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## **American TonerServ Enters Into New Letter of Intent With Mid-America Environmental for Sales Partner Agreement With Acquisition Option**

SANTA ROSA, CA -- (Marketwire) -- 03/23/09 -- American TonerServ Corp. (OTCBB: ASVP) ("ATS"), a strategic consolidator in the more than \$6.0 billion highly fragmented independent segment of the printer supplies and services industry, announced today it has executed a restructured letter of intent, amending an earlier letter of intent, to enter into a sales partner agreement and an option to acquire certain assets and assume certain liabilities of Mid-America Environmental, LLC, doing business as Alpha Laser Services and Alpha Imaging Solutions of Evansville, Indiana. The combined companies provide printer and copier supplies, equipment and service to the greater Evansville area.

According to unaudited financial information provided to ATS by Mid-America, the business generated approximately \$1.4 million in revenue in 2008. The sales partner agreement would be for a term of five years. The asset purchase option agreement would give ATS an option to acquire certain assets and assume certain liabilities for a period of five years. The purchase price to be paid upon exercise of the option would be determined based on a due diligence review of Mid-America's financial statements and other factors, but is expected to include a combination of notes and stock.

The agreements are subject to completion of due diligence, negotiation and execution of definitive agreements, at which time additional information related to this transaction will be disclosed. The letter of intent provides that the parties will endeavor to complete the sales partner agreement and the asset purchase option agreement by April 1, 2009.

Chuck Mache, CEO of ATS, said, "Our letter of intent with Mid-America represents the latest step in advancing our expansion strategy by utilizing a partner-based agreement structure to build hub-and-satellite operations around the country. Upon execution of the final agreements, American TonerServ would provide administrative and logistical support for the business operated by Mid-America, allowing it to focus primarily on building local customer relationships, while offering the benefits of a nationwide cartridge and printer service provider, including volume purchasing power, operational expertise and related efficiencies.

"Mid-America is particularly attractive to us because the founders and their team have established themselves as experts in both the printer and copier industries and have created strong ties to their customer base. The Mid-America team is expected to leverage the benefits of joining ATS to further enhance relationships with their customers. While our 2009 focus revolves around organically growing our existing operations, we continue to actively seek acquisition opportunities with companies whose leaders see the competitive advantage of our value proposition." Mache added.

Mid-America has been serving its customers' office supply, printer service and equipment needs since 1999 when it was founded by Scott Althaus and his two sons, Jason and Aaron. "Our willingness to restructure our partnership is based on the purchasing power, operational infrastructure, marketing tools and the long-term upside opportunity as a result of being associated with a public entity," Scott Althaus said.

## About American TonerServ

American TonerServ Corp. ("ATS") is building a nationwide organization to efficiently serve the printing needs of small-and medium-sized businesses by consolidating leading independent operators in the \$6 billion printer cartridge and services industry, offering top-quality, environmentally-friendly products and local service teams. Please see [www.AmericanTonerServ.com](http://www.AmericanTonerServ.com) for more information.

## Forward-Looking Statements

Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements, such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements, including, but not limited to, completing the definitive agreement by April 1, 2009, are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors such as the level of business and consumer spending, the amount of sales of the Company's products, the competitive environment within the industry, the ability of the Company to continue to expand its operations, the level of costs incurred in connection with the Company's expansion efforts, economic conditions in the industry and the financial strength of the Company's customers and suppliers. The Company does not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.

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