

**UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

)	Chapter 11
In re:)	
)	
Philadelphia Newspapers, LLC, <i>et al.</i> , ¹)	Case No. 09-11204 (SR)
)	
Debtors.)	Jointly Administered

AMENDED ORDER APPROVING SETTLEMENT AGREEMENT PURSUANT TO BANKRUPTCY CODE SECTION 105(a) AND BANKRUPTCY RULE 9019 BY AND BETWEEN THE PLAN PROPONENTS AND THE (I) TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA & VICINITY; (II) CWA/ITU NEGOTIATED PENSION PLAN; (III) UNITED INDEPENDENT UNION-NEWSPAPER GUILD OF GREATER PHILADELPHIA PENSION FUND AND THE NEWSPAPER GUILD HEALTH & WELFARE PLAN; (IV) GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS NATIONAL PENSION FUND; (V) NATIONAL INTEGRATED GROUP PENSION PLAN; (VI) WAREHOUSE EMPLOYEES LOCAL 169 AND EMPLOYERS' JOINT PENSION FUND; AND (VII) NEWSPAPER AND MAGAZINE EMPLOYEES UNION TEAMSTERS LOCAL 1414 PENSION FUND; GCC DISTRICT COUNCIL 9 LOCAL 16-N; NEWSPAPER AND MAGAZINE EMPLOYEES UNION TEAMSTERS LOCAL 1414; TEAMSTERS LOCAL 628; AND THE WAREHOUSE EMPLOYEES LOCAL 169 RESOLVING THE PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS

Upon the motion (the "Motion")² above-captioned debtors and debtors in possession (collectively, the "Debtors") and PN Purchaser Co, LLC (the "Purchaser" and, together with the Debtors, the "Plan Proponents") for entry of an order (this "Order"), pursuant to Section 105(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), approving the compromise and Settlement Agreement attached to the Motion as **Exhibit B**, by and between: (a) the Plan

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Philadelphia Media Holdings, LLC (4680), PMH Acquisition, LLC (1299), Broad Street Video, LLC (4665), Philadelphia Newspapers, LLC (3870), Philadelphia Direct, LLC (4439), Philly Online, LLC (5185), PMH Holdings, LLC (1768), Broad Street Publishing, LLC (4574) and Philadelphia Media, LLC (0657).

² Each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the Motion.

Proponents, on the one hand; and (b) (i) the Teamsters Pension Trust Fund of Philadelphia & Vicinity (the "Teamsters"); (ii) the CWA/ITU Negotiated Pension Plan (the "CWA/ITU"); (iii) the United Independent Union-Newspaper Guild of Greater Philadelphia Pension Fund, the Newspaper Guild Health & Welfare Plan, (collectively, the "Guild"); (iv) the Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund (the "GCC/IBT"); (v) the National Integrated Group Pension Plan (the "National Integrated Group"); (vi) the Warehouse Employees Local 169 And Employers' Joint Pension Fund (the "Local 169 Pension Fund"); and (vii) the Newspaper and Magazine Employees Union Teamsters Local 1414 Pension Fund (the "Newspaper & Magazine Employees Pension Fund"), GCC District Council 9 Local 16-N ("Local 16"), Newspaper and Magazine Employees Union Teamsters Local 1414 ("Local 1414"), Teamsters Local 628 ("Local 628"), Warehouse Employees Local 169 ("Local 169", and collectively, with the Teamsters, the CWA/ITU, the Guild, the GCC/IBT, the National Integrated Group, and the Local 169 Pension Fund, Local 16, Local 1414, Local 628, and Local 169, the "Claimants"), on the other hand; it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest; the Court having reviewed the Motion and having considered the statements of counsel and evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) it appearing that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409 and (d) due and proper notice of this Motion having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED THAT:**

1. The Motion is **GRANTED** in its entirety and the Settlement Agreement is approved, as modified by paragraph 5 of this Order.

2. The Plan Proponents are authorized and empowered to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

3. The parties to the Settlement Agreement are authorized to implement the Settlement Agreement in accordance with its terms.

4. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the terms and conditions of the Settlement Agreement are approved in their entirety and are hereby deemed to be effective and the parties thereto are authorized and directed to implement the terms and conditions of the Settlement Agreement.

5. Subject to the terms herein, and following the Bankruptcy Court approval of this Settlement Agreement and the Effective Date of the Plan, in full and final satisfaction of the Administrative Claims and the Successor Liability Appeals: (a) the Teamsters shall have an allowed Administrative Claim of \$400,000; (b) the CWA/ITU shall have an allowed Administrative Claim of \$91,490; (c) the Guild shall have an allowed Administrative Claim of \$100,000; (d) the GCC/IBT shall have an allowed Administrative Claim of \$137,234; (e) the National Integrated Group shall have an allowed Administrative Claim of \$86,571; (f) the Newspaper & Magazine Employees Pension Fund and the Local 169 Pension Fund shall have an allowed Administrative Claim of \$700,000 (and the allocation of the \$700,000 as between the Newspaper & Magazine Employees Pension Fund and Local 169 Pension Fund will be left to the discretion of those Claimants); and (g) the Newspaper & Magazine Employees Pension Fund shall receive an additional \$100,000 as an allowed Administrative Claim. Any and all other Administrative Claims asserted by the Claimants shall be dismissed and disallowed. In addition,

(a) Local 1414 and Local 628 shall withdraw and waive their respective contract proposals under which the Purchaser would continue to participate and pay contributions to the Newspaper & Magazine Employees Pension Fund; (b) Local 169 and Local 16 shall withdraw and waive their respective contract proposals under which the Purchaser would continue to participate and pay contributions to the Warehouse Employees Local 169 Pension Fund; and (c) Locals 169, 16, 1414 and 628 will be granted a “most favored nations” provision providing, in substance, that if the Purchaser should agree to remain in the pension fund of any other union, the Purchaser will agree to remain in the Newspaper & Magazine Employees Pension Fund and the Warehouse Employees Local 169 Pension Fund. Furthermore, all contributions to the Newspaper & Magazine Employees Pension Fund and the Warehouse Employees Local 169 Pension Fund, including the 3% proposed contribution to the 401k, will be subject to the decisions of the respective Unions to those Funds to use in their discretion, including as contribution to a jointly administered defined contribution plan. Neither the Debtors nor the Purchaser shall challenge the total estimated Withdrawal Liability Claims that each Claimant has asserted or estimated (or Withdrawal Liability Claims that each Claimant might assert or file) as a Class 5 general unsecured claim, including any amendments thereto following the Debtors’ withdrawal from each Claimant’s pension plan, provided that no Claimant changes the methodology previously employed for calculating such claim, and such claims shall be deemed allowed class 5 general unsecured claims minus the amount of any distribution made pursuant to this Settlement Agreement provided, however, the Liquidating Trustee retains the right under section 8.05 of the Plan to object to the amount of any Withdrawal Liability Claims that have been or might be asserted by the Claimants and shall retain the right to object to claims other than Withdrawal Liability Claims filed by the Claimants; provided further, however, that the Liquidating Trustee

will not have the right to object either to the settlement of the administrative portion of the Withdrawal Liability Claims set forth in this Settlement Agreement or to the timeliness of the Withdrawal Liability Claims filed, or to be filed, by the Claimants (so long as, with respect to timeliness, the Withdrawal Liability Claims are filed within 30 days of the Plan Proponents providing to counsel for the Claimants written notice that the Sale contemplated by the confirmed Plan of Reorganization has closed). To the extent the amounts set forth in the first sentence of this paragraph are not paid by Debtors as administrative claims, such amounts shall be paid directly by the Purchaser following the Effective Date of the Plan.

6. The releases set forth in the Settlement Agreement are an integral part of the Settlement Agreement, formed part of the Settlement Agreement among all the parties in interest and are valid and enforceable.

7. Nothing in the Settlement Agreement shall be deemed or construed to constitute an admission by, against, or on the part of the Debtors, the Purchaser or the Claimants regarding the merits of any claims asserted by the Plan Proponents or the Claimants.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order and the Settlement Agreement.

Dated: August 30, 2010
Philadelphia, Pennsylvania

Entered: 
United States Bankruptcy Judge

CHIEF JUDGE STEPHEN RASLAVICH



Proskauer Rose LLP Three First National Plaza 70 West Madison, Suite 3800 Chicago, IL 60602-4342

August 29, 2010

BY EFILE

Honorable Stephen Raslavich
United States Bankruptcy Court
for the Eastern District of Pennsylvania
Robert N.C. Nix, Sr. Federal Courthouse
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Re: In re Philadelphia Newspapers, LLC, et. al., Case No. 09-11204

Dear Judge Raslavich:

We are counsel to the debtors and debtors in possession (collectively, the “Debtors”) in the above-referenced bankruptcy matter. This letter references recently filed *motion* (the “Motion”) [Docket No. 2452] and *proposed order* (“Order”) [Docket No. 2496] *Approving the Settlement Agreement Pursuant Bankruptcy Code Section 105(a) and Federal Rule of Bankruptcy Procedure 9019 By and Between the Plan Proponents and the (I) Teamsters Pension Trust Fund of Philadelphia & Vicinity; (II) CWA/ITU Negotiated Pension Plan; (III) United Independent Union-Newspaper Guild of Greater Philadelphia Pension Fund and the Newspaper Guild Health & Welfare Plan; (IV) Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund; (V) National Integrated Group Pension Plan; (VI) Warehouse Employees Local 169 and Employers’ Joint Pension Fund; and (VII) Newspaper and Magazine Employees Union Teamsters Local 1414 Pension Fund; GCC District Council 9 Local 16-N; Newspaper and Magazine Employees Union Teamsters Local 1414; Teamsters Local 628; and the Warehouse Employees Local 169 resolving the payment of administrative expense claims.* Concurrently with the filing of this letter, the Debtors are filing an amended Order, which amended order adds a subparagraph (g) to paragraph 5, thereby granting the Newspaper & Magazine Employees Pension Fund (the “Mailers”) an additional \$100,000 in satisfaction of their administrative claims. The additional allowed administrative claim resulted from further negotiations between the parties and is supported and agreed upon by the Purchaser. The proposed amended Order does not change the treatment of any of the other Claimants covered by the Order. The additional consideration provided to the Mailers will not have a material impact upon the overall settlement, because it is less than 10% of the amount of the total administrative claims allowed by the Motion and because the administrative claim filed by the Mailers sought in excess of \$18,000,000.

Very Truly Yours,
/s/ Mark K. Thomas

Cc: Fred S. Hodara, Esq.

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