

UNITED STATES BANKRUPTCY COURT
Southern DISTRICT OF New York

91459

2009 SEP -8 AM 11:30

In re

THE READER'S DIGEST ASSOCIATION,
INC., *et al.*,

Debtors.

) Chapter 11

) Case Nos. 09-23529 (RDD) through
) 09-23575 (RDD) and 09-20011(RDD)

) Jointly Administered

**NOTICE OF COMMENCEMENT OF CHAPTER 11
BANKRUPTCY CASES AND MEETING OF CREDITORS**

COMMENCEMENT OF CASES. On August 24, 2009, The Reader's Digest Association, Inc. ("*Reader's Digest*") and certain of its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*"),¹ filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*"). Each of the Debtors and their federal tax identification numbers are listed with their corresponding chapter 11 case numbers on Exhibit A.

The location of the Debtors' corporate headquarters is: The Reader's Digest Association, Inc., 1 Reader's Digest Road, Pleasantville, New York 10570.

Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are operating their businesses and managing their properties as debtors and debtors in possession. You will not receive notice of all documents filed in the Debtors' cases. Any paper that you file in these bankruptcy cases should be filed on the court's Electronic Case File System (ECF) using an attorney's login and password issued by the court on a diskette or compact disk (CD) in PDF format at the bankruptcy clerk's office at the address listed below. You may inspect all papers

¹ The Debtors in these chapter 11 cases, are: Alex Inc.; Allrecipes.com, Inc.; Ardee Music Publishing, Inc.; Christmas Angel Productions, Inc.; CompassLearning, Inc.; Direct Entertainment Media Group, Inc.; Direct Holdings Americas Inc.; Direct Holdings Custom Publishing Inc.; Direct Holdings Customer Service, Inc.; Direct Holdings Education Inc.; Direct Holdings Libraries Inc.; Direct Holdings U.S. Corp.; Funk & Wagnalls Yearbook Corp.; Gareth Stevens, Inc.; Home Service Publications, Inc.; Pegasus Asia Investments Inc.; Pegasus Investment, Inc.; Pegasus Sales, Inc.; Pleasantville Music Publishing, Inc.; R.D. Manufacturing Corporation; RD Large Edition, Inc.; RD Publications, Inc.; RD Walking, Inc.; RDA Holding Co.; RDA Sub Co.; Reader's Digest Children's Publishing, Inc.; Reader's Digest Consumer Services, Inc.; Reader's Digest Entertainment, Inc.; Reader's Digest Financial Services, Inc.; Reader's Digest Latinoamerica, S.A.; Reader's Digest Sales and Services, Inc.; Reader's Digest Sub Nine, Inc.; Reader's Digest Young Families, Inc. Reiman Manufacturing, LLC; Reiman Media Group, Inc.; Retirement Living Publishing Company, Inc.; Saguaro Road Records, Inc.; Taste of Home Media Group, Inc.; Taste of Home Productions, Inc.; The Reader's Digest Association, Inc.; Travel Publications, Inc.; W.A. Publications, LLC; WAPLA, LLC; Weekly Reader Corporation Weekly Reader Custom Publishing, Inc.; World Almanac Education Group, Inc.; World Wide Country Tours, Inc.; WRC Media, Inc..

filed, including the list of the Debtor's property and debts and the list of property claimed as exempt, at the bankruptcy clerk's office. All documents filed with the Bankruptcy Court, including lists of the Debtors' property and debts, are or will be available for inspection at the office of the Clerk of the Bankruptcy Court (the "*Bankruptcy Clerk*"). Parties can obtain a copy of all documents filed electronically with the Bankruptcy Court in this case by: (i) accessing the Bankruptcy Court's website at <http://www.nysb.uscourts.gov>, or (ii) contacting the Bankruptcy Clerk at Clerk of the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601. Please note that a PACER password is needed to access documents on the Bankruptcy Court's website (to obtain a PACER password, go to the PACER website, <http://pacer.psc.uscourts.gov>), and a fee may be charged for viewing documents. The public website dedicated to this particular case, maintained by the Debtors' claims and notice agent is <http://www.kccllc.net/readers>. From there, parties can, among other things, download proofs of claim, review the Bankruptcy Court's docket and find important case-related dates and deadlines.

MEETING OF CREDITORS. A meeting of creditors pursuant to Section 341 of the Bankruptcy Code is scheduled for **October 2, 2009 at 3:00 p.m. (Eastern Daylight Time)** at the **Office of the United States Trustee, 80 Broad Street, 4th Floor, New York, New York 10004**. A representative of the Debtors, as specified in Rule 9001(5) of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"), is required to appear at the meeting of creditors for the purpose of being examined under oath. You are invited to attend this meeting, but your attendance is not mandatory. At the meeting, creditors may examine the Debtors and ask such questions as may properly be raised at the meeting. The meeting may be continued or adjourned from time to time by notice at the meeting without further written notice to the creditors.

MEETING OF CREDITORS

Date: Friday, October 2, 2009
Location: Office of the United States Trustee
80 Broad Street, 4th Floor
New York, New York 10004
Time: 3:00 p.m. (Eastern Daylight Time)

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. A creditor is anyone to whom a debtor owes money or property. Under the Bankruptcy Code, a debtor is granted certain protections against creditors, and certain actions are prohibited. Common examples of prohibited actions by creditors are contacting a debtor to demand repayment, taking any action against a debtor to collect money owed, or taking any action against property of a debtor, terminating or changing the terms of existing contracts or agreements, initiating or attempting to pursue litigation against a debtor, starting or continuing foreclosure actions or repossessions or taking any action to realize the value of a secured creditor's collateral. If unauthorized actions are taken by a creditor against a debtor, the Bankruptcy Court may sanction that creditor. A creditor who is considering taking action against a debtor or the property of a debtor should review Section 362 of the Bankruptcy Code and may wish to seek legal advice. The staff of the office of the Bankruptcy Clerk is not permitted to give legal advice.



CLAIMS. A “*Proof of Claim*” is a signed statement describing a creditor’s claim. Schedules of assets and liabilities will be filed pursuant to Bankruptcy Rule 1007. If your claim is scheduled and is not listed as disputed, contingent or unliquidated, it will be allowed in the amount scheduled unless you file a Proof of Claim or you are sent further notice about the claim. Whether or not your claim is scheduled, you are permitted to file a Proof of Claim. If your claim is not listed at all or if your claim is listed as disputed, contingent or unliquidated, then you must file a Proof of Claim or you might not receive a distribution on your claim and may be unable to vote on a plan of reorganization. The Bankruptcy Court has not yet set a deadline to file Proofs of Claim. **Separate notice of the deadlines to file Proofs of Claim and to obtain Proof of Claim forms will be provided to the Debtors’ known creditors.** A secured creditor retains rights in its collateral regardless of whether that creditor files a Proof of Claim. Filing a Proof of Claim submits the creditor to the jurisdiction of the Bankruptcy Court, with consequences a lawyer can explain. For example, a secured creditor who files a Proof of Claim may surrender important nonmonetary rights, including the right to a jury trial. Proof of Claim forms are available in the clerk’s office of any bankruptcy court. Proof of Claim forms are also available on the Bankruptcy Court’s website at <http://www.nysb.uscourts.gov> and on the Debtors’ Notice and Claims Agent’s website at <http://www.kccllc.net/readers>.

CREDITORS WITH A FOREIGN ADDRESS: The deadline for filing claims will be set in a later court order and will apply to all creditors unless the order provides otherwise. If notice of the order setting the deadline is sent to a creditor at a foreign address, the creditor may file a motion requesting that the Bankruptcy Court extend the deadline.

CLAIMS AGENT: Kurtzman Carson Consultants LLC (“KCC”) is the Notice and Claims Agent in these cases and can provide a proof of claim form if you cannot obtain one from any bankruptcy court. KCC can be reached as follows:

Reader’s Digest Claims Processing
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245
Telephone: 866-967-0491
<http://www.kccllc.net/readers>

INFORMATIONAL WEBSITE: The Debtors’ Notice and Claims Agent shall maintain a website of these Chapter 11 cases at <http://www.kccllc.net/readers>. This privately maintained case information website shall contain certain limited information and documents relating to these Chapter 11 cases.

PURPOSE OF CHAPTER 11 FILING. Chapter 11 of the Bankruptcy Code enables a debtor to attempt to reorganize pursuant to a plan of reorganization. A plan of reorganization is not effective unless approved by the Bankruptcy Court at a confirmation hearing. Parties in interest will be given notice concerning any plan of reorganization, or, in the event the cases are dismissed or converted to another chapter of the Bankruptcy Code, notice of such dismissal or conversion. The Debtors will remain in possession of their properties and will continue to operate their businesses unless a trustee is appointed.

DISCHARGE OF DEBTS. Confirmation of a plan of reorganization may result in a discharge of debts, which may include all of your debt. *See* Bankruptcy Code Section 1141(d). A discharge means that you may never try to collect the debt from the debtor, except as provided in the plan of reorganization. If you believe that a debt owed to you is not dischargeable under Bankruptcy Code Section 1141(d)(6)(A), you must start a lawsuit by filing a complaint in the office of the Bankruptcy Clerk by the "Deadline to File a Complaint to Determine Dischargeability of Certain Debts," which, as stated above, will be provided in a notice sent at a later time. The office of the Bankruptcy Clerk must receive the complaint and any required filing fee by that deadline.

COUNSEL FOR THE DEBTORS.

James H.M. Sprayregen P.C. Paul M. Basta Nicole L. Greenblatt Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022-4611 T: (212) 446-4800 F: (212) 446-4900
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BANKRUPTCY CLERK'S OFFICE. Any paper you file in these bankruptcy cases should be filed at the Bankruptcy Clerk's office at the address listed below.

<u>Address of the Clerk of the Bankruptcy Court</u> Vito Genna, Clerk of the Court United States Bankruptcy Court for the Southern District of New York 300 Quarropas Street White Plains, New York 10601	
	Dated: September 2, 2009

Exhibit A

Debtor Name	Taxpayer ID No.	Case No.
The Reader's Digest Association, Inc.	13-1726769	09-23529
Alex Inc.	13-3765531	09-23530
Allrecipes.com, Inc.	91-1693797	09-23531
Ardee Music Publishing, Inc.	13-2852291	09-23532
Christmas Angel Productions, Inc.	13-4062729	09-23533
CompassLearning, Inc.	13-4066536	09-23534
Direct Entertainment Media Group, Inc.	32-0272306	09-23535
Direct Holdings Americas Inc.	13-2861045	09-23536
Direct Holdings Custom Publishing Inc.	13-3867452	09-23537
Direct Holdings Customer Service, Inc.	13-3389015	09-23538
Direct Holdings Education Inc.	13-3765535	09-23539
Direct Holdings Libraries Inc.	13-2537299	09-23540
Direct Holdings U.S. Corp.	32-0134998	09-23541
Funk & Wagnalls Yearbook Corp.	13-3603787	09-23542
Gareth Stevens, Inc.	39-1462742	09-23543
Home Service Publications, Inc.	13-3439525	09-23544
Pegasus Asia Investments Inc.	13-3850077	09-23545
Pegasus Investment, Inc.	13-3864252	09-23546
Pegasus Sales, Inc.	13-1883259	09-23547
Pleasantville Music Publishing, Inc.	13-2852289	09-23548
R.D. Manufacturing Corporation	13-6120230	09-23549
RD Large Edition, Inc.	13-3941489	09-23550
RD Publications, Inc.	13-3439115	09-23551
RD Walking, Inc.	13-3936509	09-23552
RDA Holding Co.	37-1537045	09-23553
RDA Sub Co.	42-1360501	09-23554
Reader's Digest Children's Publishing, Inc.	13-3616326	09-23555
Reader's Digest Consumer Services, Inc.	43-2018469	09-23556
Reader's Digest Entertainment, Inc.	13-3144742	09-23557
Reader's Digest Financial Services, Inc.	13-4177291	09-23558
Reader's Digest Latinoamerica, S.A.	52-1275836	09-23559
Reader's Digest Sales and Services, Inc.	13-1952377	09-20011
Reader's Digest Sub Nine, Inc.	13-4062727	09-23560
Reader's Digest Young Families, Inc.	06-1396158	09-23561
Reiman Manufacturing, LLC	13-4358760	09-23562
Reiman Media Group, Inc.	47-0861192	09-23563
Retirement Living Publishing Company, Inc.	13-3439118	09-23564
Saguaro Road Records, Inc.	32-0272310	09-23565
Taste of Home Media Group, Inc.	47-0861190	09-23566
Taste of Home Productions, Inc.	47-0861193	09-23567
Travel Publications, Inc.	11-2832927	09-23568
W.A. Publications, LLC	13-6120229	09-23569
WAPLA, LLC	13-4199272	09-23570
Weekly Reader Corporation	13-3603780	09-23571
Weekly Reader Custom Publishing, Inc.	13-3783276	09-23572
World Almanac Education Group, Inc.	13-3603781	09-23573
World Wide Country Tours, Inc.	47-0861189	09-23574
WRC Media, Inc.	13-4066536	09-23575