

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

In re:)
) Chapter 11
Philadelphia Newspapers, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
)
)

In re:)
) Chapter 11
Broad Street Video, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
)
)

In re:)
) Chapter 11
Philadelphia Media, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
)
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In re:)
) Chapter 11
PMH Acquisition, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
)
)

In re:)
) Chapter 11
Philadelphia Direct, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
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In re:)
) Chapter 11
Broad Street Publishing, LLC,)
) Case No. 09-_____()
)
Debtor.) Joint Administration Requested
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)

In re:)	Chapter 11
)	
Philly Online, LLC,)	Case No. 09-_____()
)	
Debtor.)	Joint Administration Requested
)	
)	
In re:)	Chapter 11
)	
PMH Holdings, LLC,)	Case No. 09-_____()
)	
Debtor.)	Joint Administration Requested
)	

MOTION OF THE DEBTORS FOR AN ORDER DIRECTING JOINT ADMINISTRATION OF THEIR RELATED CHAPTER 11 CASES

The above-captioned debtors (collectively, the “Debtors”) hereby move the Court, pursuant to this motion (this “Motion”), for the entry of an order, substantially in the form attached hereto as **Exhibit A**, directing joint administration of their related chapter 11 cases. In support of this Motion, the Debtors respectfully state as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Background

1. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession

pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases (the "Chapter 11 Cases") and, as of the date of the filing of this Motion, no official committees have been appointed or designated. Concurrently with the filing of this Motion, the Debtors have sought procedural consolidation and joint administration of these Chapter 11 Cases.

2. The factual background relating to the Debtors' commencement of these Chapter 11 cases is set forth in detail in the *Declaration of Richard R. Thayer, the Executive Vice President, Finance of the Debtors In Support of First Day Motions* filed on February 22, 2009 and incorporated herein by reference.

3. These chapter 11 cases are balance sheet restructuring cases, not operational restructuring cases. The Debtors' assets and going concern value are worth less today than they were worth in 2006, like virtually every other asset and business in America, be it houses, retail, automotive, newspapers or stocks. The Debtors filed these cases to restructure an overleveraged balance sheet, not to restructure leases, contracts or operational agreements. The Debtors operate at a profit. In 2008, the Debtors generated approximately \$36 million in earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Debtors project positive EBITDA for 2009 in excess of \$25 million. The Debtors intend to use cash collateral and DIP financing to operate their business while they explore various restructuring alternatives.

Relief Requested

4. By this Motion, the Debtors seek entry of an order directing joint administration of these chapter 11 cases for procedural purposes only. Specifically, the Debtors request that the

Court maintain one file and one docket for all of the jointly-administered cases under the case of. and that the cases be administered under a consolidated caption, as follows:¹

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

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

5. The Debtors also request that a docket entry, substantially similar to the following, be entered on each Debtor’s case docket (other than Philadelphia Newspapers, LLC) to reflect the joint administration of these chapter 11 cases:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing joint administration of the Chapter 11 Cases of Philadelphia Newspapers, LLC, PMH Acquisition, LLC, Broad Street Video, LLC, Philadelphia Media, LLC, Philadelphia Direct, LLC, Philly Online, LLC, PMH Holdings, LLC and Broad Street Publishing, LLC. All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 09-_____.

Basis for Relief

6. Bankruptcy Rule 1015(b) provides, in pertinent part, that “(i)f ... two or more petitions are pending in the same court by or against ... a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). The Debtors are

¹ The Debtors request that the Court’s order require that any creditor filing a proof of claim against any of the Debtors or their respective estates shall file such proof of claim in the particular bankruptcy case of the Debtor against which such claim is asserted and not in the jointly administered case.

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

“affiliates” as that term is defined under section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to grant the relief requested herein.

7. Section 105(a) of the Bankruptcy Code also provides this Court with the power to grant the relief requested herein by the Debtors. Section 105(a) states that a bankruptcy court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a).

8. The entry of joint administration orders in multiple related cases is common and generally non-controversial in this circuit. See, e.g., In re Leiner Health Prods., Inc., Case No. 08-10446 (KJC) (Bankr. D. Del. Mar. 12, 2008); In re Wickes Holdings, LLC, Case No. 08-10212 (KJC) (Bankr. D. Del. Feb. 5, 2008); In re Pope & Talbot, Inc., Case No. 07-11738 (CSS) (Bankr. D. Del. Nov. 21, 2007); In re American Home Mortgage Holdings, Inc., Case No. 07-11047 (CSS) (Bankr. D. Del. Aug. 7, 2007); In re Tweeter Home Entm't Group, Inc., Case No. 07-10787 (PJW) (Bankr. D. Del. June 13, 2007).

9. Joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings and orders that will arise in these chapter 11 cases will jointly affect each and every Debtor. Entry of an order directing joint administration of these cases will permit the Debtors to reduce fees and costs in connection with the administration of these cases by avoiding the duplication of efforts associated with, for example, filing multiple duplicative documents in the Debtors’ various individual cases, monitoring each of the Debtors’ individual dockets and maintaining individual case files for each of the Debtors that will largely duplicate one another. In addition, the ability of parties in interest to monitor these cases will be facilitated by having all pleadings grouped together on one docket. Joint administration also will relieve

the Court of the burden of entering duplicative orders and maintaining duplicative files. Finally, supervision of the administrative aspects of these chapter 11 cases by the Office of the United States Trustee for the Eastern District of Pennsylvania will be simplified.

10. The joint administration of these chapter 11 cases will not adversely affect the Debtors' respective creditors because this Motion requests only administrative, and not substantive, consolidation of the estates. For example, any creditor may still file a claim against a particular Debtor or its estate (or against multiple Debtors and their respective estates), intercompany claims among the Debtors will be preserved and the Debtors will maintain separate records of assets and liabilities. Thus, individual creditors' rights will not be harmed by the relief requested; rather, the constituents will benefit from the cost reductions associated with the joint administration of these cases.

11. Based on the foregoing, the Debtors submit that the joint administration of these chapter 11 cases is in the best interests of the Debtors, their creditors, equity security holders and all other parties in interest.

12. For all of the foregoing reasons, the Debtors respectfully request the immediate entry of an order providing for the joint administration of the Debtors' chapter 11 cases.

Notice

13. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the Eastern District of Pennsylvania; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the Prepetition Agent; (d) counsel to the Prepetition Lenders; (e) counsel to the holders of the Subordinated Notes; and (f) the Internal Revenue Service. In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, for the reasons set forth herein and in the Declaration of Brian P. Tierney filed concurrently herewith (the "First Day Declaration"), the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the joint administration of these chapter 11 cases and (b) granting such other and further relief as is just and proper.

Dated: February 22, 2009
Philadelphia, Pennsylvania

/s/ Lawrence G. McMichael

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*Proposed Co-Counsel for the Debtors and
Debtors in Possession*

EXHIBIT A

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

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In re:)	Chapter 11
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Philadelphia Newspapers, LLC,)	Case No. 09-_____()
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Debtor.)	Joint Administration Requested
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PMH Holdings, LLC,)	Case No. 09-_____()
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Debtor.)	Joint Administration Requested
_____)	

ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS' RELATED CHAPTER 11 CASES

Upon the motion (the "Motion")¹ of the above-captioned debtors (collectively, the "Debtors") for the entry of an order directing the joint administration of the Debtors' related chapter 11 cases and the First Day Declaration; it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that

1. The Motion is granted as set forth herein.
2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by the Court.

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

3. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of the Debtors' chapter 11 cases.

4. The caption of the jointly administered cases should read as follows:

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In re:)	Chapter 11
Philadelphia Newspapers, LLC <i>et al.</i> , ²)	Case No. 09-_____()
Debtors.)	Jointly Administered
)	

5. A docket entry shall be made in each of the above-captioned cases substantially as follows:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the procedural consolidation and joint administration of the chapter 11 cases of Philadelphia Newspapers, LLC, PMH Acquisition, LLC, Broad Street Video, LLC, Philadelphia Media, LLC, Philadelphia Direct, LLC, Philly Online, LLC, PMH Holdings, LLC, and Broad Street Publishing, LLC. All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 09-_____.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Philadelphia Newspapers, LLC (3870), PMH Acquisition, LLC (1299), Broad Street Video, LLC (4665), Philadelphia Direct, LLC (4439), Philly Online, LLC (5185), PMH Holdings, LLC (1768), Broad Street Publishing, LLC (4574) and Philadelphia Media, LLC (0657).

8. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: February __, 2009
Philadelphia, Pennsylvania

United States Bankruptcy Judge