

UNITED STATES BANKRUPTCY COURT for the District of Delaware

PROOF OF CLAIM

Name of Debtor:

ANDERSON NEWS, LLC

Case Number:

09-10695 (CCS)

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):

MSolutions LLC dba Media Solutions

Name and address where notices should be sent:

4099 Martel Rd
Lenoir City, TN 37772

Telephone number:

865-986-7575 x 238

RECEIVED

JUN 04 2010

BMC GROUP

☐ 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):

9632 Madison Blvd
Madison, AL 35758

Telephone number:

256-772-8131

☐ 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:

\$ 569,782.73 (569,781.73)

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.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim:

Fiduciary Agency letter attached

(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 1010

3a. Debtor may have scheduled account as:

(See instruction #3a on reverse side.)

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: \$ _____

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.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to \$11,725*) 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).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to \$2,600* 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).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)().

Amount entitled to priority:

\$ _____

*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

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:

Date: 6/2/10

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.

Kam Ferguson

Kam Ferguson

Director: Finance

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FOR COURT USE ONLY

Anderson News LLC



00164

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10)

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view the claims register.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

Media Solutions

Integrated Marketing and Distribution Services

Media Solutions
9632 Madison Blvd
Madison, AL 35758
June 2, 2010

BMC Group Inc.
Attn: Anderson News Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

Dear Sir or Madam:

We have received the state of Delaware's notice of entry of bar date order and attach our claim affidavit along with this response letter. Anderson News was fiduciary for the Retail Display Allowance funds of Media Solutions, serving as billing & collection agent in exchange for a 1.5% commission. Beginning in January 2008, Anderson News subcontracted this service to Source Interlink per the attached contract. Media Solutions is included in the top ten retailer total on page 1 of Schedule A as our annual sales exceed \$40M. We are claiming the funds paid by Source Interlink to Anderson News for Media Solutions from December 2008 thru February 2009 for which Anderson News has billed Media Solutions 1.5% commission [invoices attached as primary evidence of claim] but have not paid Media Solutions the \$569,782 funds collected from publishers/national distributors. [\$561,235 net of commissions]

With Anderson News serving as trustee of these funds, and having no right to more than 1.5% of them at any time, Media Solutions should receive their claim in full.

Thank you for your attention to this claim.

Gratefully,



Kam Ferguson, CPA
MSolutions LLC dba Media Solutions
Director: Finance
Kam.ferguson@mediasolutionsllc.com
865-986-7575 xt 238

I N V O I C E

ANDERSON NEWS, LLC
6016 BROOKVALE LANE
KNOXVILLE, TN 37919
CONTACT Nick Prokop
PHONE 865.558.0384

DATE 3/05/2009
INVOICE 78290124
REFERENCE RDA 52432
PO RDA 30509

C U S T O M E R



010800782901240524320000019

NAME MEDIA SOLUTIONS
ADDRESS ATTN: KRISTEN HEATH
9632 MADISON BLVD
MADISON, AL 35758

52432

ATTENTION Erica Robinson

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	RDA Commissions for Check #127323 from- WENNER MEDIA Date Received 2/27/2009 In the amount of \$81290.00 for year / qtr 08/3	1,219.35	1,219.35
1	RDA Commissions for Check #286093 from- U.S. News & Wor Date Received 3/2/2009 In the amount of \$10301.31 for year / qtr 08/1	154.52	154.52
1	RDA Commissions for Check #286093 from- CURTIS Date Received 3/2/2009 In the amount of -\$10301.31 for year / qtr 07/4	154.52-	154.52-

INVOICE TOTAL 1,219.35

PLEASE REMIT PAYMENT TO
ANDERSON NEWS, LLC
PO BOX 116427
ATLANTA, GA 30368-6427

INVOICE

ANDERSON NEWS, LLC
6016 BROOKVALE LANE
KNOXVILLE, TN 37919
CONTACT Nick Prokop
PHONE 865.558.0384

DATE 1/15/2009
INVOICE 75857124
REFERENCE RDA 52432
PO RDA 11509

CUSTOMER

NAME MEDIA SOLUTIONS
ADDRESS ATTN: KRISTEN HEATH
9632 MADISON BLVD
MADISON, AL 35758



010800758571240524320000017

52432

ATTENTION Erica Robinson

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	RDA Commissions for Check #112823 from- OK MAGAZINE RDP Date Received 1/9/2009 In the amount of \$61500.00 for year / qtr 08/3	922.50	922.50

INVOICE TOTAL 922.50

PLEASE REMIT PAYMENT TO
ANDERSON NEWS, LLC
PO BOX 116427
ATLANTA, GA 30368-6427

I N V O I C E

ANDERSON NEWS, LLC
6016 BROOKVALE LANE
KNOXVILLE, TN 37919
CONTACT Nick Prokop
PHONE 865.558.0384

DATE 2/12/2009
INVOICE 77020124
REFERENCE RDA 52432
PO RDA 20509

C U S T O M E R



010800770201240524320000013

NAME MEDIA SOLUTIONS
ADDRESS ATTN: KRISTEN HEATH
9632 MADISON BLVD
MADISON, AL 35758

52432

ATTENTION Erica Robinson

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	RDA Commissions for Check #269392 from- CURTIS Date Received 2/5/2009 In the amount of \$30011.05 for year / qtr 08/3	450.17	450.17
1	RDA Commissions for Check #269392 from- CURTIS Date Received 2/5/2009 In the amount of -\$30011.05 for year / qtr 07/4	450.17-	450.17-
1	RDA Commissions for Check #279021 from- CURTIS Date Received 2/5/2009 In the amount of \$1391.84 for year / qtr 08/3	20.88	20.88
1	RDA Commissions for Check #279021 from- CURTIS Date Received 2/5/2009 In the amount of -\$1391.84 for year / qtr 08/1	20.88-	20.88-
1	RDA Commissions for Check #293617 from- CURTIS Date Received 2/5/2009 In the amount of \$1776.94 for year / qtr 08/2	26.65	26.65
1	RDA Commissions for Check #293617 from- CURTIS Date Received 2/5/2009	6.086.26	6.086.26

C O N T I N U E D

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INVOICE

ANDERSON NEWS, LLC
6016 BROOKVALE LANE
KNOXVILLE, TN 37919
CONTACT Nick Prokop
PHONE 865.558.0384

DATE 2/12/2009
INVOICE 77020124
REFERENCE RDA 52432
PO RDA 20509

CUSTOMER

NAME MEDIA SOLUTIONS
ADDRESS ATTN: KRISTEN HEATH
9632 MADISON BLVD
MADISON, AL 35758

52432

ATTENTION Erica Robinson

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	In the amount of \$405750.72 for year / qtr 08/3		
1	RDA Commissions for Check #44371 from- CURTIS Date Received 2/5/2009	284.43	284.43
	In the amount of \$18962.32 for year / qtr 08/3		
1	RDA Commissions for Check #ANCCONV from- CURTIS Date Received 2/5/2009	311.51	311.51
	In the amount of \$20767.26 for year / qtr 08/3		
1	RDA Commissions for Check #ANCCONV from- CURTIS Date Received 2/5/2009	311.51-	311.51-
	In the amount of -\$20767.26 for year / qtr 07/3		
1	RDA Commissions for Check #26211 from- HEAVY METAL Date Received 2/9/2009	7.53	7.53
	In the amount of \$501.75 for year / qtr 08/2		

INVOICE TOTAL 6,404.87

PLEASE REMIT PAYMENT TO
ANDERSON NEWS, LLC
PO BOX 116427
ATLANTA, GA 30368-6427

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT dated as of January 14, 2008, by and between **SOURCE INTERLINK COMPANIES, INC. ("Source")**, and **Anderson News, LLC ("Client")**. Source and the Client are hereinafter collectively referred to as the "Parties".

WITNESSES:

WHEREAS Source is, among other things, engaged in the business of performing, for itself and third parties, various I.T. and administrative services associated with claiming all rebates, allowances, or other payments in connection with the display or sale of magazines (collectively "RDA") at retailer locations.

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained, the sufficiency and receipt whereof is hereby acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1.- INTERPRETATION

1.1. Definitions.

The foregoing recitals are incorporated herein and made a part hereof by reference thereto. As used herein, the following terms shall have the meanings set forth below:

"Agreement", "this Agreement", "herein", "hereto" and "hereof", and similar expressions, will be read as referring to this Agreement including the recitals and any schedules hereto, as amended from time to time, as a whole and not to a particular Section of this Agreement unless a particular Section is specifically referred to by number;

"Account" means those Retailers listed on Schedule 1.1;

"Business Day" means any day, other than a Saturday, Sunday or holiday, on which banks are open for business in The United States of America;

"Fee" has the meaning ascribed to it in Section 4.1;

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof)

"Retailer" means owners and/or operators of retail stores operating in any State including, without limitation, mass merchants, grocery stores, terminals, newsstands, drug stores, convenience stores, gasoline retail stores, hardware stores, discount stores, bookstores, fabric stores, etc.

"Client Auditor" means a representative of an independent accounting firm of national reputation engaged by Client for purposes of Section 4.2 hereof who has signed a confidentiality agreement, under terms no less restrictive than those set forth herein in favor of Source and its Affiliates prohibiting the disclosure of Confidential Information (as defined therein) disclosed by and/or in any

way pertaining to Source and/or its Affiliates. The results of any such audit shall be deemed Confidential Information.

1.2. Plural/Gender.

In this Agreement, wording importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neuter gender and vice versa where the context so requires.

1.3. Headings.

The section headings hereof have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

ARTICLE 2.- APPOINTMENT OF SOURCE

2.1. Appointment by Client.

Client hereby appoints Source to be its exclusive provider of the Services (hereinafter defined) with respect to the Accounts subject to the terms and conditions of this Agreement, and Source accepts such appointment. In the absence of termination of this Agreement in accordance with any provision hereof, Client agrees that during the term of this Agreement it shall not secure the Services with respect to any Retailer from any person or entity (including its own employees) except from Source under the terms of this Agreement.

2.2 Supply of In-store Magazine Racks.

During the term of this Agreement Client shall provide Source a non-exclusive opportunity to bid on any in-store magazine racks, front end display fixtures or other point of purchase merchandisers (the "Racks") to be purchased for any customer of Client. Source hereby recognizes and accepts that, without any further notification by Client, nothing herein shall restrict Client from (i) concurrently seeking or securing additional bids from other providers of Racks, (ii) at its sole discretion, accepting any other bid for Racks, or (iii) at its sole discretion, rejecting any bid for Racks made by Source. The Source shall offer the client the same non exclusive opportunity to bid on in-store magazine racks for its customers.

ARTICLE 3.- SERVICES

Subject to the termination provisions specified herein, Source shall, during the Initial Term of this Agreement and each Renewal Period, provide and perform the Services described in Schedule 3.1 hereto (the "Services").

ARTICLE 4.- SOURCE'S FEES AND EXPENSES

4.1. The Fee.

Client hereby agrees to pay Source a fee (the "Fee") in consideration of the provision of the Services by Source in respect to the Accounts as determined by Schedule 4.1. In the event that Client desires to appoint Source to be its exclusive provider of the Services with respect to Retailers that are not Accounts, Source agrees to accept such appointment and all of the terms and conditions of this Agreement shall apply to such appointment.

4.2. Access to Records.

Source will allow reasonable access at all reasonable times, to Client and the Client's Auditor to the back-office I.T. facilities, books and records maintained by Source in respect of the Services performed for and on behalf of Client for its initial customers and other customers signed by Client from time-to-time, for the purposes of examination when requested by the Client, acting reasonably. Source agrees to keep and maintain suitable records and accounts for such purposes for a period of not less than seven (7) years. Any and all such access shall be had during normal business hours of Source, upon reasonable advance notice which shall in no event be less than one business day and shall be conducted in such a manner as not to interfere with or otherwise disrupt the day-to-day operations of Source and/or any of its Affiliates.

ARTICLE 5.- STANDARD OF CARE**5.1. Standard of Care.**

In the provision of the Services to Client by Source hereunder, Source shall exercise the degree of care, diligence and skill that a reasonably prudent person regularly engaged in the Business of rendering services similar to the Services would apply, but in any event not less than Source applies to its own business affairs pertaining to the Business. Source will maintain adequate disaster recovery systems for the recovery of all Client data.

5.2. Limitation of Authority.

Except as provided below, neither Party shall have any authority, pursuant to this Agreement, to commit the other or its affiliates to any obligation in any manner whatsoever with respect to third parties, to enter into any contracts on behalf of the other or its affiliates, or to use the other's name or logo (including those of its affiliates) or any Account in any manner without the express written permission of the other Party.

5.3. Non-Exclusive Services.

Client acknowledges that Source is not required to devote its personnel and resources exclusively to or for the benefit of Client; provided however that this acknowledgement in no way reduces or waives any of Source's duties and obligations to Client herein.

5.4 Liability.

Source shall not be liable, answerable or accountable to Client for:

- (a) any loss or damage resulting from, incidental to or relating to the provision of the Services hereunder, including any exercise or refusal to exercise a discretion, any mistake or error of judgment or any act or omission believed by Source to be within the scope of authority conferred on it by this Agreement, unless such loss or damage resulted from a breach by Source of its obligations hereunder in accordance with the standard of care set forth in Section 5.1 above; or
- (b) any reasonable reliance by Source in performing its obligations hereunder on (i) statements of fact of other persons (any of which may be Persons with which Source is Affiliated) who are reasonably considered by Source to be knowledgeable of such facts; or (ii) the opinion or advice of or information obtained from any attorney,

auditor, valuator, engineer, surveyor, appraiser or other expert who is reasonably considered by Source to be persons on whom reliance should be had under the circumstances.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER UNDER THIS AGREEMENT FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING FROM, OR RELATED TO PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR EVEN IF SUCH DAMAGES ARE REASONABLY FORESEEABLE, THIS PARAGRAPH APPLIES TO ALL CLAIMS WHETHER BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL THEORY.

5.5. Conflicts of Interest.

To the extent that there is a conflict of interest in respect of any matter relating to the Services, the resolution of the conflict by Source shall be reasonable under the circumstances, and Source shall not prejudice the rights or interests of the Client or its customers in resolving such matter. In the absence of bad faith, negligence or wilful misconduct by Source, the resolutions, actions or terms so made by Source in respect of such matter shall not constitute a breach of this Agreement or a breach of any standard of care of duty imposed herein or under any law, rule, statute, ordinance, or regulation.

ARTICLE 6.- TERM AND TERMINATION

6.1. Initial Term and Renewal Term.

"Initial Term" means the initial term of this Agreement commencing with the 1st calendar claiming quarter of 2008 and continuing for an additional 7 claiming quarters, thus concluding upon completion of the filing of the 4th calendar claiming quarter of 2009. At the conclusion of the Initial Term, this Agreement shall automatically renew for successive periods of one year, unless not less than 90 days prior to the expiration of the then current term either Source or Client furnishes the other with written notice of its intention not to renew this Agreement (each a "Renewal Term").

6.2. Termination on Default.

- (a) Except as provided for herein, this Agreement and Source's appointment and all authority hereunder shall be immediately terminable on written notice from Client to Source in the event that Source makes and continues default in the performance of a material obligation under this Agreement, and within thirty (30) days after Source receives a notice of such default (other than an undisputed payment default, in which case the termination right shall be exercisable five (5) days following notice of such undisputed payment default (if not fully remedied)) given by Client, Source fails to remedy the default in a reasonable manner or fails to take reasonable steps to remedy the default and give reasonable assurances to Client that such default shall be cured or rectified within a reasonable period of time. Any such notice of default shall not be valid unless it provides reasonable particulars, as then known, of the default.
- (b) Except as provided for herein, this Agreement and Source's appointment and all authority hereunder shall be immediately terminable on written notice from Source to Client, in the event that Client makes and continues default in the performance of a material obligation under this Agreement, which default is not remedied within 30 days of receipt by Client of notice of such default (other than an undisputed payment

default, in which case the termination shall right shall be exercisable five (5) days following notice of such undisputed payment default (if not fully remedied)) given by Source, Client fails to remedy the default in a reasonable manner or fails to take reasonable steps to remedy the default and give reasonable assurances to Source that such default shall be cured or rectified within a reasonable period of time. Any such notice of default shall not be valid unless it provides reasonable particulars, as then known, of the default.

- (c) In the event of a default or termination as provided for in section 6.2 by either party then, in addition to any and all other remedies each party may have pursuant to this agreement, at law, or in equity, each party shall have the right to adjust the other parties' accounts to reflect the mutual outstanding balances between the parties, including, but not limited to, the right to recoup or offset all amounts due to and/or owing by the other party against all monies being held and/or received.

6.3. Termination on Material Adverse Change.

Either Party shall have the right to terminate this Agreement upon the occurrence of an event of series of events affecting the payment of RDAs, the process of submitting and collecting claims for RDAs or the magazine distribution industry generally which deprives the Party seeking termination of the benefits that such Party could reasonably expect to derive from this Agreement. Such right to terminate shall be exercised, if at all, by the sending of written notice by the Party seeking termination to the other Party specifying the effective date of termination, which date shall not be less than 90 days after the date such termination notice is received by the non-terminating Party.

6.4. Effective Date of Termination.

For the purposes of this Section, "effective date of termination" means the date on which this Agreement terminates or is terminated by a Party hereto under any of the preceding Sections of this Section 6.

6.5. Payment and Survival.

From and after the effective date of termination of this Agreement, Source shall not be entitled to any Fee for the periods subsequent to the effective date of termination but shall be paid for all compensation accrued under this Agreement to the effective date of termination. Source shall submit a final statement of Fees, to Client within 90 days of the effective date of termination and such Fees, shall be paid to Source within 30 days of receipt by Client of such statement. All rights accruing prior to the effective date of termination and all indemnity rights, as well as any other rights that by their nature should survive by way of operation of law, shall survive the effective date of termination. By this Agreement, Client authorizes Source to recoup any amounts due and payable by Client to Source from any amounts Source or any of its affiliates may be obligated to pay Client or any of its affiliates under any contract, agreement or other arrangement; provided however that this provision shall not allow Source to retain possession of any RDA payments collected hereunder in violation of Schedule 3.1.

6.6. Waiver and Extension.

Either Party may, by written notice at any time and from time to time given by said Party:

- (a) waive performance of any term or provision of this Agreement required to be performed by the other;

- (b) waive any default under this Agreement; and
- (c) grant any extension of time for the performance of any term or provision of this Agreement including the period of time after which an event becomes a default.

6.7. Force Majeure.

Delays in or failure of performance by a Party hereto of a term or provision of this Agreement shall not constitute a default hereunder, and the obligations of a Party shall be suspended during such time and to such extent that the performance of its obligations is prevented or delayed, in whole or in part, by force majeure, whenever, wherever and in respect of whomsoever such force majeure occurs; provided that the Party seeking to invoke the benefit of this section promptly notifies the other Party in writing of the event of force majeure and that if the benefit of this section is invoked by Source then Source shall continue to be subject to the standard of care set forth in Section 5.1 with respect to the taking of steps to reduce the effect of the event of force majeure.

For the purposes of this Agreement events of force majeure include strikes, severe power interruption, lock-outs, industrial disturbance, storm, fire, flood, hurricane, tornado, landslide, snowslide, earthquake, explosion, lightning, tempest, action of elements, interruption or delay in transportation including, without limitation, highway or railway closures, cessation or interruption of power supplies, acts of God, laws, rules and regulations of any government or any governmental or regulatory authority, unavoidable accidents, inability to obtain or delay in obtaining necessary permits or approvals from government or any governmental or regulatory authority, inability to obtain or delay in obtaining necessary materials, facilities and equipment in the open market, or any other cause whether similar or dissimilar to those specifically enumerated, that is beyond the reasonable control of the Party, provided that a Party's own lack of funds shall not be considered an event beyond a Party's reasonable control.

ARTICLE 7.- GENERAL

7.1. No Partnership or Joint Venture or Agency.

The parties to this Agreement merely by entering into this Agreement are not and shall not be deemed to be partners or joint venturers with one another and nothing herein shall be construed so as to impose any liability as such on any of them. Source shall perform its duties hereunder as an independent contractor and not as an agent of Client. Source is an independent contractor and when its employees act under the terms of this Agreement, they shall be deemed at all times to be under the supervision and responsibility of Source; and no Source Personnel or other person employed by Source and acting under the terms of this Agreement shall be deemed to be acting as agent or employee of Client for any purpose whatsoever. Source shall provide workers' compensation insurance in at least such amounts as are required by applicable law covering all of its employees and shall, on written request of Client, provide evidence of such coverage, and further Source shall indemnify, defend and hold harmless Client from and against any and all claims, demands, suits, actions, demands, and expenses (including reasonable attorneys' fees) asserted by any Source Personnel against Client unless arising out of the gross negligence or wilful misconduct of Client or its employees, servants or agents (other than Source).

7.2. Confidentiality.

Client is providing the Client data to Source solely for the purpose (the "Purpose") of allowing Source to provide the Services and to facilitate aggregation and enhancement of the Client data by Magazine Information Network, LLC ("MagNet") Client considers all of the Client data to be Confidential Information of Client, not made available to the general public. Source agrees to use

the Client data solely for the Purpose and shall not disclose any of the Client data to any third party except to MagNet or as necessary for the provision of the Services. In no event shall the Client data be shared by Source with any affiliate of Source or any employee of Source or any of its affiliates who does not need to have access to the Client data to provide the Services or transmit the Client data to MagNet.

7.2. Amendments.

This Agreement may only be amended or varied by instrument in writing executed by the parties hereto.

7.3. Assignment.

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; provided, however that either Party may (i) assign any or all of its rights and interests hereunder to one or more of its affiliates and (ii) designate one or more of its affiliates to perform its obligations hereunder (in any or all of which cases the assigning Party nonetheless shall remain responsible for the performance of all of its obligations).

7.4. Severability.

If any provision of this Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provisions in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

7.5. Notices.

All notices required or permitted herein under this Agreement shall be in writing and may be given by delivering same or mailing same by prepaid registered mail or by facsimile transmission to the address and in the manner set forth in the signature section below.

7.6. Further Assurances.

Each of the parties hereto shall from time to time do all such further acts and execute and deliver all such further documents as shall be reasonably required in order fully to perform and carry out the terms, intent and purposes of this Agreement.

7.7. Entire Agreement.

The terms of this Agreement express and constitute the entire agreement between the parties hereto in respect of the subject matter of this Agreement and no implied covenants or liability of any kind on the part of the parties is created or shall arise by reason of anything contained in this Agreement. This Agreement supersedes all other agreements, documents, writings and verbal understandings between the parties relating to the matters herein contained.

7.8. Enurement.

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

7.9. Governing Law.

The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida and any dispute arising hereunder shall in the first instance attempted to be resolved between the parties acting reasonably; failing this, by mediation, failing mediation by the Federal Courts by judge alone in the State of Florida.

7.10. Time of the Essence.

Time shall be of the essence in respect of this Agreement.

7.11. Counterparts.

This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Party; provided that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

(Signature page of Administrative Services Agreement)

IN WITNESS WHEREOF the parties have executed this Agreement.

Source Interlink Companies, Inc.

Anderson News, LLC.

By: 

By: 

Title: John Bode, Senior Vice President

Title: John Campbell, Senior Vice President Finance

Schedule 3.1**THE 'SERVICES'**

Source agrees to provide the following services (the "Services") to Client:

- (a) Utilize commercially reasonable efforts to obtain ratification of RDA contracts from Publishers and National Distributors with respect to retailers' sale of periodicals; The Source will provide a monthly list of any unratified contracts.
- (b) Solicit and obtain all Client sales data on a quarterly basis to calculate, process and submit RDA claims to Publishers and National Distributors;
- (c) File RDA claims in accordance with Schedule A and pursue collections with Publishers and National Distributors. On a monthly basis, Source will review the status of all uncollected claims and the parties will mutually agree upon their ultimate resolution, it being understood that the current practice is to pursue collection of such amounts for up to two (2) years.
- (d) Process all RDA payments, including advanced RDA payments collected from Publishers and National Distributors and apply them to open balances by retailer.
- (e) Promptly forward such RDA payments to Client via FedEx within 5 business days of receipt.
- (f) Within 6 months from the date of this agreement, provide on-line access to all RDA and sales data, for Clients' retail customers, within the RDA claiming system, in a mutually agreeable format, allowing Client to create its various claim reports. In the interim, reports shall be provided electronically to the client within 5 business days of requests. Reports to be provided include (i) Category Summary (Sales Data by Category), (ii) Chain Title Report (Sales Data by Title), and (iii) Four Quarter Report (Paid/Unpaid by Publisher by Quarter).
- (g) Keep all client information confidential and not use the data for any other purpose. Any breach will be considered grounds for termination.

In order for Source to be able to fulfill the Services described above, Client hereby agrees to provide the following information, documents and/or perform those acts for all Client retail accounts as set forth below:

- i. A listing of all Retailers coming over from Client to be added to the Source RDA processing system:
- ii. Payment information. Source requires claim/payment information for the past 2 quarters. Source needs to know what rates the publishers paid for certain titles compared to what was billed. Source needs to know what is outstanding by publisher/title if Source is to collect past due amounts.
- iii. Store lists, inclusive of pocket count information and where applicable Client information (including which wholesale division)

It is acknowledged that collaboration between the client and Source will be required in order to effect a smooth transition. Each of Source and Client agree to work diligently to ensure a successful result.

To facilitate the collection of RDA payments, Client hereby authorizes Source to act as its true and lawful agent to receive, broker, issued in payment of the RDA payments in Client's place and stead.

Schedule A

Quarterly claims will be finalized with 7 working days of receipt of the claim tape for the top 10 accounts, and all others completed within 21 working days of receipt of the claim tape.

CLIENT NAME	RETAIL SALES	RDA+RDP CLAIMED	RDA % TO RTL	Cum %
Top 10 Retailers	\$587,926,036	\$62,278,419	10.59%	88.4%
1	\$8,731,829	\$733,897	8.40%	89.5%
2	\$7,503,069	\$609,792	8.13%	90.3%
3	\$6,472,884	\$614,969	9.50%	91.2%
4	\$6,162,441	\$495,798	8.05%	91.9%
5	\$5,979,294	\$499,261	8.35%	92.6%
6	\$4,981,890	\$224,221	4.50%	92.9%
7	\$4,098,632	\$403,249	9.84%	93.5%
8	\$3,980,516	\$346,058	8.69%	94.0%
9	\$3,849,356	\$321,829	8.36%	94.5%
10	\$3,721,001	\$315,870	8.49%	94.9%
11	\$2,546,310	\$491,655	19.31%	95.6%
12	\$2,446,086	\$221,870	9.07%	95.9%
13	\$2,190,911	\$138,196	6.31%	96.1%
14	\$1,936,233	\$142,577	7.36%	96.3%
15	\$1,774,846	\$136,143	7.67%	96.5%
16	\$1,771,958	\$177,855	10.04%	96.8%
17	\$1,534,855	\$141,438	9.22%	97.0%
18	\$1,528,436	\$114,082	7.46%	97.1%
19	\$1,258,857	\$98,558	7.83%	97.3%
20	\$1,250,958	\$103,506	8.27%	97.4%
21	\$1,241,105	\$107,357	8.65%	97.6%
22	\$1,018,740	\$90,424	8.88%	97.7%
23	\$876,051	\$77,362	8.83%	97.8%
24	\$863,147	\$53,314	6.18%	97.9%
25	\$839,805	\$63,197	7.53%	98.0%
26	\$715,549	\$63,872	8.93%	98.1%
27	\$618,120	\$25,339	4.10%	98.1%
28	\$607,199	\$43,662	7.19%	98.2%
29	\$594,493	\$116,006	19.51%	98.3%
30	\$591,839	\$53,631	9.06%	98.4%
31	\$582,782	\$45,435	7.80%	98.5%
32	\$535,165	\$56,390	10.54%	98.6%
33	\$485,531	\$40,427	8.33%	98.6%
34	\$445,975	\$85,139	19.09%	98.7%
35	\$416,906	\$35,533	8.52%	98.8%
36	\$415,154	\$30,577	7.37%	98.8%
37	\$414,312	\$38,117	9.20%	98.9%
38	\$401,324	\$29,063	7.24%	98.9%
39	\$383,953	\$33,232	8.66%	99.0%
40	\$383,553	\$74,312	19.37%	99.1%
41	\$355,762	\$28,995	8.15%	99.1%
42	\$346,935	\$18,358	5.29%	99.1%

CLIENT NAME	RETAIL SALES	RDA+RDP CLAIMED	RDA % TO RTL	Cum %
43	\$324,101	\$19,300	5.96%	99.2%
44	\$309,744	\$30,410	9.82%	99.2%
45	\$306,149	\$25,769	8.42%	99.2%
46	\$302,874	\$20,834	6.88%	99.3%
47	\$279,194	\$30,164	10.80%	99.3%
48	\$269,441	\$21,967	8.15%	99.3%
49	\$255,236	\$16,889	6.62%	99.4%
50	\$254,308	\$16,338	6.42%	99.4%
51	\$246,613	\$46,523	18.86%	99.5%
52	\$237,745	\$17,495	7.36%	99.5%
53	\$235,969	\$18,236	7.73%	99.5%
54	\$229,131	\$20,546	8.97%	99.5%
55	\$214,774	\$14,739	6.86%	99.6%
56	\$200,738	\$15,463	7.70%	99.6%
57	\$193,424	\$11,643	6.02%	99.6%
58	\$187,762	\$8,953	4.77%	99.6%
59	\$182,120	\$14,144	7.77%	99.6%
60	\$167,977	\$12,311	7.33%	99.7%
61	\$163,869	\$10,949	6.68%	99.7%
62	\$145,349	\$13,792	9.49%	99.7%
63	\$144,124	\$8,811	6.11%	99.7%
64	\$139,635	\$8,515	6.10%	99.7%
65	\$134,495	\$9,587	7.13%	99.7%
66	\$119,906	\$8,550	7.13%	99.7%
67	\$115,614	\$6,797	5.88%	99.7%
68	\$112,077	\$8,085	7.21%	99.8%
69	\$109,351	\$19,938	18.23%	99.8%
70	\$106,121	\$7,169	6.76%	99.8%
71	\$95,381	\$6,242	6.54%	99.8%
72	\$94,811	\$4,357	4.60%	99.8%
73	\$93,972	\$5,081	5.41%	99.8%
74	\$90,613	\$16,983	18.74%	99.8%
75	\$86,678	\$4,667	5.38%	99.9%
76	\$85,134	\$5,464	6.42%	99.9%
77	\$77,338	\$3,965	5.13%	99.9%
78	\$76,925	\$14,004	18.20%	99.9%
79	\$66,816	\$3,529	5.28%	99.9%
80	\$63,262	\$8,429	13.32%	99.9%
81	\$61,828	\$1,054	1.70%	99.9%
82	\$60,580	\$3,759	6.21%	99.9%
83	\$55,881	\$2,663	4.76%	99.9%
84	\$55,111	\$3,140	5.70%	99.9%
85	\$54,070	\$2,951	5.46%	99.9%
86	\$51,681	\$2,400	4.64%	99.9%
87	\$51,178	\$2,905	5.68%	99.9%
88	\$51,095	\$3,228	6.32%	99.9%
89	\$46,121	\$1,667	3.61%	99.9%

CLIENT NAME	RETAIL SALES	RDA+RDP CLAIMED	RDA % TO RTL	Cum %
90	\$42,692	\$2,555	5.99%	99.9%
91	\$39,631	\$3,086	7.79%	99.9%
92	\$39,505	\$3,843	9.73%	99.9%
93	\$36,965	\$4,368	11.82%	100.0%
94	\$34,477	\$1,173	3.40%	100.0%
95	\$34,273	\$2,262	6.60%	100.0%
96	\$33,993	\$2,705	7.96%	100.0%
97	\$33,548	\$1,425	4.25%	100.0%
98	\$29,859	\$4,283	14.34%	100.0%
99	\$29,734	\$1,519	5.11%	100.0%
100	\$26,672	\$557	2.09%	100.0%
101	\$26,289	\$1,385	5.27%	100.0%
102	\$25,939	\$2,025	7.81%	100.0%
103	\$24,262	\$1,668	6.88%	100.0%
104	\$24,131	\$1,078	4.47%	100.0%
105	\$22,394	\$1,452	6.48%	100.0%
106	\$21,962	\$580	2.64%	100.0%
107	\$21,102	\$874	4.14%	100.0%
108	\$20,603	\$418	2.03%	100.0%
109	\$18,772	\$365	1.94%	100.0%
110	\$18,708	\$1,169	6.25%	100.0%
111	\$16,494	\$329	1.99%	100.0%
112	\$16,108	\$747	4.63%	100.0%
113	\$14,641	\$830	5.67%	100.0%
114	\$14,529	\$205	1.41%	100.0%
115	\$13,056	\$275	2.11%	100.0%
116	\$12,694	\$683	5.38%	100.0%
117	\$11,739	\$581	4.95%	100.0%
118	\$11,570	\$197	1.71%	100.0%
119	\$10,232	\$239	2.33%	100.0%
120	\$8,201	\$441	5.38%	100.0%
121	\$7,254	\$231	3.19%	100.0%
122	\$3,750	\$207	5.53%	100.0%
123	\$1,228	\$13	1.03%	100.0%
124	\$387	\$20	5.05%	100.0%
125	\$348	\$0	0.00%	100.0%
126	\$126	\$7	5.56%	100.0%
127	\$0	\$278	#DIV/0!	100.0%
128	\$0	\$2,065	#DIV/0!	100.0%
Total	\$682,533,982	\$70,425,524	10.32%	

Schedule 4.1**THE FEE**

The commission % is based upon all amounts collected and remitted to Client on behalf of Client's Customers, regardless of the actual applicable claiming quarter. The Fee shall also apply to any amount claimed by Source, but for whatever reason was paid or credited in any manner to Client or Client's Customers. The Fee is to be paid quarterly for each calendar quarter during the term hereof, and remitted by Client to Source on or before the 25th day immediately following the end of each calendar quarter (the "Quarter End Date"). Any and all Fees and other amounts due hereunder shall be paid by check in U.S. dollars. With respect to new accounts which are supplied with magazines exclusively by Client or new accounts for which the Retailer and/or wholesaler community has received permission to claim RDA at the wholesaler level (i.e., "passthrough RDA"), Source agrees to provide the Services in accordance with the Scale set forth below. Source agrees to provide Services for other new accounts for a fee of 3.0% of RDA collections.

Scale

Less than \$2.5 million collected per quarter	2.00%
\$2.5 - \$5.0 million collected per quarter	1.75%
\$5.0 - \$7.5 million collected per quarter	1.50%
\$7.5 - \$10 million collected per quarter	1.25%
\$10.0 - \$12.5 million collected per quarter	1.00%
\$12.5 - \$15.0 million collected per quarter	0.75%
\$15.0 - \$17.5 million collected per quarter	0.70%
\$17.5 million + collected per quarter	0.65%