

Presentment Date: April 23, 2020 at 12:00 p.m. (ET)

Objection Deadline: April 20, 2020 at 4:00 p.m. (ET)

Hearing (only if objections are filed): April 29, 2020 at 11:00 a.m. (ET)

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*Proposed Counsel for the Official
Committee of Unsecured Creditors*

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

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<i>In re:</i>	:	
	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
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**NOTICE OF PRESENTMENT OF APPLICATION OF
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR
ENTRY OF ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF MOELIS
& COMPANY LLC AS INVESTMENT BANKER EFFECTIVE AS OF MARCH 9, 2020**

PLEASE TAKE NOTICE that the undersigned will present the proposed order attached to the *Application of the Official Committee of Unsecured Creditors for Entry of Order Authorizing Employment and Retention of Moelis & Company LLC as Investment Banker Effective as of March 9, 2020* to the Honorable Michael E. Wiles, United States Bankruptcy

¹ 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, which are being jointly administered, 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' 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.



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Judge, at the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 (the “Bankruptcy Court”), for signature on **April 23, 2020 at 12:00 p.m. (prevailing Eastern Time)**

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the relief requested in the annexed application: (i) must be made in writing; (ii) shall state with particularity the grounds therefor; (iii) shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York; (iv) must be filed with the Bankruptcy Court electronically in accordance with General Order M-399 (General Order M-399 and the User’s Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court’s case filing system, and by all other parties in interest, on a CD-ROM, preferably in Portable Document Format (PDF) or any other Windows-based word processing format; and (v) served upon the undersigned so as to be actually received no later than **April 20, 2020 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”). The ECF docket number to which the filing relates shall be included in the upper right hand corner of the caption of all responses or objections.

PLEASE TAKE FURTHER NOTICE that if no responses or objections are received by the Objection Deadline, the proposed order may be approved without further notice or a hearing. If an objection has been timely filed, a hearing on the Application will be held at the Bankruptcy Court on **April 29, 2020 at 11:00 a.m. (prevailing Eastern Time)**. The moving and objecting parties are required to attend the hearing on the matter, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: April 6, 2020
New York, New York

STROOCK & STROOCK & LAVAN LLP

/s/ Kristopher M. Hansen

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

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<i>In re:</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, <i>et al.</i> ,	:	Case No. 20-10418 (MEW)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
-----	X	

**APPLICATION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR ENTRY OF ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
MOELIS & COMPANY LLC AS INVESTMENT BANKER
EFFECTIVE AS OF MARCH 9, 2020**

TO THE HONORABLE MICHAEL E. WILES,
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the “Committee”) of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) hereby file this application (the “Application”) for entry of an order: (a) authorizing the

¹ 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 jointly administered chapter 11 cases, 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.

employment and retention of Moelis & Company LLC (“**Moelis**”) to serve as the Committee’s investment banker effective as of March 9, 2020, pursuant to sections 328(a) and 1103 of title 11 of the United States Code (the “**Bankruptcy Code**”); (b) approving the provisions of the Engagement Letter (as defined herein), including the compensation arrangements and indemnification, contribution and reimbursement provisions set forth therein; (c) modifying the timekeeping requirements of Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), General Order M-447 Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (the “**Amended Guidelines**”), the guidelines (the “**Trustee Guidelines**”) of the Office of the United States Trustee for Region 2 (the “**U.S. Trustee**”) and any other applicable procedures and orders of the Court in connection with Moelis’ engagement; and (d) granting such other relief as is just and proper. In support of this Application, the Committee submits the *Declaration of William Q. Derrough in Support of Application for Entry of Order Authorizing the Employment and Retention of Moelis & Company LLC as Investment Banker to the Official Committee of Unsecured Creditors* (the “**Derrough Declaration**”), a copy of which is attached hereto as Exhibit A and incorporated herein by reference. In further support of this Application, the Committee, by and through their undersigned proposed counsel, respectfully represent:

BACKGROUND

1. On February 13, 2020 (the “**Petition Date**”), each of the Debtors filed a voluntary petition in the United States Bankruptcy Court for the Southern District of New York (this “**Court**”) for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors are continuing in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections

1107 and 1108 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only.

3. On February 26, 2020, the Office of the United States Trustee for Region 2, for the Southern District of New York (the “U.S. Trustee”) appointed the Committee, which is currently comprised of the following entities: (i) Dow Jones & Company, Inc.; (ii) Lorianne E. Sawin; (iii) P. Anthony Ridder; (iv) Pension Benefit Guaranty Corporation; (v) The News Guild-CWA; (vi) Wilmington Savings Fund Society, FSB, as Indenture Trustee for the 2027 and 2029 Debentures; and (vii) Wipro Limited.

4. On February 26, 2020, shortly after its formation, the Committee selected Stroock & Stroock & Lavan LLP to serve as its counsel, subject to this Court's approval. Also on February 26, 2020, the Committee selected Berkeley Research Group, LLC (“**BRG**”) to serve as its primary financial advisor and Dundon Advisers, LLC (“**Dundon**”) to serve as its co-financial advisor, and on March 9, 2020, the Committee selected Moelis & Company (“**Moelis**”) to serve as its investment banker, in each case, subject to this Court's approval.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are sections 328(a) and 1103 of the Bankruptcy Code, Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Local Rules 2014-1 and 2016-1.

RELIEF REQUESTED

6. By this Application, the Committee hereby seeks the entry of an order (the “**Proposed Order**”), substantially in the form attached hereto as Exhibit B, pursuant to

sections 328(a) and 1103 of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016 and Local Rules 2014-1 and 2016-1: (a) authorizing the employment and retention of Moelis as its investment banker, effective as of March 9, 2020, in accordance with the terms and conditions set forth in the engagement letter between Moelis and the Committee, dated as of March 9, 2020 (the “**Engagement Letter**”), a copy of which is attached as Exhibit 1 to the Proposed Order; (b) approving the provisions of the Engagement Letter, including the proposed compensation arrangements and the indemnification, contribution, and reimbursement provisions set forth in the Engagement Letter, pursuant to section 328(a) of the Bankruptcy Code; (c) modifying the timekeeping requirements of Local Rule 2016-1, the Amended Guidelines, the Trustee Guidelines and any other applicable procedures and orders of the Court in connection with Moelis’ proposed engagement; and (d) granting such other relief as may be just and proper.

MOELIS’ QUALIFICATIONS

7. Moelis is an investment banking firm with its principal office located at 399 Park Avenue, 5th Floor, New York, New York 10022. Moelis is a registered broker-dealer with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. Moelis was founded in 2007 and is a wholly owned subsidiary of Moelis & Company Group LP. Moelis & Company Group LP, together with its subsidiaries, has approximately 850 employees with 15 geographic locations in North and South America, Europe, the Middle East, and Asia. Moelis & Company Group LP is a subsidiary of Moelis & Company, a public company listed on the New York Stock Exchange.

8. Moelis provides a broad range of financial advisory and investment banking services to its clients, including: (a) general corporate finance; (b) mergers, acquisitions, and divestitures; (c) corporate restructurings; (d) special committee assignments; and (e) capital raising. Moelis and its senior professionals have extensive experience in the

reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. Moelis' business reorganization professionals have served as financial advisors and/or investment bankers in numerous cases, including: In re Monitronics Int'l, Inc., No. 19-33650 (DRJ) (Bankr. S. D. Tex. Aug. 2, 2019); In re Joerns WoundCo Holdings, Inc., No. 19-11401 (JTD) (Bankr. D. Del. Jul. 25, 2019); In re FTD Cos., Inc., No. 19-11240 (LSS) (Bankr. D. Del. Jul. 2, 2019); In re Aegean Marine Petroleum Network Inc., No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); In re Parker Drilling Company, Inc., No. 18-36958 (MI) (Bankr. S.D. Tex. Jan. 15, 2019); In re Aralez Pharmaceuticals US Inc., No. 18-12425 (MG) (Bankr. S.D.N.Y. Nov. 1, 2018); In re iHeartMedia, Inc., No. 18-31274 (MI) (Bankr. S.D. Tex.); In re Global A&T Electronics Ltd, No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018); In re Toys "R" US, Inc., No. 17-34665 (KLP) (Bankr. E.D. Va. Nov. 21, 2017); In re TK Holdings, Inc., No. 17-11375 (BLS) (Bankr. D. Del. Aug. 30, 2017); In re Basic Energy Services, Inc., No. 16-12320 (KJC) (Bankr. D. Del. Nov. 17, 2016); In re UCI International, LLC, No. 16-11354 (MFW) (Bankr. D. Del. July 12, 2016); In re AOG Entm't, Inc., No. 16-11090 (SMB) (Bankr. S.D.N.Y. June 8, 2016); In re SFX Entertainment, Inc., No. 16-10238 (MFW) (Bankr. D. Del. Feb. 29, 2016); In re American Apparel, Inc., No. 15-12055 (BLS) (Bankr. D. Del. Nov. 30, 2015); In re Allied Nevada Gold Corp., No. 15-10503 (MFW) (Bankr. D. Del. April 15, 2015); In re ITR Concession Co. LLC, No. 14-34284 (Bankr. N.D. Ill. Oct. 28, 2014); In re GSE Envt'l, Inc., No. 14-11126 (MFW) (Bankr. D. Del. May 30, 2014); In re MACH Gen, LLC, No. 14-10461 (MFW) (Bankr. D. Del. Apr. 11, 2014); In re MPM Silicones, LLC, No. 14-22503 (RDD) (Bankr. S.D.N.Y. May 16, 2014).²

² Because of the voluminous nature of the orders cited herein, such orders are not attached to this Application. Copies of these orders are available upon request of the Committee's proposed counsel.

9. The Committee has selected Moelis as its investment banker based upon, among other things: (a) the Committee's need to retain a skilled investment banker to assist the Committee with certain critical tasks associated with guiding the Committee through these chapter 11 cases that require investment banking and financial advisory expertise; and (b) Moelis' extensive experience and excellent reputation in providing investment banking and financial advisory services in complex chapter 11 cases such as these. In light of the size and complexity of these chapter 11 cases, Moelis' resources, capabilities and experience are crucial to the success of these cases. An experienced investment banker, such as Moelis, fulfills a critical service that complements the services provided by the Committee's other professionals.

10. Accordingly, Moelis is well-qualified to represent the Committee in an expert, efficient, and value-maximizing manner, and the employment and retention of Moelis is in the best interests of the Committee, the Debtors' unsecured creditors and the Debtors' estates.

SERVICES TO BE PROVIDED

11. Subject to further order of the Court, and as set forth more fully in the Engagement Letter attached as Exhibit 1 to the Proposed Order, in consideration for the compensation contemplated therein, Moelis has and will perform the following services, as requested, for the Committee:³

- i. assist the Committee in reviewing and analyzing the Debtors' results of operations, financial condition and business plan;
- ii. assist the Committee in reviewing, analyzing, and negotiating a potential Restructuring (as defined in the Engagement Letter);

³ The summary of the Engagement Letter in this Application is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained herein and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall control. Capitalized terms used herein and not otherwise defined in this Application shall have the meanings ascribed to them in the Engagement Letter.

- iii. assist the Committee in analyzing the capital structure of the Debtors, including the assets and liabilities of the Debtors;
- iv. assess the financial issues and options concerning (a) a sale of the Debtors' material assets, either in whole or in part, and (b) the Debtors' chapter 11 plan of reorganization or any other chapter 11 plan;
- v. assist the Committee in reviewing any alternatives to a Restructuring proposed by the Debtors or other creditors of the Debtors or parties in interest;
- vi. advise the Committee in negotiations with the Debtors and third parties in respect of any of the foregoing;
- vii. participate in hearings before the Court and provide testimony and expert reports, in respect of the foregoing and on matters mutually agreed upon in good faith by Moelis and the Committee; and
- viii. provide such other investment banking services in connection with a Restructuring as Moelis and the Committee may mutually agree upon.

The nature and scope of Moelis's investigation and analysis, as well as the scope, form and substance of any expert report, shall be such as Moelis deems appropriate.

12. The Committee believes that if this Court approves the employment of BRG, Dundon Advisers and Moelis, these firms will allocate their delivery of services to the Committee so as to avoid any unnecessary duplication of services. The Committee has discussed with BRG, Dundon Advisers and Moelis the appropriate and efficient methods for the allocation of services and responsibilities between the firms and its other professionals. BRG, as primary financial advisor, will focus on advising the Committee with respect to the Debtors' operational performance (including evaluating the Debtors' budgets, forecasts, financial statements, and business plans), analyzing the Debtors' assets and liabilities (including the Debtors' Schedules and Statements of Financial Affairs, when filed), assisting the Committee's professionals with the lien and asset review, and identifying unencumbered assets, including potential avoidance actions and other claims and causes of action that may belong to the Debtors' estates for the

benefit of general unsecured creditors. Dundon Advisers, as co-financial advisor, will have a more narrow focus, primarily analyzing the Debtors' prepetition transactions, including, in particular, the credit default swaps or other derivative positions of principal parties to the proposed or completed transactions, in connection with identifying, valuing and pursuing claims and causes of action, and advising the Committee with respect to the same. Moelis, as investment banker, will focus on advising the Committee with respect to, *inter alia*, analyzing the Debtors' capital structure, evaluating the Debtors' business plan, providing a financial analysis of the Debtors' businesses, evaluating proposed or alternative financings, and evaluating proposed or alternative plan proposals and structures. Ultimately, BRG, Dundon Advisers and Moelis recognize the difficulty in predicting how these complex chapter 11 cases will proceed. As such, they will undertake to coordinate their services to the Committee to avoid or minimize unnecessary duplication of services. The Committee firmly believes that considering the size and complexity of these cases and the various interests involved, representation of the Committee by BRG, Dundon Advisers and Moelis is necessary and in the best interests of the Committee.

PROFESSIONAL COMPENSATION

13. Moelis' decision to advise and assist the Committee in connection with these chapter 11 cases is subject to its ability to be retained in accordance with the terms of the Engagement Letter pursuant to section 328(a), and not section 330, of the Bankruptcy Code.

14. Specifically, the Engagement Letter provides for the following compensation structure (the "**Fee Structure**"). The Committee has agreed to pay Moelis the following non-refundable cash fees:

- i. **Monthly Fee.** A Monthly Fee of \$150,000, payable in advance of each month during the term of the Engagement Letter. The first Monthly Fee shall be due and payable as of March 9, 2020. Thereafter, the Monthly Fee shall be due and payable on every monthly anniversary of such date during the term of the Engagement Letter. After six (6) full Monthly Fees have

been paid to Moelis, fifty (50) percent of any subsequent Monthly Fees actually paid to and retained by Moelis shall be credited once (without duplication) against any Restructuring Fee subsequently payable to Moelis.

- ii. **Restructuring Fee.** A Restructuring Fee of \$3,450,000, earned upon the confirmation of a Plan (as defined in the Engagement Letter) and to be paid on the effective date of the Plan.

15. In addition to any fees payable to Moelis, the Debtors will reimburse Moelis, whether or not the Debtors consummate a Restructuring, for all reasonable and documented out-of-pocket expenses. Such expenses include, without limitation, insourced document production costs, travel costs, and the costs of Moelis' external legal counsel (without the need for such legal counsel to be retained as a professional in these chapter 11 cases and without regard to whether such legal counsel's services satisfy section 330(a)(3)(C) of the Bankruptcy Code).

16. The Committee understands that Moelis intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines, and any other applicable procedures and orders of the Court, including any order granting this Application (to the extent compliance is not waived).

17. However, because (a) it is not the general practice of investment banking firms such as Moelis to keep detailed time records similar to those customarily kept by attorneys, (b) Moelis does not ordinarily keep time records on a "project category" basis, and (c) Moelis' compensation is based on a fixed Monthly Fee and fixed transaction fees, the Committee respectfully requests that Moelis' restructuring professionals only be required to maintain records (in summary format) of the services rendered for the Committee, including summary

descriptions of those services, the approximate time expended in providing those services (in hourly increments) and the identity of the restructuring professionals who provided those services. Moelis will present such records to the Court in its fee application(s). Moreover, the Committee respectfully requests that Moelis' restructuring professionals not be required to keep time records on a "project category" basis, that its non-restructuring professionals and personnel in administrative departments (including legal) not be required to maintain any time records, and that it not be required to provide or conform to any schedule of hourly rates. To the extent that Moelis would otherwise be required to submit more detailed time records for its professionals by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines, or other applicable procedures and orders of the Court, the Committee respectfully requests that this Court waive such requirements.

18. Moelis will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these chapter 11 cases. In the event that Moelis seeks reimbursement for attorneys' fees during the term of these chapter 11 cases, Moelis will include the applicable invoices and supporting time records from such attorneys in Moelis' own application, both interim and final. Such invoices and time records will be subject to the approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code, without regard to whether such attorneys have been retained under section 1103 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

19. The Committee understands the Fee Structure is consistent with, and typical of, compensation arrangements entered into by Moelis and other comparable firms in connection with the rendering of similar services under similar circumstances, both in and out of

bankruptcy proceedings. The Committee also believes that the Fee Structure reflects a balance between a fixed, monthly fee, and a contingency amount, which is tied to the consummation and closing of the transactions and services contemplated by the Committee and Moelis in the Engagement Letter. After discussions and arm's-length negotiations, the Committee believes that the Fee Structure is reasonable, market-based and designed to compensate Moelis fairly for its work.

20. Moelis' strategic and financial expertise, as well as its capital markets knowledge, financing skills, restructuring capabilities and mergers and acquisitions expertise, some or all of which has been and will be required by the Committee during the term of Moelis' engagement, were all important factors to the Committee in agreeing to the Fee Structure. The Committee believes that the ultimate benefit of Moelis' services hereunder cannot be measured by reference to the number of hours to be expended by Moelis' professionals in the performance of such services. The Committee and Moelis have agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of Moelis and its professionals in connection with these chapter 11 cases and in light of the fact that (a) such commitment may foreclose other opportunities for Moelis, and (b) the actual time and commitment required of Moelis and its professionals to perform its services under the Engagement Letter may vary substantially from week-to-week and month-to-month, creating "peak load" issues for Moelis.

INDEMNIFICATION AND CONTRIBUTION OF MOELIS

21. As part of the overall compensation payable to Moelis under the terms of the Engagement Letter, the Committee has agreed to certain indemnification provisions in favor of any and all Indemnified Persons, including the payment of certain contributions and reimbursements to, Moelis in accordance with the terms and conditions set forth in the

Engagement Letter, including the annexes thereto (such provisions, collectively, the “**Indemnification Provisions**”). As set forth more fully therein, under the Indemnification Provisions, if any Indemnified Person becomes involved in an Action (as defined in the Engagement Letter), the Company will reimburse such Indemnified Persons for the reasonable out-of-pocket costs and expenses (including counsel fees) of investigating, preparing for and responding to such Action or enforcing the Engagement Letter, as they are incurred. Pursuant to the Engagement Letter, the Company will also indemnify and hold harmless any Indemnified Person from and against, and no Indemnified Person shall have any liability to the Company, the Committee or any Member of the Committee or any of their respective affiliates, or their respective owners, directors, officers, employees, security holders or creditors for, any losses, claims, damages or liabilities (collectively, “**Losses**”) (A) related to or arising out of oral or written statements or omissions made or information provided by the Committee, the Company or its agents or (B) otherwise arising out of, related to or in connection with the Engagement Letter or Moelis’ performance thereunder, except that this limitation (B) shall not apply to Losses that are finally judicially determined to have resulted primarily from the willful misconduct (including bad faith) or gross negligence of such Indemnified Person.

22. These Indemnification Provisions were negotiated at arm’s length and in good faith between the Committee and Moelis. The Committee believes that the indemnification provisions in the Engagement Letter are appropriate for financial advisory engagements both out of court and in chapter 11 cases and respectfully submit that the Indemnification Provisions are reasonable, subject to the modifications set forth in the Proposed Order. The Committee believes that the proposed modifications to the Indemnification

Provisions are appropriate under the circumstances, consistent with recent orders entered in this jurisdiction, and should be approved.

EFFORTS TO AVOID DUPLICATION OF SERVICES

23. The Committee is mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is minimal duplication of effort as a result of Moelis' retention as investment banker. The Committee understands that Moelis will use its reasonable efforts to work cooperatively with the other professionals in these chapter 11 cases to integrate any respective work performed by those professionals.

MOELIS' DISINTERESTEDNESS

24. Moelis has reviewed the list of parties in interest identified by the Committee. To the best of Moelis' knowledge, information and belief as of the date hereof, and except to the extent disclosed herein or in the Derrough Declaration, Moelis: (a) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code; (b) does not hold or represent an interest materially adverse to the Debtors' estates; and (c) has no connection to the Debtors, their creditors or related parties except as disclosed in the Derrough Declaration.

25. Given the large number of parties in interest in these chapter 11 cases, and despite the efforts to identify and disclose Moelis' relationships with parties in interest in these chapter 11 cases, Moelis is unable to state with certainty that every client relationship or other connection has been disclosed in the Derrough Declaration. Moelis has informed the Committee that it will make continued inquiries following the filing of this Application, on a periodic basis, with additional disclosures to this Court if necessary or otherwise appropriate.

26. The Committee has been informed that Moelis will not share any compensation to be paid by the Committee, in connection with services to be performed after the

Petition Date, with any other person, other than principals and employees of Moelis, to the extent required by section 504 of the Bankruptcy Code.

BASIS FOR RELIEF

A. The Committee Should be Permitted to Retain and Employ Moelis on the Terms of the Engagement Letter Pursuant to Sections 328 and 1103 of the Bankruptcy Code.

27. The Committee seeks approval of the retention and employment of Moelis pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code. Section 1103(a) of the Bankruptcy Code provides, in relevant part, that the Committee, with the Court's approval, "may select and authorize the employment . . . of one or more attorneys, accountants, or other agents, to represent or perform services" for the Committee. 11 U.S.C. § 1103(a).

28. In addition, section 328(a) of the Bankruptcy Code provides, in relevant part, that the Committee, with the Court's approval, "may employ or authorize the employment of a professional person under section . . . 1103 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a). Accordingly, section 328 permits the compensation of professionals, including investment bankers, on more flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in Donaldson Lufkin & Jenrette Sec. Corp. v. Nat'l Gypsum (In re Nat'l Gypsum Co.):

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants "reasonable compensation" based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

123 F.3d 861, 862 (5th Cir. 1997) (internal citations and emphasis omitted).

29. As discussed above and in the Derrough Declaration, Moelis satisfies the disinterestedness standard in section 1103(b) of the Bankruptcy Code. Additionally, given the numerous issues that Moelis may be required to address in the performance of its services for the Committee pursuant to the Engagement Letter, Moelis' commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Moelis' services for engagements of this nature, the Committee believes that the terms and conditions of the Engagement Letter are fair, reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

30. Indeed, the Committee believes that the Fee Structure appropriately reflects: (a) the nature and scope of services to be provided by Moelis; (b) Moelis' substantial experience with respect to investment banking and financial advisory services; and (c) the fee structures typically utilized by Moelis and other leading investment banks and financial advisors who do not bill their clients on an hourly basis.

31. As set forth above, and notwithstanding approval of the Engagement Letter under section 328 of the Bankruptcy Code, Moelis intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines and any other applicable procedures and orders of the Court, with certain limited modifications. Furthermore, the Committee proposes that the Debtors' obligation to pay any fee, expense or indemnity to Moelis or an Indemnified Person not be subject to any reduction by way of setoff, recoupment or counterclaim.

32. The Committee requests that the requirements of Local Rule 2016-1, the Amended Guidelines, the Trustee Guidelines and any other applicable procedures and orders of the Court be tailored to the nature of Moelis' engagement and its compensation structure. Moelis has requested, pursuant to section 328(a) of the Bankruptcy Code, payment of its fees on a fixed-rate and/or fixed-percentage basis. Additionally, it is not the general practice of investment banking firms like Moelis to keep detailed time records similar to those customarily kept by attorneys. As discussed above, however, Moelis' restructuring personnel, when formally retained in chapter 11 cases, and when required by Local Rules, do, and in these chapter 11 cases, will, keep summary time records in hourly increments describing their daily activities and the identity of persons who performed such tasks. Apart from the time recording practices described above, however, Moelis' restructuring personnel do not maintain their time records on a "project category" basis. As such, the Committee requests modification of the requirements under Local Rule 2016-1, the Amended Guidelines, the Trustee Guidelines and any other applicable procedures and orders of the Court.

33. Similar fixed and contingency fee arrangements have been approved and implemented by courts in other large chapter 11 cases. See, e.g., In re Aegean Marine Petroleum Network Inc., No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); In re Aralez Pharmaceuticals US Inc., No. 18-12425 (MG) (Bankr. S.D.N.Y. Nov. 1, 2018); In re Global A&T Electronics Ltd, No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018); In re Cumulus Media Inc., No. 17-13381 (SCC) (Bankr. S.D.N.Y. Dec. 21, 2017); In re Breitburn Energy Partners LP, No. 16-11390 (Bankr. S.D.N.Y. July 20, 2016); In re AOG Entm't, Inc., No. 16-11090 (SMB) (Bankr. S.D.N.Y. June 8, 2016); In re Sabine Oil & Gas Corp., No. 15-11835 (SCC) (Bankr. S.D.N.Y. Sept. 11, 2015); In re Eagle Bulk Shipping Inc., No. 14-12303 (SHL)

(Bankr. S.D.N.Y. Sept. 19, 2014); In re MPM Silicones, LLC, No. 14-22503 (RDD) (Bankr. S.D.N.Y. May 16, 2014); In re Sbarro LLC, No. 14-10557 (MG) (Bankr. S.D.N.Y. Apr. 7, 2014).

B. The Indemnification, Contribution and Reimbursement Terms of the Engagement Letter Are Appropriate.

34. The Indemnification Provisions, as modified by the Proposed Order annexed hereto, were negotiated between the Committee and Moelis. The Committee and Moelis believe that the Indemnification Provisions are customary and reasonable for investment banking engagements both out of court and in chapter 11 cases. See, e.g., In re Aegean Marine Petroleum Network Inc., No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); In re iHeartMedia, Inc., No. 18-31274 (MI) (Bankr. S.D. Tex.); In re Global A&T Electronics Ltd., No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018); In re Cumulus Media Inc., No. 17-13381 (SCC) (Bankr. S.D.N.Y. Dec. 21, 2017); In re Breitburn Energy Partners LP, No. 16-11390 (Bankr. S.D.N.Y. July 20, 2016); In re AOG Entm't, Inc., No. 16-11090 (SMB) (Bankr. S.D.N.Y. June 8, 2016); In re Sabine Oil & Gas Corp., No. 15-11835 (SCC) (Bankr. S.D.N.Y. Sept. 11, 2015); In re Allied Nevada Gold Corp., No. 15-10503 (MFW) (Bankr. D. Del. April 15, 2015); In re Eagle Bulk Shipping Inc., No. 14-12303 (SHL) (Bankr. S.D.N.Y. Sept. 19, 2014); In re GSE Envtl., Inc., No. 14-11126 (MFW) (Bankr. D. Del. May 30, 2014); In re MPM Silicones, LLC, No. 14-22503 (RDD) (Bankr. S.D.N.Y. May 16, 2014); In re MACH Gen, LLC, No. 14 10461 (MFW) (Bankr. D. Del. Apr. 11, 2014); In re Sbarro LLC, No. 14-10557 (MG) (Bankr. S.D.N.Y. Apr. 7, 2014); In re Sorenson Commc'ns, Inc., No. 14 10454 (BLS) (Bankr. D. Del. Mar. 25, 2014).

35. Accordingly, the Committee respectfully submits that the terms of the modified Indemnification Provisions are reasonable and customary and should be approved in these chapter 11 cases.

36. Based on the foregoing, the Committee submits that the retention of Moelis is in the best interests of the Committee, the Debtors' unsecured creditors and the Debtors' estates. The Committee, therefore, submits that they have satisfied the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules to support entry of an order authorizing the Committee to retain and employ Moelis in these chapter 11 cases on the terms described herein and in the Engagement Letter.

NOTICE

39. Notice of this Application is being provided in accordance with the *Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P.1015(c), 2002(m), and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 106]. The Committee respectfully submits that, in light of the nature of the relief requested, no further notice is necessary or required.

NO PRIOR REQUEST

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

CONCLUSION

WHEREFORE, the Committee respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as Exhibit B, granting the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: April 6, 2020
New York, New York

Respectfully submitted,

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE McCLATCHY COMPANY,
et al.

Wilmington Savings Fund Society, FSB,
solely in its capacity as a Chair of the Official
Committee of Unsecured Creditors of The
McClatchy Company, *et al.*

/s/ Patrick J. Healy

Name: Patrick J. Healy

Title: Senior Vice President and Director of
Global Bankruptcy, Debt and Agency
Services

EXHIBIT A

Derrough Declaration

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

-----	X	
<i>In re:</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, <i>et al.</i> ,	:	Case No. 20-10418 (MEW)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
-----	X	

**DECLARATION OF WILLIAM Q. DERROUGH IN SUPPORT OF APPLICATION OF
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ENTRY OF
ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
MOELIS & COMPANY LLC AS INVESTMENT BANKER
EFFECTIVE AS OF MARCH 9, 2020**

I, William Q. Derrough, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am Managing Director & Co-Head of Recapitalization & Restructuring Group of Moelis & Company LLC (“**Moelis**”).

2. I am authorized to submit this declaration (the “**Declaration**”) in support of the *Application of the Official Committee of Unsecured Creditors for Entry of an Order Authorizing the Employment and Retention of Moelis & Company LLC as Investment Banker Effective as of March 9, 2020* (the “**Application**”).²

3. The facts set forth in this Declaration are based upon my personal knowledge, upon information and belief, or upon client matter records kept in the ordinary course of business that were reviewed either by me or other employees of Moelis under my

¹ 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 jointly administered chapter 11 cases, 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.

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Application.

supervision and direction. If called and sworn as a witness, I could and would testify competently to the facts set forth herein.

MOELIS' QUALIFICATIONS

4. Moelis is an investment banking firm with its principal office located at 399 Park Avenue, 5th Floor, New York, New York 10022. Moelis is a registered broker-dealer with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. Moelis was founded in 2007 and is a wholly owned subsidiary of Moelis & Company Group LP. Moelis & Company Group LP, together with its subsidiaries, has approximately 850 employees based in 15 offices in North and South America, Europe, the Middle East, and Asia. Moelis & Company Group LP is a subsidiary of Moelis & Company, a public company listed on the New York Stock Exchange.

5. Moelis provides a broad range of financial advisory and investment banking services to its clients, including: (a) general corporate finance; (b) mergers, acquisitions, and divestitures; (c) corporate restructurings; (d) special committee assignments; and (e) capital raising. Moelis and its senior professionals have extensive experience in the reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. Moelis' business reorganization professionals have served as financial advisors and/or investment bankers in numerous cases, including: In re Aegean Marine Petroleum Network Inc., No. 18-13374 (MEW) (Bankr. S.D.N.Y. Feb. 20, 2019); In re Parker Drilling Company, Inc., No. 18-36958 (MI) (Bankr. S.D. Tex. Jan. 15, 2019); In re Aralez Pharmaceuticals US Inc., No. 18-12425 (MG) (Bankr. S.D.N.Y. Nov. 1, 2018); In re iHeartMedia, Inc., No. 18-31274 (MI) (Bankr. S.D. Tex.); In re Global A&T Electronics Ltd, No. 17-23931 (RDD) (Bankr. S.D.N.Y. Feb. 26, 2018); In re Toys "R" US, Inc., No. 17-34665 (KLP) (Bankr. E.D. Va. Nov. 21, 2017); In re TK Holdings, Inc., No. 17-11375 (BLS) (Bankr. D. Del. Aug. 30, 2017); In re Basic

Energy Services, Inc., No. 16-12320 (KJC) (Bankr. D. Del. Nov. 17, 2016); In re UCI International, LLC, No. 16-11354 (MFW) (Bankr. D. Del. July 12, 2016); In re AOG Entm't, Inc., No. 16-11090 (SMB) (Bankr. S.D.N.Y. June 8, 2016); In re SFX Entertainment, Inc., No. 16-10238 (MFW) (Bankr. D. Del. Feb. 29, 2016); In re American Apparel, Inc., No. 15-12055 (BLS) (Bankr. D. Del. Nov. 30, 2015); In re Allied Nevada Gold Corp., No. 15-10503 (MFW) (Bankr. D. Del. April 15, 2015); In re ITR Concession Co. LLC, No. 14-34284 (Bankr. N.D. Ill. Oct. 28, 2014); In re GSE Env't'l, Inc., No. 14-11126 (MFW) (Bankr. D. Del. May 30, 2014); In re MACH Gen, LLC, No. 14-10461 (MFW) (Bankr. D. Del. Apr. 11, 2014); In re MPM Silicones, LLC, No. 14-22503 (RDD) (Bankr. S.D.N.Y. May 16, 2014).³

SERVICES TO BE PROVIDED

6. Subject to further order of the Court, and as set forth more fully in the Engagement Letter attached to the Proposed Order as Exhibit 1, in consideration for the compensation contemplated therein, Moelis has and will perform the following services, as requested, for the Committee:⁴

- ix. assist the Committee in reviewing and analyzing the Debtors' results of operations, financial condition and business plan;
- x. assist the Committee in reviewing, analyzing, and negotiating a potential Restructuring (as defined in the Engagement Letter);
- xi. assist the Committee in analyzing the capital structure of the Debtors, including the assets and liabilities of the Debtors;
- xii. assess the financial issues and options concerning (a) a sale of the Debtors' material assets, either in whole or in part, and (b) the Debtors' chapter 11 plan of reorganization or any other chapter 11 plan;

³ Because of the voluminous nature of the orders cited herein, such orders are not attached to this Declaration. Copies of these orders are available upon request of the Debtors' proposed counsel.

⁴ The summary of the Engagement Letter in this Application is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained herein and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall control.

- xiii. assist the Committee in reviewing any alternatives to a Restructuring proposed by the Debtors or other creditors of the Debtors or parties in interest;
- xiv. advise the Committee in negotiations with the Debtors and third parties in respect of any of the foregoing;
- xv. participate in hearings before the Court and provide testimony and expert reports in respect of the foregoing and on matters mutually agreed upon in good faith by Moelis and the Committee; and
- xvi. provide such other investment banking services in connection with a Restructuring as Moelis and the Committee may mutually agree upon.

The nature and scope of Moelis's investigation and analysis, as well as the scope, form and substance of any expert report, shall be such as Moelis deems appropriate.

PROFESSIONAL COMPENSATION

7. Moelis' decision to advise and assist the Committee in connection with these chapter 11 cases is subject to its ability to be retained in accordance with the terms of the Engagement Letter pursuant to section 328(a), and not section 330, of the Bankruptcy Code.

8. Specifically, the Engagement Letter provides for the following compensation structure (the "**Fee Structure**"):

- i. **Monthly Fee.** A Monthly Fee of \$150,000, payable in advance of each month during the term of the Engagement Letter. The first Monthly Fee shall be due and payable as of March 9, 2020. Thereafter, the Monthly Fee shall be due and payable on every monthly anniversary of such date during the term of the Engagement Letter. After six (6) full Monthly Fees have been paid to Moelis, fifty (50) percent of any subsequent Monthly Fees actually paid to and retained by Moelis shall be credited once (without duplication) against any Restructuring Fee subsequently payable to Moelis.
- ii. **Restructuring Fee.** A Restructuring Fee of \$3,450,000, earned upon the confirmation of a Plan (as defined in the Engagement Letter) and to be paid on the effective date of the Plan.

9. In addition to any fees payable to Moelis, the Debtors will reimburse Moelis, whether or not the Debtors consummate a Restructuring, for all reasonable and

documented out-of-pocket expenses. Such expenses include, without limitation, insourced document production costs, travel costs, and certain costs of Moelis' external legal counsel (without the need for such legal counsel to be retained as a professional in these chapter 11 cases and without regard to whether such legal counsel's services satisfy section 330(a)(3)(C) of the Bankruptcy Code). Moelis intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Trustee Guidelines, the Amended Guidelines and any other applicable procedures and orders of the Court, including any order granting this Application (to the extent compliance is not waived).

10. However, because (a) it is not the general practice of investment banking firms such as Moelis to keep detailed time records similar to those customarily kept by attorneys; (b) Moelis does not ordinarily keep time records on a "project category" basis; and (c) Moelis' compensation is based on a fixed Monthly Fee and fixed transaction fees, I respectfully request that only Moelis' restructuring professionals be required to maintain records (in summary format) of the services rendered for the Committee, including summary descriptions of those services, the approximate time expended in providing those services (in hourly increments) and the identity of the restructuring professionals who provided those services. Moelis will present such records to the Court in its fee application(s). Moreover, I respectfully request that Moelis' restructuring professionals not be required to keep time records on a "project category" basis, that its non-restructuring professionals and personnel in administrative departments (including legal) not be required to maintain any time records, and that they not be required to provide or conform to any schedule of hourly rates. To the extent that Moelis would otherwise be required

to submit more detailed time records for its professionals by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines, or other applicable procedures and orders of the Court, I respectfully request that this Court waive such requirements.

11. Moelis will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these chapter 11 cases. In the event that Moelis seeks reimbursement for attorneys' fees during the term of these chapter 11 cases, Moelis will include the applicable invoices and supporting time records from such attorneys in Moelis' own application, both interim and final. Such invoices and time records will be subject to the approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code, without regard to whether such attorneys have been retained under section 1103 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

12. I believe the Fee Structure is consistent with, and typical of, compensation arrangements entered into by Moelis and other comparable firms in connection with the rendering of similar services under similar circumstances, both in and out of bankruptcy proceedings. I also believe that the Fee Structure reflects a balance between a fixed, monthly fee, and a contingency amount, which is tied to the consummation and closing of the transactions and services contemplated by the Committee and Moelis in the Engagement Letter. After discussions and arm's-length negotiations with the Committee, I believe that the Fee Structure is reasonable, market based and designed to compensate Moelis fairly for its work.

13. I understand that Moelis' strategic and financial expertise, as well as its capital markets knowledge, financing skills, restructuring capabilities and mergers and

acquisitions expertise, some or all of which has been and will be required by the Committee during the term of Moelis' engagement, were all important factors in determining the Fee Structure. I believe that the ultimate benefit of Moelis' services cannot be measured by reference to the number of hours to be expended by Moelis' professionals in the performance of such services. Moelis and the Committee have agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of Moelis and its professionals in connection with these chapter 11 cases and in light of the fact that (a) such commitment may foreclose other opportunities for Moelis and (b) the actual time and commitment required of Moelis and its professionals to perform its services under the Engagement Letter may vary substantially from week-to-week and month-to-month, creating "peak load" issues for Moelis.

INDEMNIFICATION, CONTRIBUTION AND REIMBURSEMENT OF MOELIS

14. As part of the overall compensation payable to Moelis under the terms of the Engagement Letter, the Committee has agreed to certain indemnification provisions in favor of any and all Indemnified Persons, including the payment of certain contributions and reimbursements to, Moelis in accordance with the terms and conditions set forth in the Engagement Letter, including the annexes thereto (such provisions, collectively, the "**Indemnification Provisions**"). As set forth more fully therein, under the Indemnification Provisions, if any Indemnified Person becomes involved in an Action (as defined in the Engagement Letter), the Company will reimburse such Indemnified Persons for the reasonable out-of-pocket costs and expenses (including counsel fees) of investigating, preparing for and responding to such Action or enforcing the Engagement Letter, as they are incurred. The Company will also indemnify and hold harmless any Indemnified Person from and against, and no Indemnified Person shall have any liability to the Company, the Committee or any Member of

the Committee or any of their respective affiliates, or their respective owners, directors, officers, employees, security holders or creditors for, any losses, claims, damages or liabilities (collectively, “**Losses**”) (A) related to or arising out of oral or written statements or omissions made or information provided by the Committee, the Company or its agents or (B) otherwise arising out of, related to or in connection with the Engagement Letter or Moelis’ performance thereunder, except that this limitation (B) shall not apply to Losses that are finally judicially determined to have resulted primarily from the willful misconduct (including bad faith) or gross negligence of such Indemnified Person.

15. I believe that the Indemnification Provisions are customary and reasonable terms of consideration for investment bankers and financial advisors such as Moelis in connection with in court and out of court restructuring activities. Moelis negotiated the Engagement Letter, including the Indemnification Provisions, with the Committee in good faith and at arm’s length.

EFFORTS TO AVOID DUPLICATION OF SERVICES

16. The Committee is mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is minimal duplication of effort as a result of Moelis’ retention as investment banker. Moelis will use its reasonable efforts to work cooperatively with any other professionals in these chapter 11 cases to integrate any respective work performed by those professionals.

MOELIS’ DISINTERESTEDNESS

17. Moelis has undertaken to determine whether it has any conflicts or other relationships that might cause it not to be eligible for employment by the Committee in these cases. Specifically, Moelis obtained from the Committee the names of individuals and entities that may be parties in interest in these cases. Moelis then (a) researched its internal records to

determine whether Moelis has any connections with the Debtors and the parties listed on Schedule 1 attached hereto (the “**Potential Parties in Interest**”), and (b) issued a general inquiry to certain of its officers with respect to the Debtors and certain Potential Parties in Interest.

18. Based on the foregoing inquiry, other than in connection with this engagement and as otherwise disclosed herein, Moelis has no relationships or connections with the Debtors of which I am aware. In particular, to the best of my knowledge, information and belief, neither I, Moelis, nor any of its professionals:

- i. is a creditor, equity security holder or insider of the Debtors;
- ii. is or has been within two years before the Petition Date, a director, officer or employee of the Debtors; or
- iii. has any interest materially adverse to the interests of the Debtors’ estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

19. Accordingly, I believe Moelis is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtors or their estates.

20. Neither I nor any of the Moelis professionals who will provide services for the Debtors is related to any Judge of this Court, the U.S. Trustee, or any person employed in the office of the U.S. Trustee assigned to these chapter 11 cases.

21. To the extent that I have been able to ascertain to date that Moelis has been engaged within the last two years or is currently engaged by any of the Potential Parties in Interest (or their affiliates, as the case may be) in matters unrelated to these cases, such facts are disclosed on Schedule 2 attached hereto. Schedule 2 also sets forth certain other relationships Moelis has with certain Potential Parties in Interest. In addition to the facts disclosed

on Schedule 2, Moelis may in the future be engaged by parties that are or may become parties in interest in these cases. As these cases progress, new parties may become parties in interest in these cases and similarly, Moelis may have been engaged, may be currently engaged, and may in the future be engaged by such new parties in interest in matters unrelated to these chapter 11 cases. Also, Moelis may have engaged or had mutual clients with, may currently engage or have mutual clients with, and may in the future engage or have mutual clients with certain law firms, financial advisors, accounting firms, and other professionals that are Potential Parties in Interest or may become parties in interest, all in matters unrelated to these cases. In addition, Moelis may have also been engaged by, be currently engaged by, or in the future be engaged by persons who are creditors or shareholders of the Debtors, otherwise have a business relationship with the Debtors, or who are competitors or customers of the Debtors. Potential Parties in Interest, persons that may become parties in interest in these cases, and persons that have business relationships with the Debtors, are competitors of the Debtors, or that are customers of the Debtors may be: (a) parties in interest in other bankruptcy cases where Moelis is acting as investment banker or financial advisor to the debtors or to other parties in interest therein; or (b) affiliates of or creditors of persons who Moelis may have been engaged, is currently engaged, or may in the future be engaged by. In the ordinary course of its business, Moelis may also purchase services or products from Potential Parties in Interest and other persons that are or may become parties in interest in these chapter 11 cases.

22. Given the large number of parties in interest in these chapter 11 cases, despite the efforts described above to identify and disclose Moelis' relationships with parties in interest in these chapter 11 cases, Moelis is unable to state with certainty that every client relationship or other connection has been disclosed. In particular, among other things, Moelis

may have relationships with persons who are beneficial owners of parties in interest and persons whose beneficial owners include parties in interest or persons who otherwise have relationships with parties in interest. Moreover, Moelis' employees may have relationships with Potential Parties in Interest, persons that may become parties in interest in these cases, and/or persons that have business relationships with the Debtors, are competitors of the Debtors or that are customers of the Debtors. Continued inquiry will be made following the filing of the Application, on a periodic basis, with additional disclosures to this Court if necessary or otherwise appropriate.

23. Moelis Asset Management is an asset management holding company which holds interests in various funds, including private equity, credit investments, direct lending and collateralized loan obligations funds. These funds may hold investment positions in various entities from time-to-time, some of which may be parties in interest in these chapter 11 cases. Moelis Asset Management and its subsidiaries are operated in separate legal and operating entities from Moelis. Moelis and Moelis Asset Management and its subsidiaries are separated by a compliance information barrier that prevents (a) a Moelis employee from disclosing non-public information concerning the Debtors or these cases to any employee of Moelis Asset Management or its subsidiaries, and (b) an employee of Moelis Asset Management or its subsidiaries from disclosing non-public information concerning an investment of Moelis Asset Management or its subsidiaries to a Moelis employee. No employees of Moelis Asset Management and its subsidiaries will work on these cases, and Moelis employees working on these cases have no involvement in the investment decisions of Moelis Asset Management or its subsidiaries. Based on the business separation and compliance information barriers referred to above, I do not believe that the investment activities of Moelis Asset Management or its

subsidiaries constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter.

24. To the best of my knowledge, information, and belief, some of Moelis' present and future employees may have, or may in the future have, personal investments in funds or other investment vehicles over whose investment decisions such employees have no input or control. Such entities may have made, or may in the future make, investments in the claims or securities of the Debtors, or those of their creditors or other parties in interest in these chapter 11 cases.

25. Moelis will not share any compensation to be paid by the Debtors in connection with services to be performed after the Petition Date with any other person, other than other principals and employees of Moelis, to the extent required by section 504 of the Bankruptcy Code. In the ordinary course of its business, Moelis regularly retains the services of senior advisors with specific industry or other expertise to supplement the investment banking and financial advisory services offered by Moelis' regular employees to Moelis' clients. Upon Moelis' engagement on a particular assignment, one such senior advisor may be assigned to assist the other Moelis professionals for such engagement. Such advisor acts under the management of the Moelis Managing Director who retains the lead role and primary responsibility for such assignment. The fees and expenses of such senior advisor are paid solely by Moelis.

[The remainder of this page is intentionally left blank.]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct to the best of my knowledge. Executed on this 6th day of April, 2020.

Moelis & Company LLC

/s/ William Q. Derrough
William Q. Derrough
Managing Director & Co-Head of
Recapitalization & Restructuring Group of
Moelis & Company LLC

SCHEDULE 1

Potential Parties in Interest

Schedule 1

Potential Parties in Interest

Debtors

- Cypress Media, Inc.
- The McClatchy Company
- Aboard Publishing, Inc.
- Bellingham Herald Publishing, LLC
- Belton Publishing Company, Inc.
- Biscayne Bay Publishing, Inc.
- Cass County Publishing Company
- Columbus-Ledger Enquirer, Inc.
- Cypress Media, LLC
- East Coast Newspapers, Inc.
- El Dorado Newspapers
- Gulf Publishing Company, Inc.
- Herald Custom Publishing of Mexico, S. de R.L. de C.V.
- HLB Newspapers, Inc.
- Idaho Statesman Publishing, LLC
- Keltatim Publishing Company, Inc.
- Keynoter Publishing Company, Inc.
- Lee's Summit Journal, Incorporated
- Lexington H-L Services, Inc.
- Macon Telegraph Publishing Company
- Mail Advertising Corporation
- McClatchy Big Valley, Inc.
- McClatchy Interactive LLC
- McClatchy Interactive West
- McClatchy International Inc.
- McClatchy Investment Company
- McClatchy Management Services, Inc.
- McClatchy Newspapers, Inc.
- McClatchy News Services, Inc.
- McClatchy Property, Inc.
- McClatchy Resources, Inc.
- McClatchy Shared Services, Inc.
- McClatchy U.S.A., Inc.
- Miami Herald Media Company
- N & O Holdings, Inc.
- Newsprint Ventures, Inc.
- Nittany Printing and Publishing Company
- Nor-Tex Publishing, Inc.
- Olympian Publishing, LLC
- Olympic-Cascade Publishing, Inc.
- Pacific Northwest Publishing Company, Inc.
- Quad County Publishing, Inc.
- San Luis Obispo Tribune, LLC
- Star-Telegram, Inc.
- Tacoma News, Inc.
- The Bradenton Herald, Inc.
- The Charlotte Observer Publishing Company
- The News and Observer Publishing Company
- The State Media Company
- The Sun Publishing Company, Inc.
- Tribune Newsprint Company
- Tru Measure, LLC
- Wichita Eagle and Beacon Publishing Company, Inc.
- Wingate Paper Company

Parties-In-Interest

- Adobe Systems, Inc
- Adswerve, Inc
- Alorica Inc
- Andrew Distribution Inc
- Banco BBVA-Bancomer
- Bank of New York Mellon
- Brightcove Inc
- Bulkley Dunton Publishing Group
- Choate, Hall & Stewart LLP
- Dallas Morning News
- Datamatics Technologies
- Department of Justice US Attorney General
- Dow Jones And Co Inc
- Emmet, Marvin & Martin, LLP

- Endava Inc
- Environmental Protection Agency
- Facebook Inc.
- Federal Communications Commission
- Gannett Supply Corporation
- Google Inc.
- Infosys BPM
- Internal Revenue Service
- Jobvite Inc
- Johnson Controls
- Kurtzman Carson Consultants
- Kelley Drye & Warren LLP
- Ken Burton, Jr., Manatee County Tax Collector
- Kramer Levin Naftalis & Frankel LLP
- Linebarger Goggan Blair & Sampson, LLP
- LinkedIn Corporation
- Missouri Department of Revenue, Bankruptcy Unit
- Morgan, Lewis & Bockius LLP
- Office of the NY Attorney General
- Office of the United States Trustee
- Office of US Attorney SDNY
- Paul, Weiss, Rifkind, Wharton & Garrison LLP
- Pension Benefit Guaranty Corporation
- Reed Smith LLP
- Ryder Integrated Logistics
- Schafer and Weiner, PLLC
- Secretary of State of the State of New York
- Securities and Exchange Commission
- Simpli Fi Holdings Inc.
- Site Impact LLC
- Skadden, Arps, Slate, Meagher & Flom LLP
- Socialflow Inc.
- Solo Printing Inc
- Solutions Through Software Inc.

- The Wagner Law Group
- Times News
- Togut Segal & Segal LLP
- Tribune Direct
- US Environmental Protection Agency
- USA Today
- Wells Fargo Bank, National Association
- Wipro Limited

Professionals

- FTI Consulting, Inc.
- Evercore Inc.
- Groom Law Group

Equity Holders (not mentioned above)

- Cypress Media, Inc.

DIP Agent & Other Lenders

- Encina Business Credit SPV, LLC

Banking Institutions

- Wells Fargo Bank, N.A.
- BBVA Bancomer, S.A.

Officers and Directors

- Craig I. Forman, President and Chief Executive Officer
- Nick Johnson, Vice President and Head of Advertising
- Elaine Lintecum, Vice President, Finance and Chief Financial Officer
- Scott Manuel, Vice President, Customer & Product
- Billie S. McConkey, Vice President, Legal/People & Corporate Secretary
- Kristin Roberts, Vice President of News
- Elizabeth Ballantine, Director
- Leroy Barnes Jr, Director
- Molly Maloney Evangelisti, Director
- Anjali Joshi, Director
- Brown McClatchy Maloney, Director

- Kevin S. McClatchy, Director and Non-executive Chairman of the Board,
- William McClatchy, Director
- Theodore R. Mitchell, Director
- Clyde W. Ostler, Director
- Maria Thomas, Director

Mediator

- Judge Kevin J. Carey

Additional Parties

- 1235 Glenhaven Court LLC
- 7D Development at Herald Building, LLC
- 920 Warehouse Complex, Inc.
- A Marketing Resource, LLC
- ACE American Insurance Company
- Ad2Pro Media Solutions Private Limited
- AdPerfect Dynamic Advertising Solutions Ltd.
- Aetna Inc
- After College Inc.
- AGFA Corporation
- Albany Road-Corporate Drive LLC
- Allen, Joseph
- Allied Law Group
- Andrews McMeel Syndication
- Armstrong Law Firm
- ATRS Consulting Inc.
- Baker Barwick Ravenel and Bender
- Ballantine, Elizabeth
- Ballard Spahr LLP
- Bank of Oklahoma
- Barclays Capital Inc.
- Barclays PLC
- Barkin Law Group LLP
- BCC Puyallup, LLC
- Beazley Insurance Company, Inc.
- Benjamin Evans Law Firm LLC
- Berg, Tony

- Berry Avenue, Inc., John Jackson, Jr., John Jackson, Sr., Donald Ekstrom, Joanne Latona, Francine
- Bestinver Gestion SA SGIIC
- Betty Meyers
- Big 5 Sporting Goods Corporation
- Bird Wingate, LLC
- Biscayne Marketing, Inc.
- Biss, Stevin
- Black, Christine
- Blake Real Estate, Inc.
- Bloch Keene LLC
- Blue Waters Marketing
- Bluestone Financial Ltd. / Spanish Broadcasting
- Blythe, Anne
- BofA Securities, Inc.
- Borton, Sara
- Bower Law Associates, PLLC
- Bowers, Eric
- BPMP Investments, LLC
- Brigade Capital Management, LP
- Brooks Pierce
- Brown Rudnick
- Bruce A. Owdom
- Bryant Miller Olive P.A.
- Burke, Sean
- Bussian Law Firm, PLLC
- C & L Properties
- Callahan & Blaine
- Caltronics Business Systems
- Camero Parent LLC
- Cannata, Otoole, Fickes & Olson LLP
- Canon Solutions America, Inc.
- Carl F. Muller, Attorney at Law
- Carlton Fields PA
- Carroll, Terra
- Caulkins, Ann
- CCI Europe
- CDW Direct, LLC
- Centro Media, Inc.
- Charles Schwab & Co., Inc.
- Chastain, Clay

- Chatham Asset Management LLC
- Cherry Street Properties, LLC
- Chief Justice Cecelia G Morris
- Chiquita Brands L.L.C.
- Church of the Resurrection -- United Methodist
- Citizens Bank, N.A.
- City of Fresno
- City of Grapevine, Grapevine-Colleyville ISD
- City of Sacramento
- Clarke Investments, LP
- CliftonLarsonAllen LLP
- Cluster Group LP
- Cobalt LLP
- Cobas Asset Management SGIIC SA
- COECO Financial Services
- Collegian, Inc.
- Columbia Casualty Company (CNA)
- Columbian Publishing Co
- Communications Workers of America
- Continental Insurance Co. (CNA)
- Cotten Schmidt & Abbott, LLP
- Courier Journal Inc.
- CPT Group, Inc.
- Credit Suisse Group AG
- Crowley ISD, Arlington ISD
- CT Corporation System
- CVS Health Corporation
- D.J. Harrison Holdings, LLC
- Datamatics Technologies
- Dave Deison, CPA
- David M. Smith
- Davis & Harman LLP
- Davis Wright Tremaine LLP
- Delbello Donnellan Weingarten Wise
- Deloitte & Touche LLP
- Dement Askew, LLP
- Diepenbrock Elkin Gleason LLP
- Digital Office Systems, Inc.
- Dillard's, Inc.
- DLA Piper LLP US
- Dollar General Corporation
- Donald M Craven PC
- Doodad Printing, LLC
- Dowis, Dan
- Dowling Aaron Incorporated
- Dowling, Aaron & Keeler, Inc.
- Downey Brand Attorney LLP
- Ducera Partners LLC
- Echo Locum Tenens, Inc.
- Edna Valley Office Building, LLC
- Encina Business Credit, LLC
- Eric Feig Entertainment & Media Law
- Ernst & Young LLP
- Escallier-Kaljian, LLC
- Essex Richards Attorneys at Law
- Everbank Commercial Finance, Inc.
- Everett, Gaskins, Hancock LLP
- Exequity LLP
- Farr, Peter
- Federal Insurance Co.
- Felderstein Fitzgerald Willoughby Pascuz
- Ferro, Shelly
- Fiduciary Properties, Inc.
- Fireman's Fund Insurance Co.
- First U.S. Community Credit Union, a California Chartered Credit Union
- FJM Sunrise Associates SPE, LLC
- Fleeson Gooing Coulson & Kitch LLC
- Flint Group North America Corporation
- FM Global
- Ford Motor Credit Company, LLC
- Fox Rothschild LLP
- Friday, Rufus
- Fujifilm North America Corp
- Gale Force Sports and Entertainment, LLC
- Gatehouse Media GA Holdings Inc.
- Geiger, Terry
- Georgeson and Belardinelli
- Gibson, Dunn & Crutcher LLP

- Givens Purlsey LLP
- Gladstone Place Partners LLC
- GLC Advisors & Co., LLC
- Glines, Sara
- Global Ad Distribution LLC
- Global Aeroleasing
- Goldenberg Heller & Antognoli, P.C.
- Goldman Sachs & Co, LLC
- Goldman Sachs Bank USA
- Gordon Thomas Honeywell
- GPA-I, LP
- Graphic Communications Conference, International Brotherhood of Teamsters, Local 493M
- Great American Insurance Co.
- GreatAmerica Financial Services Corporation
- GreatAmerica Leasing Corporation
- Greenberg Traurig LLP
- Grieve, Tim
- Groom Law Group, Chartered
- Guess Road Station, Inc.
- Gunderson Dettmer
- Guo, Wengui
- Hagen Talbot Co Limited Partnership
- Hagwood Adelman Tipton, PC
- Haimer, Darren
- Handbill Printers LP
- Harrington, William K.
- Hartford Fire Insurance Company
- Haynes & Boone LLP
- Hendricks, Chris
- Herald Tribune Media Group
- Highwoods Realty Limited Partnership
- Hobby Lobby Stores, Inc.
- Hofmann Holdings, LP
- Hogan Lovells LLP
- Holland & Hart LLP
- Holland & Knight
- Hopkins & Carley
- Hull Barrett Pc
- ICC Owner, LLC
- Ice-Masters, Inc.
- Infosys Bpo
- J. C. Penney Corporation, Inc.
- J.P. Morgan Securities LLC
- Jackson dba 8200 Berry Associates
- Jassy Vick Carolan LLP
- Jay Allen Eisen Law Corporation
- Jefferies LLC
- Jessica Jones Holcombe
- JMVZ Enterprises, LLC
- Joanna Culley, as Guardian of the Estate of Dennis Leroy Williams, Disabled
- John P Fleck
- Jones Day
- Jones Walker LLP
- Joshi, Anjali
- JP Morgan Chase Bank, N.A.
- JTS Direct LLC
- Judge James L. Garrity Jr.
- Judge Martin Glenn
- Judge Mary Kay Vyskocil
- Judge Michael E. Wiles
- Judge Robert D. Drain
- Judge Robert E Grossman
- Judge Sean H. Lane
- Judge Shelley C. Chapman
- Judge Stuart M Bernstein
- Karbank Holdings LLC
- Katzke & Morgenbesser
- Keller Rohrback LLP
- Kencorp Ent, LLC
- Kessinger/Hunter & Company, LC
- Kilpatrick Townsend & Stockton, LLP
- Kohl's Corporation
- La Mirage Kiffmann LLC
- Lampton Realty Co.
- Lathrop Gage Law Offices
- Law Office of Eddy O. Marban
- Law Offices of Bram Gechtman, PA
- Law Offices of Stephen J. Burns

- Law Offices of William C. Haahes
- LDiscovery TX, LLC
- LEAF Capital Funding, LLC
- Lee Hecht Harrison LLC
- Lee Litigation Group, PLLC
- Legacy Properties
- Leithauser, Debra
- Leon Cooperman
- Leonhard, Alicia
- Levine Sullivan Koch & Schultz LLP
- Lewis Brisbois Bisgaard & Smith LLP
- Lewis Rice LLC
- Liberty Mutual
- Lloyd's Underwriters
- Lorianne E. Sawin
- Macy's, Inc.
- Mahone, Rodney
- MailFinance, Inc.
- Maloney Stiles, Sue
- Manko, Gold, Katcher & Fox LLP
- Marsh LLC
- Marsh USA Inc
- Masergy Communications Inc.
- Maxwell E Kantsch
- Mayer Brown LLP
- McBride & Fillner Ent, LLC
- McClatchy, Charles K.
- McClatchy, James B.
- McClatchy, William B.
- McConnell, Wagnor, Sykes & Stacey
- McGuire Woods LLP
- Meece Rentals
- Melbourne Distribution Center, LLC
- Member Companies of Global Aerospace
- Menard, Inc.
- Mercer USA Inc
- Merrill Lynch, Pierce, Fenner & Smith Incorporated
- Michaels Stores, Inc.
- Miller Enterprises of Manatee, Inc.
- Miller Griffin and Marks
- Milstein Law Group
- Minnix Ltd.
- Mobile Circulation Group
- Morningstar Law Group
- Morris Nichols Arsht & Tunnell LLP
- MPM Properties, LLC
- MPP Global Solutions Inc
- Murray, Gilmur R
- Mutual Insurance Company Limited
- National Union Fire Insurance Company of Pittsburgh, PA (AIG)
- NE Building, L.L.C.
- Neopost
- Neville Richards & Wuller
- News America Marketing
- NextGen, LLC
- Noble Financial Capital Markets
- Nolabari, Inc.
- Nunes, Devin
- Nussbaum, Kim
- Oak Street Redevelopment Corporation
- Old Republic Insurance Co
- Olive Drive West
- OlivePark Professional Center LLC
- O'Melveny & Myers LLP
- Orlin C Munns
- Orrick Herrington & Sutcliffe LLP
- OSG Billing Services
- OWS CS V SPV, LLC
- P. Anthony Ridder
- Pacific Media Workers Guild Local 39521
- Palm Beach Law Offices
- Partnership in Education, Inc.
- Paul & Susan R. Minck
- Pendergrass Law Firm, PLLC
- Penpraze, Lisa
- Penske Logistics LLC
- Penske Truck Leasing Co., L.P.
- Pergam, Andrew
- Perkins Coie
- Peterson Bernard

- PNC Bank, NA
- Polsinelli PC
- Ponderay Newsprint Company
- Porzio Bromberg & Newman, PC
- Principal Real Estate Investors
- Principia (Lloyd's) / Argo Re Ltd. (Bermuda)
- Professional Courier & Newspaper Distribution Inc.
- Pruitt, Gary
- QBE Insurance Corporation
- Quincey E. Cargile
- Ralph L. Stancil and Louise N. Stancil
- Ram & Olson LLP
- Randy Mosteller
- Ravindran, Vijay
- Rawle & Henderson LLP
- Republic Services
- Rettig Forgette Iller Bower LLP
- Richard Gerbi
- Richards, Layton & Finger, P.A.
- Riffkin, Linda
- Riley Sales & Marketing
- Rite Aid Corporation
- River Mill, LLC
- Robert DiNapoli, Trustee and Karin DiNapoli, Trustee
- Roberts, Kristin
- Rocaton Investment Advisors LLC
- Rock Hill City Plaza, LLC
- Rodeiro, Manuel
- Ronald B Cox Attorney at Law
- Ronald E. Toomajian and Gloria E. Toomajian Declaration of Trust dated June 25, 2003
- Rooms To Go
- Ross & Voytas, LLC
- RSM US LLP
- Ryder Truck Rentals, Inc.
- RYLB FW Properties LP
- Safety National Casualty Corporation
- Sandoval, Hernando
- Santostefano, Janet
- SCG Perimeter Woods, LLC
- Schmitt, Kathleen
- Seagis CPK 1 LLC
- Seattle Times Company
- Segal, Jeanne
- Seiler Epstein Ziegler & Applegate, LLP
- Senn Profit Sharing and Agent for Lyon Trust
- Shepherd, Stephanie
- Shops at Nottingham Plaza, LLC
- Shullman-Fugate PLLC
- Sideline Properties II, LLC
- Silverio & Hall P.A.
- South Florida Sun Sentinel
- South Forest Investors, LLC
- Southern Commercial Properties, LLC
- Spartina 449, LLC
- Staples, Inc.
- Star-Telegram Charities, Inc.
- State of Alaska
- State of Washington, Department of Enterprise Services
- State Street Leasing, LLC
- Steven Marc Soloman
- Stevens Martin Vaughn & Tadych PLLC
- Stoll Keenon Ogden PLLC
- Storm, Robert
- Summit Tax Consulting Inc.
- Sun Life Assurance Company
- Sundance Commercial LLC
- Sundance Investments, L.L.L.P.
- Target Corporation
- TD Bank, N.A.
- Texas Investments, LP
- The Bank of New York Mellon Trust Company
- The Charter Oak Fire Insurance Co (Travelers)
- The Dallas Morning News
- The Graham Companies

- The Herald Charities, Inc.
 - The Lexington Newspaper Guild, Communications Workers of America Local 33229
 - The McClatchy Company Foundation
 - The Meyers Law Firm LLC
 - The Miles Foundation, Inc.
 - The News Guild-CWA
 - The Observer Charities, Inc.
 - The Ohio Casualty Insurance Company
 - The Sun News Educational Foundation, Inc.
 - The Travelers Indemnity Company
 - The Travelers Indemnity Company of America
 - Thomas & Locicero
 - Timber Soma 925 L Street LP
 - TimePayment Corp.
 - Times News Media Group
 - Times Publishing Company
 - TKG Internet Holdings II, LLC
 - TMB Real Estate Investments, LLC
 - Topix, LLC
 - Total Wine & More
 - Towers Watson
 - Travelers Property Casualty Company of America
 - Tribune Newsprint Company
 - Tri-Lift NC, Inc.
 - Trivest Properties, LLC
 - U.S. Bank Equipment Finance
 - Ulta Beauty, Inc.
 - Ultrex
 - Urban Olympia 6 LLC
 - US Bank
 - US Bank NA
 - US Specialty Insurance Co.
 - Usa Today
 - Valassis Communications, Inc.
 - Van Baalen, Guy A
 - Vibe-Ener, Johanna Maria
 - Villoch, Alexandra
 - W & B Properties
 - W. Kenan Rand, Jr.
 - Walgreen Company
 - Wall, Shannon
 - Walmart, Inc.
 - WaterLogic
 - Wells Fargo Clearing Services, LLC
 - Wells Fargo, N.A.
 - West Pak Equipment Co.
 - Westcore Northgate LP
 - Western Surety Company
 - White & Case LLP
 - Wichita Eagle and Beacon Publishing Company, Inc.
 - Williams, Dennis
 - Wilmington Savings Fund Society, FSB
 - Wilson Sonsini Goodrich & Rosati
 - Wingate Paper Company
 - Wipro Limited
 - Wise Carter Child & Caraway
 - WNS Global Services, Inc.
 - Wolf & Sultan
 - Wolfson Law Firm
 - Wortel, Gary
 - Wright National Flood Insurance Co.
 - Wyrick Robbins Yates & Ponton
 - Xerox
 - XL Specialty Insurance Co.
 - Yang, Cindy
 - Young Clement Rivers, LLP
 - Zeeck, David
 - Zieman, Mark
 - Zurich American Insurance Co.
- Additional Parties Searched**
- Benjamin J. Higgins
 - Brian S. Masumoto
 - George Riggs
 - Former Knight Ridder and McClatchy Salaried Employees Association
 - Endava, Inc.
 - Gannett Supply Corporation

- Gannett Publishing Services LLC
- West Penn Power Company
- Florida Power & Light Company
- Evergy, Inc.
- Frank R.J. Whittaker
- Timothy M. Kelly
- Joseph M. Visci
- TN Dept of Revenue
- Wells Fargo Vendor Financial Services, LLC f/k/a GE Capital Information Technology Solutions c/o A Ricoh USA Program f/d/b/a IKON Financial Services
- The News Guild-CWA on behalf of itself, Local 33229 and Local 39521, and CWA Local 3108
- The County of Denton, Texas
- BOKF, N.A.
- Dow Jones & Company, Inc.
- Pension Benefit Guaranty Corporation
- Brightcove Inc.
- Ken Burton, Jr., Manatee County Tax Collector
- Missouri Department of Revenue

SCHEDULE 2

Disclosures Regarding Potential Parties in Interest

Schedule 2

Relationship with Potential Parties in Interest

1. Moelis (and its financial advisory affiliates) has been engaged within the last two years or is currently engaged by the following Potential Parties in Interest (or one or more of their affiliates, as the case may be) in matters unrelated to these cases (including where the Potential Party in Interest was only a member of an official or an ad hoc creditor committee or an equity committee):

Parties-In-Interest

- Bank of New York Mellon
- Wells Fargo Bank, National Association

Banking Institutions

- Wells Fargo Bank, N.A.

Additional Parties

- BofA Securities, Inc.
- Brigade Capital Management, LP
- Credit Suisse Group AG
- Goldman Sachs & Co, LLC
- Goldman Sachs Bank USA
- J.P. Morgan Securities LLC
- JP Morgan Chase Bank, N.A.
- Leon Cooperman
- Merrill Lynch, Pierce, Fenner & Smith Incorporated
- The Bank of New York Mellon Trust Company
- U.S. Bank Equipment Finance
- US Bank
- US Bank NA
- Walmart, Inc.
- Wells Fargo Clearing Services, LLC
- Wells Fargo, N.A.
- Xerox
- Zurich American Insurance Co.

EXHIBIT B

Proposed Order

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

-----	X	
<i>In re:</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, <i>et al.</i> ,	:	Case No. 20-10418 (MEW)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
-----	X	

**ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
MOELIS & COMPANY LLC AS INVESTMENT BANKER TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
EFFECTIVE AS OF MARCH 9, 2020**

Upon the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order: (a) authorizing the employment and retention of Moelis & Company LLC (“Moelis”) to serve as the Committee’s investment banker effective as of March 9, 2020, pursuant to sections 328(a) and 1103(a) of title 11 of the United States Code (the “Bankruptcy Code”); (b) approving the provisions of the Engagement Letter, including the compensation arrangements and indemnification, contribution and reimbursement provisions set forth therein; (c) modifying the timekeeping requirements of Local Rule 2016-1, General Order M-447 Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases (the “Amended Guidelines”), the guidelines (the “Trustee Guidelines”) of the U.S. Trustee and any other applicable procedures and orders

¹ 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 jointly administered chapter 11 cases, 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.

² Each capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Application.

of the Court in connection with Moelis' engagement; and (d) granting such other relief as is just and proper; and this Court finding that it has jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Application being adequate and appropriate under the particular circumstances; and objections (if any) to the Application having been withdrawn, resolved or overruled on the merits; and upon consideration of the Application, and the Derrough Declaration; and upon the record of all proceedings had before the Court; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors' estates, their creditors and other parties in interest, and that the legal and factual bases set forth in the Application and the Derrough Declaration establish just cause for the relief granted herein; and the Court being satisfied, based on the representations made in the Application and the Derrough Declaration, that (a) Moelis does not hold or represent an interest adverse to the Debtors' estates and (b) Moelis is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code as required by section 1103(b) of the Bankruptcy Code; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that:

1. The Application is granted and the provisions set forth in the Engagement Letter (and all attachments thereto) attached hereto as Exhibit 1 are hereby approved, to the extent provided herein and except as otherwise expressly modified herein to the contrary.

2. In accordance with sections 328(a) and 1103(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-1, the Committee is

authorized to employ and retain Moelis as its investment banker in accordance with the terms and conditions set forth in the Engagement Letter, as modified herein, and the Debtors are authorized to pay fees and reimburse expenses, and to provide indemnification, contribution, and/or reimbursement to Moelis on the terms and at the times specified in the Engagement Letter as modified herein, effective as of March 9, 2020.

3. Moelis shall be compensated for fees and reimbursed for out-of-pocket expenses by the Debtors in accordance with the terms of the Application and/or Engagement Letter, as modified herein, and all fees and out-of-pocket expense reimbursements to be paid to Moelis, including without limitation the Monthly Fee and the Restructuring Fee, shall be subject to Section 328(a) of the Bankruptcy Code, except as set forth herein.

4. Notwithstanding anything to the contrary contained herein or in the Application and/or Engagement Letter, Moelis shall file interim and final fee applications for allowance of its compensation and expenses pursuant to sections 330 and 331, the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines and any other procedures or orders of the Court; *provided, however*, that the United States Trustee retains all rights to respond or object to the reasonableness of Moelis' interim and final applications for compensation (including without limitation the Monthly Fee and the Restructuring Fee) and reimbursement of out-of-pocket expenses pursuant to section 330 of the Bankruptcy Code, and the Court retains jurisdiction to consider the United States Trustee's response or objection to the reasonableness of Moelis' interim and final fee applications pursuant to section 330 of the Bankruptcy Code; and *provided, further*, that "reasonableness" shall be evaluated by comparing (among other things) the fees payable in these cases to fees paid to comparable investment

banking firms with similar experience and reputation offering comparable services in other chapter 11 cases and shall not be evaluated solely on an hourly or length-of-case based criteria.

5. Notwithstanding anything to the contrary in the Application, the Engagement Letter or herein, the requirements of the Bankruptcy Rules, the Local Rules, the Amended Guidelines, the Trustee Guidelines and any other procedures or orders of the Court are hereby modified such that Moelis' restructuring professionals shall be required only to keep summary time records in hourly increments, Moelis' non-restructuring professionals and personnel in administrative departments (including legal) shall not be required to keep time records, Moelis' professionals shall not be required to keep time records on a project category basis and Moelis shall not be required to provide or conform to any schedule of hourly rates.

6. In the event that Moelis seeks reimbursement from the Debtors for its attorneys' fees and expenses pursuant to the Application and the Engagement Letter, the invoices and supporting time records for the attorneys' fees and expenses shall be included in Moelis' own applications, both interim and final, and these invoices and time records shall be subject to the approval of the Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 1103 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

7. The Indemnification Provisions included in Annex B to the Engagement Letter are approved, subject during the pendency of these cases to the following modifications:

- a. Subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, the Indemnified Persons (as defined in the Engagement Letter) in accordance with the Engagement Letter and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with Moelis' performance of the services described in the Engagement Letter;

- b. All requests by Indemnified Persons for the payment of indemnification as set forth in the Engagement Letter shall be made by means of an application to the Court and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter; provided, however, that in no event shall any Indemnified Person be indemnified to the extent that a court determined by final order that such person acted in its own bad-faith, self-dealing, or breach of fiduciary duty (if any), gross negligence, or willful misconduct;
- c. In no event shall any Indemnified Person be indemnified to the extent the Debtors or a representative of the estate asserts a claim for, and the Court determines by final order that such claim arose out of, such Indemnified Person's own bad-faith, self-dealing, or breach of fiduciary duty (if any), gross negligence, or willful misconduct; and
- d. If, during these chapter 11 cases, an Indemnified Person seeks indemnity, contribution or reimbursement and the Indemnification Provisions are found to be unenforceable pursuant to subparagraphs (b) and (c) above (that is, on the grounds of the Indemnified Person's bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct) with respect to such request, then the "provided, however" clause of the second paragraph of Annex A shall be of no force and effect with respect to such Indemnified Person's request for indemnity, contribution or reimbursement.

8. For the avoidance of doubt, under no circumstances shall any of the compensation, expense reimbursement obligations, or indemnification approved by the Court be an obligation of, or paid by, the Committee or any of its members or professionals.

9. Moelis shall use its reasonable efforts to avoid any duplication of services provided by any of the other retained professionals in these chapter 11 cases.

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

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

12. Notwithstanding any provision to the contrary in the Application or the Engagement Letter, the Court shall retain jurisdiction to hear and to determine all matters arising from or related to implementation of this Order.

13. To the extent that there may be any inconsistency between the terms of the Application, the Engagement Letter, and this Order, the terms of this Order shall govern.

Dated: _____, 2020
New York, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Engagement Letter

399 PARK AVENUE
5th FLOOR
NEW YORK, NY 10022

T 212.883.3800
F 212.880.4260

MOELIS & COMPANY

March 9, 2020

PRIVILEGED AND CONFIDENTIAL

Official Committee of Unsecured Creditors of The McClatchy Company
c/o Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attention: Kristopher M. Hansen

We are pleased to confirm that since March 9, 2020, the Official Committee of Unsecured Creditors (the “Committee” or “you”) appointed in the chapter 11 cases (the “Bankruptcy Cases”) of The McClatchy Company (“McClatchy”) and its affiliates and subsidiaries that are or later become debtors in the Bankruptcy Cases (collectively, the “Company” or the “Debtors”),¹ which Bankruptcy Cases are pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) has engaged Moelis & Company LLC (“Moelis”, “we”, “our” or “us”) to act as its exclusive investment banker in connection with a potential Restructuring (as defined below). Each of the members of the Committee is referred to herein individually as a “Member” and collectively as “Members”.

“Restructuring” means any restructuring, reorganization, repayment, refinancing, rescheduling or recapitalization of all or any material portion of the liabilities of the Company (or its direct or indirect subsidiaries) however such result is achieved, including, without limitation, through a plan of reorganization or liquidation (a “Plan”) confirmed in connection with the Bankruptcy Cases, raising of new debt or equity capital, or a sale, disposition, liquidation or other transfer (regardless of form), including to existing creditors of the Company, of all or a significant portion of the equity, interests, assets, properties, cash flows or businesses of the Company, whether in one transaction or a series of transactions.¹

1. As part of our engagement, we will if appropriate and requested:

- (a) assist the Committee in reviewing and analyzing the Company’s results of operations, financial condition and business plan;
- (b) assist the Committee in reviewing, analyzing and negotiating a potential Restructuring;
- (c) assist the Committee in analyzing the capital structure of the Company, including the assets and liabilities of the Company;

¹ It is expressly understood and agreed that all references to obligations of the Company under the terms of this agreement, including all attachments hereto, shall be obligations of the Company pursuant to the order entered by the Bankruptcy Court pursuant to and in accordance with the Committee’s application to retain Moelis.

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- (d) assess the financial issues and options concerning (i) a sale of the Company's material assets, either in whole or in part, and (ii) the Company's chapter 11 plan of reorganization or any other chapter 11 plan;
- (e) assist the Committee in reviewing any alternatives to a Restructuring proposed by the Company or other creditors of the Company or parties in interest;
- (f) advise the Committee in negotiations with the Company and third parties in respect of any of the foregoing;
- (g) participate in hearings before the Bankruptcy Court and provide testimony and expert reports, in respect of the foregoing and on matters mutually agreed upon in good faith by Moelis and the Committee; and
- (h) provide such other investment banking services in connection with a Restructuring as Moelis and the Committee may mutually agree upon.

The nature and scope of Moelis's investigation and analysis, as well as the scope, form and substance of any expert report, shall be such as Moelis deems appropriate. Please note that Moelis does not provide, and will not be providing, legal, tax, accounting or actuarial advice to the Committee or any other party.

2. (a) As compensation for our services hereunder, the Company and its bankruptcy estates agrees to pay us the following nonrefundable cash fees:

Monthly Fee

- (i) During the term of this agreement, a fee of \$150,000 per month (the "Monthly Fee"), payable in advance of each month. The first Monthly Fee shall be due and payable as of March 9, 2020. Thereafter, the Monthly Fee shall be due and payable on every monthly anniversary of the date of this agreement during the term of this agreement. Whether or not a Restructuring has taken place or will take place, we shall earn and be paid the Monthly Fee every month during the term of this agreement. After six (6) full Monthly Fees have been paid to Moelis, fifty percent (50%) of any subsequent Monthly Fees actually paid to and retained by Moelis shall be credited once (without duplication) against any Restructuring Fee (as defined below) subsequently payable to Moelis.

Restructuring Fee

- (ii) A fee (the "Restructuring Fee") equal to \$3,450,000, which shall be earned upon the confirmation of a Plan and paid on the effective date of a Plan.

If, at any time during the 12 months following the expiration or termination of this agreement (the "Tail Period"), the Company consummates (or any entity formed or invested in to consummate a Restructuring) a Restructuring or enters into an agreement for a Restructuring, then the Company (or any entity formed or invested in to consummate the Restructuring) and its bankruptcy estates shall pay us the appropriate fee specified in Section 2(a) above immediately upon the effectiveness of each such transaction. Also, notwithstanding anything to the contrary contained herein, if, prior to entry into a Plan, (i) the Committee provides written notice to Moelis that it is terminating Moelis' engagement due to the bad faith, willful

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misconduct or gross negligence of Moelis in the performance of its services hereunder, and (ii) such bad faith, willful misconduct or gross negligence is not promptly cured (if such cure is possible) by Moelis in a manner reasonably acceptable to the Committee, then no Restructuring Fee shall be paid or payable hereunder; provided, however, that if Moelis obtains a judicial determination that it did not act with bad faith, willful misconduct or gross negligence in the performance of its services hereunder, Moelis will remain entitled to its Restructuring Fee.

(b) Whether or not the Company consummates a Restructuring, the Company and its bankruptcy estates will reimburse us for all of our reasonable out-of-pocket expenses as they are incurred in entering into and performing services pursuant to this agreement, including the reasonable and documented fees and out-of-pocket expenses of our legal counsel. We agree to provide the Company with reasonable support for our expenses at the Company's request or at the Bankruptcy Court's direction. The Committee agrees not to object to our request to the Bankruptcy Court and any appellate court for allowance and payment of Moelis' reasonable out-of-pocket expenses.

(c) The obligation of the Company and its bankruptcy estates (subject to any necessary Bankruptcy Court approval) to pay any fee, expense or indemnity set forth herein is not subject to any reduction by way of setoff, recoupment or counterclaim.

(d) Notwithstanding the obligations of the Company and its bankruptcy estates hereunder, including, but not limited to, their obligation to pay the fees and expenses of Moelis and to indemnify Moelis, it is understood and agreed that Moelis' sole and exclusive client is the Committee. Moelis will in no circumstance be deemed to be a financial advisor or investment banker to, or have any obligation whatsoever to, the Company or any other party, including, without limitation, any individual member of the Committee, whether in its capacity as a member of the Committee or otherwise. All advice (written or oral) provided by Moelis in connection with this engagement (i) is intended solely for the benefit and use of the Committee in considering matters to which this agreement relates, (ii) is not and will not be deemed to constitute a recommendation to the Company's board of directors (or any similar governing body) or the Company with respect to any Restructuring or any other matter and (iii) is not intended for the benefit or use by the Company, its stockholders, its members, its other creditors or any other person or entity.

(e) Moelis will make a substantial commitment of professional time and effort hereunder, which may foreclose other opportunities for us. Moreover, the actual time and effort required for the engagement may vary substantially from time to time. In light of the numerous issues that may arise in engagements such as this, Moelis' commitment of the time and effort necessary to address the issues that may arise in this engagement, Moelis' expertise and capabilities that the Committee will require in this engagement, and the market rate for professionals of Moelis' stature and reputation, the parties agree that the fee arrangement provided herein is just and reasonable, fairly compensates Moelis, and provides the requisite certainty to the Committee that Moelis will be available to advise and assist it throughout the Bankruptcy Cases.

(f) Notwithstanding anything contained herein to the contrary, neither the Committee, its constituents, nor any of its advisors or professionals (including, but not limited to, counsel to the Committee) shall be liable for the fees, expenses or other amounts payable to Moelis hereunder. Moelis is providing its services as the investment banker to the Committee, and is not providing any services on behalf of the individual members of the Committee. At the direction of counsel for the Committee, certain communications and correspondence from Moelis, and work product and analyses prepared by Moelis for the Committee in connection with this matter, will be considered in preparation for litigation

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over the restructuring of the Debtors and, accordingly, will be subject to the attorney-client privilege and work-product doctrine.

3. (a) Following execution of this agreement, the Committee will use its reasonable best efforts to seek entry of a final order of the Bankruptcy Court authorizing our employment as the Committee's exclusive financial advisor under this agreement (including, without limitation, the fee, expense, and indemnification provisions hereof) pursuant to, and subject to the standards of review set forth in, section 328(a) of the Bankruptcy Code (and not subject to the standards of review set forth in section 330 of the Bankruptcy Code), nunc pro tunc to March 9, 2020. The retention application and any order authorizing Moelis' retention must be acceptable to Moelis in its sole discretion. In agreeing to seek Moelis' retention under Section 328(a) of the Bankruptcy Code, the Committee acknowledges that it believes that Moelis' general restructuring experience and expertise, its knowledge of the capital markets and its restructuring capabilities will inure to the benefit of the Committee, that the value to the Committee of Moelis' services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the fees set forth in Section 2 hereof are reasonable, regardless of the number of hours expended by Moelis' professionals in the performance of the services provided hereunder.

(b) Moelis will have no obligation to provide services unless the Bankruptcy Court approves Moelis' retention in a final non-appealable order acceptable to Moelis in its sole discretion under section 328(a) of the Bankruptcy Code as soon as reasonably practicable after the execution of this agreement. If such an order is not obtained in a reasonable period of time, or such order is later reversed, vacated, stayed or set aside for any reason, Moelis may terminate this agreement, and the Company shall reimburse Moelis for all fees owing and expenses incurred prior to the date of termination, subject to any requirements that the Bankruptcy Court might provide.

(c) Moelis' post-petition compensation, expense reimbursements and payment received pursuant to the provisions of *Annex A* shall be entitled to priority as expenses of administration under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any "carve-outs" for professional fees and expenses in effect pursuant to one or more financing orders entered by the Bankruptcy Court. Following entry of an order authorizing our retention, the Committee will assist Moelis in preparing, filing and serving fee statements, interim fee applications, and a final fee application. The Committee will support Moelis' fee applications that are consistent with this agreement in papers filed with the Bankruptcy Court and during any Bankruptcy Court hearing. The Company will promptly promptly our fees and expenses approved by the Bankruptcy Court in accordance with *Order Granting Debtors Motion For Order Pursuant To Bankruptcy Code Sections 105(A) And 331, Bankruptcy Rule 2016, And Local Bankruptcy Rule 2016-1 Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals* [Dkt. No. 176].

(d) The Committee will use its reasonable best efforts to ensure that, to the fullest extent permitted by law, any confirmed plan of reorganization or liquidation in the Bankruptcy Case contains typical and customary releases (both from the Company, its bankruptcy estates and from third parties) and exculpation provisions releasing, waiving, and forever discharging Moelis, its divisions, affiliates, any person controlling Moelis or its affiliates, and their respective current and former directors, officers, partners, members, agents, professionals and employees from any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities related to the Company, the Committee, any Plan or the engagement described in this agreement. However, such release and exculpation provisions need not release and exculpate Moelis for any liability resulting from gross negligence or willful misconduct.

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The terms of this Section 3 are solely for the benefit of Moelis, and may be waived, in whole or in part, only by Moelis in Moelis' sole discretion.

4. The Committee will, or will use all reasonable efforts to cause the Company to, furnish us with all information concerning the Company that we reasonably deem appropriate (collectively, the "Information") to perform this engagement and the Company will provide us with access to the officers, directors, employees, accountants, advisors, counsel and other representatives of the Company. To the best of the Company's knowledge, the Information will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. In addition, the Company will promptly advise us of any material event or change in the business, affairs, condition (financial or otherwise) of the Company that occurs during the term of our engagement hereunder. The Committee understands and agrees that we, in performing our services hereunder, we will be entitled to use and rely upon the Information as well as publicly available information without independent verification. We are not required to conduct a physical inspection of any of the properties or assets, or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Company. We will be entitled to assume that financial forecasts and projections the Company makes available to us have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company or the Committee, as applicable. The Committee acknowledges that Moelis' ability to render the services hereunder will depend on the extent of the cooperation Moelis receives. Moelis' role in reviewing any Information is limited to performing a review as Moelis deems necessary to support its own advice and analysis and shall not be performed on behalf on any other party.

We will not disclose to any third party nonpublic Information concerning the Committee and the Company provided to us in connection with this agreement as long as it remains nonpublic, except (i) as otherwise required by subpoena or court order and for private disclosure to our financial regulatory authorities or (ii) as otherwise agreed by the Committee and the Company. This paragraph shall terminate 24 months following the date of this agreement.

Moelis may provide confidential information of the Company to members of the Committee who have signed a confidentiality agreement with the Company or have otherwise agreed to protect such confidential information in accordance with the terms of the Committee's Bylaws. If any Member of the Committee elects not to receive any material non-public information or any confidential information of the Company is designated as "for professional eyes only" pursuant to the confidentiality agreement between Moelis and the Company or otherwise, each such Member agrees that Moelis shall not have any liability for not providing such information to any such Member or for any advice provided based on such information.

5. The Committee will not disclose, summarize or refer to any of Moelis' advice publicly or to any third party, without the prior written consent of Moelis. In the event disclosure is required by subpoena or court order, the Committee will provide us reasonable advance notice and permit us to confer with independent counsel (and receive reimbursement for such counsel under Section 2(b) hereof) and to comment on the form and content of the disclosure. We may, at our option and expense after announcement of any Restructuring, place announcements and advertisements or otherwise publicize such transaction and our role in it (which may include the reproduction of the Company's logo and a hyperlink to the Company's website) on our website and in such financial and other newspapers and journals as we may choose, stating that we have acted as exclusive investment banker to the Committee in connection with any Restructuring.

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6. Moelis is an independent contractor with the contractual obligations described herein owing solely to the Committee. The parties agree that Moelis is not acting as an agent or fiduciary of the Committee or any other party, and the Committee agrees to not make any claims against Moelis based on an agency or fiduciary relationship. The Company shall agree to the indemnity and other provisions set forth in *Annex A*, and Counsel and each Member of the Committee agrees to the limitation on liability set forth therein. The Company's obligations set forth in *Annex A* are in addition to any rights that any Indemnified Person may have at common law or otherwise. Other than the Indemnified Persons, there are no third party beneficiaries of this agreement.

7. Either the Committee or Moelis may terminate this agreement upon written notice thereof to the other party. In the event of any termination, (i) Moelis will continue to be entitled to the fees and expenses that became payable hereunder prior to termination or expiration and (ii) *Annex A*, the last paragraph of Section 2(a) and Sections 3 through 8 shall remain in full force and effect after the completion, termination or expiration of this agreement.

8. Moelis is an independent investment bank which is engaged in a range of investment banking activities. Certain affiliates of Moelis are engaged in asset management and other activities for their own account and otherwise. Moelis and its affiliates may have interests that differ from the interests of the Committee. Moelis and its affiliates have no duty to disclose to the any party, or use for the benefit of any party, any information acquired in the course of providing services to any other party, engaging in any transaction or carrying on any other businesses. Moelis' employees, officers, partners and affiliates may at any time own the Company's securities or those of any other entity involved in any transaction contemplated by this agreement. Moelis recognizes its obligations under applicable securities laws in connection with the purchase and sale of such securities.

Moelis is required to obtain, verify, and record information that identifies each party with whom it does business in a manner that satisfies the requirements of and in accordance with the USA Patriot Act. Upon request, each of the parties hereto will provide Moelis with information necessary to verify such party's identity for purposes of the USA Patriot Act.

9. This agreement and any disputes or claims that may arise out of this agreement shall be governed by and construed in accordance with the internal laws of the State of New York, and this agreement embodies the entire agreement and supersedes any prior written or oral agreement relating to the subject matter hereof, and may only be amended or waived in writing signed by both the Committee and us (and if the obligations of the Company are adversely affected, the Company). If any part of this agreement is judicially determined to be unenforceable, it shall be interpreted to the fullest extent enforceable so as to give the closest meaning to its intent, and the remainder of this agreement shall remain in full force and effect. Any proceeding arising out of this agreement shall be heard exclusively by the Bankruptcy Court or any court having appellate jurisdiction over the Bankruptcy Court. If the Bankruptcy Court declines to assert jurisdiction over such proceedings or if the reference is withdrawn to the United States District Court, then such proceedings shall be heard and determined in any New York state or federal court of competent jurisdiction sitting in the city and county of New York, to whose jurisdiction we and the Committee hereby irrevocably submit. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This agreement shall be binding upon the parties hereto and their respective successors, heirs and assigns. WE, THE MEMBERS OF THE COMMITTEE AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS CREDITORS AND SECURITY HOLDERS) HEREBY AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

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We are delighted to accept this engagement and look forward to working with the Members of the Committee. Please sign and return the enclosed duplicate of this agreement. The individuals signing this agreement each represent that he or she is authorized to execute and deliver it on behalf of the entity whose name appears above his or her signature.

Very truly yours,

MOELIS & COMPANY LLC

By: /s/ William Q. Derrough

Name: William Q. Derrough

Title: Managing Director & Co-Head of
Recapitalization & Restructuring Group

Agreed to as of the date first written above:

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE McCLATCHY COMPANY, *et al.*

Wilmington Savings Fund Society, FSB,
solely in its capacity as a Chair of the Official Committee
of Unsecured Creditors of The McClatchy Company,
et al.

/s/ Patrick J. Healy

Name: Patrick J. Healy

Title: Senior Vice President and Director of
Global Bankruptcy, Debt and Agency Services

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ANNEX A

In connection with our engagement to advise and assist the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases (the “Bankruptcy Cases”) of The McClatchy Company (“McClatchy”) and its affiliates and subsidiaries that are or later become debtors in the Bankruptcy Cases (collectively, the “Debtors”), the Debtors and the Committee will be subject to the terms of the Annex A.² In the event that Moelis & Company LLC or our affiliates or any of our or our affiliates’ respective current or former directors, officers, partners, managers, agents, representatives or employees (including any person controlling us or any of our affiliates) (collectively, “Indemnified Persons”) becomes involved in any capacity in any actual or threatened action, claim, suit, investigation or proceeding (an “Action”) arising out of, related to or in connection with the engagement or any matter referred to in this agreement, the Debtors, their bankruptcy estates, the reorganized Debtors and/or their reorganized affiliates and subsidiaries after the consummation of the Restructuring (as defined in the agreement between us and the Committee to which this Annex A is attached), and any entity or entities that may be formed or invested in to consummate a Restructuring (all such entities, the “Company”) will reimburse such Indemnified Person for the reasonable out-of-pocket costs and expenses (including counsel fees) of investigating, preparing for and responding to such Action or enforcing this agreement, as they are incurred. The Company will also indemnify and hold harmless any Indemnified Person from and against, and the Company and each Member of the Committee each agrees that no Indemnified Person shall have any liability to the Company, the Committee or any Member of the Committee or any of their respective affiliates, or their respective owners, directors, officers, employees, security holders or creditors for, any losses, claims, damages or liabilities (collectively, “Losses”) (A) related to or arising out of oral or written statements or omissions made or information provided by the Committee, the Company or its agents or (B) otherwise arising out of, related to or in connection with this agreement or Moelis’ performance thereunder, except that this clause (B) shall not apply to Losses that are finally judicially determined to have resulted primarily from the willful misconduct (including bad faith) or gross negligence of such Indemnified Person.

If such indemnification or limitation on liability are for any reason not available or insufficient to hold an Indemnified Person harmless, the Company agrees to contribute to the Losses in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company and the Committee, on the one hand, and by us, on the other hand, with respect to the engagement or, if such allocation is judicially determined to be unavailable, in such proportion as is appropriate to reflect the relative benefits and relative fault of the Company or the Committee on the one hand and of us on the other hand, and any other equitable considerations; *provided, however*, that, to the extent permitted by applicable law, in no event shall the Indemnified Persons be responsible for amounts that exceed the fees actually received by us from the Company and its bankruptcy estates in connection with the engagement. Relative benefits to the Company, on the one hand, and us, on the other hand, with respect to the engagement shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received or proposed to be received by the Company or its security holders, as the case may be,

² It is expressly understood and agreed that all references to obligations of the Company under the terms of this Annex A and the agreement to which it is attached shall be obligations of the Company pursuant to the order entered by the Bankruptcy Court pursuant to and in accordance with the Committee’s application to retain Moelis.

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pursuant to the transaction(s), whether or not consummated, contemplated by the engagement bears to (ii) the fees actually received by us in connection with the engagement.

The Company and the Committee will not without the prior written consent of Moelis (not to be unreasonably withheld), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate (a "Settlement") any Action (or facilitate the Settlement of any Action) in respect of which indemnification is or may be sought hereunder or in connection with the transactions contemplated by the engagement letter to which this *Annex A* is attached (whether or not an Indemnified Person is a party to such Action) unless such Settlement includes a release of each Indemnified Person from any Losses arising out of such Action. The Company and the Committee will not permit any such Settlement to include a statement as to, or an admission of, fault or culpability by or on behalf of an Indemnified Person without such Indemnified Person's prior written consent. No Indemnified Person seeking indemnification, reimbursement or contribution under this agreement will, without the Company's or the Committee's prior written consent (not to be unreasonably withheld), agree to the Settlement of any Action.

Prior to effecting any proposed sale, exchange, dividend or other distribution or liquidation of all or substantially all of its assets or any significant recapitalization or reclassification of its outstanding debt or other securities that does not explicitly or by operation of law provide for the assumption of the obligations of the Company set forth herein, the Company will notify us in writing of the arrangements for the Company's obligations set forth herein to be assumed by another creditworthy party (for example through insurance, surety bonds or the creation of an escrow) upon terms and conditions reasonably satisfactory to the Company and us.