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

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In re: :
:
: **Chapter 11 Case No.**
:
STAR TRIBUNE HOLDINGS : **09-10244 (___)**
CORPORATION, et al., :
:
: **(Jointly Administered)**
:
Debtors.¹ :
:
----- X

**DEBTORS' MOTION TO (i) GRANT ADMINISTRATIVE
EXPENSE STATUS TO DEBTORS' UNDISPUTED OBLIGATIONS
TO VENDORS ARISING FROM THE POST-PETITION DELIVERY OF
GOODS ORDERED PRE-PETITION AND (ii) AUTHORIZE THE DEBTORS
TO PAY THOSE OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS**

Star Tribune Holdings Corporation (“**Star Tribune Holdings**”) and The Star
Tribune Company (“**Star Tribune**”) and, together with Star Tribune Holdings, the
“**Debtors**”) respectfully represent:

¹ The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

Background

1. On the date hereof (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have filed a motion seeking joint administration of these chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

2. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Affidavit of David W. Montgomery, Chief Financial Officer of Star Tribune, which is incorporated herein by reference.

Jurisdiction

3. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

4. In connection with the normal operation of their business, the Debtors rely on scores of vendors (the “**Vendors**”) to provide the Debtors with millions of dollars of supplies and equipment (the “**Goods**”) for use in the regular operation of the Debtors’ newspaper and media business. The majority of Goods are shipped by Vendors to the Debtors’ printing and publishing facilities in Minneapolis, Minnesota.

5. By this motion (the “**Motion**”), the Debtors seek entry of an order in the form attached hereto as Exhibit A granting the Vendors administrative priority status

under section 503(b) of the Bankruptcy Code for undisputed obligations arising from outstanding pre-petition orders for Goods delivered after the Petition Date, and to pay those obligations in the ordinary course of business under section 363(c) of the Bankruptcy Code.

**Obligations Arising from the Post-Petition Delivery of
Goods Ordered by the Debtors Pre-Petition Should be Afforded
Administrative Expense Status and Satisfied in the Ordinary Course of Business**

6. While it is difficult to estimate the total amount due and owing to Vendors under pre-petition purchase orders outstanding (the “**Pre-Petition Orders**”) for Goods ordered pre-petition for which delivery will not occur until after the Petition Date, the Debtors submit that the total amount to be paid to the Vendors in connection with these Pre-Petition Orders, if the requested relief is granted, is de minimis compared with the importance and necessity of the Goods. Moreover, any related claims are likely administrative in nature in any event. Indeed, even if the Goods had been received 20 days *before* the Petition Date, the related claims would have received administrative expense priority under section 503(b)(9) of the Bankruptcy Code. The Debtors therefore seek the authority, in their sole discretion, to pay all claims arising from these Pre-Petition Orders.

7. As a consequence of the commencement of these chapter 11 cases, Vendors may be concerned that Goods purchased before the Petition Date pursuant to the Pre-Petition Orders that are delivered to the Debtors post-petition will render the Vendors general unsecured creditors of the Debtors’ estates for those shipments. Accordingly, Vendors may refuse to provide Goods to the Debtors unless the Debtors issue substitute purchase orders post-petition or obtain an order of the Court (i) providing that all

undisputed obligations of the Debtors arising from the post-petition delivery of Goods subject to Pre-Petition Orders are afforded administrative expense priority under section 503(b) of the Bankruptcy Code and (ii) authorizing the Debtors to satisfy those obligations in the ordinary course of their business.

8. The relief requested herein will help ensure a continuous supply of materials indispensable to the Debtors' operations. The Debtors submit that, pursuant to section 503(b)(1)(A) of the Bankruptcy Code, obligations that arise in connection with the post-petition delivery of desired and necessary Goods, including Goods ordered pre-petition, are in fact administrative expense priority claims in virtually all cases. Thus, the granting of the relief requested herein will likely not provide the Vendors with any greater priority than they would otherwise have if the relief herein is not granted. Absent such relief, however, the Debtors may be required to expend substantial time and effort to reissue the Pre-Petition Orders or even obtain further relief from the Court to provide the Vendors with the assurance of such administrative priority, causing disruption to the Debtors' business.

9. Courts in this and other jurisdictions have authorized the relief requested herein in other chapter 11 cases. *See, e.g., In re Steve & Barry's Manhattan LLC*, (Case No. 08-12579 (ALG) (Bankr. S.D.N.Y. July 10, 2008); *In re Fortunoff Fine Jewelry and Silverware, LLC*, Case No. 08-10353 (JMP) (Bankr. S.D.N.Y. February 5, 2008); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sep. 16, 2005); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 2, 2001); *In re Ames Dep't Stores, Inc.*, Case No. 01-42217 (REG) (Bankr. S.D.N.Y. Aug. 20, 2001); *In re*

Casual Male Corp., Case No. 01-41404 (REG) (Bankr. S.D.N.Y. May 18, 2001); *In re The Grand Union Co.*, Case No. 00-39613 (NW) (Bankr. D.N.J. Oct. 3, 2000).

10. The authorization sought in this Motion shall not extend to any amounts disputed by the Debtors or that are in respect of goods that are not received and accepted by the Debtors subsequent to the Petition Date. In addition, the authorization of the payment of all charges requested herein shall not be deemed to constitute post-petition assumption or adoption of any of the related agreements pursuant to section 365 of the Bankruptcy Code. The Debtors are in the process of reviewing these agreements and reserve all of their rights under the Bankruptcy Code with respect thereto.

11. Based upon the foregoing, the Debtors submit that the relief requested herein is essential, appropriate and in the best interest of the Debtors' estates and creditors, and therefore should be granted.

Necessity for Immediate Relief

12. Bankruptcy Rule 6003 provides that “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 20 days after the filing of the petition, grant . . . (b) a motion to use, sell, lease or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition. . . .” If the Debtors are not authorized to pay their vendors without interruption in the ordinary course of business under section 363(c) of the Bankruptcy Code, it would cause immediate and irreparable harm by harming the Debtors' ability to serve their customers and would drive customers to competitors. Accordingly, the relief requested herein is consistent with Bankruptcy Rule 6003.

Request for Waiver of Stay

13. In addition, by this Motion, the Debtors seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 10 days after entry of the order, unless the court orders otherwise.” As set forth above, the Debtors require immediate relief to continue ordinary business operations for the benefit of all parties in interest. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the ten-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

Notice

14. No trustee, examiner, or creditors’ committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on (a) the Office of the United States Trustee for the Southern District of New York, (b) attorneys to the agent for the Debtors’ first lien pre-petition lenders, (c) attorneys to an ad hoc committee of the Debtor’s second lien pre-petition lenders, (d) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (e) those creditors holding the 30 largest unsecured claims against the Debtors’ estates on a consolidated basis, (f) the Internal Revenue Service and (g) Avista Capital Partners.

15. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request the Court grant the Debtors the relief requested herein and such other and further relief as is just and proper.

New York, New York
Dated: January 15, 2009

By: /s/ Marshall S. Huebner

Marshall S. Huebner
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EXHIBIT A

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

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In re: :
: **Chapter 11 Case No.**
:
STAR TRIBUNE HOLDINGS : **09-10244 (___)**
CORPORATION, et al., :
: **(Jointly Administered)**
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Debtors.¹ :
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**ORDER GRANTING ADMINISTRATIVE EXPENSE STATUS
TO DEBTORS' UNDISPUTED OBLIGATIONS TO VENDORS
ARISING FROM THE POST-PETITION DELIVERY OF GOODS
ORDERED PRE-PETITION AND AUTHORIZING DEBTORS TO PAY
THOSE OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion dated January 15, 2009 (the "**Motion**")² of Star Tribune Holdings Corporation ("**Star Tribune Holdings**") and The Star Tribune Company ("**Star Tribune**" and, together with Star Tribune Holdings, the "**Debtors**"), to (i) grant administrative expense status to the Debtors' undisputed obligations to vendors (the "**Vendors**") arising from the post-petition delivery of goods (the "**Goods**") ordered pre-petition (the "**Pre-Petition Orders**") and (ii) authorize the debtors to pay those obligations in the ordinary course of business, as more fully described in the Motion; and upon consideration of the Declaration of Affidavit of David W. Montgomery in Support of First-Day Motions and Applications, dated as of the Petition Date; and the Court having jurisdiction to

¹ The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (a) the Office of the United States Trustee for the Southern District of New York, (b) attorneys to the agent for the Debtors' first lien pre-petition lenders, (c) attorneys to an ad hoc committee of the Debtor's second-lien pre-petition lenders, (d) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (e) those creditors holding the 30 largest unsecured claims against the Debtors' estates on a consolidated basis, (f) the Internal Revenue Service and (g) Avista Capital Partners, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that immediate relief is necessary to avoid irreparable harm; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the relief requested in the Motion is hereby granted; and it is further

ORDERED that the Vendors shall be afforded administrative expense priority status, pursuant to section 503(b) of the Bankruptcy Code, with respect to the undisputed obligations of the Debtors for Goods delivered and accepted post-petition under Pre-Petition Orders; and it is further

ORDERED that the Debtors are authorized to pay, in their sole discretion, all undisputed obligations arising from the post-petition delivery or shipment by the Vendors of Goods, including shipments of supplies and equipment, subject to the Pre-Petition Orders, consistent with their customary practices in the ordinary course of their business; and it is further

ORDERED that nothing in this Order shall be deemed either a grant of administrative expense priority status to, or authority to pay, any amounts that are disputed by the Debtors or are in respect of inventory or other goods that are not received and accepted by the Debtors subsequent to the commencement of their chapter 11 cases; and it is further

ORDERED that nothing in this Order or the Motion shall be construed as prejudicing any rights the Debtors may have to dispute or contest the amount of or basis for any claims against the Debtors arising in connection with the Pre-Petition Orders; and it is further

ORDERED that nothing herein shall be deemed to constitute a post-petition assumption of any related agreements pursuant to section 365 of the Bankruptcy Code; and it is further

ORDERED that notwithstanding Bankruptcy Rule 6003 and the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion.

New York, New York
Dated: January __, 2009

UNITED STATES BANKRUPTCY JUDGE