

LEVY HOME ENTERTAINMENT

OVER 100 YEARS
of
Distribution Excellence

ROUTING GUIDE

2008 - 2009

Levy Home Entertainment

November, 2007

All Levy Home Entertainment Publishers

In an ongoing effort to improve how Levy Home Entertainment and Publishers work together on operational issues, we have updated our **Routing Guide**. This new 2008-2009 **Routing Guide** is attached to this letter. It is crucial that all publishers immediately review and conform to the new policies stated therein.

By following this guide you will successfully avoid unnecessary expenses related to receiving and processing your orders. You will also be ensuring that your product is received and processed to all of our retailers on a timely basis.

All publishers should review the attached guide, even if you pay freight. The **Routing Guide** has been expanded to include shipping and carton labeling requirements. You will also find a recap of charges that will be levied against any publisher that does not conform to guide policies or who incorrectly packages, labels or ships any purchase order. Please ensure that this letter is forwarded to everyone in your company that is involved with selling, packing and shipping product to Levy.

At the end is an acknowledgement letter. This letter is your written confirmation that you have received this information, understand all the points made in this new shipping procedure, and have agreed to immediately implement all aspects of this updated **Routing Guide**.

If you have any questions or concerns about the **2008-2009 Routing Guide** please call either Tom King (Traffic Director), Sam Cole (Senior Vice President – Operations).

Sincerely,

Sam Cole
Senior Vice President – Operations

Contact Information

- Main Telephone Number: (708) 547-4400
- Main Fax Number (708) 547-4503
- Any changes to an outstanding Purchase Order contact your Inventory Analyst
- Any changes to the Item Set Up Pub Form contact your Product Manager
- Routing / Freight questions contact Tom King (815-306-2920)

Table of Contents

	<i>Pages</i>
1. WELCOME LETTER	1
2. CONTACT INFORMATION	2
3. TABLE OF CONTENTS	3
4. PRODUCT GUIDELINES	4
- Product Presentations	4
- Item Set Up Pub Form	4A
- Changes to Product Information	5
- Price Changes	5
- Item Level Carton Dimension	6
- Publisher Prepacks (Excluding Clipstrips)	6
- Publisher Clipstrips	6
- Purchase Orders	7
- EDI Requirements	8
- Carton Labeling	9
- Pallet Procedures	9
- Stacking Procedures	9
5. BILL OF LADING	10
6. ROUTING	12
7. VOLUME LOADS	13
8. LTL SHIPMENTS	14-16
9. SHIPPING & HANDLING	
CHARGEBACKS	17
10. FREIGHT COLLECT	18
11. STICKERED PRODUCT	19
12. NOT OUR PRODUCT SHIPPING	
PROGRAM	20
13. ACKNOWLEDGEMENT LETTER	21

Product Guidelines

Product Presentations

When items are presented to LHE, the following information is required to ensure proper setup of the item in our system and review for compliance with LHE guidelines.

- ISBN
- Title
- Author / Series / License
- Suggested Retail Price
- Regular Purchase Cost
- Regular Purchase Discount
- Special Terms
- Special Terms Cost
- Special Terms Discount
- Special Terms Comments
- Prepack
- PPK Parent ISBN
- Prepack Quantity
- Disposition Code
- Street Date
- Release Date
- Print Run Quantity
- Book Dimensions
- Case Pack Quantity
- EAN Code
- Category

See Item Set Up Pub Form

MSRP/EAN Barcode

In order to expedite the process of distribution books through our distribution centers, all publishers are required to place an EAN scancode and MSRP (Manufactures Suggested Retail Price, USA) on the back cover (cover four) of all books. This standard is required for all frontlist titles starting August 1, 2007, and all backlist titles received in our distribution centers after November 1, 2007.

No other scancode should appear on the back cover of the book. If you print books with both an EAN and a UPC scancode on the back cover, you will need to cover the UPC scancode on any books you send to Levy Home Entertainment.

Any products received at LHE that are not compliant will be set aside in our warehouse and reticketed by LHE. The publisher will be charged \$.25 per unit to get your item to our standards.

Changes to Product Information

LHE Product Managers must be notified in writing of any changes listed on the Item Set Up Pub Form (Page 4A), at least **6 weeks prior** to receiving the product due to the lead time needed by our retailers to set up items in their systems.

***NOTE:** Failure to notify LHE prior to the 6-week time period will result in a \$250 charge per item and freight costs to get product to retailer if outside normal shipping.*

Price Changes

Price changes can cause multiple problems for LHE and our retail customers. Unless absolutely required we discourage price changes because:

1. Price changes can cause accounting discrepancies
2. Price changes create excessive handling due to returning books from our customers and our warehouses at the old price and shipping in books at the new price.
3. Our customers might drop from planogram any titles having price changes that have not been approved by them.

However, if price increases are unavoidable, we will be handling them in the following manner:

- Levy will accept price changes twice a year, during the months of January and August. We will ask for price protection for any price increases that occur during any other months.
- We are asking for a 90 days notification of all price changes prior to these two months.
- If you print books with a price increase in any month other than January or August, we will ask you to place a sticker with the old price and EAN over the new price, and to bill us off the old retail until the January or August periods.

This new price change program will take effect on September 1, 2007.

Note: Failure to notify LHE prior to the 8 week time period will result in a \$250 charge per item.

Item Level Carton Dimension

Due to limitations on our pick lines, all item level cartons should not exceed the following dimensions:

- Length 18"
- Height 14"
- Width 12"

Note: Exceptions must be approved in advance by an LHE Product Manager.

Case Packs

Once an item is shipped to a Levy Home Entertainment distribution center, the case pack must remain the same for all future shipments for that distribution center.

Case packs for Club Business can be different than case packs to support non club business.

Publisher Prepacks (Excluding Clipstrips)

- 1) Prepacks must fit in one carton;
- 2) Overall carton length and girth should not exceed 84";
 - To determine: add length (longest side) and the girth (the distance all the way around the carton at its widest point).

Note: Exceptions to the 84" rule must be approved by an LHE Product Manager.

Publisher Clipstrips

Clipstrip Procedures

Please be aware that clipstrips will not be purchased for LHE accounts if they do not come pre-stickered at retailer level. LHE will either provide the actual stickers or a copy of the required sticker layout and information. Because each account has different stickering requirements, new ISBNs will have to be assigned to the clipstrip for each account that needs to be stickered. If an account does not require the product to be stickered, then the ISBN the clipstrip was presented with is acceptable.

Do not present clipstrips if you cannot provide this service.

As a reminder, all clipstrips must be pre-assembled and individually packed within the cases that are shipped to Levy. Books **DO NOT** need to be attached to the clipstrip in the case. The Prepack ISBN must be marked on the outside of the case. The box that contains the individual clipstrip cannot exceed the following dimensions: 13.5" high; 9.75" wide; 17.5" long.

Note: Any exceptions to this must be approved by an LHE Product Manager.

Purchase Orders

The LHE Inventory Department will be the sole generator of Product Purchase Orders.

LHE Purchase Orders are comprised of 11 digits. The first 2 indicate the warehouse to ship to. The next 6 digits are the PO number. The last 3 digits indicate the Inventory Analyst who cut the PO.

Example:

XX

Warehouse

XXXXXXX

Purchase Order

XXX

Buyer Code

All LHE purchase order numbers must appear on all packing lists, shipping manifests, cartons, and Bill of Lading.

IMPORTANT:

All discrepancies are to be reported **within two business days** to the LHE Inventory Analyst that generated the Purchase Order.

Quantity Discrepancy

LHE only purchases in full case pack quantities. In the event that LHE orders a unit quantity inconsistent with item case pack factors, the Publisher must round up to the nearest case unless otherwise specified in writing from LHE Marketing Department.

Pricing Discrepancy

In the event the item's MSRP or cost is incorrect the following must occur:

- For EDI orders the item on the original order must be cancelled and a new corrected order for that item only transmitted.
- For faxed orders the revision will be made to the original purchase order and the revised original purchase order will be faxed to Publisher Representative.

Due Date Discrepancy

All Purchase Orders must be received by the due date. We will accept a purchase order up to 7 days prior to the due date without any penalties.

- Early delivery will result in storage fees of \$100 per skid occurrence and a \$100 per month charge after the first month, plus extended dating based on the original due date.
- Late delivery will result in fees of \$250 per skid plus handling and freight to meet customer requirements up to and including Next Day Air.

Shipment Discrepancy

Shipments to the incorrect warehouse location will result in transfer fees of \$300 per skid for Clearfield, UT and Ontario, CA and \$200 per skid for all other warehouses. This is the only acceptable method of correcting a shipping error.

EDI Requirements

850 Purchase Order

Levy Home Entertainment strongly encourages the transmission of electronic purchase orders via EDI under the conditions listed below. If for any reason these conditions are not being met, Levy Home Entertainment reserves the right to discontinue the transmission of POs via EDI until such requirements are fulfilled.

It is Levy Home Entertainment's expectation that the due dates transmitted on our electronic purchase orders (850) will be used to plan vendor shipments so that the product will arrive no sooner than 7 days prior to the due date and no later than the due date for any given ship to location. Any deviations from this on dock window must be communicated to Levy Home Entertainment within two business days of receipt of the purchase order.

To minimize errors and confusion once an electronic trading relationship for Purchase Orders has been established, it is Levy Home Entertainment's expectation that all purchase orders will be processed electronically. Requests for manual purchase orders must be approved by Levy Home Entertainment's Inventory Manager.

855 Purchase Order Acknowledgement

A purchase order acknowledgement (855) is a requirement of trading electronic purchase orders (850). It is Levy Home Entertainment's expectation that all transmitted information is reviewed for accuracy at the receipt of the purchase orders. Within one business day a purchase order acknowledgement (855) must be sent confirming all of the POs received as well as highlighting any item cancellations. Item cancellations should occur if the ISBN, retail or cost that was sent via the 850 does not match the vendor's records. Item cancellations should not be a result of decimal discrepancies. In the event that an item's retail or cost changes to result in the cancellation of a line item after the first review of the submitted PO, it is the vendor's responsibility to provide an electronic notification of the change for resubmission within one business day of the change.

856 Advance Ship Notice

Levy Home Entertainment requires an 856 to be transmitted for every electronic PO received.

810 Invoices

Levy Home Entertainment recommends the transmission of electronic 810 invoices after successful trading 850, 855, and 856 Edi documents. We will not accept any charge backs, adjustments or credit memos via EDI. These documents will be handled manually.

Please contact ediadmin@levybooks.com for implementation.

Carton Labeling

All cartons must be labeled with the following information:

- ISBN / Item Number
- Title
- Suggested Retail Price
- Case Pack Quantity
- Purchase Order Number
- Scan Code Type on Cover 4: UPC, EAN or DUO

Pallet Procedures

- 1) All pallets **must** be 48" x 40" and constructed of hardwood materials.
- 2) Top-deck boards (7 boards, 5/8" to 3/4" evenly spaced with a 4" maximum spacing). Both end-boards (5 1/2", other boards 3 1/2").
- 3) Bottom-deck boards – both end-boards and a minimum of 3 centerboards, same board dimensions as top-deck boards. No loose boards.
- 4) Stringers – not split thru or broken, no double stringers or block patched stringers. 3 stringers (1 3/8" – 1 3/4" x 3 1/2" – 3 3/4" x 48").
- 5) No protruding nails.
- 6) Pallets must be of no less than "2" or "B" grade quality
- 7) **#2 or Grade B** Typically this is a GMA, which has had stringer damage that has been repaired by attaching an additional stringer along side the damaged one. This is commonly referred to as a companion stringer, block stringer and double stringer. The "B" grade pallets usually have two (2) or less repaired stringers. The deck configuration on the "B" grade pallet is not always consistent because these pallets have been repaired many times.

Stacking Procedures

- Paperback
 - 14 or 15 block layers – alternating
 - Stock not to overhang pallet
 - No more than 7 ft. tall
 - One title per skid if Bestseller
 - If multiple titles, skid to be marked as "Mixed Titles"
 - "Packing List" clearly marked on outside of skid
- Hardcover
 - Alternating layers
 - No more than 5 ft. high
 - One title per skid if Bestseller
 - Mixed title skids to be marked "Mixed Titles"
 - "Packing List" clearly marked on outside of skid
 - Stock not to overhang pallet

Bill of Lading

- Multiple shipments (purchase orders) to our distribution centers shipped on the same day must be combined onto one single bill of lading.
- Bill of lading **must** show actual carton count and how many pallets it is on. (All shipments must be on pallets) - **NO FLOOR LOADS.**
- Do not mix purchase orders on the same pallet.
- All purchase order numbers **must** appear in the body of the bill of lading. Please notify your carriers to have Purchase Order printed on Delivery Receipt.
- Include the National Motor Freight Classification (NMFC) item number and class on the bill of lading.

<i>Paperback Books</i>	<i>(NMFC item 16130 Class 60)</i>
<i>Hardcover Books</i>	<i>(NMFC item 161560 Class 65)</i>
<i>Bargain Books</i>	<i>(NMFC item 161560 Class 65)</i>
<i>Audio</i>	<i>(NMFC item 168955 Sub 3 Class 100)</i>

- If freight terms are “collect” all bill of lading **must** be marked collect. (See LTL Shipments Section for preferred carrier).
- If freight terms are “prepaid” and freight charges are added to the invoice, a chargeback will be written for the freight charges.
- If freight terms are collect, and shipment is marked prepaid and then added to the invoice, a chargeback will be written for the freight charges.
- If freight terms are collect, and shipment is under **800** pounds ship UPS. You **must** use the following UPS shipper number when shipping to a LHE Distribution Center. (***Please note each D.C. has its own shipper number.***) (***Please see Page 11 for Distribution Centers.***)

<u>Levy Home Entertainment</u>	<u>Zip Code</u>	<u>Shipper Number</u>
1375 N. Weber Road Romeoville, IL	60446	208-W7E
1100 Intervalle Drive Salem, VA	24153	90V-545
2050 Cook Drive Salem, VA	24153	90V-545
Freeport Center Station Bldg. 0-7, Freeport Center Clearfield, UT	84016	90V-547
<u>Levy Home Entertainment</u> <u>C/o Source Interlink</u> 1952 W. County Road Roseville, MN	55113	64V-008
<u>Levy Home Entertainment</u> <u>C/o Source Interlink</u> <u>319 Ella Grasso Turnpike</u> Windsor Locks, CT	06096	208-F48
<u>Levy Home Entertainment</u> <u>C/o Source Interlink</u> 1850 Colonial Village Lane Lancaster, PA	17601	V9R-456
<u>Levy Home Entertainment</u> <u>C/o Source Interlink</u> 2590 Lindsey Privado Drive Ontario, CA	91761	208-F50

<u>Levy Home Entertainment</u>	<u>Zip Code</u>	<u>Shipper Number</u>
<u>Returns Center</u> 250 N. Mannheim Road – Unit B Hillside, IL	60162	90V-544

Routing

(Weight Breaks)

- 1 - 800 lbs., ship U.P.S. (every carton must be labeled with complete address). **EACH LABEL MUST HAVE PURCHASE ORDER NUMBER PRINTED ON IT.**
- 801 - 7,000 lbs., (**AND** less than 1/2 of a 48' trailer) refer to **LTL SHIPMENTS** on Pages 13 & 14 to determine which carrier to ship via.
- Over 7,000 lbs., (**OR** more than 1/2 of a 48' trailer) call the Traffic Department for routing instructions. **CALL TOM KING AT 815-306-2920. (SEE "VOLUME LOADS")**
- All volume shipments must be available for pickup 6 business days prior to due date on purchase order. It will be the shipper's responsibility to have shipment available to make delivery date. Farthest LHE Warehouse from origin must be available first.
- **NO AIR FREIGHT SHIPMENTS SHIPPED TO OUR DISTRIBUTION CENTER ON A COLLECT BASIS WITHOUT WRITTEN AUTHORIZATION FROM OUR TRAFFIC MANAGER WILL BE ACCEPTED.**
- **IF YOU HAVE ANY QUESTIONS REGARDING ROUTING OF SHIPMENTS, PLEASE CALL, 815-306-2920.**

Volume Loads

(Over 7000lbs. or more than 1/2 of a trailer)

Levy Home Entertainment requires **48-hour** notice to pick up your product. When directed (as stated on previous page) to call the Traffic Department for routing instructions you will need to relay the following information:

- Company name, pick-up address, contact person and phone number
- Purchase order number(s)
- Cartons, weight and number of pallets
- The date and time shipment will be ready
- All volume shipments must be available for pickup 6 business days prior to due date on purchase order. It will be the shipper's responsibility to have shipment available to make delivery date. Farthest LHE Warehouse from origin must be available first.

LTL Shipments

If your shipment is of an **URGENT NATURE** and Levy Home Entertainment is responsible for the freight (shipping collect) call for routing instructions. **DO NOT AIR FREIGHT WITHOUT AUTHORIZATION FROM THE LHE TRAFFIC DIRECTOR.** (Call Tom King at 815-306-2920).

State Origin	Distribution Center / BJ WHSE Salem VA 24153	Distribution Center Salem, VA 24153	Distribution Center Clearfield, UT 84016	Distribution Center Roseville, MN 55113	Distribution Center Romeoville ,IL 60446	Distribution Center Ontario, CA 91761	Distribution Center Windsor Locks, CT 06096
Alabama	Conway Freight	Conway Freight	Roadway Express	Conway Freight	AAA Cooper	Roadway Express	Conway Freight
Arizona	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Arkansas	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
California	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Colorado	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Connecticut	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Delaware	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Florida	Roadway Express	Roadway Express	Roadway Express	AAA Cooper	AAA Cooper	Roadway Express	Roadway Express
Georgia	Conway Freight	Conway Freight	Roadway Express	Conway Freight	AAA Cooper	Roadway Express	Conway Freight
Idaho	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Illinois	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Indiana	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Iowa	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Kansas	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Kentucky	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Louisiana	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Maine	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Maryland	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Massachusetts	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight

State Origin	Distribution Center / BJ WHSE Salem , VA 24153	Distribution Center Salem, VA 24153	Distribution Center Clearfield, UT 84016	Distribution Center Roseville, MN 55113	Distribution Center Romeoville, IL 60446	Distribution Center Ontario, CA 91761	Distribution Center Windsor Locks , CT 06096
Michigan	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Minnesota	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Mississippi	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Missouri	Roadway Express	Roadway Express	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Roadway Express
Montana	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Nebraska	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight
Nevada	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
New Hampshire	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
New Jersey	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
New Mexico	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
New York	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
North Carolina	Conway Freight	Conway Freight	Roadway Express	Roadway Express	Roadway Express	Roadway Express	Conway Freight
North Dakota	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Conway Freight
Ohio	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Oklahoma	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Oregon	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
Pennsylvania	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Rhode Island	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
South Carolina	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
South Dakota	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Conway Freight	Conway Freight	Roadway Express
Tennessee	Conway Freight	Conway Freight	Roadway Express	Conway Freight	AAA Cooper	Roadway Express	Conway Freight
Texas	Roadway Express	Roadway Express	Roadway Express	Roadway Express	Roadway Express	Roadway Express	Roadway Express
Utah	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express

State Origin	Distribution Center / BJ WHSE	Distribution Center	Distribution Center	Distribution Center	Distribution Center	Distribution Center	Distribution Center
	Salem , VA 24153	Salem, VA 24153	Clearfield, UT 84016	Roseville, MN 55113	Romeoville, IL 60446	Ontario, CA 91761	Windsor Locks , CT 06096
Vermont	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Virginia	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Washington	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express
West Virginia	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Wisconsin	Conway Freight	Conway Freight	Roadway Express	Conway Freight	Conway Freight	Roadway Express	Conway Freight
Wyoming	Roadway Express	Roadway Express	Conway Freight	Roadway Express	Roadway Express	Conway Freight	Roadway Express

- 1-800 pounds; ship UPS (see UPS Shipper Numbers – Page 11);
- 801-7,000 pounds; ship LTL Carriers on Pages 17-19
- Over 7,000 pounds; call Tom King for routing instructions (815)306-2920;
- Conway pick-ups call your local terminal or 866-226-6929, MALIKA BUENO;
- Roadway pick-ups call your local terminal (allow 6 business days transit time).
- AAA Cooper pickups call your local terminal.

It is the shipper's responsibility to release shipment to the carrier regardless of freight terms to arrive at an LHE Distribution Center by due date listed on the LHE purchase order. Please check the carrier's transit time from your location.

Shipping and Handling Chargebacks

Violations:	Chargebacks:
<ul style="list-style-type: none"> • Failure to use proper carrier on LHE responsible shipment(s) 	<ul style="list-style-type: none"> • Vendor pays all freight costs
<ul style="list-style-type: none"> • Product arrival of more than 7 days prior to Purchase Order due date 	<ul style="list-style-type: none"> • \$100 per skid occurrence and a \$100 per skid per month charge after the first month, plus extended dating on invoice
<ul style="list-style-type: none"> • Product arrival after Purchase Order due date 	<ul style="list-style-type: none"> • \$250 per skid plus handling and freight to meet customer requirements up to and including Next Day Air
<ul style="list-style-type: none"> • Incorrect bar code on product • Missing SRP on cover 4 	<ul style="list-style-type: none"> • \$.25 per book / \$100 minimum • \$.25 per book / \$100 minimum
<ul style="list-style-type: none"> • Incorrect / missing carton markings / (i.e.) item # / case pack / Purchase Order # / SRP 	<ul style="list-style-type: none"> • \$.50 per carton / \$100 minimum
<ul style="list-style-type: none"> • Missing Purchase Order on Carrier Delivery Receipt (<i>See Section on Bill of Lading</i>) 	<ul style="list-style-type: none"> • \$400 per Purchase Order
<ul style="list-style-type: none"> • Ship to wrong location 	<ul style="list-style-type: none"> • \$300 per pallet for Clearfield • \$200 per pallet for Hillside and Salem
<ul style="list-style-type: none"> • Failure to follow agreed upon Stickers / Packing Instructions 	<ul style="list-style-type: none"> • \$25 per labor hour to correct
<ul style="list-style-type: none"> • Poor stacking of product / Requires re-stacking • Poor Quality Pallet 	<ul style="list-style-type: none"> • \$.50 per carton, \$100 minimum • \$ 10.00 per pallet, \$100 minimum
<ul style="list-style-type: none"> • Failure to notify LHE of Item Information Changes or Purchase Order Changes 	<ul style="list-style-type: none"> • \$250 per occurrence per item plus any additional freight costs to get product to customer if outside normal shipping

NOTE: All chargeback's will be listed separately and deducted from your next remittance advice.

*

Freight Collect

The shipping instructions are to be used on all **FREIGHT COLLECT** shipments to our distribution center unless otherwise instructed by our Traffic Department. Any excess freight charges or resulting freight claims due to your non-compliance with these instructions will be billed back to your company.

PLEASE CALL THE TRAFFIC DEPARTMENT AT (815) 306-2920 IF YOU HAVE ANY QUESTIONS.

PLEASE READ THIS GUIDE AND RETURN OUR ACKNOWLEDGMENT LETTER.

RETURN TO PUBLISHER POLICY ON STICKERED PRODUCT

If a book requires stickering due to the nature of the book or retailer requirements, Levy will not de-sticker that product before it is returned to the publisher.

Not Our Product Shipping Program

Levy Home Entertainment's NOP policy. The NOP program is to return books to Levy Home Entertainment that was inadvertently sent to the publisher (e.g. other publisher's titles). Below are the details and process for returning NOPs:

I. Packing List Notification detailing all NOP. The Notification will need to include:

- Customer claim Number (where provided), ISBN, quantity

II Contact Connie Slenk at 708/649-4140 for call tags

- Provide the number of cartons returning
- Contact person and phone number

Levy Home Entertainment will be responsible for all freight charges for the return of NOP titles.

ACKNOWLEDGEMENT LETTER

_____ is in receipt of
Levy Home Entertainment's Routing Guide and will comply with the shipping instructions as
stated in the guide.

PLEASE PRINT:

Name

Title

Phone Number

Signature

Date

Mail To: Levy Home Entertainment
4201 Raymond Drive
Hillside, Illinois 60162
Attn: Debbie Kyker