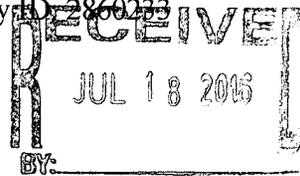


ILLINOIS INDEPENDENT TAX TRIBUNAL

Sally S. Reilly,)
Petitioner,)
)
 v.)
)
)
 ILLINOIS DEPARTMENT OF REVENUE,)
 Respondent.)

NPL Penalty ID: 2860233



1677143

PETITION

Sally S. Reilly ("Petitioner") petitions the Illinois Independent Tax Tribunal to review and reverse the

- Notice of Deficiency ("Deficiency")
- Notice of Tax Liability ("Notice") check all that apply
- Collection Action ("**Action**")
- Claim Denial ("Claim")
- Penalty ("Penalty")
- Interest ("Interest")

issued by the Illinois Department of Revenue ("Department") for the reasons stated below.

INTRODUCTION

1. The Action was issued on May 18, 2016, by the Department for \$30,855.00 in Sales and Use Tax, \$3,582.00 in penalty, and \$1,563.45 in interest. As stated on the Assessment and Notice of Intent for the Action, the Action was for the period 30-Jun-2013 ("**Period**").

BACKGROUND

2. Petitioner is an individual alleged by the Department to be a Responsible Officer of Willow House, Inc. (“**Willow House**”). Upon information and belief, Petitioner states that Willow House has gone out of business and no longer has a business address or telephone.
3. Petitioner was employed by Southern Progress Corporation (“**Southern Progress**”) as Director of Legal Services from 1989 to 2008. As such, Petitioner served as Secretary to Southern Progress and all of its subsidiaries, including the wholly owned subsidiary Creative Ideas for Living, Inc. (“**Creative Ideas**”). Creative Ideas was the predecessor in interest to Willow House.
4. Petitioner’s employment with Southern Progress was terminated as of December 30, 2008. Attached as Exhibit A is a redacted copy of Petitioner’s separation agreement with Southern Progress. As reflected in the separation agreement, Petitioner was deemed to have resigned from all offices, including her position as Secretary of Creative Ideas, upon termination of her employment.
5. Upon information and belief, Creative Ideas was sold by Southern Progress to Entertaining At Home, Inc. on July 16, 2009.
6. Upon information and belief, Creative Ideas changed its name to Willow House, Inc. at some point following the sale.
7. Upon information and belief, the Department issued the Action based on records obtained from the Alabama Secretary of State (“**Alabama Records**”), which indicate Petitioner was Secretary of Willow House during the Period.
8. Attached as Exhibit B is a letter dated July 1, 2016, from Daniel M. Carey, Vice President, State and Local Taxes/Assistant Treasurer of Southern Progress to Dimitri Cornellier of the Illinois Department of Revenue. The letter confirms that Petitioner’s employment from Southern Progress was terminated as of December 30, 2008, that Creative Ideas was sold by Southern Progress on July 16, 2009, and that the Alabama Records indicating Petitioner was Secretary of Willow House for periods subsequent to the sale are incorrect. Among other attachments, inserts from the Purchase Agreement for Creative Ideas are attached to the letter.

ERRORS

9. The Department asserts that Petitioner is a responsible officer, partner or individual of Willow House under Illinois law (35 ILCS 735/3-7), which provides that any person who had control, supervision or responsibility of filing returns or making payment for a taxpayer, and willfully fails to do so, is personally liable for a penalty equal to the amount of tax due including penalty and interest. Upon information and belief, the Department's determination that Petitioner is a responsible officer of Willow House is based solely upon the erroneous Alabama Records. Petitioner asserts that the information in the Alabama Records that Petitioner served as Secretary of Willow House for periods subsequent to the sale of Creative Ideas in 2009 is incorrect. This is confirmed by the letter from Daniel M. Carey attached to this Petition. The Department's finding that Petitioner was a responsible officer, partner or individual of Willow House under 35 ILCS 735/3-7 is in error and should be reversed.
10. As reflected in Petitioner's separation agreement attached as Exhibit A, Petitioner's employment with Southern Progress was terminated six months prior to the sale of Creative Ideas to Entertaining At Home, Inc. Petitioner was never employed by Willow House during the Period or otherwise. Petitioner never served as an officer, partner or other responsible party for Willow House during the Period or otherwise. The Department's finding that Petitioner was a responsible officer, partner or individual of Willow House under 35 ILCS 735/3-7 is in error and should be reversed.
11. As reflected in Petitioner's separation agreement attached as Exhibit A, Petitioner's employment with Southern Progress was terminated six months prior to the sale of Creative Ideas to Entertaining At Home, Inc. Petitioner does not have, and never had, any control, supervision, or responsibility of filing tax returns or making tax payments for Willow House during the Period or otherwise. The Department's finding that Petitioner had control, supervision, or responsibility of filing tax returns or making tax payments for Willow House under 35 ILCS 735/3-7 during the Period is in error and should be reversed.

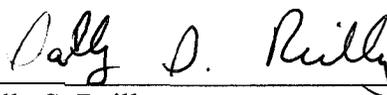
RELIEF REQUESTED

12. For the reasons stated above, Petitioner requests that the Action be dismissed in its entirety and the penalty be abated.
13. Petitioner respectfully requests that the \$500 filing fee be waived. Since 2014, Petitioner has responded to requests for information from the Department concerning this matter and has provided truthful and accurate information regarding her termination of employment from Southern Progress prior to the sale of Creative Ideas to Entertaining At Home, Inc. Petitioner asserts the Department should have dismissed or otherwise terminated this matter upon its

receipt of such information. Petitioner has expended a great deal of time and energy in this matter, and should not be further penalized under these circumstances.

Dated this 14th day of July, 2016.

Sally S. Reilly, Individual

A handwritten signature in cursive script that reads "Sally S. Reilly". The signature is written in black ink and is positioned above a horizontal line.

Sally S. Reilly
3912 11th Avenue South
Birmingham, AL 35222
205-901-1879
sallysreilly@gmail.com

EXHIBIT A

SEPARATION AGREEMENT

S O U T H E R N
P R O G R E S S

Revised December 23, 2008
December 3, 2008

DEC 29 2008

Sally Reilly
3912 11th Ave. South
Birmingham, AL 35222

Dear Sally:

Contingent upon execution of the attached release and the expiration of the seven-day waiting period, your separation agreement ("Agreement") with Southern Progress Corporation (the "Company", "we", "us", or "our") will be:

1. Your active employment will end December 30, 2008.
2. You will receive a severance benefit equivalent to 60.1 weeks of base salary for a total cash severance payment of [REDACTED]. You will receive such severance benefit by remaining on the Company payroll at your current biweekly rate for 26 weeks (the "Severance Period"), and then you will receive a lump sum for the remainder.

NOTE: Your final payment will be a live check and not direct deposited.

3. During the Severance Period you will continue to be eligible for the following Company benefits: (a) the options to purchase Time Warner stock granted to you by the Company will continue to vest and be exercisable pursuant to the plans and option agreements under which such options were granted, but not beyond the expiration of any such options; and (b) you will continue to be eligible to participate in the Company's medical, dental and life insurance plans on the same terms and conditions as regular full-time employees.
4. If you accept employment with Time Warner Inc. or a related or affiliated company during the Severance Period, no further payments will be made pursuant to the terms of this Agreement upon the commencement of such employment.
5. Should you accept employment with an entity not related to Time Warner Inc. during the Severance Period, vesting of stock options and restricted stock will cease. Please notify the Company before commencement of such employment.
6. All stock options granted to you by the Company are governed by the applicable stock option plan(s), and nothing in this Agreement shall be deemed to supersede the terms of the applicable plan(s).

7. You will receive payment for any unused vacation days accrued through December 30, 2008. After that date, you will not accrue any additional vacation.
8. In March 2009, you will receive an AIP payment for your 2008 target amount.
9. Career transition assistance will be arranged for you. Please contact me for additional information.
10. The Company agrees that it will not contest your right to receive unemployment compensation provided that you are otherwise eligible.
11. You acknowledge that you are in possession of confidential and proprietary information belonging to the Company, and you agree not to disclose any such information to any party without the Company's prior written approval. You further acknowledge and agree that you have returned all Company property previously in your possession, including but not limited to any Company equipment, keys, identification cards, and credit cards, as well as any documents and files (and any copies thereof). You further acknowledge and agree that you have fully discharged, and do not owe, any payments, including any outstanding loans or corporate card charges, to the Company, or to any third parties acting on behalf of the Company.
12. You agree to maintain the confidentiality of this Agreement, and that neither you nor anyone acting on your behalf shall discuss the terms of this Agreement with any third party, other than your spouse/life partner, financial and legal advisors, or where required by law, legal process, or governmental authority.
13. You and the Company expressly acknowledge, represent, and agree that this Agreement and the General Release executed pursuant to this Agreement are fully integrated and contain and constitute the complete agreement of the parties regarding the termination of your employment and supersede any and all agreements, whether written or oral, between you and the Company regarding the termination of your employment. You and the Company further acknowledge, represent and agree that neither has made any representations, promises or statements to induce the other to enter into this Agreement, and each specifically disclaims reliance, and represents that there has been no reliance, on any such representations, promises or statements and any rights arising there from.

If the foregoing accurately represents our agreement, please sign both copies and return one set to me in Human Resources. The second set is for your personal files.

Sincerely, 
Carole Cain
Director, Human Resources

CONFIRMED AND AGREED:

12/29/08
Date


Employee Signature

GENERAL RELEASE AND WAIVER

1. I, Sally S. Reilly, in consideration of payment described in the letter dated December 3, 2008, do hereby release and forever discharge Southern Progress Corporation, Time Warner Inc., their affiliates, divisions, officers, directors, shareholders, subsidiaries, agents and employees ("Released Parties") from any and all claims I now or may have in the future against the Released Parties, arising out of or relating to my employment, or my separation from the Company. The claims released include, but are not limited to, claims for all known or unknown actions, causes of action, suits, charges or complaints for reinstatement, back pay, front pay, compensatory, punitive or liquidated damages, interest, attorneys fees, costs, expenses or any other relief of any kind, under any federal, state or local law, regulation or order, including without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Equal Pay Act, 42 U.S.C. § 1981, the Americans with Disabilities Act and the Employee Retirement Income Security Act of 1974; and any other claims of unlawful retaliation or interference associated with or related to these federal statutes or any other federal, state or local law. I also understand that I am waiving any and all claims arising under state law, including claims based on tort and/or express or implied contract. I also agree, and covenant, not to sue any of the Released Parties for any matter relating to my employment or separation there from. Nothing herein shall be construed to bar me from filing or otherwise pursuing any claim or right I may have to enforce the provisions of the letter referenced above. Moreover, nothing herein shall impair, or release, any claims or claims which I may have relating any vested retirement benefits.

2. I further state that I have read the letter referenced above and this release, that I understand them fully, that I have had the opportunity to consult or consulted with, an attorney of my choice, and that I have executed the same of my own free will. I warrant that this release is written in a manner that I understand. I further understand that I am waiving rights and claims in exchange for consideration in addition to anything of value to which I am already entitled.

3. I acknowledge that I have been given 45 days from the day I receive a copy of this letter and release to sign these papers and that I have been advised to consult an attorney. If I choose not to take the full 45 days I understand that I may waive the balance of that period. I understand that I have the right to revoke my consent to this agreement and release for seven days following my signing this agreement and release. I understand this period may not be shortened. This agreement and release may be revoked during the seven-day period following my signing of this agreement and release.

4. With this General Release and Waiver, I knowingly and voluntarily am waiving and generally releasing all rights or claims that I have or might have against the Released Parties. Neither the negotiation nor the execution of this General Release and Waiver and the letter of December 3, 2008, shall constitute, operate, or be construed as an acknowledgment or admission of any kind either that any of the Released Parties discriminated or retaliated against me or committed any tort against me or that any of the Released Parties violated any federal, state or local law or any right grounded in common law, tort, contract or public policy. The Released Parties specifically disclaim any liability to, or discrimination against, me or any other person. I agree not to state, suggest or imply to the contrary to any person or entity.

5. These payments are in full and final settlement of any and all claims I assert, and any other claim existing as of the date I execute this General Release and Waiver.

6. The language of all parts of this General Release and Waiver shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against me, or any or all of the Released Parties.

7. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted in a manner intended to comply with Section 409A of the Code. To the extent any reimbursements or in-kind benefits due to you under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to you in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Each separately identified payment made under this Agreement is intended to constitute a separate payment within the meaning of Treas. Reg. Section 1.409A-2(b)(2). The Company shall consult with you in good faith regarding the implementation of the provisions of this Section 18.9; provided that neither the Company nor any of its employees or representatives shall have any liability to you with respect thereto.

8. This General Release and Waiver and the December 3, 2008, letter, sets forth the entire agreement and fully supersedes any and all prior agreements or understandings between me and the Released Parties with respect to this matter.

PLEASE READ CAREFULLY. THE LETTER OF DECEMBER 3, 2008, AND THIS GENERAL RELEASE INCLUDE A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: 12/29/08


SIGN FULL NAME

EXHIBIT B

LETTER FROM DANIEL M. CAREY TO DIMITRI CORNELIER

Via facsimile (without attachments) – original (with attachments) to follow via US mail

July 1, 2016

Mr. Dmitri Cornellier
100% Penalty Unit
Illinois Department of Revenue
P.O. Box 19035
Springfield, IL 62794-9035

Dear Mr. Cornellier:

The purpose of this letter is to provide the Illinois Department of Revenue with information in connection with “Collection Action Assessment and Notice[s] of Intent”, which were recently mailed to Thomas K. Angelillo and Sally Reilly as “responsible officers” of Willow House, Inc. Willow House, Inc. is the successor to Creative Ideas for Living Inc. (FEIN: 63-1242827). Creative Ideas for Living Inc. was a wholly owned subsidiary of Southern Progress Corporation. Southern Progress Corporation is a subsidiary of Time Inc. Southern Progress Corporation sold on July 16, 2009, to Entertaining at Home, Inc., an unrelated corporation, 100 percent of the stock of Creative Ideas for Living Inc. It is our understanding that Creative Ideas for Living Inc. subsequently changed its name to Willow House, Inc. and retained Creative Ideas for Living, Inc.’s historical federal employer identification number (see above).

Prior to 2009, Mr. Angelillo and Ms. Reilly were employed by Time Inc. and Southern Progress Corporation, respectively. Among other positions held during their employment, Mr. Angelillo and Ms. Reilly served as President and Secretary, respectively, of Creative Ideas for Living Inc. Mr. Angelillo and Ms. Reilly entered into employment Separation Agreements during December 2008. Pursuant to such agreements, Mr. Angelillo and Ms. Reilly’s employment ceased on December 31, 2008 and December 30, 2008, respectively. Attached are redacted copies of Mr. Angelillo’s and Ms. Reilly’s Separation Agreements.

Southern Progress Corporation recently learned that the Alabama Secretary of State’s website currently reflects for periods subsequent to July 16, 2009, Mr. Angelillo and Ms. Reilly as President and Secretary, respectively, of Willow House, Inc. This is erroneous information. Accordingly, we are assisting Mr. Angelillo and Ms. Reilly in working with the Alabama Secretary of State’s office to retroactively remove their names as officers of Willow House, Inc.

Attached is a copy of the letter provided on February 3, 2016, to Sheila Brown (Illinois Department of Revenue) in connection with related, Willow House, Inc. Collection Actions. That letter includes as attachments resignation letters signed and dated on July 16, 2009, by all active officers of Creative Ideas for Living Inc. Mr. Angelillo and Ms. Reilly were not officers of Creative Ideas for Living Inc. on July 16, 2009, or at any time after December 31, 2008. Ms. Brown and I spoke on February 15, 2016, and she indicated that the Illinois Department of Revenue would cease pursuing collection for tax periods after July 16, 2009, from the former officers of Creative Ideas for Living Inc.

It is my understanding that Mr. Angelillo and Ms. Reilly plan to timely file petitions with the Illinois Independent Tax Tribunal in connection with this matter.

Please contact me at 212.522.6964 if you have any questions regarding this letter.

Yours very truly,

A handwritten signature in black ink, appearing to read "Daniel M. Carey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Daniel M. Carey
Vice President, State and Local Taxes/Assistant Treasurer

Cc: Mr. Bruce Larson – Southern Progress Corporation
Mr. Thomas K. Angelillo
Ms. Sally Reilly

Collection Action
Assessment and Notice of Intent



May 18, 2016



Letter ID: L1146654480

THOMAS K. ANGELILLO
1213 GREYSTONE CRST
BIRMINGHAM AL 35242-7007

Taxpayer ID: XXX-XX-0091

NPL Penalty ID: 3272106



WILLOW HOUSE, INC
PO BOX 392
WILTON AL 35187-0392

**We have determined you are personally liable
for a penalty of \$36,000.45.**

The penalty is equal to the amount of unpaid liability of WILLOW HOUSE, INC, due to your status as a responsible officer, partner, or individual of WILLOW HOUSE, INC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us \$36,000.45. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this liability is more than \$15,000**, file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, et seq.).
- **In all other cases that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal**, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is **July 17, 2016**. Your request must be in writing, clearly indicate that you want to protest, and explain in detail why you do not agree with our actions. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- **Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue**, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/ 2a.1), pay the total liability under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

DMITRI CORNELIER
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

217 782-9904 ext. 31613
217 785-2635 fax

For information about
› how to pay
› submitting proof
› collection actions

Turn page

To avoid this collection action

Pay

Your payment must be guaranteed (*i.e.* cashier's check, money order) and made payable to the Illinois Department of Revenue.

If you believe you are not personally responsible, send us proof

Send us written proof, documents, or testimony for review. You may provide one or all of the following:

- copies of notarized resignation papers.
- corporate minutes where your resignation was accepted.
- copy of signed agreement to transfer stocks and bonds to another party.
- a notarized affidavit from someone whom we recognize as knowledgeable of the business' operation stating that you were not responsible for filing returns and paying taxes.
- the name of the person who was responsible for filing returns and paying taxes.

Collection action information

Applicable Illinois law

Illinois law (35 ILCS 735/3-7 of the Retailers' Occupation Tax Act) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty. The penalty is equal to the amount of tax due including penalty and interest.

More information is on our website at tax.illinois.gov.

Federal Bankruptcy Court

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy "automatic stay" does not relieve your obligations to file tax returns.

Correct our records

If our records are not correct, send us proof of your prior payment, a copy of the return you filed, or other documentations so that we can correct our records.

What other collection actions may we take?

Additional collection action includes, but is not limited to:

- levy of wages and bank accounts.
- withholding of your state payments, tax refunds, lottery winnings, contractual service vouchers, *etc.*
- seizure and sale of your assets.
- referral to a collection agency.
- civil judgments.
- referral for non-renewal or revocation of your
 - Professional license,
 - Certificate of Registration,
 - Liquor license,
 - Corporate Charter with the Secretary of State, or
 - Lottery license.
- prosecution for bad checks and deceptive practice.
- filing a tax lien against your property (the filing of a lien may damage your credit rating for up to seven years, even after the lien is released). If we file a lien against your property, you are responsible for paying the lien filing and release fees and charges.

Collection Action
Assessment and Notice of Intent



May 18, 2016



Letter ID: L1146654480

THOMAS K. ANGELILLO
1213 GREYSTONE CRST
BIRMINGHAM AL 35242-7007

Taxpayer ID: XXX-XX-0091
NPL Penalty ID: 3272106



This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

Sales/Use Tax & E911 Surcharge

Account ID: 3261-1633

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2013	30,855.00	3,582.00	1,563.45	-	-	36,000.45

IDOR-5P-NPL (N-03/07)

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Collection Action

(R-12/08) (136)



Letter ID: L1146654480
THOMAS K. ANGELILLO

Total amount due: \$36,000.45
Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

\$ _____
Write your Account ID on your check.

000 006 009675769126 731 123199 0 0000003600045

October 29, 2008

Tom Angelillo
President & Chief Executive Officer
Southern Progress Corporation
2100 Lakeshore Drive
Birmingham, AL 35209

Dear Tom:

This agreement ("Separation Agreement") will confirm our discussion concerning the termination of the Term of Employment, effective December 31, 2008, pursuant to Section 5.5 of the employment agreement between you and Time Inc. (the "Company") dated as of August 27, 1997 and subsequently amended (the "Employment Agreement"), and will amend the Employment Agreement as follows:

1. Pursuant to Section 5.5 of the Employment Agreement, and subject to your execution of the General Release attached hereto as Exhibit "A" and incorporated by reference herein, you shall receive a severance benefit equivalent to [REDACTED] and [REDACTED] for a total cash severance payment of [REDACTED]. Effective January 1, 2009, you will receive such severance benefit by remaining on the Company payroll for 24 months (the "Severance Period"). The [REDACTED] is based on the two prior [REDACTED]s received by you: [REDACTED] (March 2008) and [REDACTED] (March 2007).
2. Your duties and responsibilities as President and Chief Executive Officer of Southern Progress Corporation ("SPC") shall cease effective December 31, 2008, at which time you shall be deemed to have resigned from all boards, committees, offices and positions related to or affiliated with SPC and/or the Company.
3. For as long as you remain on Company payroll you will continue to be eligible for the following Company benefits: (a) the RSUs and options to purchase TWI stock granted to you by the Company will continue to vest and be exercisable pursuant to the plans and option agreements under which such options were granted, but not beyond the expiration of any such options; and (b) you will continue to be eligible to participate in the Company's medical insurance and life insurance plans on the same terms and conditions as regular full-time employees.
4. When you are removed from the Company payroll, you shall retire pursuant to the terms of the then-existing pension plan, at which time (according to the terms of the applicable stock option plans and agreements) all previously-unvested stock options and RSUs shall immediately vest.
5. If you accept employment with TWI or a related or affiliated company during the Severance Period, all payments under this Separation Agreement shall cease immediately upon the acceptance of such employment, and any remaining payments shall be forfeited.

6. If you accept employment with any other corporation, partnership, trust, government or other entity during such period, you shall continue to receive severance in biweekly payments but you shall no longer remain on the Company payroll.
7. During the first 15 days of March 2009, at the same time as all other eligible employees, you will receive an AIP payment for 2008 based on your target dollars.
8. The Company will provide you with executive outplacement services; provided, that such outplacement services terminate no later than January 1, 2010.
9. Without limiting the express provisions of this Separation Agreement, Sections 1, 2, 3, 5 (except for Sections 5.8 and 5.9), and the severance side letter appearing on page 18 of the Employment Agreement, are superseded in their entirety by this Separation Agreement, and shall have no further force or effect. The remaining portions of the Employment Agreement shall continue in accordance with their terms after giving effect to the amendments provided for in this Separation Agreement.
10. You acknowledge and agree that except as provided in this Separation Agreement, no other termination payments or payments of any other kind are due you by the Company, other than the vested benefits to which you are entitled under the Time Warner Savings Plan, the Time Warner Pension Plan (including the excess pension plan), and the Time Warner Deferred Compensation Plan.
11. You may only discuss the contents and substance of this Separation Agreement with your immediate family members, and your financial and legal advisors, provided such other persons agree to be bound by the terms of such confidentiality provisions, except where required by lawful subpoena or where required by law.
12. The Company agrees that it will not contest your right to receive unemployment compensation provided that you are otherwise eligible.
13. The Company and TWI hereby release you of and from all manner of actions, causes of action, claims or demands for general, special or punitive damages, attorney's fees, expenses, or other compensation, known or unknown ("Claims"), which in any way relate to or arise out of your employment with the Company or the termination of such employment, which it may now or hereafter have, including, but not limited to, Claims under any federal, state or local law, regulation or order, through and including the date of this Separation Agreement; provided, however, that the Company does not release you from any Claims arising out of your criminal conduct, gross misconduct, or fraudulent activity. The Company represents that it is not aware of any such criminal activity, gross misconduct, or fraudulent action by you.
14. You acknowledge that you are in possession of confidential and proprietary information belonging to the Company, other than information that is publicly known other than as a result of your breach of your obligations hereunder, and you agree never to disclose any such information to any party not employed by the Company without the Company's prior written approval, except that you may disclose such matters to the extent required by court order or other governmental process, provided that in such event you shall give the Company prompt prior written notice (or as much notice as practicable) of any disclosure request, application for court order, court order or other governmental process before making

any such disclosure and shall give the Company, to the extent possible, a reasonable opportunity to object to and prevent such disclosure.

15. The parties expressly acknowledge, represent and agree that the Employment Agreement, as modified by this Separation Agreement and the General Release executed and delivered pursuant to this Separation Agreement, are fully integrated and contain and constitute the complete and entire agreement and understanding of the parties with respect to the status of your employment and supersede any and all agreements, understandings, and discussions, whether written or oral, between the parties with respect to the status of your employment by the Company. The parties further acknowledge, represent and agree that neither has made any representations, promises or statements to induce the other party to enter into this Separation Agreement, and each party specifically disclaims reliance, and represents that there has been no reliance, on any such representations, promises or statements and any rights arising therefrom. This agreement is intended to bind the parties and their successors and assigns, heirs and representatives.
16. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted in a manner intended to comply with Section 409A of the Code. To the extent any reimbursements or in-kind benefits due to you under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to you in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Each separately identified payment made under this Agreement is intended to constitute a separate payment within the meaning of Treas. Reg. Section 1.409A-2(b)(2). The Company shall consult with you in good faith regarding the implementation of the provisions of this Section 17; provided that neither the Company nor any of its employees or representatives shall have any liability to you with respect thereto.

All of the above shall be contingent upon your execution of this Separation Agreement and the General Release attached hereto and made a part hereof as Exhibit "A." Should you fail to execute the General Release, or should you revoke such execution as provided for therein, this Separation Agreement shall be null and void.

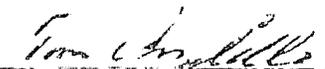
If the foregoing accurately represents our agreement, kindly execute Exhibit "A," countersign this Separation Agreement and return both to me.

Sincerely,



TIME INC.

CONFIRMED AND AGREED:

By: 
Tom Angelillo

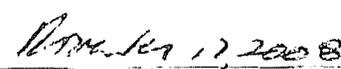
Dated: 

Exhibit "A"

GENERAL RELEASE

Pursuant to the terms of the Separation Agreement (the "Separation Agreement") entered into on December 17, 2008, between Time Inc. ("the Company") and Tom Angelillo and in consideration of the payments made to me and other benefits to be received by me pursuant thereto, I, Tom Angelillo, being of lawful age, do hereby release and forever discharge the Company and Time Warner Inc., their respective officers, directors, subsidiaries, agents, and employees, and their respective heirs, executors, administrators, successors, and assigns, of and from any and all actions, causes of action, claims, or demands for general, special or punitive damages, attorney's fees, expenses, or other compensation, known or unknown, which in any way relate to or arise out of my employment with the Company or Time Warner Inc. or the termination of such employment, which I may now or hereafter have, with respect to anything that may have happened through and including the date of this Release, including, but not limited to, claims under any federal, state or local law, regulation or order, including without limitation, under the Age Discrimination in Employment Act, as amended.

Nothing contained herein shall act as a waiver of any rights I may have as a result of my participation in the Company's or Time Warner Inc.'s employee benefit or stock option plans, or act as a bar to any action to enforce the terms of the Agreement.

This Separation Agreement and Release shall not cover or constitute a release of any claim for indemnification for acts or omissions taken or omitted to be taken by me on or prior to December 31, 2008, under the charter and by-laws of Time Inc. or any of its subsidiaries or affiliates, or, if more favorable, under the terms of any other agreement providing for indemnification that covered you that was in effect on December 31, 2008 or under the terms of any policy of insurance providing coverage in the nature of directors' and officers' liability insurance under which you were covered on December 31, 2008.

I further state that I have read the foregoing document, that I know the contents thereof, and that I have executed the same as my own free act. I acknowledge that I have been given 21 days from the day I received a copy of this Separation Agreement and Release to sign these papers and that I have been advised to consult an attorney. I understand that I have the right to revoke my consent to this Separation Agreement and Release for seven days following my signing this Separation Agreement and Release. This Separation Agreement and Release shall not become effective or enforceable until the expiration of the seven-day period following my signing of this Separation Agreement and Release.

WITNESS my hand this 17 day of December, 2008.

Tom Angelillo
Tom Angelillo

**SOUTHERN
PROGRESS**

Revised December 23, 2008

December 3, 2008

Sally Reilly
3912 11th Ave. South
Birmingham, AL 35222

Dear Sally:

Contingent upon execution of the attached release and the expiration of the seven-day waiting period, your separation agreement ("Agreement") with Southern Progress Corporation (the "Company", "we", "us", or "our") will be:

1. Your active employment will end December 30, 2008.
2. You will receive a severance benefit equivalent to [REDACTED] of base salary for a total cash severance payment of [REDACTED]. You will receive such severance benefit by remaining on the Company payroll at your current biweekly rate for 26 weeks (the "Severance Period"), and then you will receive a lump sum for the remainder.

NOTE: Your final payment will be a live check and not direct deposited.

3. During the Severance Period you will continue to be eligible for the following Company benefits: (a) the options to purchase Time Warner stock granted to you by the Company will continue to vest and be exercisable pursuant to the plans and option agreements under which such options were granted, but not beyond the expiration of any such options; and (b) you will continue to be eligible to participate in the Company's medical, dental and life insurance plans on the same terms and conditions as regular full-time employees.
4. If you accept employment with Time Warner Inc. or a related or affiliated company during the Severance Period, no further payments will be made pursuant to the terms of this Agreement upon the commencement of such employment.
5. Should you accept employment with an entity not related to Time Warner Inc. during the Severance Period, vesting of stock options and restricted stock will cease. Please notify the Company before commencement of such employment.
6. All stock options granted to you by the Company are governed by the applicable stock option plan(s), and nothing in this Agreement shall be deemed to supersede the terms of the applicable plan(s).

7. You will receive payment for any unused vacation days accrued through December 30, 2008. After that date, you will not accrue any additional vacation.
8. In March 2009, you will receive an AIP payment for your 2008 target amount.
9. Career transition assistance will be arranged for you. Please contact me for additional information.
10. The Company agrees that it will not contest your right to receive unemployment compensation provided that you are otherwise eligible.
11. You acknowledge that you are in possession of confidential and proprietary information belonging to the Company, and you agree not to disclose any such information to any party without the Company's prior written approval. You further acknowledge and agree that you have returned all Company property previously in your possession, including but not limited to any Company equipment, keys, identification cards, and credit cards, as well as any documents and files (and any copies thereof). You further acknowledge and agree that you have fully discharged, and do not owe, any payments, including any outstanding loans or corporate card charges, to the Company, or to any third parties acting on behalf of the Company.
12. You agree to maintain the confidentiality of this Agreement, and that neither you nor anyone acting on your behalf shall discuss the terms of this Agreement with any third party, other than your spouse/life partner, financial and legal advisors, or where required by law, legal process, or governmental authority.
13. You and the Company expressly acknowledge, represent, and agree that this Agreement and the General Release executed pursuant to this Agreement are fully integrated and contain and constitute the complete agreement of the parties regarding the termination of your employment and supersede any and all agreements, whether written or oral, between you and the Company regarding the termination of your employment. You and the Company further acknowledge, represent and agree that neither has made any representations, promises or statements to induce the other to enter into this Agreement, and each specifically disclaims reliance, and represents that there has been no reliance, on any such representations, promises or statements and any rights arising there from.

If the foregoing accurately represents our agreement, please sign both copies and return one set to me in Human Resources. The second set is for your personal files.

Sincerely,



Carole Cain
Director, Human Resources

CONFIRMED AND AGREED:

12/29/08
Date

Andy P. Pully
Employee Signature

GENERAL RELEASE AND WAIVER

1. I, Sally S. Reilly, in consideration of payment described in the letter dated December 3, 2008, do hereby release and forever discharge Southern Progress Corporation, Time Warner Inc., their affiliates, divisions, officers, directors, shareholders, subsidiaries, agents and employees ("Released Parties") from any and all claims I now or may have in the future against the Released Parties, arising out of or relating to my employment, or my separation from the Company. The claims released include, but are not limited to, claims for all known or unknown actions, causes of action, suits, charges or complaints for reinstatement, back pay, front pay, compensatory, punitive or liquidated damages, interest, attorneys fees, costs, expenses or any other relief of any kind, under any federal, state or local law, regulation or order, including without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Equal Pay Act, 42 U.S.C. § 1981, the Americans with Disabilities Act and the Employee Retirement Income Security Act of 1974; and any other claims of unlawful retaliation or interference associated with or related to these federal statutes or any other federal, state or local law. I also understand that I am waiving any and all claims arising under state law, including claims based on tort and/or express or implied contract. I also agree, and covenant, not to sue any of the Released Parties for any matter relating to my employment or separation there from. Nothing herein shall be construed to bar me from filing or otherwise pursuing any claim or right I may have to enforce the provisions of the letter referenced above. Moreover, nothing herein shall impair, or release, any claims or claims which I may have relating any vested retirement benefits.

2. I further state that I have read the letter referenced above and this release, that I understand them fully, that I have had the opportunity to consult or consulted with, an attorney of my choice, and that I have executed the same of my own free will. I warrant that this release is written in a manner that I understand. I further understand that I am waiving rights and claims in exchange for consideration in addition to anything of value to which I am already entitled.

3. I acknowledge that I have been given 45 days from the day I receive a copy of this letter and release to sign these papers and that I have been advised to consult an attorney. If I choose not to take the full 45 days I understand that I may waive the balance of that period. I understand that I have the right to revoke my consent to this agreement and release for seven days following my signing this agreement and release. I understand this period may not be shortened. This agreement and release may be revoked during the seven-day period following my signing of this agreement and release.

4. With this General Release and Waiver, I knowingly and voluntarily am waiving and generally releasing all rights or claims that I have or might have against the Released Parties. Neither the negotiation nor the execution of this General Release and Waiver and the letter of December 3, 2008, shall constitute, operate, or be construed as an acknowledgment or admission of any kind either that any of the Released Parties discriminated or retaliated against me or committed any tort against me or that any of the Released Parties violated any federal, state or local law or any right grounded in common law, tort, contract or public policy. The Released Parties specifically disclaim any liability to, or discrimination against, me or any other person. I agree not to state, suggest or imply to the contrary to any person or entity.

5. These payments are in full and final settlement of any and all claims I assert, and any other claim existing as of the date I execute this General Release and Waiver.

6. The language of all parts of this General Release and Waiver shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against me, or any or all of the Released Parties.

7. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted in a manner intended to comply with Section 409A of the Code. To the extent any reimbursements or in-kind benefits due to you under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to you in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Each separately identified payment made under this Agreement is intended to constitute a separate payment within the meaning of Treas. Reg. Section 1.409A-2(b)(2). The Company shall consult with you in good faith regarding the implementation of the provisions of this Section 18.9; provided that neither the Company nor any of its employees or representatives shall have any liability to you with respect thereto.

8. This General Release and Waiver and the December 3, 2008, letter, sets forth the entire agreement and fully supersedes any and all prior agreements or understandings between me and the Released Parties with respect to this matter.

PLEASE READ CAREFULLY. THE LETTER OF DECEMBER 3, 2008, AND THIS GENERAL RELEASE INCLUDE A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: 12/29/08

Delly P. Ruddy
SIGN FULL NAME

Southern Progress Corporation

225 Liberty Street
5th Floor, Tax Dept
New York, NY 10281

Via facsimile – original with attachments to follow

February 3, 2016

Ms. Sheila Brown
Illinois Department of Revenue
15 Executive Drive, Suite 2
Fairview Heights, IL 62208

Re: Willow House, Inc.
Taxpayer ID: 63-1242827

Dear Ms. Brown:

This letter is in response to the Illinois Department of Revenue's Collection Action, Notice of Intent, dated January 15, 2016 (copy attached). The Collection Action was addressed to Bruce Larson, as a responsible officer of Willow House, Inc. Further, the Collection Action included a Taxpayer Statement for the period June 30, 2013, which reflected tax, penalty and interest due in the amount of \$35,802.13 (copy attached).

Southern Progress Corporation, on July 16, 2009, sold all of the stock of Creative Ideas for Living Inc. to Entertaining at Home, Inc., an unrelated company. Immediately before the sale, each director and officer of Creative Ideas for Living Inc., including Mr. Larson, resigned his or her position. Attached are copies of an excerpt of the Purchase Agreement as well as executed letters of resignation.

Based on this letter and the enclosed documents, I respectfully request that you rescind the Collection Action against Mr. Larson. Further, please rescind any other Collection Actions that may have been sent to any former director or officer, whose formal resignation is enclosed.

At the time of sale our records reflected Entertaining at Home, Inc.'s address as follows:

William D. Shaw
President
Entertaining at Home, Inc.
300 N. Patrick Blvd., Suite 150
Brookfield, WI 53045

It is my understanding that Creative Ideas for Living Inc. subsequently did business as Willow House, Inc. The most recent contact information I have for Willow House, Inc. is provided below:

Timothy P. O'Shea
CFO and Treasurer
Willow House, Inc.
2100 Riverchase Center, Suite 230
Birmingham, AL 35244
908.642.6409

However, I have been unsuccessful in contacting Mr. O'Shea or any Willow House, Inc. representative since 2013. The contact information I have in my files for the law firm that represented Entertaining at Home, Inc. in its acquisition of Creative Ideas for Living, Inc. is provided below. A representative of that firm may have additional information regarding Entertaining at Home, Inc. and/or Willow House, Inc.

Ellenoff Grossman & Schole LLP
1345 Avenue of the Americas
New York, NY 10105
Attn: Douglas S. Ellenoff, Esq.

If you have any questions regarding this letter please call me at 212.522.6964.

Sincerely,



Daniel Carey
Assistant Treasurer/Vice President, State & Local Taxes
Southern Progress Corporation

Cc: Bruce Larson

Collection Action
Notice of Intent



January 15, 2016



Letter ID: L1423923600

BRUCE LARSON
1800 HUMMINGBIRD LN

HOOVER AL 35226-2719

Taxpayer ID: 63-1242827



WILLOW HOUSE, INC
PO BOX 392
WILTON AL 35187-0392

**You have been identified as a responsible
officer, partner, or individual of WILLOW HOUSE, INC.**

Illinois law provides that we may hold you personally liable for a penalty equal to the total tax, penalty, and interest due from WILLOW HOUSE, INC.

The following pages detail the current amount of debt we are pursuing against WILLOW HOUSE, INC. This debt must be paid immediately. Your payment must be guaranteed (*i.e.*, cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

If this debt is not paid, we intend to issue a penalty against you for the full amount of the debt. Once the penalty becomes final, we can take further collection action against you personally which may include the seizure and sale of your assets and levy of your wages and bank accounts.

If you believe you are not personally responsible for this debt, send us written proof within 10 days. If the information you submit is insufficient, we may continue to issue the penalty.

If you have any questions, please write or call our office weekdays from 8:30 a.m. to 4:30 p.m.

SHEILA BROWN
ILLINOIS DEPARTMENT OF REVENUE
15 EXECUTIVE DRIVE, SUITES 2
FAIRVIEW HEIGHTS IL 62208

618 624-6743
618 624-7076 fax

For information about

- > how to pay
- > submitting proof
- > what you owe
- > collection actions

Turn page

To avoid this collection action

Pay

Your payment must be guaranteed (*i.e.*, cashier's check, money order) and made payable to the Illinois Department of Revenue.

If you believe you are not personally responsible, send us proof

Send us written proof, documents, or testimony for review.

You may provide one or all of the following:

- copies of notarized resignation papers.
- corporate minutes where your resignation was accepted.
- copy of signed agreement to transfer stocks and bonds to another party.
- a notarized affidavit from someone whom we recognize as knowledgeable of the business' operation stating that you were not responsible for filing returns and paying taxes.
- the name of the person who was responsible for filing returns and paying taxes.

Collection action information

Applicable Illinois law

Illinois law (35 ILCS 735/3-7 of the Retailers' Occupation Tax Act) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty. The penalty is equal to the amount of tax due including penalty and interest.

More information is on our website at tax.illinois.gov.

Federal Bankruptcy Court

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy "automatic stay" does not relieve your obligations to file tax returns.

Correct our records

If our records are not correct, send us proof of your prior payment, a copy of the return you filed, or other documentation so that we can correct our records.

What other collection actions may we take?

Additional collection action includes, but is not limited to:

- levy of wages and bank accounts.
- withholding of your state payments, tax refunds, lottery winnings, contractual service vouchers, etc.
- seizure and sale of your assets.
- referral to a collection agency.
- civil judgments.
- referral for non-renewal or revocation of your
 - Professional license,
 - Certificate of Registration,
 - Liquor license,
 - Corporate Charter with the Secretary of State, or
 - Lottery license.
- prosecution for bad checks and deceptive practice.
- filing a tax lien against your property (the filing of a lien may damage your credit rating for up to seven years, even after the lien is released). If we file a lien against your property, you are responsible for paying the lien filing and release fees and charges.

Taxpayer Statement



January 15, 2016



Letter ID: L0109028496

BRUCE LARSON
1800 HUMMINGBIRD LN
HOOVER AL 35226-2719

Taxpayer ID: 63-1242827
Total amount due: \$35,802.13



This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

Sales/Use Tax & E911 Surcharge

Account ID: 3261-1633

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2013	32,869.00	3,560.00	1,387.13	-	(2,014.00)	35,802.13

SOC

Retain this portion for your records.

P-000070

Fold and detach on perforation. Return bottom portion with your payment.

Taxpayer Statement (R-12/08) (136)



Letter ID: L0109028496
BRUCE LARSON

Total amount due: \$35,802.13
Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

\$ _____
Write your Taxpayer ID on your check.

000 006 005277360168 731 123199 7 0000003580213

PURCHASE AGREEMENT

Dated as of July 16, 2009,

By and Among

Southern Progress Corporation,

Creative Ideas for Living, Inc.

and

Entertaining At Home, Inc.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, dated as of July 16, 2009, is by and among Southern Progress Corporation, a Delaware corporation ("Seller"), Creative Ideas for Living, Inc., a Delaware corporation (the "Company"), and Entertaining At Home, Inc. a Delaware corporation ("Purchaser") (this "Agreement").

Whereas, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, all the issued and outstanding shares of common stock, par value \$1.00 per share (the "Shares"), of the Company;

Accordingly, the parties hereby agree as follows:

ARTICLE I

Purchase and Sale of Shares; Closing

SECTION 1.01. Purchase and Sale of the Shares. On the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, transfer and deliver to Purchaser, and Purchaser shall purchase from Seller, the Shares (the "Acquisition").

SECTION 1.02. Closing Date. The closing of the Acquisition (the "Closing") shall take place at the offices of Patterson Belknap Webb & Tyler LLP, 1133 Avenue of the Americas, New York, New York 10036, at 10:00 a.m. on the date hereof or at such other place, time and date as shall be agreed between Seller and Purchaser. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

SECTION 1.03. Transactions to be Effected Prior to the Closing. Prior to the Closing, Seller shall take or cause to be taken such actions as may be necessary to (a) transfer to the Company all assets primarily used in the Southern Living At HOME business (the "Business") which are not owned by the Company together with all related liabilities so that, as of the Closing, the Company shall have all of the assets (other than the Excluded Assets, including cash and all cash equivalents) reasonably necessary to operate the Business as it is operated as of the Closing Date together with all liabilities (other than the Excluded Liabilities) and (b) transfer any assets which are Excluded Assets from the Company to Seller or an Other Parent Affiliate (which transfer may be made by sale or dividend or other distribution of any such Excluded Assets to Seller or an Other Parent Affiliate), together with the Excluded Liabilities, so that, as of the Closing, neither the Excluded Assets nor the Excluded Liabilities shall be transferred to Purchaser as part of the Acquisition. For the avoidance of doubt, unless otherwise specified or the context otherwise requires, all references herein to the Company or the Business shall exclude the Excluded Assets and the Excluded Liabilities.

(including the names "Creative Ideas for Living, Inc.," "Southern Living" and "Southern Living at Home"). The parties acknowledge and agree that "Entertaining At Home" is not similar in sound or appearance, in each case in whole or in part, to any such name of Seller or any Other Parent Affiliate and is allowable under this provision. In the event Purchaser or any affiliate of Purchaser violates any of its obligations under this Section 4.06, Seller may proceed against it in law or in equity for such damages or other relief as a court may deem appropriate. Purchaser acknowledges that a violation of this Section 4.06 may cause Seller and the Other Parent Affiliates irreparable harm which may not be adequately compensated for by money damages. Purchaser therefore agrees that in the event of any actual or threatened violation of this Section 4.06, Seller shall be entitled, in addition to other remedies that it may have, to a temporary restraining order and to preliminary and final injunctive relief against Purchaser or such affiliate of Purchaser to prevent any violations of this Section 4.06.

SECTION 4.07. Resignations. On the Closing Date, Seller shall cause to be delivered to Purchaser duly signed resignations, effective immediately after the Closing, of all directors and officers of the Company as of the Closing.

SECTION 4.08. Replacement of Credit Support. Purchaser shall arrange, at its sole cost and expense, for replacement arrangements for all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances or credit support provided by Seller or any Other Parent Affiliate for the benefit of the Company that are set forth on Schedule 4.08 (the "Letters of Credit"), including replacement guarantees and replacement letters of credit, and shall obtain releases ("Credit Releases") indicating that Seller and any Other Parent Affiliate, as applicable, have no liability with respect thereto, in each case reasonably satisfactory to Seller, as soon as practicable using its best efforts, but in any event no later than July 31, 2009. In connection with such Letters of Credit that remain in effect following the Closing, Purchaser is entering into the Indemnity Agreement pursuant to which, among other things, Purchaser shall reimburse Seller for any draw downs on such Letters of Credit. In addition, following the Closing, the Purchaser shall not, and shall not allow the Company to, place any new orders from the vendors in whose benefit the Letters of Credit stand unless such orders are prepaid in advance.

SECTION 4.09. Convention Expenses. With respect to the 2009 Convention expenses set forth in Exhibit B that are the responsibility of Seller, Seller shall reimburse to Purchaser or the Company, as the case may be, within five (5) business days after written receipt of an invoice (along with supporting documentation reasonably satisfactory to Seller) for such expenses; provided that Purchaser has first provided Seller with supporting documentation reasonably satisfactory to Seller evidencing Purchaser's payment of the first Six Hundred Thousand US Dollars (\$600,000) of such Convention expenses in accordance with the allocation set forth on Exhibit B.

IN WITNESS WHEREOF, Seller, the Company and Purchaser have duly executed this Agreement as of the date first written above.

SOUTHERN PROGRESS
CORPORATION

By _____
Name: HOWARD M. AVERILL
Title: VICE PRESIDENT & TREASURER

CREATIVE IDEAS FOR LIVING, INC.

By *M. F. Edelson*
Name: MAURICE F. EDELSON
Title: VICE PRESIDENT & SECRETARY

ENTERTAINING AT HOME, INC.

By _____
Name:
Title:

IN WITNESS WHEREOF, Seller, the Company and Purchaser have duly executed this Agreement as of the date first written above.

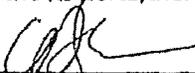
SOUTHERN PROGRESS
CORPORATION

By _____
Name:
Title:

CREATIVE IDEAS FOR LIVING, INC.

By _____
Name:
Title:

ENTERTAINING AT HOME, INC.

By  _____
Name: William D. Shaw
Title: President

**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Assistant Treasurer of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Bruce Larson

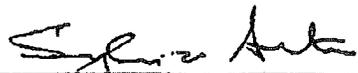
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as a Director of Creative Ideas for Living, Inc. effective as of the date of this letter.

Very truly yours,



Sylvia Jean Auton

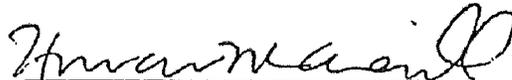
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Director, Vice President and Treasurer of Creative Ideas for Living, Inc. effective as of the date of this letter.

Very truly yours,


Howard M. Averill

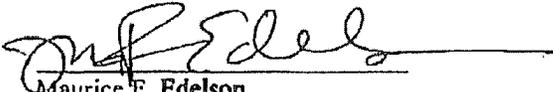
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Vice President and Secretary of Creative Ideas for Living, Inc. effective as of the date of this letter.

Very truly yours,


Maurice F. Edelson

**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Vice President and Assistant Treasurer of Creative Ideas for Living, Inc. effective as of the date of this letter.

Very truly yours,



Annaliese S. Kambour

**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Vice President of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Brenda C. Karickhoff

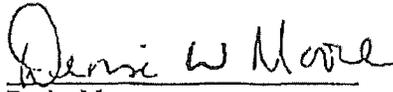
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

**I hereby resign as Vice President, Finance of Creative Ideas for Living,
Inc. effective as of the date of this letter.**

Very truly yours,


Denise Moore

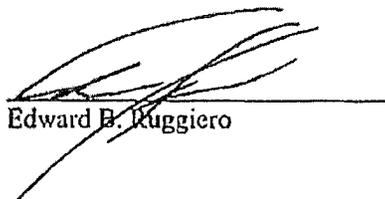
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Vice President of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Edward B. Ruggiero

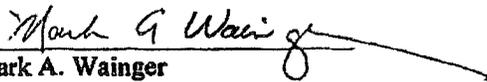
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Vice President of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Mark A. Wainger

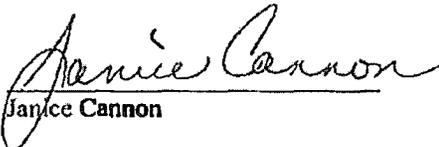
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 13, 2009

To Whom It May Concern:

I hereby resign as Assistant Secretary of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Janice Cannon

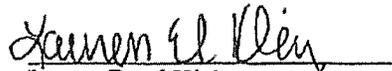
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Assistant Secretary of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Lauren Ezrol Klein

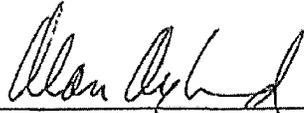
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Assistant Treasurer of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Alan Axelrod

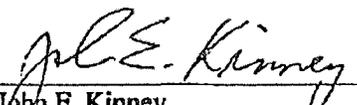
**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Assistant Treasurer of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,



John E. Kinney

**CREATIVE IDEAS FOR LIVING
2100 LAKESHORE DRIVE
BIRMINGHAM, AL 35209**

July 16, 2009

To Whom It May Concern:

I hereby resign as Assistant Treasurer of Creative Ideas for Living, Inc.
effective as of the date of this letter.

Very truly yours,


Linda Pellegrino

Collection Action
Assessment and Notice of Intent



May 18, 2016



Letter ID: L1683525392

SALLY S. REILLY
3912 11TH AVE S
BIRMINGHAM AL 35222-4210

Taxpayer ID: XXX-XX-4218
NPL Penalty ID: 2860233



WILLOW HOUSE, INC
PO BOX 392
WILTON AL 35187-0392

**We have determined you are personally liable
for a penalty of \$36,000.45.**

The penalty is equal to the amount of unpaid liability of WILLOW HOUSE, INC, due to your status as a responsible officer, partner, or individual of WILLOW HOUSE, INC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us \$36,000.45. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

If you do not agree, you may contest this notice by following the instructions listed below.

- **If the amount of this liability is more than \$15,000,** file a petition with the Illinois Independent Tax Tribunal within **60 days** of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, et seq.).
- **In all other cases that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal,** file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is **July 17, 2016.** Your request must be in writing, clearly indicate that you want to protest, and explain in detail why you do not agree with our actions. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- **Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue,** you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/ 2a.1), pay the total liability under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

DMITRI CORNELIER
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

For information about
› **how to pay**
› **submitting proof**
› **collection actions**



217 782-9904 ext. 31613
217 785-2635 fax

Collection Action

Assessment and Notice of Intent



May 18, 2016



Letter ID: L1683525392

SALLY S. REILLY
3912 11TH AVE S
BIRMINGHAM AL 35222-4210

Taxpayer ID: XXX-XX-4218
NPL Penalty ID: 2860233



This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

Sales/Use Tax & E911 Surcharge

Account ID: 3261-1633

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2013	30,855.00	3,582.00	1,563.45	-	-	36,000.45

IDOR-5P-NPL (N-03/07)

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Collection Action

(R-12/08) (136)



Letter ID: L1683525392
SALLY S. REILLY

Total amount due: \$36,000.45

Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

\$ _____
Write your Account ID on your check.

000 006 0204131&7360 731 123199 4 0000003600045