

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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

FIFTH APPLICATION OF CHANIN CAPITAL PARTNERS LLC FOR PAYMENT ON ACCOUNT PURSUANT TO LOCAL RULE 2016-5 FOR THE PERIOD SEPTEMBER 1, 2009 THROUGH SEPTEMBER 30, 2009

Chanin Capital Partners, LLC ("Chanin") financial advisors to the Official Committee of Unsecured Creditors (the "Committee"), in accordance with Local Bankruptcy Rule 2016-5, requests an award of fees and reimbursement of actual, necessary expenses and represents:

Part A - PRELIMINARY STATEMENT

- 1. Chanin is financial advisor to the Committee. All services for which compensation is requested by Chanin were performed for or on behalf of the Committee.
2. The services described in this request (the "Request") are actual and necessary and the compensation requested is reasonable.
3. The expenses described in this Request are actual, necessary expenses.
4. Chanin makes this request of compensation and reimbursement of expenses for the period from September 1, 2009 through September 30, 2009 (the "Compensation Period").

Part B - General Information

5. General Information

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).

- A. Date case filed: February 22, 2009.
- B. Date Application to Approve Employment filed: March 20, 2009.
- C. Date employment approved: June 5, 2009, *nunc pro tunc* to March 2, 2009.
- D. First date services rendered in the case: March 2, 2009.

Billing by professionals for Compensation Period (September 1, 2009 through September 30, 2009)

6. Billing Rates

The monthly billing rate set forth in this Request is the normal market rate charged by Chanin for the services rendered.

**Part C – Billing Summary**

7. Terms of Chanin's Engagement

Pursuant to the engagement letter setting forth the terms of Chanin's employment, Chanin is entitled to monthly compensation in the form of a "flat rate," in the amount of \$150,000 per month. Summaries of the fees and expenses are attached hereto as Exhibit A.

8. Description of Services

A. Due Diligence

During the Compensation Period, Chanin performed in depth due diligence of the Company and its industry by reviewing and analyzing (i) the business plan, (ii) current operating and financial performance, and (iii) various contracts and legal documents.

B. Restructuring Issue Discussions

During the Compensation Period, Chanin had discussions with the Committee and its counsel, the Debtors' advisors, and the Debtors regarding key restructuring related issues, including but not limited to: contract assumption / rejection, cash management systems, cash collateral and intercompany obligations.

C. Weekly Cash Flow Updates

During the Compensation Period, Chanin maintained consistent contact with the Debtors' advisors regarding the Company's week to week operating performance as compared with the stated forecasted budget and to review the required cash collateral reporting items. Chanin presented its analysis to the Committee and its counsel and had subsequent discussions regarding the same.

D. Sales Process Monitoring

During the Compensation Period, Chanin conducted numerous calls with the Debtors advisors and the Sales Monitors, at least weekly, in order to monitor the Company's sale process being led by Sonenshine Partners LLC. As a part of this process, Chanin reviewed the list of prospective bidders and suggested additional players, kept abreast of the responses of these bidders and whether any bidders have submitted statements of interest prior to making a more formal bid, and reviewed the activity of and the due diligence inquiries made by prospective bidders. Chanin advised the Committee and its counsel weekly on the Sales Process and had subsequent discussions regarding the same.

E. Conference Calls and Updates with Debtors

During the Compensation Period, Chanin corresponded with the Debtors and their financial advisors to receive updated information on the Debtors' progress, diligence efforts and timeline developments. Conference call topics included the status of the Company's restructuring effort; cash flow performance; liquidity position; the Reorganization Plan; the Sale Process; contract assumption / rejection; and other matters. Chanin provided analyses to the Committee members based on these calls with the Debtors and their financial advisors.

F. Committee Meetings and Presentations

Through telephone conferences, in-person meetings and correspondence with the Committee, Chanin assisted the Committee in fulfilling its statutory duties to make informed decisions regarding the various issues which have arisen in these cases, to monitor closely the Debtors' management of these proceedings, and to reach independent conclusions on the merits of specific matters.

G. Other Tasks

In addition to the assignments and tasks set forth above, at the request of the Committee, Chanin (i) provided the Committee with other appropriate general restructuring advice, (ii) reviewed and analyzed certain other financial information (as requested by the Committee), and (iii) provided other financial analyses as requested by the Committee. All of Chanin's

activities were conducted with the goal of producing efficient and effective services to the Debtors' estate.

9. Request

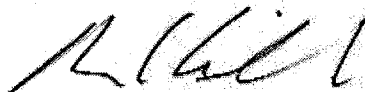
Based on the above, Chanin seeks payment of \$121,548.67, consisting of (a) \$150,000 in compensation for the Compensation Period pursuant to the engagement letter, less a twenty percent holdback in the amount of \$30,000.00 (the "Holdback"), and (b) 100% of the expenses in the amount of \$1,548.67. Chanin reserves the right to seek and be awarded payment of the Holdback, pursuant to further order of this Court.

**Part D – Expense Summary**

10. From September 1, 2009 through September 30, 2009, Chanin has expended \$1,548.67 in expenses in connection with the services provided to the Committee. Set forth in Exhibit B is a detailed listing of the expenses incurred by Chanin for the Committee during the Compensation Period.

WHEREFORE, Chanin requests payment of interim compensation and reimbursement of expenses in the total amount of \$121,548.67. This total for the Compensation Period consists of \$120,000.00 (80% of compensation) for fees and \$1,548.67 for reimbursement of actual and necessary expenses.

November 13, 2009  
New York, New York



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Brent Williams  
CHANIN CAPITAL PARTNERS LLC  
Managing Director  
55 East 52<sup>nd</sup> Street, 31<sup>st</sup> Floor  
New York, NY 10055  
(212) 758-2629

Proposed Financial Advisors for the  
Official Committee of Unsecured Creditors

## EXHIBIT A

<b>Period</b>	<b>Fees</b>	<b>Expenses</b>
September 1, 2009 – September 30, 2009	\$150,000.00	\$1,548.67
<b>Total</b>	<b>\$150,000.00</b>	<b>\$1,548.67</b>

### Expenses

<b>Category</b>	<b>Amount</b>
Meals	\$82.47
Parking/Transportation	122.00
Professional Services (Legal)	1,344.20
<b>Total</b>	<b>\$1,548.67</b>

# EXHIBIT A

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# EXHIBIT B

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**Chanin & Company LLC**  
**Expense Detail for Philly News**  
**Period from September 1, 2009 through September 30, 2009**

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**EXPENSE DETAIL LOCATED ON THE FOLLOWING PAGE(S)**

<b>September 1, 2009 through September 30, 2009</b>	
<b>Category</b>	<b>Amount</b>
Meals	82.47
Parking/Transportation	122.00
Professional Services	1,344.20
<b>Totals</b>	<b>\$ 1,548.67</b>

Chanin & Company LLC  
 Expense Detail for Philly News  
 Period from September 1, 2009 through September 30, 2009

September 2009	
Category	Amount
Meals	\$ 82.47
Parking/Transportation	122.00
Professional Services	1,344.20
<b>Totals</b>	<b>\$ 1,548.67</b>

Meals Detail [All in-office deal-related working lunches capped at \$15 and dinners capped at \$25, per Employee]

Professional	Date	Description	Amount
Sussman, Jacob	09/01/09	Working Dinner - One Professional	\$ 12.47
Madden, John	09/16/09	Working Client Lunch - Three Professionals	45.00
Murphy, Brendan J	09/23/09	Working Dinner - One Professional	25.00
			<u>\$ 82.47</u>

Transportation Detail [All in-town late night taxis are allowed after 8pm, otherwise public transportation is required]

Professional	Date	Description	Amount
Sussman, Jacob	09/02/09	NYC taxi late night office to home	\$ 15.50
Madden, John	09/09/09	NYC taxi late night office to home	19.00
Murphy, Brendan J	09/16/09	NYC taxi late night office to home	13.00
Marino, Chris	09/21/09	NYC taxi late night office to home	9.00
Sussman, Jacob	09/27/09	NYC taxi working wekeend home to office	11.00
Sussman, Jacob	09/27/09	NYC taxi working weekend office to home	14.00
Murphy, Brendan J	09/27/09	NYC taxi working weekend home to office	10.50
Murphy, Brendan J	09/29/09	NYC taxi late night office to home	11.00
Madden, John	09/30/09	NYC taxi late night office to home	19.00
			<u>\$ 122.00</u>

Professional Services [Hours Detail Attached]

Professional	Date	Description	Amount
Miller, Erica	9/1/09-9/30/09	Independent Counsel to Process Fee Applicator	\$ 1,344.20
			<u>\$ 1,344.20</u>

Chanin Capital Partners LLC  
 Summary of Services **PHILADELPHIA NEWSPAPERS. -- Hours for Erica Jones Miller**  
 September 1, 2009 through September 30, 2009  
 Professional Services Performed for Chanin Capital Partners

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate/Hour</u>	<u>Billed Amount</u>
1-Sep-09	Worked on July and first interim.	1.50	\$ 94.00	\$ 141.00
2-Sep-09	Worked on July and interim. Reviewed docket and filings.	1.00	94.00	94.00
3-Sep-09	Worked on interim and July.	1.00	94.00	94.00
4-Sep-09	Interim completed and sent.	1.50	94.00	141.00
8-Sep-09	Reviewed case docket and other interim filings. Worked on Chanin July.	1.00	94.00	94.00
9-Sep-09	Worked on July.	0.50	94.00	47.00
10-Sep-09	Worked on July.	0.50	94.00	47.00
11-Sep-09	Worked on July.	0.30	94.00	28.20
14-Sep-09	Completed and sent July. Worked on August fee app.	1.20	94.00	112.80
15-Sep-09	Reviewed expenses. Reviewed case docket. Emails re: filing.	0.80	94.00	75.20
17-Sep-09	Reviewed case docket. Worked on August.	0.50	94.00	47.00
21-Sep-09	Worked on August.	0.50	94.00	47.00
23-Sep-09	Reviewed case docket. Worked on August.	0.50	94.00	47.00
25-Sep-09	Worked on August fee request.	0.50	94.00	47.00
28-Sep-09	Worked on August.	1.00	94.00	94.00
29-Sep-09	Worked on August.	1.00	94.00	94.00
30-Sep-09	Completed and sent August for filing. Emails with counsel and deal team re: same.	1.00	94.00	94.00
<b>Total September Hours</b>		<b>14.30</b>		<b>\$ 1,344.20</b>

**CERTIFICATE OF SERVICE**

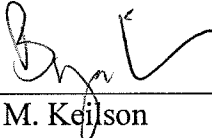
It is hereby certified that a true and correct copy of the foregoing NOTICE OF THIRD APPLICATION OF CHANIN CAPITAL PARTNERS LLC FOR PAYMENT ON ACCOUNT PURSUANT TO LOCAL RULE 2016-5 FOR THE PERIOD SEPTEMBER 1, 2009 THROUGH SEPTEMBER 30, 2009 was served this 16th day of November, 2009 on the parties listed below by electronic mail and by the Court's CM/ECF transmission:

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Brya M. Keilson