

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. )  
\_\_\_\_\_ )

SECOND APPLICATION OF CHANIN CAPITAL PARTNERS LLC FOR PAYMENT  
ON ACCOUNT PURSUANT TO LOCAL RULE 2016-5 FOR THE PERIOD  
JUNE 1, 2009 THROUGH JUNE 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 June 1, 2009 through June 30, 2009 (the “Compensation Period”).

**Part B – General Information**

5. General Information

<sup>1</sup> 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 (June 1, 2009 through June 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: critical vendor payments, 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. Chanin presented its analysis to the Committee and its counsel and had subsequent discussions regarding the same.

D. 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; and other matters. Chanin provided analyses to the Committee members based on these calls with the Debtors and their financial advisors.

E. 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.

F. 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

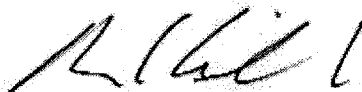
Based on the above, Chanin seeks payment of \$126,902.66, consisting of (a) \$150,000 in compensation for the Compensation Period pursuant to the engagement letter, less a twenty percent holdback in the amount of \$30,000.00 (the "Holdback"), and (b) 100% of the expenses in the amount of \$6,902.66. Chanin reserves the right to seek and be awarded payment of the Holdback, pursuant to further order of this Court.

**Part D – Expense Summary**

12. From June 1, 2009 through June 30, 2009, Chanin has expended \$6,902.66 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 \$126,902.66. This total for the Compensation Period consists of \$120,000.00 (80% of compensation) for fees and \$6,902.66 for reimbursement of actual and necessary expenses.

July 28, 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

## EXHIBIT A

<b>Period</b>	<b>Fees</b>	<b>Expenses</b>
June 1, 2009 – June 30, 2009	\$150,000.00	\$6,902.66
<b>Total</b>	<b>\$150,000.00</b>	<b>\$6,902.66</b>

### Expenses

<b>Category</b>	<b>Amount</b>
Meals	\$ 616.37
Parking/Transportation	1,729.79
Professional Services (Legal)	4,556.50
<b>Total</b>	<b>\$6,902.66</b>

## EXHIBIT B

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

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ALL EXPENSE DETAIL LOCATED ON THE FOLLOWING PAGE(S)

<b>June 1, 2009 through June 30, 2009 *</b>	
<b>Category</b>	<b>Amount</b>
Meals	\$ 616.37
Parking/Transportation	1,729.79
Professional Services	4,556.50
<b>Totals</b>	<b>\$ 6,902.66</b>

\* Note: Includes un-billed expenses from prior period(s). See detail on Page 2.

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

June 2009	
Category	Amount
Meals	\$ 616.37
Parking/Transportation	1,729.79
Professional Services	4,556.50
<b>Totals</b>	<b>\$ 6,902.66</b>

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

Professional	Date	Description	Amount
Murphy,Brendan J	05/24/09	Working Client Dinner - Three Professionals	96.00
Murphy,Brendan J	06/03/09	Working Dinner - Two Professionals	35.00
Marino,Christopher	06/09/09	Working Dinner - One Professional	24.55
Murphy,Brendan J	06/11/09	Working Out of Town Breakfast - One Professional	16.00
Murphy,Brendan J	06/11/09	Working Client Dinner - Three Professionals	95.47
Sussman,Jacob	06/12/09	Working Dinner - One Professional	25.00
Marino,Christopher	06/13/09	Working Weekend Dinner - One Professional	19.99
Marino,Christopher	06/14/09	Working Weekend Dinner - One Professional	25.00
Murphy,Brendan J	06/14/09	Working Weekend Dinner - Two Professional	38.00
Sussman,Jacob	06/17/09	Working Dinner - One Professional	25.00
Madden,John	06/24/09	Working Client Lunch - Four Professionals	130.00
Sussman,Jacob	06/25/09	Working Client Breakfast - Five Professionals	61.36
Sussman,Jacob	06/26/09	Working Dinner - One Professional	25.00
		<b>\$</b>	<b>616.37</b>

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

Professional	Date	Description	Amount
Williams,Brent	03/02/09	Parking at STM	27.56
Williams,Brent	03/02/09	Acela 2168 PHL-STM	191.00
Williams,Brent	03/02/09	Acela 2155 STM-PHL	191.00
Sussman,Jacob	03/02/09	NYC taxi NYP to office	9.70
Sussman,Jacob	03/02/09	Acela 2168 PHL-NYP	179.00
Sussman,Jacob	03/02/09	NYC taxi early am home to office	13.90
Sussman,Jacob	03/02/09	Acela 2151 NYP-PHL	179.00
Murphy,Brendan J	06/01/09	Late night Communicar car home	22.00
Sussman,Jacob	06/03/09	NYC taxi early am office to counsel	5.90
Sussman,Jacob	06/10/09	NYC taxi late night office to home	6.40
Marino,Christopher	06/11/09	NYC taxi NYP to office	9.00
Marino,Christopher	06/11/09	Acela 2151 NYP-PHL	194.00
Marino,Christopher	06/11/09	NYC taxi office to NYP	9.00
Marino,Christopher	06/11/09	Acela 2166 PHL-NYP	191.00
Murphy,Brendan J	06/11/09	Acela 2166 PHL-NYP	191.00
Murphy,Brendan J	06/11/09	NYC taxi early am to NYP	7.00
Murphy,Brendan J	06/11/09	Acela 2151 NYP-PHL	194.00
Sussman,Jacob	06/18/09	NYC taxi late night office to home	12.20
Marino,Christopher	06/25/09	NYC taxi early am home to office	10.50
Murphy,Brendan J	06/25/09	NYC taxi early am home to office	6.00
Murphy,Brendan J	06/25/09	East Coast car svc home to EWR	80.63
		<b>\$</b>	<b>1,729.79</b>

**Professional Services**

Professional	Date	Description	Amount
Schulte Roth & Zabel LLP	5/1/09 - 5/31/09	Professional services rendered	3,351.08
Miller, Erica	6/1/09 - 6/30/09	Independent Counsel to Process Fee Application	1,005.80
Schulte Roth & Zabel LLP	6/1/09 - 6/30/09	Professional services rendered	199.62
		<b>\$</b>	<b>4,556.50</b>

**Chanin & Company LLC**  
**Summary of PHILADELPHIA NEWSPAPERS Hours for Erica Jones Miller**  
**Period from June 1, 2009 through June 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>
2-Jun-09	E-mails re: Philly News statement. Reviewed case docket.	0.50	\$94.00	47.00
3-Jun-09	Emails re: monthly statement. Worked on same.	0.60	94.00	56.40
4-Jun-09	Worked on monthly statement. E-mails re: same.	2.00	94.00	188.00
5-Jun-09	Worked on fee statement. Emails and t/c's regarding same. Reviewed case docket.	3.00	94.00	282.00
8-Jun-09	E-mails re: fee statement/order.	0.30	94.00	28.20
12-Jun-09	Emails re: quarterly fee app.	0.30	94.00	28.20
17-Jun-09	Worked on supplemental disclosure/conflict check.	1.00	94.00	94.00
18-Jun-09	Worked on supplemental disclosure/conflict check.	1.00	94.00	94.00
23-Jun-09	Worked on supplemental declaration.	1.00	94.00	94.00
24-Jun-09	Worked on supplemental affidavit.	1.00	94.00	94.00
	<b>Total June Hours</b>	<b>10.70</b>		<b>\$1,005.80</b>

Chanin Capital LLC  
11150 Santa Monica Blvd  
Los Angeles, CA 90025  
Attention: Russell A. Belinsky, Senior Managing Director

Invoice Date: 06/05/2009  
Client Number : 015019  
Matter Number: 0018

(10)

Employer Identification  
Number 13-2633996

**SchulteRoth&Zabel** LLP  
919 Third Avenue, New York, NY 10022

PO# 20875

Re: Philadelphia Newspapers, LLC

FOR PROFESSIONAL SERVICES RENDERED through May 31, 2009,  
including discussions with client regarding terms of engagement order, retention order, and  
stipulation; negotiation of the terms for the order; monitor the court docket for entry related to  
employment of Chanin Capital.

Total Fees	\$3,348.00
Client Charges and Disbursements	<u>\$3.08</u>
TOTAL AMOUNT OF THIS INVOICE	<u>\$3,351.08</u>
Amount Outstanding Per Statement Dated April 30, 2009	<u>\$5,578.32</u>
TOTAL AMOUNT DUE	<u>\$9,929.40</u>

2200	Date: 6/19/09
	Unit:
G/L Code: 3339999-37201-3	
Amount: 3,351.08	
PSA Code: 27859-001-01 BLEGA	

REQ #2795

015019 Chanin Capital LLC  
0018 Philadelphia Newspapers, LLC  
06/05/2009

Invoice No. MLC 1121570  
Page 2

<u>Date</u>	<u>Timekeeper</u>		<u>Hours</u>
05/02/09	M.L. Cook	Emails/Hodara,Madden, Belinsky re terms of engagement order.	0.3
05/06/09	M.L. Cook	Voice-mails/Hodara, Kassner, Bender; emails/Hodara, Belinsky re retention order.	0.2
05/07/09	M.L. Cook	Emails/Hodara, Belinsky; revise order; calls/Belinsky, Bender re engagement order.	0.3
05/11/09	M.L. Cook	Emails/Hodara,client re engagement order.	0.2
05/12/09	M.L. Cook	Call/Bender re order; emails/UST, client.	0.4
05/13/09	M.L. Cook	Voice and emails w/client, Bender, Klauder(UST); negotiate terms of order. Revise order; review docket; call/Mc Laughlin.	1.3
05/14/09	M.L. Cook	Follow-up emails/Bender/submission of order. Email to client re follow-up.	0.2
05/15/09	M.L. Cook	Emails/Bender,Belinsky re Bender.	0.3
05/20/09	K. Bell	Monitored court docket for entry related to employment of Chanin Capital.	0.2
05/21/09	K. Bell	Monitored court docket for entry related to employment of Chanin Capital.	0.2
05/22/09	M.L. Cook	Emails/committee counsel re stipulation and with E. Miller	0.3
05/28/09	M.L. Cook	Emails/follow up/Phil. Counsel re status/court order	0.2
<b>TOTAL HOURS</b>			<b>4.1</b>

**TIMEKEEPER TIME SUMMARY:**

<u>Timekeeper</u>	<u>Hours</u>		<u>Rate</u>	<u>Value</u>
M.L. Cook	3.7	at	880.00 =	3,256.00
K. Bell	0.4	at	230.00 =	92.00
<b>Totals</b>	<b>4.1</b>	<b>at</b>	<b>=</b>	<b>3,348.00</b>

**CURRENT FEES** **\$3,348.00**

**FOR DISBURSEMENTS AND CHARGES:**

Communication Expenses 3.08

**CURRENT EXPENSES** **\$3.08**

**TOTAL AMOUNT OF THIS INVOICE** **\$3,351.08**

Invoice No. MLC 1127041

Chanin Capital LLC  
11150 Santa Monica Blvd  
Los Angeles, CA 90025  
Attention: Russell A. Belinsky, Senior Managing Director

Invoice Date: 07/14/2009  
Client Number : 015019  
Matter Number: 0018

Employer Identification  
Number 13-2633996

**SchulteRoth&ZabelLLP**  
919 Third Avenue, New York, NY 10022

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Re: Philadelphia Newspapers, LLC

FOR PROFESSIONAL SERVICES RENDERED through June 30, 2009,  
including retrieving order approving employment of Chanin in Philadelphia Newspapers  
matter; review of court order.

Total Fees	\$199.00
Client Charges and Disbursements	<u>\$0.62</u>
<b>TOTAL AMOUNT OF THIS INVOICE</b>	<u><u>\$199.62</u></u>

015019 Chanin Capital LLC  
 0018 Philadelphia Newspapers, LLC  
 07/14/2009

Invoice No. MLC 1127041-  
 Page 2

<u>Date</u>	<u>Timekeeper</u>		<u>Hours</u>
06/08/09	K. Bell	Obtained order approving employment of Chanin in Philadelphia Newspapers matter.	0.1
06/08/09	M.L. Cook	Emails and review court order.	0.2
<b>TOTAL HOURS</b>			<b>0.3</b>

**TIMEKEEPER TIME SUMMARY:**

<u>Timekeeper</u>	<u>Hours</u>		<u>Rate</u>	<u>Value</u>
M.L. Cook	0.2	at	880.00 =	176.00
K. Bell	0.1	at	230.00 =	23.00
Totals	0.3	at	=	199.00

**CURRENT FEES**

**\$199.00**

**FOR DISBURSEMENTS AND CHARGES:**

Communication Expenses

0.62

**CURRENT EXPENSES**

**\$0.62**

**TOTAL AMOUNT OF THIS INVOICE**

**\$199.62**

**CERTIFICATE OF SERVICE**

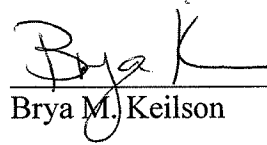
It is hereby certified that a true and correct copy of the foregoing *Second Application Of Chanin Capital Partners LLC For Payment On Account Pursuant To Local Rule 2016-5 For The Period June 1, 2009 Through June 30, 2009* was served this 28th day of July, 2009 on the parties listed below by electronic mail and by the Court's CM/ECF transmission:

Mark K. Thomas  
Proskauer Rose LLP  
Three First National Plaza  
70 W. Madison, Suite 3800  
Chicago, IL 60602  
Via Electronic Mail

Lawrence G. McMichael  
Dilworth Paxson LLP  
1500 Market Street  
Suite 3500E  
Philadelphia, PA 19102  
Via Electronic Mail

Kevin Callahan  
Office of the United States Trustee  
833 Chestnut Street, Suite 500  
Philadelphia, PA 19107  
Via Electronic Mail

Andrew J. Flame  
Drinker Biddle & Reath LLP  
One Logan Square  
18<sup>th</sup> & Cherry Streets  
Philadelphia, PA 19103-6996  
Via Electronic Mail

  
\_\_\_\_\_  
Brya M. Keilson