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*Proposed Counsel for Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<i>In re</i>	:	<b>Chapter 11</b>
	:	
<b>THE McCLATCHY COMPANY, et al.,</b>	:	<b>Case No. 20-10418 (___)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Joint Administration Pending)</b>
	:	
-----	X	

<sup>1</sup> The last four digits of Debtor The McClatchy Company’s tax identification number are 0478. Due to the large number of debtor entities in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kccllc.net/McClatchy>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.



**DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) EXTENDING TIME FOR DEBTORS TO FILE SCHEDULES AND STATEMENTS; (II) GRANTING ADDITIONAL TIME TO FILE REPORTS OF FINANCIAL INFORMATION REQUIRED UNDER BANKRUPTCY RULE 2015.3; AND (III) AUTHORIZING DEBTORS TO FILE CONSOLIDATED MONTHLY OPERATING REPORTS**

The McClatchy Company and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**,” the “**Company**,” or “**McClatchy**”), hereby move (this “**Motion**”) this Court for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Order**”), granting the relief described below. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Sean M. Harding in Support of Chapter 11 Petitions and First Day Papers* (the “**First Day Declaration**”),<sup>2</sup> filed contemporaneously herewith. In further support of this Motion, the Debtors, by and through their undersigned proposed counsel, respectfully represent as follows:

**RELIEF REQUESTED**

1. The Debtors respectfully request entry of an Order (a) granting the Debtors an additional 30 days to file their schedules of assets and liabilities and statements of financial affairs (collectively, the “**Schedules and Statements**”) pursuant to Rule 1007(c) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), (b) granting the Debtors additional time to file financial information reports pursuant to Bankruptcy Rule 2015.3(a) (the “**Rule 2015.3 Reports**”) or, alternatively, an extension of time in which to file a motion seeking modification of the Bankruptcy Rule 2015.3 reporting requirement for cause, to and including the 30th day after the first meeting of creditors to be held pursuant to Bankruptcy Code section 341 (the “**341 Meeting**”), and (c) authorizing the Debtors to file their monthly operating reports

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

required by the Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees, issued by the Executive Office of United States Trustees (rev. 11/27/13) (the “**U.S. Trustee Guidelines**”), by consolidating the information required for each Debtor in one report that tracks and breaks out all of the specific information (*e.g.* receipts, disbursements, etc.) on a debtor-by-debtor basis in each monthly operating report.

### **JURISDICTION AND VENUE**

2. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. This is a core proceeding under 28 U.S.C. § 157(b).

3. Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The legal predicates for the relief requested herein are section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), Bankruptcy Rules 1007 and 9006, and Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”).

## **BACKGROUND**

5. On the date hereof (the “**Petition Date**”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors have requested that the Chapter 11 Cases be jointly administered.

6. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

7. To date, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) has not appointed a creditors’ committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed therein.

8. The McClatchy Company and its direct and indirect Debtor subsidiaries are a diversified digital and print media business, focused on providing strong, independent local journalism to 30 communities across 14 states, as well as national news coverage through the Debtors’ Washington D.C. based bureau. The Debtors also provide a full suite of both local and nationwide digital marketing services. The Debtors’ businesses are comprised of websites and mobile applications, mobile news and advertising, video products, a digital marketing agency, daily newspapers, niche publications, other print and digital direct marketing services and community newspapers. The Company’s business operations, corporate and capital structures, and restructuring efforts are described in greater detail in the First Day Declaration.

### **BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY**

#### **I. The Deadline To File Schedules and Statements Should Be Extended.**

9. Under Bankruptcy Rule 1007(c), the Debtors must file their Schedules and Statements “with the petition or within 14 days thereafter.” Fed. R. Bankr. P. 1007(c). However,

the Bankruptcy Rules permit the Court to extend the deadline for filing Schedules and Statements “for cause.” *Id.*

10. Given the substantial burdens already imposed on the Debtors’ management by the commencement of these Chapter 11 Cases, the limited number of employees available to collect the information, the competing demands upon such employees, and the time and attention the Debtors must devote to the restructuring process, the Debtors submit that “cause” exists to extend the current deadline by 30 days, through and including the date that is 44 days after the Petition Date (the “**Extended Filing Deadline**”).

11. To prepare their Schedules and Statements, the Debtors will have to compile information from books, records, and documents relating to hundreds or thousands of claims, assets, and contracts from each of the 54 Debtor entities. Accordingly, collection of the necessary information will require a significant expenditure of time and effort on the part of the Debtors and their employees when they are otherwise focused on stabilizing operations and continuing negotiations with their secured lenders, bondholders, and the Pension Benefit Guaranty Corporation (“**PBGC**”) concerning a consensual resolution of these Cases. Additionally, because numerous invoices related to prepetition goods and services have not yet been received and entered into the Debtors’ accounting system, it may be some time before the Debtors have access to all of the information required to prepare the Schedules and Statements. Moreover, an extension will not harm creditors or other parties in interest because, even under the extended deadline, the Debtors will file the Schedules and Statements in advance of any deadline for filing proofs of claim in these Chapter 11 Cases.

12. Extensions of time to file schedules and statements are commonly granted in this District. *See, e.g., In re Trident Holding Co., LLC*, No. 19-10384 (SHL) (Bankr. S.D.N.Y. Feb.

12, 2019) (extending the time to file schedules by 30 days); *In re Sears Holding Corp.*, No. 18-23538 (RDD) (Bankr. S.D.N.Y. Oct. 16, 2018) (45 days); *In re Tops Holding II Corp.*, No. 18-22279 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018) (45 days); *In re Pac. Drilling S.A.*, No. 17-13193 (MEW) (Bankr. S.D.N.Y. Nov. 15, 2017) (30 days); *In re Westinghouse Electric Co. LLC, et al.*, No. 17-10751 (MEW) (Bankr. S.D.N.Y. Mar. 31, 2017) (30 days); *In re Avaya Inc.*, No. 17-10089 (SMB) (Bankr. S.D.N.Y. Feb. 10, 2017) (47 days); *In re Sunedison, Inc.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. Apr. 25, 2016) (30 days); *In re Bally Total Fitness of Greater N.Y., Inc.*, No. 07-12395 (BRL) (Bankr. S.D.N.Y. Aug. 1, 2007) (60 days).<sup>3</sup>

## **II. The Deadline to File Rule 2015.3 Reports Should Be Extended.**

13. Bankruptcy Rule 2015.3(a) requires the Debtors to file periodic Rule 2015.3 Reports on “the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest.” Fed. R. Bankr. P. 2015.3(a). The first Rule 2015.3 Reports must be filed “not later than seven days before the first date set” for the 341 Meeting. Fed. R. Bankr. P. 2015.3(b). While the 341 Meeting has not yet been scheduled, it may ultimately be set by the United States Trustee in the early days of these Chapter 11 Cases.

14. Pursuant to Bankruptcy Rule 9006(b)(1), this Court may, “for cause shown,” enlarge the period of time within which an act is required to be done.” Fed. R. Bankr. P. 9006(b)(1). Cause exists to extend the deadline for filing the Debtors’ Rule 2015.3 Reports as requested herein based on (a) the number of entities and complexity of the Debtors’ businesses, (b) the time and resources that must be devoted by the Debtors’ financial advisors and other

<sup>3</sup> Because of the voluminous nature of the orders cited herein, they are not attached to this Motion, but are available upon request.

professionals to collect, analyze, and present the Rule 2015.3 Reports as prescribed in Official Form 26, and (c) the costs to the Debtors' estates of preparing the Rule 2015.3 Reports.

15. At this time, the Debtors consist of 54 separate entities. Debtor McClatchy is the ultimate parent company of all 54 Debtor entities and three non-Debtor affiliate entities (the "**Non-Debtor Affiliates**").

16. To prepare the Rule 2015.3 Reports, the Debtors must compile information from books, records, and documents relating to a multitude of transactions at numerous locations around the country and in Mexico. The Company does not currently prepare and maintain financial reports in the form required by Bankruptcy Rule 2015.3 for each of the Non-Debtor Affiliates. To create custom reports will be unduly costly and burdensome to the Debtors. In addition, the Debtors' employees and advisors are already engaged in numerous other tasks necessary to facilitate these Chapter 11 Cases, including the preparation of various other schedules, reports, and other papers required by the Bankruptcy Code, the Bankruptcy Rules, and the U.S. Securities and Exchange Commission. The combination of these tasks has imposed substantial burdens on the Debtors' management, personnel, and advisors, in addition to the day-to-day operations of the Debtors' businesses.

17. The relief requested herein also will not prejudice any party in interest. The Debtors intend to work cooperatively with the U.S. Trustee and any other necessary parties in these Chapter 11 Cases to provide access to relevant information regarding the business and financial affairs of the Debtors and their non-debtor subsidiaries.

18. The Debtors submit that the considerations described above amply demonstrate that an extension of time is warranted. Moreover, the Debtors and their advisors are in the process of evaluating the extent to which cause exists for this Court to vary the reporting

requirements for the Debtors' Rule 2015.3 Reports, as contemplated under Bankruptcy Rule 2015.3(d).

19. Courts in this district have granted similar relief in other chapter 11 cases. *See, e.g., Windstream Holdings, Inc., et al.*, No. 19-22312 (RDD) (Bankr. S.D.N.Y. Feb. 28, 2019) (extending deadline to file Rule 2015.3 Reports to 30 days after 341 Meeting); *Ditech Holding Corp.*, No. 19-10412 (JLG) (Bankr. S.D.N.Y. Feb. 15, 2019) (35 days); *Cenveo, Inc.*, No. 18-22178 (RDD) (Bankr. S.D.N.Y. Feb. 6, 2018) (30 days); *In re International Shipholding Corp.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. Apr. 25, 2016) (45 days); *In re SunEdison, Inc.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. Apr. 25, 2016) (30 days); *In re Republic Airways Holdings Inc.*, No. 16-10429 (SHL) (Bankr. S.D.N.Y. Feb. 29, 2016) (30 days); *In re Eastman Kodak Company*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Jan. 19, 2012) (45 days).<sup>4</sup>

20. Accordingly, the Debtors respectfully request that the Court extend the time in which the Debtors must file their initial Rule 2015.3 Reports or file a motion with the Court seeking appropriate modifications of such reporting requirements, for cause, until 30 days after the 341 Meeting. As with the Schedules and Statements, if a final resolution of the Debtors' prepackaged plan is accomplished in the timeframe the Debtors are currently working towards, they reserve their right to file a motion seeking waiver of the requirement to file 2015.3 Reports.

### **III. The Debtors' Should Be Authorized to File Consolidated Monthly Operating Reports.**

21. The Debtors seek authority to file their monthly operating reports (the "MORs") required by the U.S. Trustee Guidelines by consolidating the information required for each

<sup>4</sup> Because of the voluminous nature of the orders cited herein, they are not attached to this Motion. Copies of these orders, however, are available on request.



Debtor (*e.g.*, the receipts, disbursements, etc.) in one report. The Company currently utilizes a consolidated cash management system where all but two accounts<sup>5</sup> are in the name of Debtor McClatchy Newspaper, Inc., which then initiates substantially all payments on behalf of its subsidiary Debtors. Therefore, it is anticipated that only three accounts in the MOR will reflect non-zero receipts and disbursements. Preparing the MORs in this manner would promote efficiency in these Chapter 11 Cases without prejudicing any party-in-interest, as the MORs would accurately reflect the Debtors' business operations and financial affairs.

22. The relief requested is commonly granted in this District. *See, e.g., Trident Holding Company, LLC*, No. 19-10384 (SHL) (Bankr. S.D.N.Y. Feb. 12, 2019); *In re Synergy Pharmaceuticals, Inc.*, No. 18-14010 (JLG) (Bankr. S.D.N.Y. Dec. 14, 2018); *In re Sears Holding Corp.*, No. 18-23538 (RDD) (Bankr. S.D.N.Y. Oct. 16, 2018); *In re Avaya Inc.*, No. 17-10089 (SMB) (Bankr. S.D.N.Y. Jan. 20, 2017); *In re Atlas Res. Partners, L.P.*, No. 16-12149 (SHL) (Bankr. S.D.N.Y. Aug. 1, 2016); *In re SunEdison, Inc.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. Apr. 25, 2016).<sup>6</sup>

### **MOTION PRACTICE**

23. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to the Motion. Accordingly, the Debtors submit that this Motion satisfies Local Bankruptcy Rule 9013-1(a).

<sup>5</sup> Both accounts are held by Debtor Herald Custom Publishing Mexico, S. de R.L. de C.V.; one is denominated in Mexican Pesos, the other in U.S. Dollars.

<sup>6</sup> Because of the voluminous nature of the orders cited herein, they are not attached to this Motion, but are available upon request.

### **RESERVATION OF RIGHTS**

24. Nothing in this Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim; (d) granting third party beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

### **NOTICE**

25. Notice of this Motion will be given to: (a) the U.S. Trustee, (b) counsel to the DIP Agent, (c) counsel to the Prepetition Agents, (d) counsel to Chatham, (e) counsel to Brigade, (f) the PBGC, (g) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors, (h) any party that has requested notice pursuant to Bankruptcy Rule 2002, (i) the Banks, and (j) all parties entitled to notice pursuant to Local Bankruptcy Rule 9013-1(b). The Debtors submit that no other or further notice is required.

### **NO PRIOR REQUEST**

26. No previous request for the relief sought herein has been made to this Court or any other court.

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## CONCLUSION

The Debtors respectfully request that this Court enter the Order, substantially in the form annexed hereto, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: New York, New York  
February 13, 2020

TOGUT, SEGAL & SEGAL LLP

*/s/ Albert Togut*

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*Proposed Counsel to Debtors and Debtors in Possession*

**EXHIBIT A**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<i>In re</i>	:	<b>Chapter 11</b>
	:	
<b>THE McCLATCHY COMPANY, et al.,</b>	:	<b>Case No. 20-10418 (___)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Joint Administration Pending)</b>
	:	
-----	x	

**ORDER (I) EXTENDING TIME FOR DEBTORS TO FILE SCHEDULES AND STATEMENTS; (II) GRANTING ADDITIONAL TIME TO FILE REPORTS OF FINANCIAL INFORMATION REQUIRED UNDER BANKRUPTCY RULE 2015.3; AND (III) AUTHORIZING DEBTORS TO FILE CONSOLIDATED MONTHLY OPERATING REPORTS**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for an order (this “**Order**”) (i) granting the Debtors additional time to file their Schedules and Statements, (ii) granting the Debtors additional time to file financial information reports pursuant to Bankruptcy Rule 2015.3(a) or, alternatively, an extension of time in which to file a motion seeking modification of the Bankruptcy Rule 2015.3 reporting requirement for cause, and (iii) authorizing the filing of required monthly operating reports (“**MORs**”) by consolidating the information required for each Debtor in one report; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that this is a core proceeding

<sup>1</sup> The last four digits of Debtor The McClatchy Company’s tax identification number are 0478. Due to the large number of debtor entities in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kcellc.net/McClatchy>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and after due deliberation and sufficient cause appearing therefor; it is hereby;

**ORDERED, ADJUDGED, AND DECREED that:**

1. The Motion is GRANTED as set forth herein.
2. The Debtors are hereby granted an extension of 30 days, through and including the date that is 44 days after the Petition Date (the “**Extended Filing Deadline**”), to file their Schedules and Statements.
3. The relief granted by this Order is without prejudice to the Debtors’ right to seek further extensions of time to prepare and file their Schedules and Statements.
4. The time by which the Debtors must file their Rule 2015.3 Reports or, alternatively, to file a motion seeking a modification of the requirements of Rule 2015.3 for cause, is extended until 30 days after the 341 Meeting.
5. The relief granted by this Order is without prejudice to the Debtors’ right to seek further extensions of time to file Rule 2015.3 Reports upon notice of presentment or to seek modification of the reporting requirements under Bankruptcy Rule 2015.3 for cause.

6. The Debtors may file their MORs required by the U.S. Trustee Guidelines by consolidating the information required for each Debtor (*e.g.*, receipts, disbursements, etc.) in one report.

7. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

8. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

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

10. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

11. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: New York, New York  
February \_\_, 2020

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UNITED STATES BANKRUPTCY JUDGE