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American TonerServ Corp. Completes Private Offering of Preferred Stock

SANTA ROSA, Calif., Oct 22, 2009 (BUSINESS WIRE) -- [American TonerServ Corp.](http://www.americantonerserv.com) (OTC.BB:ASVP) (<http://www.americantonerserv.com>) ("ATS"), a leader in the highly fragmented \$6.0 billion printer supplies and services industry, announced that it has completed a private offering of shares of its Series D Convertible Preferred Stock ("Series D Shares"). A total of 7,800,000 Series D Shares were sold to 20 accredited investors at \$0.25 per share for an aggregate of \$1,950,000 in gross proceeds, of which \$950,000 was in the form of cash and the remaining \$1,000,000 was in exchange for debt owed by ATS. The cash proceeds are being used for working capital purposes and debt repayment.

Holders of the Series D Shares are entitled to receive cumulative cash dividends in the amount of \$0.02 per annum payable in cash on a quarterly basis (\$0.005 per quarter) on a cumulative basis. During the first year, each Series D Share may be converted into two shares of ATS common stock. Beginning one year after the initial issuance, each Series D Share may be converted into one share of ATS common stock.

Chuck Mache, CEO of American TonerServ Corp., commented, "We are extremely pleased that this stock sale has been successfully completed. We are confident that we are in the right place at the right time, pursuing a strategy that is focused on accelerating the company's growth while at the same time building shareholder value."

About American TonerServ Corp.

American TonerServ (OTC.BB:ASVP) is a leading marketer of compatible and original-equipment-manufactured toner cartridges. The company is strategically building a nationwide organization to efficiently serve the printing needs of small- and medium-sized businesses by executing on key organic growth initiatives designed to build sales distribution across the country. In the more than \$6.0 billion recycled printer cartridge and printer services industry, the company offers top-quality, environmentally friendly products and local service teams to its customers. Please see www.AmericanTonerServ.com for more information.

Safe Harbor Statement

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. Words 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 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.

SOURCE: American TonerServ Corp.

The Investor Relations Group

James Carbonara, 212-825-3210

or

Public Relations

Mike Graff, 212-825-3210