

ALLIANCE DISTRIBUTORS HOLDING INC. ANNOUNCES
ACQUISITION OF METAVERSAL STUDIOS

For Immediate Release

New York, New York – October 13, 2009 – Alliance Distributors Holding Inc. (OTC: ADTR.PK), a distributor of interactive video games and gaming products, today announced that it has purchased the video game assets of Metaversal Studios, Inc., based in Boston, Massachusetts. Metaversal Studios' website is at www.metaversalstudios.com.

The purchased assets include Bad Apples and Alien Shore, two video games that Alliance expects to complete as downloadable games during the next four to eight months, as well as other video games in earlier stages of development. "Bad Apples" is a casual game that will be released first as a download for the iPhone. Alien Shore is an episodic adventure game that Metaversal has been developing with the intention to distribute on the Microsoft's Xbox Live Arcade platform. Alliance estimates that Bad Apples and the first episode of Alien Shore will require approximately \$250,000 to \$300,000 in additional initial investment. Metaversal will also develop additional games through its seven person creative staff.

The purchase price consists of an initial cash payment of \$25,000, a \$30,000 note by Alliance payable ratably over eighteen months and an earn-out approximating 20% of game profits (as defined) for the period through September 30, 2010. Alliance also loaned \$30,000 to the seller and committed to establish a 5% of game profits bonus pool for Metaversal employees in the second year.

Prior to its acquisition by Alliance, Metaversal generated the vast majority of its revenue from the design of educational games and training material for various clients. It used funding from its consulting work to develop and release for no or minimal charge two games for the iPhone and many small games for the web browser. Metaversal built on this experience to develop the video games included in the purchase by Alliance. Metaversal has not to date sold video games to the public. Jay Laird, the founder and Lead Designer of Metaversal, will continue to head the Metaversal subsidiary.

Jay Gelman, Chairman and Chief Executive Officer of Alliance Distributors, said "We have long sought a financially responsible way to enter the content business. The Metaversal deal gives us this entry, with the bonus of an energetic and dynamic staff headed by Jay Laird. Besides its inherent attractiveness, the addition of content will also strengthen our distribution business by increasing our industry visibility, expertise and connections. Conversely, our distribution business gives us a direct window on consumer and retailer trends that is invaluable in structuring a successful content business.

"Through Metaversal we also intend to be an active participant as the video game industry inevitably moves to downloadable games. We plan to provide our exclusive content on downloadable platforms including Microsoft Xbox Live Arcade and the iPhone platform. We may also develop games for Nintendo, Microsoft, and Sony (SCEA) and other large game platforms."

Jay Laird said "We admire Jay Gelman and his team for building a strong distribution company from the ground up over the last four years. Alliance provides us the strong business, financial and distribution hand we needed to commercialize our present and future IP effectively. The two companies together are a powerful combination."

About Alliance Distributors Holding Inc.

Alliance Distributors Holding Inc. (www.alliancedistributors.com), which does business as Alliance Distributors, is a full-service wholesale videogame distributor, specializing in gaming products and accessories for all key manufacturers and 3rd party publishers. Alliance Distributors offers support on: PS3,

PSP, PS2, X-Box 360, Wii, DS and GBA SP, peripherals and software titles. Alliance produces video game content through its new Metaversal subsidiary.

Safe Harbor

Certain statements contained in this press release contain forward-looking statements including without limitation, statements concerning our operations, economic performance, and financial condition. The words “estimate,” “believe,” “expect,” “should” and “anticipate” and other similar expressions generally identify forward-looking statements, which speak only as of their dates.

Investors are cautioned that all forward-looking statements, which are based largely on our current expectations, involve risks and uncertainty. Actual results, events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors, risks and uncertainties, including without limitation, risks associated with technological change, competitive factors and general economic conditions, including the related impact on discretionary consumer spending, changes in marketing and distribution strategies by manufacturers, continued shortages of new platform systems, timely development and release of video game products we produce, potential cost overruns in our development of video games, ability to protect our intellectual property rights, potential claims that we have infringed the intellectual property rights of others, market acceptance of games we develop, ability to realize anticipated benefits of acquisitions, potential undiscovered liabilities of companies that we acquire, changes in our business or growth strategy, the emergence of new or growing competitors, various other competitive and technological factors. There can be no assurance that the results referred to in the forward-looking statements contained in this release will occur. The Company has no duty and undertakes no obligation to update any forward-looking information, whether as a result of new information, future developments or otherwise.

Contact:

Alliance Distributors Holding Inc.
Steve Gelman – VP of Marketing and Communications
718-536-2248
steve@alliancedis.com