver to Myers Distributing Company a certificate of insurance for such policies containing a clause requiring the insurer to give Myers Distributing Company at least ten (10) days written notice of cancellation of such policies.
9. **Termination:** The Term may be terminated by either Anderson or by Myers Distributing Company only "For Cause", as follows:
 - (1) Myers Distributing Company will be permitted to terminate this Agreement For Cause if:
 - (a) We fail to service the Stores in substantially the same manner as Myers Distributing Company Stores are being serviced by us as of the date of this letter, and we fail to cure any problems that you identify to us in writing within thirty (30) days after we receive written notice of the problems, or
 - (b) We breach any other material provision of this letter agreement and we fail to cure any breach that you identify to us in writing within thirty (30) days after we receive the notice of the breach, or
 - (c) We file for bankruptcy protection.
 - (2) Anderson will be permitted to terminate this Agreement For Cause if:
 - (a) You fail to make any payment within three (3) days of the date payment is due, and you fail to cure the payment default within five (5) days after we notify you in writing of the payment default, or
 - (b) You breach any other material provision of this letter agreement and you fail to cure any breach that we identify to you in writing within thirty (30) days after you receive the notice of the breach, or
 - (c) There is a material adverse change in the financial condition of Myers Distributing Company, as determined in good faith based on negative changes in stock price, defaults on loans, violation of loan covenants, negative earnings trends, or negative changes or trends in other commonly used financial indicators, or
 - (d) You file for bankruptcy protection.
10. **Confidentiality:** Anderson and Myers Distributing Company agree to maintain the confidentiality of this agreement and the pricing structure, and not to disclose it to anyone

other than legal advisors, accountants and consultants who agree to maintain its confidentiality, or under court order or otherwise required by law.

11. **Force Majeure:** Except for the failure to make payments when due, neither Anderson nor Myers Distributing Company will be liable to the other by reason of any failure in performances of this agreement if the failure arises out of acts of God, acts of the other party, acts of governmental authority, fires, strikes, delays in transportation, riots, war, or any cause beyond the reasonable control of that party. If any such event delays performance, the time allowed for each performance will be appropriately extended.
12. **Waiver:** The waiver by a party of any breach of this Agreement by the other party in a particular instance shall not operate as a waiver of subsequent breaches of the same or different kind. The failure of a party to exercise any rights under this Agreement in a particular instance shall not operate as a waiver of such party's right to exercise the same or different rights in subsequent instances.
13. **Disputes:** If a dispute arises between the parties regarding the application or interpretation of any provisions of this Agreement, the aggrieved party shall promptly notify the other party of the dispute within ten (10) days after such dispute arises or the aggrieved party reasonably should have become aware of such dispute. If the parties fail to resolve the dispute within twenty (20) days after the date of such notice, each party shall nominate a senior officer of its organization to meet at a mutually agreed location to resolve the dispute. If the parties are unable to resolve the dispute to their mutual satisfaction within ten (10) days thereafter, or any other mutually agreeable time period, the dispute shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration may be submitted to any independent arbitration firm, but if the parties are unable to agree on an arbitration firm, the arbitration will be submitted to the American Arbitration Association. The arbitration will be held in Nashville, Tennessee. The arbitrator shall be selected by the agreement of Anderson and Myers Distributing Company, but if they do not do so within 20 days after the date of the request for arbitration, the selection shall be pursuant to the rules of the agreed arbitration firm (or Association, if applicable). The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto and judgment on any such award may be entered in any court having jurisdiction over the parties to and the subject matter of the controversy. Each party shall pay its own expenses of arbitration and the expenses of the arbitrator shall be equally shared; provided, however, that the arbitrator may assess, as part of the award, all or any part of the arbitration expenses (including reasonable attorney's fees and other legal expenses) of the prevailing party or parties against the losing party or parties. Nothing contained in this Section shall prevent or otherwise impair the rights of Anderson to exercise any remedies available to Anderson hereunder or under applicable law after the occurrence and during the continuance of an Event of Default.
14. **Miscellaneous:** All of the terms and conditions of this agreement will be binding on our and your successors and assigns. The agreement will be governed by the laws of the state of California. This letter reflects the entire agreement of Anderson and Myers Distributing Company regarding the subject matter of this letter. If either you or we desire to waive any breach of the agreement, the waiver must be in writing and be signed by the party granting the waiver.

To indicate your agreement to the terms set forth in this letter, please sign below.

Myers Distributing Company agrees to the terms of this agreement, this 27 day of SEPT 2006
2006.

MYERS DISTRIBUTING COMPANY

ANDERSON NEWS, LLC

BY: Theresa Myers BY: [Signature]
NAME: Theresa Myers NAME: [Signature]
TITLE: OWNER TITLE: OWNER

Address for Notices.

Address for Notices.

Anderson News Company
5016 Brockvale Ln, Suite 151
Knoxville, TN 37919
Attn: Ken Weiborn

FORM 7-03

This proposal is good for thirty (30) days from July 28 2006 unless this contract is executed with signatures unless extend in writing and agreed to by both parties.

Date	Mag Invoice	Amount	Short Amount	Balance less short	Return Invoice	Myers Amount	Anderson Return	Change in Contracts %
111008	2610748069	\$9,274.98		\$9,274.98	7948836069	\$6,779.70	\$6,583.63	
110608	2608821069	\$227.02		\$227.02				
110608	2605678069	\$165.19		\$165.19				
110608	2604167069	\$68.40		\$68.40				11/17/2008
111708	2622121069	\$37,531.65	\$413.40	\$37,945.05	7972002069	\$29,235.18	\$29,270.26	beg of 33%
111308	2620824069	\$15.96		\$15.96				purchase & return
111308	2618660069	\$389.92		\$389.92				
112008	2628479069	\$401.02		\$401.02				
112608	2637135069	\$389.92		\$389.92				
112408	2630979069	\$7,087.27	\$16.54	\$7,103.81		\$20,942.45	\$20,884.02	33/31
120108	2639346069	\$22,156.31		\$22,156.31	7988976069			
120908	2652126069	\$477.88		\$477.88				
120408	2646626069	\$380.84		\$380.84				
120808	2648659069	\$17,272.01	\$8.03	\$17,280.04	7998210069	\$10,889.76	\$11,240.47	33/31%
121108	2655136069	\$380.84		\$380.84		\$18,498.39	\$19,019.46	33/31%
121508	2656883069	\$25,958.35	\$42.81	\$26,001.16	8006190069			
122408	2670236069	\$229.15		\$229.15				
122908	2673034069	\$12,226.29		\$12,226.29				
122208	2685757069	\$19,538.94		\$19,538.94	8015147069	\$20,871.20	\$21,076.74	33/31%
10509	2681401069	\$14,796.71	\$7.36	\$14,804.07	8030716069	\$9,435.83	\$9,618.55	33/31%
10509	2678309069	\$343.04		\$343.04				
10809	2687123069	\$372.46		\$372.46				
11209	2689304069	\$17,517.87		\$17,517.87	8038418069	\$13,124.69	\$13,238.84	33/31%
11509	2696618069	\$372.46		\$372.46				
11509	2698547069	\$26,131.31		\$26,131.31	8047612069	\$18,442.01	\$18,571.16	
11509	2694842069	\$769.41	\$8.03	\$777.44		\$7,807.06	\$7,820.51	
12309	2706469069	\$10,768.88		\$10,768.88	8055465069			
12309	2708022069	\$56.40		\$56.40				
12309	2705808069	\$391.50		\$391.50				
12309	2710059069	\$20.01		\$20.01				
13009	2716540069	21851.3		21851.3	8061200069	17225.58	17284.83	
13009	2717104069	372.46		372.46				
	Total Invoices & Returns			\$248,431.92		\$173,251.83	\$174,608.47	
	Balance owing less returns					\$75,180.09	\$73,823.45	

Recap of Invoices & Returns

Pieces picked up for return credit	# of items	Total
Magazines picked up after	17593	\$124,369.84
Anderson News Suspends Normal		
Business Activity		
Total Return Credit	17593	\$124,369.84

Return Value Less Invoices owed	Total
Balance due Anderson News Invoices	\$75,180.09
Balance due Myers In return credit	\$124,369.84
Total Balance due Myers Distributors, Inc.	\$49,189.75

DATE 4/09

Quantity	Retail Cost	Our Cost	Credit Amount
	1.75	1.21	0.00
	1.50	1.04	0.00
44	1.99	1.37	60.28
	2.29	1.58	0.00
	2.39	1.65	0.00
	2.49	1.72	0.00
	2.50	1.73	0.00
	2.69	1.86	0.00
	2.79	1.93	0.00
23	2.99	2.0631	47.45
	3.29	2.27	0.00
15	3.49	2.41	36.15
63	3.50	2.42	152.46
	3.95	2.73	0.00
165	3.99	2.75	453.75
	4.29	2.96	0.00
18	4.50	3.11	55.98
	4.79	3.24	0.00
22	4.95	3.41	75.02
547	4.99	3.44	1,881.68
	5.49	3.79	0.00
	5.50	3.79	0.00
	5.95	4.10	0.00
	5.98	4.12	0.00
885	5.99	4.13	3,655.05
	6.95	4.80	0.00
	6.98	4.81	0.00
572	6.99	4.82	2,757.04
	7.00	4.83	0.00
	7.95	5.49	0.00
1238	7.99	5.51	6,821.38
	8.95	6.18	0.00
1484	8.99	6.20	9,200.80
	9.49	6.55	0.00
1867	9.99	6.89	12,863.63
3623	10.99	7.58	27,462.34
6748	11.99	8.27	55,805.96
50	14.95	10.30	515.00
229	15.99	\$11.03	2,525.87

Total Pieces Returned 17593
 Total Return Credit Amount

\$124,369.84