

**United States Bankruptcy Court  
Southern District of New York**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Gale Group, Ltd.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) <b>13-3905537</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): <b>44 West 28 Street, 17th Floor New York, NY</b>	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code <b>10001</b>	ZIP Code
County of Residence or of the Principal Place of Business: <b>New York</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIP Code	ZIP Code

Location of Principal Assets of Business Debtor (if different from street address above):

<b>Type of Debtor</b> (Form of Organization) (Check one box) <ul style="list-style-type: none"> <li><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></li> <li><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)</li> <li><input type="checkbox"/> Partnership</li> <li><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</li> </ul>	<b>Nature of Business</b> (Check one box) <ul style="list-style-type: none"> <li><input type="checkbox"/> Health Care Business</li> <li><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)</li> <li><input type="checkbox"/> Railroad</li> <li><input type="checkbox"/> Stockbroker</li> <li><input type="checkbox"/> Commodity Broker</li> <li><input type="checkbox"/> Clearing Bank</li> <li><input checked="" type="checkbox"/> Other</li> </ul> <hr/> <b>Tax-Exempt Entity</b> (Check box, if applicable) <ul style="list-style-type: none"> <li><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).</li> </ul>	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <ul style="list-style-type: none"> <li><input type="checkbox"/> Chapter 7</li> <li><input type="checkbox"/> Chapter 9</li> <li><input checked="" type="checkbox"/> Chapter 11</li> <li><input type="checkbox"/> Chapter 12</li> <li><input type="checkbox"/> Chapter 13</li> <li><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</li> <li><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</li> </ul> <hr/> <b>Nature of Debts</b> (Check one box) <ul style="list-style-type: none"> <li><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</li> <li><input checked="" type="checkbox"/> Debts are primarily business debts.</li> </ul>
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<b>Filing Fee</b> (Check one box) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Full Filing Fee attached</li> <li><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.</li> <li><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</li> </ul>	<b>Chapter 11 Debtors</b> Check one box: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</li> <li><input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</li> </ul> Check if: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.</li> </ul> Check all applicable boxes: <ul style="list-style-type: none"> <li><input type="checkbox"/> A plan is being filed with this petition.</li> <li><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</li> </ul>
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**Statistical/Administrative Information**      \*\*\* S. Jason Teele (SJT 7390) \*\*\*

Debtor estimates that funds will be available for distribution to unsecured creditors.

Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

<b>Estimated Number of Creditors</b>									
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000

<b>Estimated Assets</b>									
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

<b>Estimated Liabilities</b>									
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

THIS SPACE IS FOR COURT USE ONLY

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): <b>Gale Group, Ltd.</b>
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**All Prior Bankruptcy Cases Filed Within Last 8 Years** (If more than two, attach additional sheet)

Location Where Filed: <b>- None -</b>	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:

**Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor** (If more than one, attach additional sheet)

Name of Debtor: <b>- None -</b>	Case Number:	Date Filed:
District:	Relationship:	Judge:

<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p><b>X</b> _____ Signature of Attorney for Debtor(s) (Date)</p>
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**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.

No.

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**

(Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**

(Check all applicable boxes)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

\_\_\_\_\_

(Name of landlord that obtained judgment)

\_\_\_\_\_

(Address of landlord)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s):  
**Gale Group, Ltd.**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_  
Signature of Debtor

**X** \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
Signature of Foreign Representative

\_\_\_\_\_  
Printed Name of Foreign Representative

\_\_\_\_\_  
Date

**Signature of Attorney\***

**X** /s/ S. Jason Teele (SJT)  
Signature of Attorney for Debtor(s)

S. Jason Teele (SJT 7390)  
Printed Name of Attorney for Debtor(s)

Lowenstein Sandler PC  
Firm Name

65 Livingston Avenue  
Roseland, NJ 07068

\_\_\_\_\_  
Address

973-597-2500 Fax: 973-597-2400  
Telephone Number

September 29, 2008  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

**X** \_\_\_\_\_  
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** /s/ Mindy Gale  
Signature of Authorized Individual

Mindy Gale  
Printed Name of Authorized Individual

President  
Title of Authorized Individual

September 29, 2008  
Date

**United States Bankruptcy Court**  
**Southern District of New York**

In re **Gale Group, Ltd.**

Debtor(s)

Case No. \_\_\_\_\_

Chapter **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
<b>Conde Nast Publications, Inc. Borges &amp; Associates 575 Underhill Blvd. Syosset, NY 11791</b>	<b>Conde Nast Publications, Inc. Borges &amp; Associates 575 Underhill Blvd. Syosset, NY 11791</b>			<b>263,600.32</b>
<b>44 W. 28 Penn Plaza Properties c/o Cullen &amp; Troia PC 2 Rector Street, Suite 903 New York, NY 10006</b>	<b>44 W. 28 Penn Plaza Properties c/o Cullen &amp; Troia PC 2 Rector Street, Suite 903 New York, NY 10006</b>		<b>Contingent Unliquidated Disputed</b>	<b>138,945.36</b>
<b>In Style Magazine 1271 Ave of the America New York, NY 10020</b>	<b>In Style Magazine 1271 Ave of the America New York, NY 10020</b>			<b>138,383.26</b>
<b>Hearst Magazines P.O. Box 905114 Charlotte, NC 28290-5114</b>	<b>Hearst Magazines P.O. Box 905114 Charlotte, NC 28290-5114</b>			<b>88,000.00</b>
<b>Gateway Commercial Finance 1101 S. Congress Ave., St 203 Boynton Beach, FL 33426</b>	<b>Gateway Commercial Finance 1101 S. Congress Ave., St 203 Boynton Beach, FL 33426</b>			<b>76,075.00</b>
<b>Presentation Grafix Inc. c/o Michael Goldstein 299 Bway New York, NY 10007</b>	<b>Presentation Grafix Inc. c/o Michael Goldstein 299 Bway New York, NY 10007</b>			<b>35,450.00</b>
<b>Barash Friedman et al 331 Madison Avenue New York, NY 10017</b>	<b>Barash Friedman et al 331 Madison Avenue New York, NY 10017</b>			<b>28,000.00</b>
<b>Pistol Studio Inc. 76 Mercer Street, 4th Floor New York, NY 10012</b>	<b>Pistol Studio Inc. 76 Mercer Street, 4th Floor New York, NY 10012</b>			<b>24,805.50</b>
<b>PR Newswire, Inc. G.P.O. Box 5897 New York, NY 10087</b>	<b>PR Newswire, Inc. G.P.O. Box 5897 New York, NY 10087</b>			<b>6,345.00</b>
<b>Villageprint 10 E 39th Street New York, NY 10016</b>	<b>Villageprint 10 E 39th Street New York, NY 10016</b>			<b>4,660.00</b>

Debtor(s)

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

(Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
Oliver Piro Inc. 128 W 26 Street New York, NY 10001	Oliver Piro Inc. 128 W 26 Street New York, NY 10001			3,873.83
Unicorn Graphics 971 Stewart Avenue Garden City, NY 11530	Unicorn Graphics 971 Stewart Avenue Garden City, NY 11530			2,590.00
Bobby Kopp & Co. 330 West 12th Street New York, NY 10014	Bobby Kopp & Co. 330 West 12th Street New York, NY 10014			2,259.41
Magnet LA 6363 Wilshire Blvd., Suite 650 Los Angeles, CA 90048	Magnet LA 6363 Wilshire Blvd., Suite 650 Los Angeles, CA 90048			2,064.90
Manatt 11355 W. Oluympic Blvd. Los Angeles, CA 90064	Manatt 11355 W. Oluympic Blvd. Los Angeles, CA 90064			2,010.00
Color Edge 127 West 30th Street New York, NY 10001	Color Edge 127 West 30th Street New York, NY 10001			2,002.00
Briese Lighting 401 West Street New York, NY 10014	Briese Lighting 401 West Street New York, NY 10014			1,600.00
Success Express 550 8th Avenue New York, NY 10018	Success Express 550 8th Avenue New York, NY 10018			1,595.93
Forest Graphics 44 W. 28th Street New York, NY 10001	Forest Graphics 44 W. 28th Street New York, NY 10001			1,371.91
Burelle's Luce 75 E Northfield Road Livingston, NJ 07039	Burelle's Luce 75 E Northfield Road Livingston, NJ 07039			1,321.78

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date September 29, 2008Signature /s/ Mindy Gale

**Mindy Gale**  
**President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**GALE GROUP, LTD.**  
**RESOLUTIONS ADOPTED AT A**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**SEPTEMBER 26, 2008**

**RESOLVED**, that the officers of Gale Group, Ltd. (the "Company") and each of them, are authorized and empowered in the name and on behalf of the Company, with the assistance of the Company's counsel, accountants and advisers, to (i) prepare, execute and file with the appropriate court a petition under chapter 11 of the Bankruptcy Code and (ii) take such other and further steps as may be necessary, appropriate or advisable to obtain for the Company any and all relief to which it may be entitled under chapter 11 of the Bankruptcy Code;

**RESOLVED**, that Lowenstein Sandler PC is hereby retained as legal counsel to the Company on such terms and conditions as may be agreed to in the name and on behalf of the Company by the President or any other officer designated in writing by her; and

**RESOLVED**, that the President or any other officer designated by her in writing is hereby, individually, authorized and empowered in the name and on behalf of the Company or otherwise, to do all such acts and to execute, deliver and file all such agreements, certificates, instruments and documents, and to pay all such expenses and taxes as such officer shall deem necessary, appropriate or advisable in order to carry out the intent and accomplish the purposes of the foregoing resolutions, such acts, executions, deliveries, or filings to be conclusive evidence that such officer deemed the same to be necessary, appropriate or advisable; and all acts of any directors or officers of the Company having occurred prior to the date hereof in order to carry out the intent and accomplish the purposes of the foregoing resolutions are hereby approved, adopted, ratified and confirmed in all respects.

Dated: September 26, 2008  
New York, New York

/s/ Mindy Gale  
Mindy Gale

/s/ David Zeigerman  
David Zeigerman

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

Gale Group, Ltd.,

Debtor.

Chapter 11

Case No. 08-\_\_\_\_ (\_\_\_\_)

**Certification Pursuant To 11 U.S.C. § 1116**

Mindy Gale, pursuant to 28 U.S.C. §1746, declares as follows:

1. I am the President of Gale Group, Ltd., a New York corporation and the above-captioned debtor and debtor in possession (“Gale Group” or, the “Debtor”). This Certification is submitted in accordance with 11 U.S.C. § 1116, and is being filed with the Bankruptcy Court concurrently with the filing of the Debtor’s chapter 11 petition.

2. Attached hereto as Exhibit A is a true and correct copy of the Debtor’s 2007 federal income tax return.

3. Pursuant to 11 U.S.C. § 1116(1)(B), no balance sheet, statement of operations, or cash flow statement for the Debtor have been prepared.

I declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Dated: September 29, 2008

/s/ Mindy Gale  
Mindy Gale

**EXHIBIT A**



Department of the Treasury  
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

**2007**

For calendar year 2007, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

<b>A</b> S election effective date 01/01/1997	Use the IRS label. Otherwise, print or type.	Name THE GALE GROUP, INC	<b>D</b> Employer identification number 13-3905537
<b>B</b> Business activity code number (see instructions) 541800		Number, street, and room or suite no. If a P.O. box, see instructions. 44 WEST 28TH STREET	<b>E</b> Date incorporated 06/05/1996
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code NEW YORK, NY 10001-4212	<b>F</b> Total assets (see instructions) \$ 409,687.

**G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If "Yes," attach Form 2553 if not already filed

**H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination or revocation

**I** Enter the number of shareholders in the corporation at end of the tax year **1**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	<b>1 a</b> Gross receipts or sales	2,620,189	<b>b</b> Less returns and allowances		<b>1c</b>	2,620,189.
	<b>2</b> Cost of goods sold (Schedule A, line 8)				<b>2</b>	870,505.
	<b>3</b> Gross profit. Subtract line 2 from line 1c				<b>3</b>	1,749,684.
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				<b>4</b>	
	<b>5</b> Other income (loss) (attach statement)				<b>5</b>	
	<b>6</b> Total income (loss). Add lines 3 through 5				<b>6</b>	1,749,684.
Deductions (See instructions for limitations)	<b>7</b> Compensation of officers				<b>7</b>	200,000.
	<b>8</b> Salaries and wages (less employment credits)				<b>8</b>	1,115,408.
	<b>9</b> Repairs and maintenance				<b>9</b>	3,855.
	<b>10</b> Bad debts				<b>10</b>	
	<b>11</b> Rents				<b>11</b>	212,787.
	<b>12</b> Taxes and licenses			STATEMENT 1	<b>12</b>	92,276.
	<b>13</b> Interest				<b>13</b>	27,519.
	<b>14</b> Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)				<b>14</b>	14,340.
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)				<b>15</b>	
	<b>16</b> Advertising				<b>16</b>	32,804.
	<b>17</b> Pension, profit-sharing, etc., plans				<b>17</b>	
	<b>18</b> Employee benefit programs				<b>18</b>	88,509.
	<b>19</b> Other deductions (attach statement)			STATEMENT 2	<b>19</b>	269,161.
	<b>20</b> Total deductions. Add lines 7 through 19				<b>20</b>	2,056,659.
	<b>21</b> Ordinary business income (loss). Subtract line 20 from line 6				<b>21</b>	<306,975.>
Tax and Payments	<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions)	22a			22c	
	<b>b</b> Tax from Schedule D (Form 1120S)	22b				
	<b>c</b> Add lines 22a and 22b					
	<b>23 a</b> 2007 estimated tax payments and 2006 overpayment credited to 2007	23a			23d	
	<b>b</b> Tax deposited with Form 7004	23b				
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	23c				
	<b>d</b> Add lines 23a through 23c					
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>				<b>24</b>	
	<b>25</b> Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed				<b>25</b>	
	<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				<b>26</b>	
<b>27</b> Enter amount from line 26 Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>				<b>27</b>		

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: Mindy Gale Date: 10/1 Title: \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see Instr.?)  Yes  No

<b>Paid Preparer's Use Only</b>	Preparer's signature: <u>R. Adasko</u>	Date: <u>8/1/08</u>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN: <u>8029 05 95</u>
	Firm's name (or yours if self-employed), address, and ZIP code: <u>BARASH, FRIEDMAN, FRIEDBERG, &amp; ADASKO PC</u> <u>331 MADISON AVE 8TH FL</u> <u>NY, NY 10017</u>	EIN: <u>13-3573805</u>	Phone no.:	

**Application for Automatic 6-Month Extension of Time To File  
Certain Business Income Tax, Information, and Other Returns**

▶ **File a separate application for each return.**

<b>Type or Print</b>	Name <b>THE GALE GROUP, INC</b>	Identifying number <b>13-3905537</b>
File by the due date for the return for which an extension is requested. See instructions.	Number, street, and room or suite no. (If P.O. box, see instructions.) <b>44 WEST 28TH STREET</b>	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). <b>NEW YORK, NY 10001-4212</b>	

**Note. See instructions before completing this form.**

- 1 Enter the form code for the return that this application is for (see below) ..... 25
- 2 If the foreign corporation does not have an office or place of business in the United States, check here ..... ▶
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ..... ▶
- 4 a The application is for calendar year 2007 , or tax year beginning \_\_\_\_\_ , and ending \_\_\_\_\_
- b **Short tax year.** If this tax year is less than 12 months, check the reason:  
 Initial return     Final return     Change in accounting period     Consolidated return to be filed

5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ..... ▶   
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

6 Tentative total tax .....	6	0.
7 Total payments and credits (see instructions) .....	7	0.
8 <b>Balance due.</b> Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions) .....	8	0.

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(J)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QET	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

LHA For Paperwork Reduction Act Notice, see instructions.

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	870,505.
6	Total. Add lines 1 through 5	6	870,505.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	870,505.

9a Check all methods used for valuing closing inventory: (i)  Cost as described in Regulations section 1.471-3  
(ii)  Lower of cost or market as described in Regulations section 1.471-4  
(iii)  Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No  
If "Yes," attach explanation.

**Schedule B Other Information** (see instructions)

	Yes	No
1	Check accounting method: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶	
2	See the instructions and enter the: (a) Business activity ▶ <b>ADVERTISING</b> (b) Product or service ▶ <b>SERVICES</b>	
3		X
4		X
5		
6		
7		
8		X

**Schedule K Shareholders' Pro Rata Share Items**

		Total amount
1	Ordinary business income (loss) (page 1, line 21)	<306,975.>
2	Net rental real estate income (loss) (attach Form 8825)	
3a	Other gross rental income (loss)	
3b	Expenses from other rental activities (attach statement)	
3c	Other net rental income (loss). Subtract line 3b from line 3a	
4	Interest income STATEMENT 4	6,794.
5	Dividends: a Ordinary dividends	
5b	b Qualified dividends	
6	Royalties	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	
8b	Collectibles (28%) gain (loss)	
8c	Unrecaptured section 1250 gain (attach statement)	
9	Net section 1231 gain (loss) (attach Form 4797)	
10	Other income (loss) (see instructions) Type ▶	

		Shareholders' Pro Rata Share Items (continued)	Total amount
Deductions	11	Section 179 deduction (attach Form 4562)	11
	12a	Contributions STATEMENT 5	12a 6,699.
	b	Investment interest expense	12b
	c	Section 59(e)(2) expenditures (1) Type (2) Amount	12c(2)
	d	Other deductions (see instructions) Type	12d
Credits	13a	Low-income housing credit (section 42(j)(5))	13a
	b	Low-income housing credit (other)	13b
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c
	d	Other rental real estate credits (see instructions) Type	13d
	e	Other rental credits (see instructions) Type	13e
	f	Credit for alcohol used as fuel (attach Form 6478)	13f
	g	Other credits (see instructions) Type	13g
Foreign Transactions	14a	Name of country or U.S. possession	
	b	Gross income from all sources	14b
	c	Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c
	d	Passive category	14d
	e	General category	14e
	f	Other (attach statement) Deductions allocated and apportioned at shareholder level	14f
	g	Interest expense	14g
	h	Other Deductions allocated and apportioned at corporate level to foreign source income	14h
	i	Passive category	14i
	j	General category	14j
	k	Other (attach statement) Other information	14k
	l	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l
	m	Reduction in taxes available for credit (attach statement)	14m
	n	Other foreign tax information (attach statement)	
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a 1,150.
	b	Adjusted gain or loss	15b
	c	Depletion (other than oil and gas)	15c
	d	Oil, gas, and geothermal properties - gross income	15d
	e	Oil, gas, and geothermal properties - deductions	15e
	f	Other AMT items (attach statement)	15f
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a
	b	Other tax-exempt income	16b
	c	Nondeductible expenses STATEMENT 6	16c 4,019.
	d	Property distributions	16d
	e	Repayment of loans from shareholders	16e
Other Information	17a	Investment income	17a 6,794.
	b	Investment expenses	17b
	c	Dividend distributions paid from accumulated earnings and profits	17c
	d	Other items and amounts (attach statement)	
Reconciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18 <306,880.>

JWA

Form 1120S (2007)

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		42,648.		83,973.
2 a	Trade notes and accounts receivable	110,926.		194,747.	
b	Less allowance for bad debts		110,926.		194,747.
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.)	STATEMENT 9	14,779.		91,557.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)				
10 a	Buildings and other depreciable assets	220,569.		232,675.	
b	Less accumulated depreciation	190,674.	29,895.	205,015.	27,660.
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (att. stmt.)	STATEMENT 10	11,750.		11,750.
15	Total assets		209,998.		409,687.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		365,473.		875,575.
17	Mortgages, notes, bonds payable in less than 1 year		228,730.		226,678.
18	Other current liabilities (att. stmt.)	STATEMENT 11	4,355.		6,888.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (att. stmt.)				
22	Capital stock		1,100.		1,100.
23	Additional paid-in capital				
24	Retained earnings	STATEMENT 12	<389,660.>		<700,554.>
25	Adjustments to shareholders' equity (att. stmt.)				
26	Less cost of treasury stock		( )		( )
27	Total liabilities and shareholders' equity		209,998.		409,687.

Schedule M-1		Reconciliation of Income (Loss) per Books With Income (Loss) per Return		
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions				
1	Net income (loss) per books	<310,894.>	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14f (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14f, not charged against book income this year (itemize):
a	Depreciation \$		a	Depreciation \$
b	Travel and entertainment \$ 4,019.		5.	
		4,019.	7	Add lines 5 and 6
4	Add lines 1 through 3	<306,875.>	8	Income (loss) (Schedule K, line 18), Line 1 (less line 7)
				<306,880.>

Schedule M-2		Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)		
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed	
1	Balance at beginning of tax year	<389,658.>		
2	Ordinary income from page 1, line 21			
3	Other additions STATEMENT 7	6,794.		
4	Loss from page 1, line 21	( 306,975.)		
5	Other reductions STATEMENT 8	( 10,718.)		
6	Combine lines 1 through 5	<700,557.>		
7	Distributions other than dividend distributions			
8	Balance at end of tax year. Subtract line 7 from line 6	<700,557.>		

**Depreciation and Amortization**  
 (Including Information on Listed Property) **OTHER**

▶ See separate instructions. ▶ Attach to your tax return.

**2007**

Attachment  
 Sequence No. 67

THE GALE GROUP, INC

OTHER DEPRECIATION

Identifying number  
 13-3905537

**Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	12,998.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

**Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		10,822.	5 YRS	MQ	200DB	1,296.
c 7-year property		1,284.	7 YRS	MQ	200DB	46.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		27.5 yrs.	MM	S/L	
	/		39 yrs.	MM	S/L	
	/			MM	S/L	

**Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	14,340.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with columns (a) through (f) Vehicle. Rows 30-36 detailing miles driven and personal use availability.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table with rows 37-41 and Yes/No columns. Questions about written policies and employee use.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows 42-44.

FORM 1120S TAXES AND LICENSES STATEMENT 1

DESCRIPTION	AMOUNT
PAYROLL TAXES	90,458.
CALIFORNIA TAXES - BASED ON INCOME	1,600.
NEW YORK CITY TAXES - BASED ON INCOME	218.
TOTAL TO FORM 1120S, PAGE 1, LINE 12	92,276.

FORM 1120S OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
BANK CHARGES	405.
COMPUTER PROCESSING COSTS	15,679.
DUES AND SUBSCRIPTIONS	10,285.
INSURANCE EXPENSE	8,437.
LOCAL TRAVEL	7,394.
OFFICE EXPENSE	34,232.
OFFICE SUPPLIES	12,853.
PROFESSIONAL FEES- OTHER	3,650.
AUTO EXPENSES	26,080.
TELEPHONE EXPENSES	36,097.
TRAVEL EXPENSES	11,819.
UTILITIES EXPENSE	15,015.
MESSENGER AND DELIVERY	18,404.
EQUIPMENT RENTAL	7,441.
LEGAL & ACCOUNTING FEES	11,991.
OCCUPANCY EXPENSES	5,755.
NEW BUSINESS EXPENSES	29,335.
MISCELLANEOUS	2,852.
JANITORIAL AND CLEANING	7,417.
MEALS AND ENTERTAINMENT	4,020.
TOTAL TO FORM 1120S, PAGE 1, LINE 19	269,161.

FORM 1120S COST OF GOODS SOLD - OTHER COSTS STATEMENT 3

DESCRIPTION	AMOUNT
CREATIVE, COPYWRITING, MAILING AND	870,505.
TOTAL TO FORM 1120S, PAGE 2, LINE 5	870,505.



SCHEDULE K		INTEREST INCOME	STATEMENT	4
DESCRIPTION			AMOUNT	
INTEREST INCOME				6,794.
TOTAL TO SCHEDULE K, LINE 4				6,794.

SCHEDULE K		CHARITABLE CONTRIBUTIONS			STATEMENT	5
DESCRIPTION		50% LIMIT	30% LIMIT	20% LIMIT		
CHARITABLE CONTRIBUTIONS		6,699.				
TOTALS TO SCHEDULE K, LINE 12A		6,699.				

SCHEDULE K		NONDEDUCTIBLE EXPENSES			STATEMENT	6
DESCRIPTION					AMOUNT	
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES						4,019.
TOTAL TO SCHEDULE K, LINE 16C						4,019.

SCHEDULE M-2		ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS	STATEMENT	7
DESCRIPTION			AMOUNT	
PORTFOLIO INTEREST INCOME				6,794.
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)				6,794.

SCHEDULE K		INTEREST INCOME	STATEMENT	4
DESCRIPTION			AMOUNT	
INTEREST INCOME			6,794.	
TOTAL TO SCHEDULE K, LINE 4			6,794.	

SCHEDULE K		CHARITABLE CONTRIBUTIONS			STATEMENT	5
DESCRIPTION		50% LIMIT	30% LIMIT	20% LIMIT		
CHARITABLE CONTRIBUTIONS		6,699.				
TOTALS TO SCHEDULE K, LINE 12A		6,699.				

SCHEDULE K		NONDEDUCTIBLE EXPENSES			STATEMENT	6
DESCRIPTION					AMOUNT	
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES					4,019.	
TOTAL TO SCHEDULE K, LINE 16C					4,019.	

SCHEDULE M-2		ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS	STATEMENT	7
DESCRIPTION			AMOUNT	
PORTFOLIO INTEREST INCOME			6,794.	
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)			6,794.	

SCHEDULE M-2 ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS STATEMENT 8

DESCRIPTION	AMOUNT
CHARITABLE CONTRIBUTIONS	6,699.
NONDEDUCTIBLE EXPENSES	4,019.
TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A)	10,718.

SCHEDULE L OTHER CURRENT ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID NYC CORP TAX LOANS AND EXCHANGES	14,779.	91,247.
PREPAID EXPENSES		310.
TOTAL TO SCHEDULE L, LINE 6	14,779.	91,557.

SCHEDULE L OTHER ASSETS STATEMENT 10

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SECURITY DEPOSIT	11,750.	11,750.
TOTAL TO SCHEDULE L, LINE 14	11,750.	11,750.

SCHEDULE L OTHER CURRENT LIABILITIES STATEMENT 11

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SALES TAX PAYABLE	3,730.	6,688.
CORPORATE TAXES PAYABLE	625.	200.
TOTAL TO SCHEDULE L, LINE 18	4,355.	6,888.

SCHEDULE L ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS STATEMENT 12

DESCRIPTION	AMOUNT
BALANCE AT BEGINNING OF YEAR	<389,660.>
NET INCOME PER BOOKS	<310,894.>
DISTRIBUTIONS	0.
OTHER INCREASES (DECREASES)	
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)	<700,554.>

Schedule K-1  
(Form 1120S)

**2007**

Final K-1  Amended K-1

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service

For calendar year 2007, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

**Shareholder's Share of Income, Deductions, Credits, etc.** ▶ See separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
A Corporation's employer identification number <b>13-3905537</b>		1 Ordinary business income (loss) <b>&lt;306,975.&gt;</b>	13 Credits
B Corporation's name, address, city, state, and ZIP code <b>THE GALE GROUP, INC 44 WEST 28TH STREET NEW YORK, NY 10001-4212</b>		2 Net rental real estate income (loss)	
C IRS Center where corporation filed return <b>CINCINNATI, OH</b>		3 Other net rental income (loss)	
D Shareholder's identifying number <b>163-54-0850</b>		4 Interest income <b>6,794.</b>	
E Shareholder's name, address, city, state and ZIP code <b>MINDY GALE 1225 RIVER ROAD 2-D EDGEWATER, NJ 07020</b>		5a Ordinary dividends	
F Shareholder's percentage of stock ownership for tax year ..... <b>100.000000%</b>		5b Qualified dividends	14 Foreign transactions
		6 Royalties	
		7 Net short-term capital gain (loss)	
		8a Net long-term capital gain (loss)	
		8b Collectibles (28%) gain (loss)	
		8c Unrecaptured sec 1250 gain	
		9 Net section 1231 gain (loss)	
		10 Other Income (loss)	15 Alternative min tax (AMT) items A <b>1,150.</b>
		11 Section 179 deduction	16 Items affecting shareholder basis C* <b>4,019.</b>
		12 Other deductions A <b>6,699.</b>	
			17 Other information A <b>6,794.</b>

For IRS Use Only

\*See attached statement for additional information.

SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 16, CODE C

DESCRIPTION	AMOUNT	SHAREHOLDER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	4,019.	SEE FORM 1040 INSTRUCTIONS
TOTAL	4,019.	