

UNITED STATES BANKRUPTCY COURT

District of Delaware

PROOF OF CLAIM

Name of Debtor: American Of Martinsville, Inc.

Case Number: 10-11637 and 10-11638

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): MarketSense, LLC

Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: MarketSense, LLC 7020 High Grove Blvd. Burr Ridge, IL 60527

Court Claim Number: (If known)

Filed on:

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

RECEIVED

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BMC GROUP

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.

Telephone number:

1. Amount of Claim as of Date Case Filed: \$ 218,810.30

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.

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.

Specify the priority of the claim.

2. Basis for Claim: goods sold and services provided (See instruction #2 on reverse side.)

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

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

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).

3a. Debtor may have scheduled account as:

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

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.

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).

Nature of property or right of setoff: Real Estate Motor Vehicle Other

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: \$

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.

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

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.

Amount entitled to priority:

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

*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.

If the documents are not available, please explain:

Date: 6/22/10

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.

ANDREW S. MAHLER, CEO

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FOR COURT USE ONLY

Barcalounger



00022

In re: Barcalounger Corporation, Case No. 10-11637
In re: American of Martinsville, Inc., Case No. 10-11638

MARKETSENSE, LLC
PROOF OF CLAIM EXHIBITS

- EXHIBIT A November 5, 2007, written agreement between MarketSense, LLC (“MarketSense”) and American of Martinsville, Inc. (“AOM”), pursuant to which MarketSense agreed to provide AOM with various marketing services in exchange for which AOM agreed to make various and substantial payments to MarketSense.
- EXHIBIT B December 8, 2008, letter agreement between MarketSense and AOM pursuant to which the terms of the original written agreement were extended.
- EXHIBIT C Itemized Statement of running account showing balance due MarketSense of \$218,810.30.


American of Martinsville
2008 Program Estimate
11/05/07

Phase I: Brand Strategy and Message Development

	Fees	Materials	Total
I. Brand Development			
A. Persuasive Process branding meeting	\$8,000		
B. Brand definition (corporate, 2 divisions, AOM Studio)	\$12,000		
C. Creative concepts	\$8,000		
	<u>\$28,000</u>	\$0	<u>\$28,000</u>
II. Market Analysis			
A. Competitive market research and benchmark analysis	\$7,500		
	<u>\$7,500</u>	\$0	<u>\$7,500</u>
III. New Collateral Material Development			
A. Corporate brochure 8 pg.	\$14,000	\$4,500	
B. Hospitality and Healthcare division brochures (2) 4pg.	\$13,500	\$5,000	
C. AOM Studio brochure 4 pg.	\$6,750	\$2,500	
D. Brand Specific Product Cutsheets (4-6)	\$12,000	\$10,500	
E. Image creation/illustrations	\$0	\$2,500	
	<u>\$46,250</u>	<u>\$25,000</u>	<u>\$71,250</u>
IV. Product Catalogs			
A. Healthcare casegoods product catalogs (3)	\$7,500	\$7,500	
B. Healthcare Avenues product catalog	\$3,500	\$2,500	
C. Hospitality casegoods product catalogs (5)	\$12,500	\$12,500	
D. Hospitality Upholstered Seating catalog	\$17,000	\$6,500	
E. Corporate Sales Binder Redesign	\$5,000	TBD	
	<u>\$40,500</u>	<u>\$29,000</u>	<u>\$69,500</u>
V. Website Updates			
A. Brand and message incorporation	\$2,500		
B. Content updates - copywriting, page execution	\$7,500		
C. Search Engine Optimization (hospitality and healthcare)	\$7,500		
	<u>\$17,500</u>	\$0	<u>\$17,500</u>
VI. Program Management			
A. Phase 1 Program Management	\$10,000	\$0	\$10,000
	<u>\$10,000</u>	<u>\$0</u>	<u>\$10,000</u>

Phase 2 - Database and Lead Management

I. Database Build and Telemarketing			
A. Process setup	\$2,500		
B. Telemarketing campaigns (2 hospitality, 2 healthcare)	\$40,000		
C. Pass-through costs	\$3,500		
	<u>\$46,000</u>	\$0	<u>\$46,000</u>


Initials

11/5/07
Date

II. Lead Management

A. Setup and training	\$11,300		
B. Lead processing and support	\$29,790		
C. Telequalify and profile	\$4,405		
D. Special Services	\$1,232		
E. Pass-through costs	\$2,728		
	<u>\$49,455</u>	\$0	\$0

III. Program Management

A. Phase 2 Program Management	\$5,000	\$0	\$5,000
	<u>\$5,000</u>	\$0	\$5,000

Phase 3 - Lead Generation and Market Awareness

I. Direct and Database Marketing

A. e-Communications Healthcare (2)	\$5,000		
B. e-Communications Hospitality (2)	\$5,000		
C. Direct mail communications Healthcare (1)	\$5,000	\$2,500	
D. Direct mail communications Hospitality (1)	\$5,000	\$2,500	
	<u>\$20,000</u>	\$5,000	\$25,000

II. Advertising

A. On-line banner ad development (hospitality and healthcare)	\$7,500		
B. Print ad development (2 hospitality, 2 healthcare)	\$28,000		
C. Space placement - print and online		\$100,000	
	<u>\$35,500</u>	\$100,000	\$135,500

III. Public Relations

A. Program setup	\$3,500		
B. Press releases to key publications @6	\$7,200		
C. Feature Articles @1	\$6,000		
	<u>\$13,200</u>	\$0	\$13,200

IV. Trade Show Support

A. Pre-show publicity (HD Expo & AAHSA)	\$12,000		
B. Pre-show mailing (HD Expo & AAHSA)	\$12,000	\$6,000	
C. Graphic support	\$7,000	\$3,000	
	<u>\$31,000</u>	\$9,000	\$40,000

V. Program Management

A. Phase 3 Program Management	\$10,000	\$0	\$10,000
	<u>\$10,000</u>	\$0	\$10,000

Total Estimated Program Investment	\$359,905	\$168,000	\$527,905
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LDV
Initials

11/5/07
Date

Additional Terms & Conditions

- 1. SET-UP:** Client understands that a substantial amount of work is performed at the very beginning of a program, including work done prior to this agreement, which involves concept, research, overall planning, and other functions that do not necessarily result in a proportional amount of finished material. In the event Client terminates this Agreement for any reason prior to the completion of the program, Client agrees to pay for this work at MarketSense book rate for work actually performed.
- 2. DEVELOPMENT PROCESS:** MarketSense is able to create fee estimates based on adherence to a standard creative process and timeline. This process assumes that the client will review and then approve, reject, or revise the work being done on a timely basis at a number of decision points throughout the project(s). These revisions are part of the process. However, revisions that reverse previous approvals or direction and/or any account service time required by excessive delays will be likely to increase the total amount billed beyond the estimate.
- 3. CONFIDENTIALITY:** MarketSense agrees that it shall not divulge proprietary Client information to any person, and shall turn over all notes and copies of any such information to Client upon termination of this agreement, if requested.
- 4. MARKETSENSE EMPLOYEES:** Client agrees not to employ or solicit for employment any employee of MarketSense, either as an employee or independent contractor, at any time during the term of this Agreement or for a period of one (1) year after its termination, without the prior written consent of MarketSense.
- 5. PAST DUE BALANCES:** Client agrees that MarketSense may, at its discretion, apply a twelve percent (12%) per annum interest charge to all unpaid balances past due more than sixty (60) days. Client also agrees that any costs incurred in the collection of past due balances will be incurred by client.
- 6. COLLECTION COSTS:** If any action, at law or in equity, is required to collect amounts due under the provisions of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party, as part of its costs and not as part of damages, its collection costs, reasonable attorneys' fees, court, arbitration and other costs incurred in such action.
- 7. VENUE:** All questions with respect to the construction of this Agreement and the rights and obligations of the parties, shall be governed by the laws of the State of Illinois. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried in the State and Federal courts located in DuPage County, Illinois.

I have reviewed, understand and agree to the Terms and Conditions stated above.

Dated: November 5, 2007

Signature: 

Name and Title: Mr. Leo Vogel, Senior Vice President Sales & Marketing

Company: American of Martinsville, Inc.

Address: 128 East Church Street, Martinsville, Virginia 24112 USA

Telephone: (276) 632-2061

Accepted: 

MarketSense

Dated: 11/7/07

NOTE: ONLY PROCEED AS APPROVED IN STAGES

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681 Commerce St.
Burr Ridge, IL 60527
p. 630-654-0170
f. 630-654-0302
www.market-sense.com

December 8, 2008.

Mr. Leo Vogel
Senior Vice President Sales & Marketing
American of Martinsville, Inc.
128 East Church Street
Martinsville, Virginia 24112 USA

Dear Leo:

To confirm our ongoing working agreement, MarketSense will participate in a number of facets of American of Martinsville's (AOM) marketing planning and implementation functions, to include but not limited to, strategy, design, copywriting, public relations, presentation development, database marketing, web site maintenance, lead management and telemarketing, as called for by AOM and its representatives.

As with the work performed by MarketSense for AOM to-date, all work will be billed hourly at MarketSense's book rate for the resources performing the work, with all hard costs passed through at the standard established mark-up for those costs. Invoices will be generated at the end of each month and be due net 30 days from date of invoice.

This agreement will remain in place until terminated with 30 days written notice from either party. All terms and conditions of the original AOM-MarketSense agreement dated November 5, 2007 will apply to this agreement as well.

Leo, thanks again for this opportunity to serve you and AOM. We appreciate the partnership that we have established and look forward to continuing the important transformative work that was started in 2008.

Sincerely,

Andy

Andrew Mahler
President

Approved: *Andy* Date: *12/9/08*
Leo Vogel, Senior Vice President Sales & Marketing
American of Martinsville, Inc.

*NOTE: ANDY. AS BEFORE, ONLY PROCEED AS APPROVED.
THANKS,
*Leo**

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Statement

American of Martinsville
 Attn: Steven Lee
 128 E. Church Street
 Martinsville, VA 24112

MarketSense
 7020 High Grove Blvd.
 Burr Ridge, IL 60527

Invoice Date	Due Date	Days Old	Invoice Number	Project Number	Contact	Amount Billed	Open Amount
8/31/2008	9/30/2008	620	IN8009			\$11,093.61	\$11,093.61
8/31/2008	9/30/2008	620	IN5237			\$329.90	\$329.90
8/31/2008	9/30/2008	620	IN8012			\$161.21	\$161.21
8/31/2008	9/30/2008	620	IN8034			\$3,774.51	\$3,774.51
8/31/2008	9/30/2008	620	IN8083			\$4,719.10	\$4,719.10
8/31/2008	9/30/2008	620	IN8084			\$3,209.51	\$3,209.51
8/31/2008	9/30/2008	620	IN8085			\$1,816.92	\$1,816.92
9/30/2008	10/30/2008	590	IN8188			\$4,894.82	\$4,894.82
9/30/2008	10/30/2008	590	IN8189			\$32.13	\$32.13
9/30/2008	10/30/2008	590	IN5311			\$4,973.74	\$4,973.74
9/30/2008	10/30/2008	590	IN5312			\$164.25	\$164.25
9/30/2008	10/30/2008	590	IN5313			\$6,986.75	\$6,986.75
9/30/2008	10/30/2008	590	IN8177			\$360.62	\$360.62
9/30/2008	10/30/2008	590	IN8178			\$666.13	\$666.13
9/30/2008	10/30/2008	590	IN8179			\$1,227.33	\$1,227.33
9/30/2008	10/30/2008	590	IN8180			\$1,953.53	\$1,953.53
9/30/2008	10/30/2008	590	IN8181			\$9,994.05	\$9,994.05
9/30/2008	10/30/2008	590	IN8182			\$748.41	\$748.41
9/30/2008	10/30/2008	590	IN8183			\$454.21	\$454.21
9/30/2008	10/30/2008	590	IN8184			\$2,162.32	\$2,162.32
9/30/2008	10/30/2008	590	IN8187			\$1,188.13	\$1,188.13
10/31/2008	11/30/2008	559	IN5341			\$6,584.97	\$6,584.97
10/31/2008	11/30/2008	559	IN5342			\$7,620.85	\$7,620.85
10/31/2008	11/30/2008	559	IN5355			\$8,137.50	\$8,137.50
10/31/2008	11/30/2008	559	IN5356			\$1,108.67	\$1,108.67
10/31/2008	11/30/2008	559	IN5362			\$1,730.95	\$1,730.95
10/31/2008	11/30/2008	559	IN8231			\$191.22	\$191.22
10/31/2008	11/30/2008	559	IN8232			\$3,848.68	\$3,848.68
10/31/2008	11/30/2008	559	IN8242			\$5,253.40	\$5,253.40
10/31/2008	11/30/2008	559	IN8244			\$1,716.71	\$1,716.71
10/31/2008	11/30/2008	559	IN8293			\$2,684.51	\$2,684.51
10/31/2008	11/30/2008	559	IN8294			\$1,330.75	\$1,330.75
10/31/2008	11/30/2008	559	IN8295			\$3,120.25	\$3,120.25
10/31/2008	11/30/2008	559	IN8296			\$4,395.65	\$4,395.65
10/31/2008	11/30/2008	559	IN8297			\$2,613.49	\$2,613.49
11/30/2008	12/30/2008	529	INV-1201			\$2,590.30	\$2,590.30
11/30/2008	12/30/2008	529	INV-1190			\$5,520.00	\$5,520.00
11/30/2008	12/30/2008	529	INV-1191			\$363.75	\$363.75
11/30/2008	12/30/2008	529	INV-1192			\$4,589.28	\$4,589.28
11/30/2008	12/30/2008	529	INV-1203			\$5,589.05	\$5,589.05
11/30/2008	12/30/2008	529	INV-1204			\$836.30	\$836.30
11/30/2008	12/30/2008	529	INV-1205			\$3,142.25	\$3,142.25
11/30/2008	12/30/2008	529	INV-1206			\$4,265.66	\$4,265.66
11/30/2008	12/30/2008	529	INV-1207	08-AO-0005		\$1,012.40	\$1,012.40
11/30/2008	12/30/2008	529	INV-1208	08-AO-0026		\$1,294.45	\$1,294.45
11/30/2008	12/30/2008	529	INV-1210	08-AOPU001		\$2,418.25	\$2,418.25
11/30/2008	12/30/2008	529	INV-1211	08-AOWB006		\$773.70	\$773.70
11/30/2008	12/30/2008	529	INV-1230			\$11,696.98	\$11,696.98
12/24/2008	1/23/2009	505	INV-1236	08-AM-0004		\$42.50	\$42.50
12/24/2008	1/23/2009	505	INV-1237			\$1,340.05	\$1,340.05
12/24/2008	1/23/2009	505	INV-1234			\$1,962.50	\$1,962.50
12/24/2008	1/23/2009	505	INV-1238			\$1,149.90	\$1,149.90
12/24/2008	1/23/2009	505	INV-1239			\$107.90	\$107.90
12/24/2008	1/23/2009	505	INV-1240	08-AO-0022		\$141.80	\$141.80
12/24/2008	1/23/2009	505	INV-1241	08-AO-0026		\$6.80	\$6.80

Statement

American of Martinsville
 Attn: Steven Lee
 128 E. Church Street
 Martinsville, VA 24112

MarketSense
 7020 High Grove Blvd.
 Burr Ridge, IL 60527

Invoice Date	Due Date	Days Old	Invoice Number	Project Number	Contact	Amount Billed	Open Amount
12/24/2008	1/23/2009	505	INV-1242	08-AOPU001		\$3,305.10	\$3,305.10
12/24/2008	1/23/2009	505	INV-1243	08-AOWB006		\$450.80	\$450.80
12/31/2008	1/30/2009	498	INV-1281			\$63.75	\$63.75
12/31/2008	1/30/2009	498	INV-1282			\$885.50	\$885.50
12/31/2008	1/30/2009	498	INV-1283			\$2,531.25	\$2,531.25
12/31/2008	1/30/2009	498	INV-1284	08-AOPU001		\$158.75	\$158.75
12/31/2008	1/30/2009	498	INV-1285	08-AOWB006		\$21.25	\$21.25
12/31/2008	1/30/2009	498	INV-1339			\$854.26	\$854.26
1/31/2009	3/2/2009	467	INV-1443	08-AO-0013		\$70.07	\$70.07
2/28/2009	3/30/2009	439	INV-1687			\$4,963.63	\$4,963.63
2/28/2009	3/30/2009	439	INV-1688			\$844.45	\$84.30
2/28/2009	3/30/2009	439	INV-1689			\$1,239.85	\$190.55
2/28/2009	3/30/2009	439	INV-1690			\$2,221.10	\$2,221.10
2/28/2009	3/30/2009	439	INV-1692	08-AOCL033		\$125.00	\$125.00
2/28/2009	3/30/2009	439	INV-1693	08-AOPU001		\$3,040.95	\$3,040.95
2/28/2009	3/30/2009	439	INV-1694	09-AO-0044		\$810.00	\$810.00
3/31/2009	4/30/2009	408	INV-1909			\$807.20	\$807.20
3/31/2009	4/30/2009	408	INV-1903			\$1,357.15	\$1,357.15
3/31/2009	4/30/2009	408	INV-1904	08-AOPU001		\$1,343.30	\$1,343.30
3/31/2009	4/30/2009	408	INV-1912			\$943.40	\$943.40
4/30/2009	5/30/2009	378	INV-2044			\$4,763.45	\$4,763.45
5/31/2009	6/30/2009	347	INV-2214			\$5,639.30	\$5,639.30
6/30/2009	7/30/2009	317	INV-2352			\$799.20	\$799.20
6/30/2009	7/30/2009	317	INV-2354	08-AOPU001		\$730.35	\$730.35
6/30/2009	7/30/2009	317	INV-2355	09-AO-0056		\$339.50	\$339.50
7/31/2009	8/30/2009	286	INV-2608			\$1,004.25	\$1,004.25
7/31/2009	8/30/2009	286	INV-2609	08-AOPU001		\$945.50	\$945.50
8/31/2009	9/30/2009	255	INV-2654			\$6,109.75	\$6,109.75
9/30/2009	10/30/2009	225	INV-2964			\$6,084.82	\$6,084.82
9/30/2009	10/30/2009	225	INV-2965	08-AOPU001		\$1,115.67	\$1,115.67
10/31/2009	11/30/2009	194	INV-3063	09-AO-0034		\$1,575.45	\$1,575.45
10/31/2009	11/30/2009	194	INV-3067	08-AOPU001		\$1,337.35	\$1,337.35
11/30/2009	12/30/2009	164	INV-3307	08-AOPU001		\$950.00	\$950.00
11/30/2009	12/30/2009	164	INV-3309	09-AO-0034		\$1,215.00	\$1,215.00
12/31/2009	1/30/2010	133	INV-3407	09-AO-0034		\$1,273.30	\$1,273.30
1/31/2010	3/2/2010	102	INV-3660	09-AO-0034		\$607.50	\$607.50
						\$220,619.75	\$218,810.30

As of 5/13/2010

0 - 30 Days	30 - 60 Days	60 - 90 Days	Over 90 Days
0	0	0	\$218,810.30

LAW OFFICES
DAHL & BONADIES, LLC
30 NORTH LASALLE STREET
SUITE 1500
CHICAGO, ILLINOIS 60602
TELEPHONE (312) 641-3245
FACSIMILE (312) 641-1662
WWW.DAHLFIRM.COM

JAMES E. DAHL
PAUL N. BONADIES

PATRICK K. DAHL
RICHARD J. CUNNINGHAM
EDWARD S. LIVINGSTON
DAVID A. NEIMAN

OF COUNSEL
MARTIN A. SMITH, P.C.

June 23, 2010

United States Bankruptcy Court
ATTN: Claims Dept.
824 Market Street, 3rd Floor
Wilmington, DE 19801

VIA FEDERAL EXPRESS
OVERNIGHT MAIL

FILED
2010 JUN 28 9:40
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

In Re: Barcalounger Corporation, Case No. 10-11637
In Re: American of Martinsville, Inc., Case No. 10-11638

Dear Sir or Madam:


Enclosed please find: (1) an original and three copies of MarketSense, LLC's Proof of Claim against American of Martinsville, Inc. to be filed in the above-referenced matters, which are being administered jointly; and (2) a self-addressed, stamped envelope.

I would ask that you file the enclosed Proof of Claim in the above-referenced matters. Additionally, please return one copy of the filed Proof of Claim in the enclosed self-addressed stamped envelope to the creditor care of its attorneys, Dahl & Bonadies, LLC.

Thank you for your assistance in this matter.

Very truly yours,

DAHL & BONADIES, LLC


By Richard J. Cunningham

RJC/sls
Encl.

cc: Ms. Jackie Thomas