

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

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

**SUPPLEMENTAL AFFIDAVIT OF SERVICE**

I, Heather Fellows, depose and say that I am employed by Kurtzman Carson Consultants LLC (KCC), the claims and noticing agent for the Debtors.

On March 10, 2020, at my direction and under my supervision, employees of KCC caused to be served per postal forwarding address the following documents via First Class Mail upon the service list attached hereto as **Exhibit A**:

- **Order (I) Directing Joint Administration of Cases and (II) Waiving Requirements of Bankruptcy Code Section 342(c)(1) and Bankruptcy Rules 1005 and 2002(n)** [Docket No. 59]
- **Order Authorizing Debtors to File Redacted Portions of the Payoff Letter Related to Proposed Postpetition Financing Facilities Under Seal** [Docket No. 61]

Furthermore, March 10, 2020, at my direction and under my supervision, employees of KCC caused to be served per postal forwarding address the following document via First Class Mail to the registered holders of Common Stock holding in excess of 300,000 shares, on the service list attached hereto as **Exhibit B**:

*(Continued on Next Page)*

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<sup>1</sup> The Debtors 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' 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.



- **Notice of Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors** [attached hereto as **Exhibit C**]

Dated: March 13, 2020

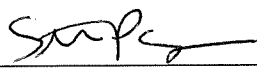


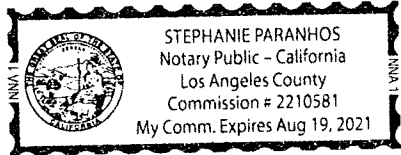
Heather Fellows

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California  
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 13<sup>th</sup> of March 2020, by Heather Fellows, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature: 



# **Exhibit A**

Exhibit A  
Page 1 of 12

Master Service List

Served via First Class Mail

Description	CreditorName	CreditorNoticeName	Address	City	State	Zip
Top 30 Creditor	Tribune Direct	Attn Officer or Director	160 N Stetson Ave	Chicago	IL	60601-6725

## **Exhibit B**

Served via First Class Mail

CreditorName	Address	City	State	Zip
Leonard E Reynolds & Deloris Reynolds Jt Ten	ADDRESS REDACTED			
Thomas Miller	ADDRESS REDACTED			

## **Exhibit C**

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

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

**NOTICE OF INTERIM ORDER ESTABLISHING NOTICE  
AND HEARING PROCEDURES FOR TRADING IN, OR  
TREATING AS BECOMING WORTHLESS,  
EQUITY SECURITIES IN THE DEBTORS**

TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN THE DEBTOR:

PLEASE TAKE NOTICE that on February 13, 2020 (the “**Petition Date**”), the above-captioned debtor and debtor in possession (the “**Debtors**”), commenced a case under chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101 *et seq.*, as amended (the “**Bankruptcy Code**”). Subject to certain exceptions, section 362 of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors’ estates or of property from the Debtors’ estates or to exercise control over property of the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that on the Petition Date, the Debtors filed a motion seeking entry of an Interim Order and Final Order establishing notice and hearing procedures for trading in, or treating as becoming worthless, equity securities in the Debtors (the “**Motion**”).

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<sup>1</sup> The last four digits of Debtor The McClatchy Company’s tax identification number are 0478. Due to the large number of debtor entities in these 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.



PLEASE TAKE FURTHER NOTICE that on February 18, 2020, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered an Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors approving the procedures set forth below in order to preserve the Debtors’ Tax Attributes (as defined in the Motion) (the “**Interim Order**”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, the following procedures shall apply to holding and trading in equity securities of The McClatchy Company (“**McClatchy**”):

1. Any purchase, sale, or other transfer of, or claim of worthlessness with respect to, equity securities in the Debtors in violation of the procedures set forth herein (including the notice requirements set forth in Section 2(a) below) shall be null and void *ab initio* as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.

2. The following procedures shall apply to trading in equity securities of McClatchy:

- (a) Any purchase, sale, or other transfer of equity securities in McClatchy in violation of the procedures set forth herein (including notice requirements) shall be null and void *ab initio* as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.
- (b) Any person or entity (as defined in Treasury Regulations Section 1.382-3(a)(1)) who currently is or becomes a Substantial Shareholder (as defined below) shall file with this Court, and serve on counsel to the Debtors a notice of such status, in the form of **Exhibit A-1** attached hereto, on or before the later of (i) 20 calendar days after the date of the Notice of Order (as defined below) and (ii) ten calendar days after becoming a Substantial Shareholder.
- (c) At least 10 calendar days prior to effectuating any transfer of equity securities (including Options to acquire such securities, as defined below) that would result in an increase in the amount of McClatchy Stock (as defined below) beneficially owned by a Substantial Shareholder or would result in a person or entity becoming a Substantial Shareholder, such Substantial Shareholder (or person or entity that may become a Substantial Shareholder) shall file with this Court, and serve on counsel to the Debtors advance written notice, in the form of **Exhibit A-2** attached hereto, of the intended transfer of equity securities.

- (d) At least 10 calendar days prior to effectuating any transfer of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of McClatchy Stock beneficially owned by a Substantial Shareholder or would result in a person or entity ceasing to be a Substantial Shareholder, such Substantial Shareholder shall file with this Court, and serve on counsel to the Debtors advance written notice, in the form of **Exhibit A-3** attached hereto, of the intended transfer of equity securities (the notices required to be filed and served under paragraph (c) and this paragraph (d), each a “**Notice of Proposed Transfer**”).
- (e) The Debtors shall have 7 calendar days after receipt of a Notice of Proposed Transfer to file with this Court and serve on such Substantial Shareholder (or person or entity that may become a Substantial Shareholder) an objection to any proposed transfer of equity securities described in the Notice of Proposed Transfer on the grounds that such transfer may adversely affect the Debtors’ ability to utilize their Tax Attributes. If the Debtors file an objection, such transaction will not be effective unless approved by a final and non-appealable order of this Court. If the Debtors do not object within such 7-day period, such transaction may proceed solely as set forth in the Notice of Proposed Transfer. Further transactions within the scope of this paragraph (e) must be the subject of additional notices as set forth herein, with an additional 7-day waiting period.
- (f) For purposes of these procedures, (A) a “**Substantial Shareholder**” is any person or entity (as defined in Treasury Regulations Section 1.382-3(a)(1)) which beneficially owns at least 4.50%, by value, of all issued and outstanding shares (equal to, as of February 11, 2020, approximately 357,093 shares,<sup>2</sup> if all shares have the same value per share) of the common stock of McClatchy (“**McClatchy Stock**”), and (B) “**Beneficial Ownership**” (or any variation thereof of McClatchy Stock and Options to acquire McClatchy Stock) shall be determined by the Debtors, in accordance with applicable rules under Section 382, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by the holder’s family members and persons acting in concert with the holder to make a coordinated acquisition of stock, and (iii) ownership of an Option to acquire McClatchy Stock, but only to the extent such Option is treated as exercised under Treasury Regulations Section 1.382-4(d). An “**Option**” includes any option or right to acquire stock including, without limitation, any contingent purchase, warrant, convertible debt, put, stock subject to a risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable. An Option to acquire an Option with respect to McClatchy Stock, and each one of a series of such Options, is treated as an Option to acquire McClatchy Stock.

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<sup>2</sup> Based on approximately 7,935,411 shares of McClatchy Stock issued and outstanding as of February 11, 2020.

3. The following procedures shall apply to any treatment of equity securities in McClatchy as becoming worthless for U.S. federal or state income tax purposes:
- (a) Any treatment of McClatchy stock as becoming worthless in violation of the procedures set forth herein (including notice requirements) shall be null and void *ab initio* as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.
  - (b) Any person or entity (as defined in Treasury Regulations Section 1.382-3(a)(1)) who currently is or becomes a 50% Shareholder (as defined below) shall file with this Court, and serve on counsel to the Debtors a notice of such status, in the form of **Exhibit A-4** attached hereto, on or before the later of (i) 20 calendar days after the date of the Notice of Order (as defined below) and (ii) ten calendar days after becoming a 50% Shareholder.
  - (c) At least 10 days prior to filing any federal or state tax return, or any amendment to such a return, treating as becoming worthless any equity securities (including Options to acquire such securities) in McClatchy, for a tax year ending before the Debtors' emergence from chapter 11 protection, such 50% Shareholder shall file with this Court, and serve on counsel to the Debtors advance written notice, in the form of **Exhibit A-5** attached hereto (a "**Notice of Intent to Treat Stock as Becoming Worthless**"), of the intended treatment as becoming worthless.
  - (d) The Debtors will have 7 calendar days after receipt of a Notice of Intent to Treat Stock as Becoming Worthless to file with this Court and serve on such 50% Shareholder an objection to any proposed treatment as becoming worthless described in the Notice of Intent to Treat Stock as Becoming Worthless on the grounds that such claim might adversely affect the Debtors' ability to utilize their Tax Attributes. If the Debtors file an objection, such claim will not be permitted unless approved by a final and non-appealable order of this Court. If the Debtors do not object within such 7-day period, such claim may be permitted solely as set forth in the Notice of Intent to Treat Stock as Becoming Worthless. Additional tax returns and amendments within the scope of this paragraph (d) must be the subject of additional notices as set forth herein, with an additional 7-day waiting period.
  - (e) For purposes of these procedures, a "**50% Shareholder**" is any person or entity that at any time since December 27, 2017, has had Beneficial Ownership of 50% or more of the McClatchy Stock.

4. PLEASE TAKE FURTHER NOTICE that, upon the request of any person, counsel to the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attn: Shana A. Elberg and Bram A. Strohlic, and 300 South Grand Avenue,

Suite 3400, Los Angeles, CA 90071-3144, Attn: Van C. Durrer, II and Destiny N. Almogue, and  
525 University Avenue, Palo Alto, CA 94301, Attn: Jennifer Madden, will provide a form of  
each of the required notices described above.

PLEASE TAKE FURTHER NOTICE that a copy of the Interim Order may be  
obtained free of charge from <http://www.kccllc.net/McClatchy>.

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS  
NOTICE SHALL CONSTITUTE A VIOLATION OF, AMONG OTHER THINGS, THE  
AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.**

**ANY PROHIBITED PURCHASE, SALE, TRADE, OR OTHER  
TRANSFER OF, OR TREATMENT OF AS BECOMING WORTHLESS, EQUITY  
SECURITIES IN THE DEBTOR IN VIOLATION OF THE ORDER SHALL BE NULL  
AND VOID *AB INITIO* AND MAY BE PUNISHED BY CONTEMPT OR OTHER  
SANCTIONS IMPOSED BY THE BANKRUPTCY COURT.**

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this  
Notice are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy  
Procedure and applicable securities, corporate, and other laws, and do not excuse compliance  
therewith.

PLEASE TAKE FURTHER NOTICE that any objections to the relief granted in  
this Interim Order must be filed with the Court and served on counsel for the Debtors no later  
than seven days prior to the final hearing with respect to the Motion. The final hearing with  
respect to the Motion shall be held on March 9, 2020 at 11:00 a.m.

Dated: New York, New York  
February 18, 2020

BY ORDER OF THE COURT