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 EXHIBIT 10.1  
 DISTRIBUTION AGREEMENT  
  
   
 THIS DISTRIBUTION AGREEMENT (the "Agreement"), is made as of the 31st  
day of December, 1996, between PAGES, INC., a Delaware Corporation  
("Pages"), and CA SHORT COMPANY, a Delaware Corporation ("CA Short").  
   
  
BACKGROUND STATEMENTS:  
  
 A. Pages is the holder of all the issued and outstanding shares of  
capital stock of CA Short.  
  
 B. It is the intention of Pages to distribute approximately all of the  
currently issued and outstanding capital stock of CA Short held by it to the  
stockholders of Pages.  
  
 C. Pages and CA Short have determined that it is necessary and  
desirable to set forth the principal corporate transactions required to effect  
such distribution and to set forth other agreements that will govern certain  
other matters following such distribution.  
  
 In consideration of the mutual covenants and agreements made herein,  
the parties agree as follows:  
  
 ARTICLE I  
  
 DEFINITIONS  
  
 1.01 GENERAL. As used in this Agreement and the Exhibits hereto, the  
following terms shall have the following meanings:  
  
 ACTION: any action, suit arbitration, inquiry, proceeding or  
investigation by or before any court, any governmental or other regulatory or  
administrative agency or commission or any arbitration tribunal.  
  
 AFFILIATE: a legal entity or association which, directly or  
indirectly, is controlled by, is in control of, or under common control with  
the legal entity or association with reference to which the term "affiliate" is  
used.  
  
   
 ASSUMED LIABILITIES: all liabilities arising from the conduct or  
operation of the CA Short Business or the ownership, or use of assets in  
connection therewith whether arising before, on or after the Distribution Date,  
including without limitation, CA Short employee benefit plans and the  
Liabilities set forth or referred to in the audited financial statements of CA  
Short included within the Form 10.  
   
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 CA SHORT BUSINESS: the business involving the creation, marketing and  
administration of safety, sales incentive, service recognition, and holiday  
gift awards programs for businesses.  
  
 CODE: the Internal Revenue Code of 1986, as amended, or, as the  
context may require, the Internal Revenue Code applicable to the  
pre-Distribution year in question.  
  
 COMMISSION: the Securities and Exchange Commission.  
  
 DETERMINATION: means a "determination" as defined by Section 1313(a)  
of the Code.  
  
 DISTRIBUTION: the distribution to holders of Pages Common Stock of all  
of the shares of Short Common Stock owned by Pages.  
  
   
 DISTRIBUTION AGENT: The Huntington National Bank as distribution  
agent appointed by Pages to assist in the distribution of copies for the  
Information Statement and to distribute certificates for shares of Short Common  
Stock pursuant to the Distribution.  
   
  
   
 DISTRIBUTION DATE: the date of effecting the Distribution, which shall  
occur on the Record Date.  
   
  
 EXCHANGE ACT: the Securities Exchange Act of 1934, as amended.  
  
 FORM 10: the registration statement on Form 10 to be filed by CA Short  
with the Commission to effect the registration of Short Common Stock pursuant to  
the Exchange Act, as such registration statement may be amended from time to  
time.  
  
 INCOME TAXES: means all Taxes based upon or measured by income.  
  
 INFORMATION STATEMENT: the information statement, constituting a part  
of the Form 10, in the form to be distributed to the holders of Pages Common  
Stock as of the Record Date in connection with the Distribution, and as it may  
be amended or supplemented subsequent to such dissemination.  
  
 IRS: means the Internal Revenue Service.  
  
 LIABILITIES: any and all claims, debts, liabilities and obligations,  
absolute or contingent, matured or unmatured, liquidated or unliquidated,  
accrued or unaccrued, known or unknown, whenever arising (unless otherwise  
specified in this Agreement), including all costs and expenses relating thereto,  
and those debts, liabilities and obligations arising under any law, rule,  
regulation, Action, threatened Action, order or consent decree of any  
governmental entity or any award of any arbitration of any kind, and those  
arising under any contract, commitment or undertaking.  
  
 PAGES BUSINESS: the business involving the publishing and distribution  
of children's leisure-based literature.  
  
 PAGES COMMON STOCK: the shares of common stock, par value $.01 per  
share, of Pages.  
  
 PAGES LIABILITIES: all of (i) the Liabilities of Pages under this  
Agreement, and (ii) the Liabilities of Pages, whether arising before, on or  
after the Distribution Date.  
  
   
 RECORD DATE: the close of business on December 31, 1996.  
   
  
  
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 RETURN: means returns, reports and forms required to be filed with  
respect to Taxes.  
  
 SHORT COMMON STOCK: the shares of common stock, par value $.01 per  
share, of CA Short.  
  
 SHORT LIABILITIES: all of (i) the Liabilities of CA Short under this  
Agreement, (ii) the Assumed Liabilities, and (iii) the Liabilities arising out  
of any of the documents or instruments executed and delivered by CA Short  
pursuant to the transactions contemplated hereby.  
  
 TAXES: means all taxes (whether federal, state, local or foreign)  
based upon or measured by income and any other tax whatsoever, including,  
without limitation, gross receipts, profits, sales, use, occupation, value  
added, ad valorem, transfer, franchise, capital stock, net worth, withholding,  
payroll, employment, excise, or property taxes, together with any interest or  
penalties imposed with respect thereto.  
  
 TAXING AUTHORITY: means governmental authority, domestic or foreign,  
having jurisdiction over the assessment, determination, collection, or other  
imposition of taxes.  
  
 TAX LAWS: means the Code, federal, state, county, local, or foreign  
laws relating to Taxes and any regulations or official administrative  
pronouncements released thereunder.  
  
 ARTICLE II  
  
 THE DISTRIBUTION  
  
 2.01 COOPERATION PRIOR TO THE DISTRIBUTION.  
  
 (a) Subject to the provisions of Section 2.02, Pages and CA  
Short shall prepare, and CA Short shall file with the Commission, the Form 10  
which shall include the Information Statement. Pages and CA Short shall use  
reasonable efforts to cause the Form 10 to become effective under the  
Exchange Act. Pages and CA Short shall prepare, and Pages shall mail to the  
holders of Pages Common Stock as of the Record Date, the Information Statement,  
which shall set forth appropriate disclosure concerning CA Short, the  
Distribution and any other appropriate matters.  
  
 (b) CA Short shall use its reasonable best efforts to cause at  
least one securities broker to agree to act as a market maker for the Short  
Common Stock on the NASD OTC Electronic Bulletin Board Service.  
  
 (c) In addition to the Activities specifically provided for  
elsewhere herein, each of Pages and CA Short will use its reasonable best  
efforts to take, or cause to be taken, all actions, and to do, or cause to be  
done, all things reasonably necessary, proper or advisable under applicable  
laws, regulations and agreements to consummate and make effective the  
transactions contemplated by this Agreement.  
  
 2.02 PAGES BOARD ACTION; CONDITIONS PRECEDENT TO THE DISTRIBUTION.  
Pages' Board of Directors shall, in its discretion, establish the Record Date  
and the Distribution Date and any   
  
  
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 appropriate procedures in connection with the Distribution. In no event shall  
 the Distribution occur unless the following conditions shall, unless waived by  
 Pages, have been satisfied:  
  
 (a) Pages' Board of Directors shall have finally approved the  
Distribution;  
  
 (b) the Distribution shall be payable in accordance with applicable  
law and all necessary regulatory approvals shall have been received;  
  
 (c) the Form 10 shall have become effective under the Exchange Act;  
  
 (d) Pages shall have received a favorable response to its request to  
the Commission for "no-action" and "interpretative" positions with respect to  
the Distribution;  
  
 (e) Pages shall have received the opinion in form and substance  
acceptable to it of Johnson, Blakely, Pope, Bokor, Xxxxxx & Xxxxx, P.A. (the  
"Tax Opinion") to the effect that there is a reasonable basis for treating the  
Distribution as a transaction qualifying under Section 355 of the Internal  
Revenue Code the Distribution will be a tax-free spin-off under the Code;  
  
   
 (f) CA Short shall have executed and delivered to Pages a subordinated  
promissory note in the principal amount of $5,000,000 payable to Pages bearing  
interest at the rate of 7% per annum, payable as described in the Form 10;  
   
  
  
 (g) Pages' lender shall have consented to the Distribution CA Short;  
  
 (h) CA Short shall have received a commitment for a credit facility in  
the minimum amount of $4.5 million upon terms acceptable to Pages' Board of  
Directors;  
  
 (i) Pages Board of Directors shall have received a fairness opinion  
with respect to the Distribution from an investment banking firm;  
  
 (j) CA Short shall have obtained insurance (or binders therefor)  
providing coverage to CA Short and its directors and officers for Director and  
Officer Liability matters reasonably satisfactory to CA Short; and  
  
 (k) no preliminary or permanent injunction or other order, decree or  
ruling issued by a court of competent jurisdiction or by a governmental  
regulatory or administrative agency or commission and no statute, rule,  
regulation or executive order promulgated by any governmental authority shall  
be in effect which would make illegal or otherwise prevent the Distribution.  
  
   
 2.03 THE DISTRIBUTION. The Distribution shall be effective on the  
Distribution Date and Pages shall no longer be the owner of any shares of Short  
Common Stock as of that date even though certificates evidencing the ownership  
of Short Common Stock are not mailed until later. On the Distribution Date,   
subject to the conditions set forth in this Agreement, Pages shall deliver to   
the Distribution Agent a certificate or certificates representing all of the   
Short Common Stock then held by Pages, endorsed in blank, and shall instruct   
the Distribution Agent, except as otherwise provided in Section 2.04, to   
distribute to each holder of record of Pages Common Stock on the Record Date a   
certificate or certificates representing one and one half shares of Short   
Common Stock for each ten shares of Pages   
   
  
  
  
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Common Stock so held. CA Short agrees to provide all certificates for shares  
of CA Short Common Stock that the Distribution Agent shall require in order to  
effect the Distribution.  
  
   
 2.04 SALE OF FRACTIONAL SHARES. The Distribution Agent shall not  
distribute any fractional share of Short Common Stock ("Fractional Share") to  
any holder of Pages Common Stock. The Distribution Agent shall aggregate all  
such Fractional Shares and sell them in an orderly manner after the Distribution  
Date in the open market and, after completion of such sales and within  
forty-five (45) trading days after the Distribution Date, distribute a pro rata   
portion of the proceeds from such sales, based upon the average gross selling  
price of all such Short Common Stock, less appropriate deductions of any amount  
required for tax withholding purposes and a pro rata portion of the aggregate  
brokerage charges, commissions and transfer taxes payable in connection with  
such sales, to each holder of Pages Common Stock who would otherwise have  
received a Fractional Share.  
   
  
 2.05 FEES AND EXPENSES OF DISTRIBUTION AGENT. The fees and expenses of  
the Distribution Agent shall be paid by Pages.  
  
 2.06 COOPERATION AFTER THE DISTRIBUTION. CA Short shall use its  
reasonable best efforts to ensure that the representations of CA Short set  
forth in the Tax Opinion are true and correct and continue after the  
Distribution to be true and correct.  
  
 ARTICLE III  
  
 TRANSITION ARRANGEMENTS  
  
 3.01 CONDUCT OF CA SHORT BUSINESS PENDING DISTRIBUTION. Prior to the  
Distribution Date, CA Short shall not, without the prior consent in writing of  
Pages, make any public announcement or issue any press release regarding the  
Distribution and each of Pages and CA Short shall use its best efforts not to  
take any action which may prejudice or delay the consummation of the  
Distribution.  
  
 3.02 SUBORDINATED NOTE. On the Distribution Date, CA Short shall  
execute and deliver to Pages a Subordinated Note in the principal amount of  
$5,000,000 and Security Agreement as described in the Form 10.  
  
 ARTICLE IV  
  
 INDEMNIFICATION  
  
 4.01 CA SHORT INDEMNIFICATION OF PAGES. On and after the Distribution  
Date, CA Short shall indemnify, defend and hold harmless Pages and each of its  
directors, officers and Affiliates other than CA Short (the "Pages Indemnitees")  
from and against any and all damage, loss, liability and expense (including,  
without limitation, reasonable expenses of investigation and reasonable  
attorney's fees and expenses in connection with any and all Actions or  
threatened Actions) (collectively, "Indemnifiable Losses") incurred or suffered  
by any of the Pages Indemnitees and arising out of, or due to the failure of CA  
Short to pay, perform or otherwise discharge, any of the Short Liabilities.  
  
  
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 4.02 PAGES INDEMNIFICATION OF CA SHORT. On and after the Distribution  
Date, Pages shall indemnify, defend and hold harmless CA Short and each of its  
directors, officers and Affiliates other than Pages (the "Short Indemnitees")  
from and against any and all Indemnifiable Losses incurred or suffered by any of  
the Short Indemnitees and arising out of, or due to the failure of Pages to pay,  
perform or otherwise discharge, any of the Pages Liabilities.  
  
 4.03 CA SHORT RELEASE OF CLAIMS AGAINST PAGES INDEMNITIES. Except as  
otherwise provided in this Agreement, CA Short hereby releases, effective upon  
the Distribution Date, the Pages Indemnitees from and against any claim that CA  
Short may have against any such Pages Indemnitee which relates to events,  
actions or omissions taken or occurring prior to the distribution Date;  
provided, however, that the foregoing release shall not apply to Pages'  
obligations to satisfy any of the Pages Liabilities.  
  
 ARTICLE V  
  
 INDEMNIFICATION PROCEDURES  
  
 5.01 NOTICE AND PAYMENT OF CLAIMS. If any Pages Indemnitee or Short  
Indemnitee (the "Indemnified Party") determines that it is or may be entitled to  
indemnification by any party (the "Indemnifying Party") under Article IV (other  
than in connection with any Action or claim subject to Section 5.02), the  
Indemnified Party shall deliver to the Indemnifying Party a written notice  
specifying, to the extent reasonably practicable, the basis for its claim for  
indemnification and the amount for which the Indemnified Party believes it is  
entitled to be indemnified. After the Indemnifying Party shall have been  
notified of the amount for which the Indemnified Party seeks indemnification,  
the Indemnifying Party shall, within thirty (30) days after receipt of such  
notice, pay the Indemnified Party such amount in cash or other immediately  
available funds unless the Indemnifying Party objects to the claim for  
indemnification or the amount thereof. If the Indemnifying Party does not give  
the Indemnified Party written notice objecting to such claim and setting forth  
the grounds therefor within the same 30-day period, the Indemnifying Party shall  
be deemed to have acknowledged its liability for such claim and the Indemnified  
Party may exercise any and all of is rights under applicable law to collect such  
amount.  
  
 5.02 NOTICE AND DEFENSE OF THIRD-PARTY CLAIMS. Promptly following the  
earlier of (a) receipt of notice of the commencement by a third party of any  
Action against or otherwise involving any Indemnified Party or (b) receipt of  
information from a third party alleging the existence of a claim against an  
Indemnified Party, in either case, with respect to which indemnification may be  
sought pursuant to this Agreement (a "Third-Party Claim"), the Indemnified Party  
shall give the Indemnifying Party written notice thereof. The failure of the  
Indemnified Party to give notice as provided in this Section 5.02 shall not  
relieve the Indemnifying Party of its obligations under this Agreement, except  
to the extent that the Indemnifying Party is prejudiced by such failure to give  
notice. Within 30 days after receipt of such notice, the Indemnifying Party may  
(a) by giving written notice thereof to the Indemnified Party, acknowledge  
liability for and at its option elect to assume the defense of such Third-Party  
Claim at its sole cost and expense or (b) object to the claim of indemnification  
set forth in the notice delivered by the Indemnified Party pursuant to the first  
sentence of this Section 5.02; provided that if the Indemnifying Party does not  
within the same 30 day period give the Indemnified Party   
  
  
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written notice objecting to such claim and setting forth the grounds therefor,  
the Indemnifying Party shall be deemed to have acknowledged its liability for  
such Third-Party Claim. Any contest of a Third-Party Claim as to which the  
Indemnifying Party has elected to assume the defense shall be conducted by  
attorneys employed by the Indemnifying Party and reasonably satisfactory to the  
Indemnified Party; provided that the Indemnified party shall have the right to  
participate in such proceedings and to be represented by attorneys of its own  
choosing at the Indemnified Party's sole cost and expense. If the Indemnifying  
Party assumes the defense of a Third-Party Claim, the Indemnifying Party may  
settle or compromise the claim without the prior written consent of the  
Indemnified Party; provided that the Indemnifying Party may not agree to any  
such settlement pursuant to which any such remedy or relief, other than  
monetary damages for which the Indemnifying Party shall be responsible  
hereunder, shall be applied to or against the Indemnified Party, without the  
prior written consent of the Indemnified Party, which consent shall not be  
unreasonably withheld. Notwithstanding anything in this Article V to the  
contrary, such Indemnifying Party shall not waive its attorney-client privilege  
in connection with such Third-Party Claim without the prior written consent of  
the Indemnified Party. If the Indemnifying Party does not assume the defense of  
a Third-Party Claim for which it has acknowledged liability of indemnification  
under Article IV, the Indemnified Party may require the Indemnifying Party to  
reimburse it on a current basis for its reasonable expenses of investigation,  
reasonable attorney's fees and reasonable out-of-pocket expenses incurred in  
defending against such Third-Party Claim and the Indemnifying Party shall be  
bound by the result obtained with respect thereto by the Indemnified Party;  
provided that the Indemnifying Party shall not be liable for any settlement  
effected without its consent, which consent shall not be unreasonably withheld.  
The Indemnifying Party shall pay to the Indemnified Party in cash the amount  
for which the Indemnified Party is entitled to be indemnified (if any) within  
fifteen (15) days after the final resolution of such third-Party Claim (whether  
by the final nonappealable judgment of a court of competent jurisdiction or  
otherwise) or, in the case of any Third-Party Claim as to which the  
Indemnifying Party has not acknowledged liability, within fifteen (15) days  
after such Indemnifying Party's objection has been resolved by settlement,  
compromise or the final nonappealable judgment of a court of competent  
jurisdiction.  
  
 ARTICLE VI  
  
 ACCESS TO INFORMATION AND SERVICES  
  
 6.01 PROVISION OF CORPORATE RECORDS. Upon CA Short's request, Pages  
shall arrange as soon as practicable following the Distribution Date for the  
delivery to CA Short of existing CA Short corporate records in the possession of  
Pages, together with all active agreements and any active litigation files  
relating to the CA Short Businesses, except to the extent such items are already  
in the possession of CA Short. Such records shall be the property of CA Short,  
but shall be available to Pages for review and duplication until Pages shall  
notify CA Short in writing that such records are no longer of use to Pages.  
  
 6.02 ACCESS TO INFORMATION. From and after the Distribution Date, Pages  
shall afford to CA Short and its authorized accountants, counsel and other  
designated representatives reasonable access (including using reasonable efforts  
to give access to persons or firms possessing information) and duplicating  
rights during normal business hours to all records, books, contracts,  
  
  
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instruments, computer data and other data and information (collectively,  
"Information") within Pages' possession relating to the CA Short Business,  
insofar as such access is reasonably required by CA Short. CA Short shall afford  
to Pages and its authorized accountants, counsel and other designated  
representatives reasonable access (including using reasonable efforts to give  
access to persons or firms possessing information) and duplicating rights during  
normal business hours to Information within CA Short's possession relating to  
the Pages Business, insofar as such access is reasonably required by Pages.  
Information may be requested under this Article VI for, without limitation,  
audit, accounting, claims, litigation and tax purposes, as well as for purposes  
of fulfilling disclosure and reporting obligations and for performing the  
transactions contemplated in this Agreement.  
  
 6.03 SECURITIES FILINGS. For a period of five years following the  
Distribution Date, each of Pages and CA Short shall provide to the other,  
promptly following such time at which such documents shall be filed with the  
Commission, copies of all documents which shall be publicly filed with the  
Commission pursuant to the periodic and interim reporting requirements of the  
Exchange Act and the rules and regulations of the Commission promulgated  
thereunder.  
  
 6.04 PROVISION OF SERVICES. Following the Distribution Date, each party  
upon written request, shall make available to the other party, during normal  
business hours and in a manner that will not unreasonably interfere with such  
party's business, its financial, tax, accounting, legal, employee benefits and  
similar staff services (collectively "Services") whenever and to the extent that  
they may be reasonably required in connection with the preparation of tax  
return, audits, claims, litigation or administration of employee benefit plans,  
and otherwise to assist in effecting an orderly transition following the  
Distribution.  
  
 6.05 PRODUCTION OF WITNESSES. At all times from and after the  
Distribution Date, each of Pages and CA Short shall use reasonable efforts to  
make available to the other, upon written request, its officers, directors,  
employees and agents as witnesses to the extent that such persons may reasonably  
be required in connection with legal, administrative or other proceedings in  
which the requesting party may from time to time be involved.  
  
 6.06 REIMBURSEMENT. A party providing Information or Services to the  
other party under this Article VI shall be entitled to receive from the  
recipient, upon the presentation of invoices therefor, payments for such  
amounts, relating to supplies, disbursements and other out-of-pocket expenses,  
as may be reasonably incurred in providing such information or services.  
  
 6.07 RETENTION OF RECORDS. For the period of five (5) years following  
the Distribution Date, each of Pages and CA Short shall retain all information  
relating to the other, except as otherwise required by law or except to the  
extent that such information is in the public domain or in the possession of the  
other party; provided, however, after the expiration of such retention period,  
such information shall not be destroyed or otherwise disposed of at any time,  
unless, prior to such destruction or disposal (a) the party proposing to destroy  
or otherwise dispose of such information provide not less than ninety (90) days  
prior written notice to the other, specifying in reasonable detail the  
information proposed to be destroyed or disposed of and (b) if a recipient of  
such notice shall request in writing prior to the scheduled date for such  
destruction or disposal that any of the information proposed to be destroyed or  
disposed of be delivered to such   
  
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requesting party, the party proposing the destruction or disposal shall  
promptly arrange for the delivery of such of the information as was requested,  
at the expense of the party requesting such information.  
  
   
 6.08 CONFIDENTIALITY. Subject to any contrary requirement of law and  
the right of each party to enforce its rights hereunder in any legal action,  
each party shall keep strictly confidential and cause its employees and agents  
to keep strictly confidential any information of or concerning the other party  
which it or any of its agents or employees may acquire pursuant to, or in the  
course of performing its obligations under any provisions of this Agreement;  
provided, however, that such obligation to maintain confidentiality shall not  
apply to information which (i) at the time of disclosure was in the public  
domain, not as a result of improper acts by the receiving party, (ii) was  
already independently in the possession of the receiving party at the time   
of disclosure or (iii) is received by the receiving party from a third party who  
did not receive such information from the disclosing party under an obligation  
or confidentiality.  
   
  
 ARTICLE VII  
  
 TAX MATTERS  
  
 7.01 TAX INDEMNIFICATION BY PAGES. Pages shall indemnify and hold CA  
Short and any successor corporation thereto or Affiliate thereof harmless from  
and against the following Taxes arising from or attributable to the business or  
operations of CA Short or Pages or their respective Affiliates:  
  
 (a) any and all Taxes arising in or attributable to any  
taxable period ending (or deemed, pursuant to Section 7.03, to end) on or before  
the Distribution Date except for Taxes of CA Short which are not yet due and  
payable as of the Distribution Date and are provided for in the financial  
statements of CA Short; and  
  
 (b) any several liability of such Pages and CA Short under  
Treasury Regulations Section 1.1502 - 6 or under any comparable or similar  
provisions under state, local or foreign laws or regulations for periods ending  
on or prior to the Distribution Date.  
  
   
 7.02 TAX INDEMNITY BY CA SHORT. CA Short shall indemnify and hold Pages  
and any successor corporations thereto and any Affiliates (other than Pages)  
thereof harmless from and against the following Taxes arising from or  
attributable to the CA Short Business: (a) any and all Taxes arising in or  
attributable to any taxable period beginning (or deemed, pursuant to Section  
7.03, to begin) after the Distribution Date, due or payable by CA Short or by  
Pages; (b) Taxes arising in or attributable to any taxable period ending (or  
deemed pursuant to Section 7.03, to end) on or before the Distribution Date to  
the extent provided for in the financial statements of CA Short and not yet due  
and payable as of the Distribution Date. CA Short shall not be obligated  
hereunder to indemnify Pages in the event that the Distribution does not  
constitute a tax-free spin-off under Section 355 of the Internal Revenue Code.  
   
  
 7.03 ALLOCATION OF CERTAIN TAXES:  
  
 (a) CA Short and Pages agree that if CA Short or Pages are  
permitted but not required under applicable foreign, state or local tax laws to  
treat the Distribution Date as the last day of a taxable  
  
  
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period, CA Short and Pages shall treat such day as the last day of a taxable  
period. CA Short and Pages agree that they will treat CA Short as if such  
entity ceased to be part of Pages' affiliated group, within the meaning of  
Section 1504 of the Code, as of the close of business on the Distribution Date.  
  
 (b) Any Taxes for a taxable period beginning before the  
Distribution Date and ending after the Distribution Date with respect to CA  
Short shall be paid by Pages or CA Short, and the Taxes for such period shall be  
apportioned for purposes of Section 7.01 and Section 7.02 between Pages and CA  
Short based on the portion of such period ending on the Distribution Date and  
the portion of such period beginning on the day following the Distribution Date,  
and for purposes of this Agreement, each portion of such period shall be deemed  
to be a taxable period (whether or not it is in fact a taxable period).  
  
 7.04 FILING RESPONSIBILITY.  
  
 (a) Pages shall prepare and file or shall cause CA Short to  
prepare and file the following Returns with respect to CA Short:  
  
 (i) all Returns relating to Taxes for any  
 taxable period ending on or before the  
 Distribution Date other than Returns for  
 Taxes referred to in Section 7.03(b), and  
  
 (ii) all other Returns required to be filed  
 (taking into account extensions) on or  
 before the Distribution Date.  
  
 (b) CA Short shall, subject to the provisions of Section  
7.04(c), prepare and file all other Returns with respect to CA Short required to  
be filed (taking into account extensions) after the Distribution Date.  
  
 (c) With respect to any Return for taxable periods beginning  
before the Distribution Date and ending after the Distribution Date, CA Short  
shall consult with Pages concerning each such Return and report all items with  
respect to the period ending on the Distribution Date in accordance with the  
instructions of Pages, unless otherwise agreed by Pages and CA Short. CA Short  
shall provide Pages with a copy of each proposed Return at least thirty (30)  
days prior to the filing of such Return, and Pages may provide comments to CA  
Short, which comments shall be delivered to CA Short within fifteen (15) days  
after receiving such copies from CA Short.  
  
 7.05 REFUNDS AND CARRYBACKS.  
  
 (a) Pages shall be entitled to an amount equal to any refunds  
or credits of Taxes attributable to taxable periods (or portions thereof,  
determined in accordance with Section 7.03(b)) ending on or before the  
Distribution Date, other than any such refunds or credits provided for in the  
financial statements of CA Short.  
  
 (b) CA Short shall be entitled to any refunds or credits of  
Taxes attributable to taxable periods (or portions thereof, determined in  
accordance with Section 7.03(b)) beginning on or after the Distribution Date or  
provided for in the financial statements of CA Short.  
  
  
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 (c) CA Short agrees that, with respect to any Tax, CA Short  
shall not carry back any item of loss, deduction or credit which arises in any  
taxable period ending after the Distribution Date ("subsequent loss") into any  
taxable period ending on or before the Distribution Date. If a subsequent loss  
with respect to any Tax is carried back into any taxable period ending on or  
before the Distribution Date, Pages shall be entitled to any refund or credit of  
Taxes realized as a result thereof.  
  
 7.06 COOPERATION AND EXCHANGE OF INFORMATION.  
  
 (a) CA Short and Pages and their respective Affiliates shall  
cooperate in the preparation of all Returns relating in whole or in part to  
taxable periods ending on or before or including the Distribution Date that are  
required to be filed after such date. Such cooperation shall include, but not be  
limited to, furnishing prior years' Returns or return preparation packages  
illustrating previous reporting practices or containing historical information  
relevant to the preparation of such Returns, and furnishing such other  
information within such party's possession requested by the party filing such  
Returns as is relevant to their preparation. In the case of any state, local or  
foreign joint, consolidated, combined, unitary or group relief system Returns,  
such cooperation shall also relate to any other taxable periods in which one  
party could reasonably require the assistance of the other party in obtaining  
any necessary information.  
  
 (b) Pages shall have the right, at its own expense, to control  
any audit or examination by any Taxing Authority ("Tax Audit"), initiate any  
claim for refund, contest, resolve and defend against any assessment, notice of  
deficiency, or other adjustment or proposed adjustment relating to any and all  
Taxes for any taxable period ending on or before the Distribution Date with  
respect to CA Short. CA Short shall have the right, at its own expense, to  
control any other Tax Audit, initiate any other claim for refund, and contest,  
resolve and defend against any other assessment, notice of deficiency, or other  
adjustment or proposed adjustment relating to Taxes with respect to CA Short,  
provided that, with respect to any state, local and foreign Taxes for any  
taxable period beginning before the Distribution Date and ending after the  
Distribution Date, CA Short or Pages, as the case may be, shall keep the other  
party duly informed and shall consult with each other with respect to the  
resolution of any issue that would adversely affect the other party, and not  
settle any such issue, without the consent of the affected party, which consent  
shall not unreasonably be withheld.  
  
 ARTICLE VIII  
  
 ADDITIONAL AGREEMENTS  
  
 8.01 ASSUMPTIONS OF ALL ASSUMED LIABILITIES. Pages agrees to obtain  
consents, permits and authorizations necessary to permit CA Short to assume, and  
CA Short agrees to assume from Pages, any Assumed Liability which has not been  
assumed by CA Short by the Distribution Date.  
  
 8.02 COLLECTION OF ACCOUNTS. After the Distribution Date, Pages agrees  
promptly to transfer or deliver to CA Short any cash or other property received  
directly or indirectly after the Distribution Date by Pages in respect of any CA  
Short accounts receivable.  
  
  
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 8.03 EXPENSES. Except as specifically provided in this Agreement, all  
internal costs and expenses incurred in connection with the preparation,  
execution, delivery and implementation of this Agreement and with the  
consummation of the transactions contemplated by this Agreement (collectively,  
the "Distribution Costs and Expenses") shall be paid by the party incurring such  
costs and expenses. Except as specifically provided in this Agreement, all  
out-of-pocket Distribution Costs and Expenses (including transfer taxes and the  
fees and expenses of all counsel, accountants and financial and other advisors)  
shall be paid by Pages, it being agreed such Distribution Costs and expenses are  
properly costs and expenses of Pages. Without limiting the foregoing sentence,  
it is understood and agreed that Pages shall pay the legal, filing, accounting,  
printing and other accountable and out-of-pocket expenditures in connection with  
the preparation, printing and filing of the Form 10.  
   
  
 8.04 ADDITIONAL ASSURANCES. Pages and CA Short agree to cooperate with  
respect to the implementation of this Agreement and to execute such further  
documents and instruments as may be necessary to confirm the transactions  
contemplated hereby. Pages and CA Short agree that they will not take any action  
inconsistent with the facts and representations set forth in the "no-action  
letter" request filed with the Commission in connection with the Distribution or  
the conditions of the "no-action letter" received from the Commission in  
connection with the Distribution and will use their best efforts to cause the  
facts to remain true and correct, to satisfy such conditions and to maintain the  
effectiveness of such letter and, if either Pages or CA Short shall take any  
such inconsistent action, or fail to use such best efforts, it will indemnify  
the other party for any expense or Liability incurred as a consequent thereof.  
  
 ARTICLE IX  
  
 MISCELLANEOUS  
  
 9.01 GOVERNING LAW. This Agreement shall be governed by the laws of  
the State of Florida.  
  
 9.02 CONSTRUCTION. Each provision of this Agreement shall be  
interpreted in a manner to be effective and valid to the fullest extent  
permissible under applicable law. The invalidity or unenforceability of any  
particular provision of this Agreement shall not affect the other provisions of  
this Agreement which shall remain in full force and effect.  
  
 9.03 ARBITRATION. Any controversy regarding, connected with or arising  
from this Agreement, shall be settled by informal, speedy and binding  
arbitration in Pinellas County, Florida. The conduct of the arbitration shall be  
governed by Florida Arbitration Code.  
  
 9.04 COUNTERPARTS. This Agreement may be executed in one or more  
counterparts, all of which shall be considered one and the same agreement.  
  
 9.05 COMPLETE AGREEMENT; CONSTRUCTION. This Agreement and other  
agreements and documents referred to herein, shall constitute the entire  
agreement between the parties with respect to the subject matter hereof and  
shall supersede all previous negotiations, commitments and writings with respect  
to such subject matter.  
  
  
  
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 9.06 TERMINATION. This Agreement may be terminated and the Distribution  
abandoned at any time prior to the Distribution Date by and in the sole  
discretion of Pages without the approval of CA Short. In the event of such  
termination, no party shall have any liability of any kind to any other party.  
  
 9.07 EXHIBITS. Exhibits to this Agreement shall be deemed to be an  
integral part hereof, and schedules or exhibits to such Exhibits shall be deemed  
to be an integral part thereof.  
  
 9.08 AMENDMENTS; WAIVERS. This Agreement may be amended or modified  
only in writing executed on behalf of Pages and CA Short. No waiver shall  
operate to waive any further or future act and no failure to object of  
forbearance shall operate as a waiver.  
  
 9.09 NOTICES. Notices hereunder shall be effective if given in writing  
and delivered or mailed, postage prepaid, by registered or certified mail to:  
  
 Pages, Inc.  
 000 00xx Xxxxxx Xxxxx  
 Xx. Xxxxxxxxxx, XX 00000  
 Attn: S. Xxxxxx Xxxxx  
  
 or to:  
  
 CA Short Company  
 0000 Xxxx Xxxxx Xxxxxxxxx  
 Xxxxxx, XX 00000  
 Attn: Xxxxxxx X. Xxxxx  
  
 9.10 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and  
shall inure to the benefit of the parties hereto and their respective successors  
and assigns, provided that this Agreement and the rights and obligations  
contained herein or in any exhibit or schedule hereto shall not be assignable,  
in whole or in part, without the prior written consent of the other party and  
any attempt to effect any such assignment without such consent shall be void.  
  
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 SIGNATURE PAGE TO  
  
 DISTRIBUTION AGREEMENT  
  
 BETWEEN  
  
 PAGES, INC. AND CA SHORT COMPANY  
  
 IN WITNESS WHEREOF, the parties have executed this Agreement as of the  
date first written above.  
  
 PAGES, INC.  
  
   
 By: /s/ S. Xxxxxx Xxxxx  
 ------------------------------  
 S. Xxxxxx Xxxxx as President  
  
 CA SHORT COMPANY  
  
 By: /s/ Xxxxxxx X. Xxxxx  
 ------------------------------  
 Xxxxxxx X. Xxxxx as President  
   
  
  
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