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*Proposed Counsel to the Debtors
and Debtors in Possession*

**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 CONTINUE AND RENEW
THEIR LIABILITY, PROPERTY, CASUALTY AND OTHER INSURANCE
PROGRAMS AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF**

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

Background and Jurisdiction

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

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.

“**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 (the “**Bankruptcy Rules**”).

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.

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) 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. Pursuant to sections 105(a), 363(b)(1) and 363(c)(1) of the Bankruptcy Code, the Debtors seek an order in the form attached hereto as Exhibit A authorizing the Debtors to maintain, continue and renew, in their sole discretion, the Insurance Programs (defined below) on an uninterrupted basis and in accordance with the same practices and procedures as were in effect before the Petition Date. This would include (a) paying all amounts arising under the Insurance Programs (the “**Insurance Obligations**”) whether due and payable before or after the Petition Date and (b) renewing or obtaining new insurance policies as needed in the ordinary course of business. If the requested relief is not granted and the Insurance Programs lapse or terminate, the Debtors may well be unable to continue large portions of their operations, thereby endangering the Debtors’ successful reorganization and substantially harming all creditors.

5. As part of their cash management system, the Debtors maintain bank accounts at certain banks and financial institutions (the “**Banks**”), including, but not limited to, the Banks listed on Exhibit C annexed hereto and any other bank that is approved as part of the Debtors’ cash management system. The Debtors draw upon funds in their accounts to satisfy their obligations arising from the Insurance Programs. In addition to the relief requested above, the Debtors request that the Court authorize the Banks to receive, honor, process and pay any and all checks drawn, or electronic fund transfers requested or to be requested on the Debtors’ Banks, to the extent that such checks or electronic fund transfers related to any of the foregoing.

The Debtors’ Insurance Programs

6. In the ordinary course of the Debtors’ businesses, the Debtors maintain various liability, casualty, property and other insurance, and reinsurance and risk control programs (the “**Insurance Programs**”) through several private insurance carriers (the “**Insurance Carriers**”). A summary of the Debtors’ principal Insurance Programs is set forth on Exhibit B attached hereto.²

7. The Insurance Programs include coverage for, among other things, personal injury, property damage to the Debtors’ property and the property of others, natural disaster, media libel and slander, operation of vehicles, fire, theft, employment practices, crime, terrorism, breach of officers’ and directors’ duties, and various other

² The Debtors may have certain current Insurance Programs not reflected on Exhibit B. The failure of the Debtors to include a particular insurance policy on Exhibit B shall not operate to exclude that policy from the coverage of this Motion or the Court’s Order entered in connection with this Motion.

property-related and general liabilities.³ All of the Insurance Programs referenced above are essential to the ongoing operation of the Debtors' businesses.

8. The Debtors employ an insurance broker, Aon Risk Services Central, Inc. (the "**Broker**"), to assist them with the procurement and management of the Insurance Programs. The Broker receives compensation (the "**Broker's Fees**") from the Debtors pursuant to various agreements. In 2008, the Debtors paid the Broker approximately \$257,000.

9. The premiums for most of the Insurance Programs (the "**Insurance Premiums**") are determined annually and are paid by the Debtors at policy inception or via installments through the policy term directly to the Insurance Carriers or indirectly through the Broker. For the period of March 5, 2008 to March 5, 2009, Insurance Premiums under the Insurance Programs aggregated approximately \$607,000. The Debtors believe that all material Insurance Premiums that were due and payable on or prior to the Petition Date have been fully paid.⁴

10. Pursuant to the Insurance Programs, the Debtors may be required to pay various deductibles or retention amounts (the "**Insurance Deductibles**"), depending upon the type of claim and insurance policy involved. Under certain policies, the Insurance

³ In addition to the Insurance Programs, the Debtors maintain several workers' compensation policies. A detailed discussion of the Debtors' workers' compensation policies is set forth in the Debtors' Motion for Authorization to (i) Pay Pre-Petition Wages, Salaries, and Other Compensation, (ii) Maintain Employee Benefits Programs and Pay Related Administrative Obligations, (iii) Allow Employees to Proceed with Outstanding Workers' Compensation Claims and (iv) Authorize Applicable Banks and Other Financial Institutions to Receive, Process, Honor and Pay all Checks Presented for Payment and to Honor All Fund Transfer Requests.

⁴ In addition to paying premiums pursuant to the Insurance Programs, the Debtors remit premium payments to a surety bond insurer on behalf of certain of the Debtors' sales agents who carry such surety bond insurance. The Debtors do not believe these payments or such surety bond insurance constitutes property of the Debtors' estates, but out of an abundance of caution the Debtors seek authorization to continue making such payments.

Carriers may pay claimants and then invoice the Debtors for any Insurance Deductible. In such situations, the Insurance Carriers may have pre-petition claims against the Debtors. As of the Petition Date, the Debtors do not believe there are any material pre-petition obligations owed to Insurance Carriers relating to Insurance Deductibles but, out of an abundance of caution, the Debtors seek authority to satisfy any such pre-petition obligations.

Continuing the Insurance Programs and Paying All Insurance Obligations Is Necessary to Preserve the Value of the Debtors' Estates

11. The nature of the Debtors' businesses makes it essential for the Debtors to maintain their Insurance Programs on an ongoing and uninterrupted basis. The non-payment of any premiums, deductibles or related fees under the Insurance Programs could result in one or more of the Insurance Carriers terminating or declining to renew their insurance policies or refusing to enter into new insurance policies with the Debtors in the future. If the Insurance Programs lapse without renewal, the Debtors could be exposed to substantial liability for personal and/or property damages, to the detriment of all parties in interest.

12. As a prerequisite for operations, governmental agencies require the Debtors to maintain certain Insurance Programs. Also, pursuant to the terms of many of their real property leases, the Debtors are obligated to remain current with respect to certain of their primary Insurance Programs. Thus, in order for the Debtors to maintain their operations in compliance with various legal and contractual obligations, the Debtors must be able to continue their Insurance Programs without disruption.

13. Finally, as directed by the Office of the United States Trustee for the Southern District of New York, debtors in chapter 11 have a fiduciary obligation and a

legal duty to provide adequate proof that the debtor has all appropriate insurance coverage. *See Operating Guidelines and Financial Reporting Requirements*, Office of the United States Trustee for the Southern District of New York. The continuation of the Insurance Programs and the payment of all pre-petition and post-petition Insurance Obligations arising under the Insurance Programs is essential to preserve the Debtors' businesses and preserve the value of the Debtors' estates for all creditors.

Applicable Authority

14. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). A bankruptcy court’s use of its equitable powers to “authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). “Under Section 105, the court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.” *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (citing *Ionosphere Clubs*, 98 B.R. at 177).

15. In a long line of well-established cases, federal courts have consistently permitted post-petition payment of pre-petition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., Miltenberger v. Logansport Ry.*, 106 U.S. 286 (1882) (payment of pre-receivership claim prior to reorganization permitted to prevent “stoppage of [crucial] business relations”); *Mich. Bureau of Workers’ Disability Compensation v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279 (S.D.N.Y. 1987), *appeal dismissed* 838 F.2d 59 (2d Cir.

1988) (approving lower court order authorizing payment of pre-petition wages, salaries, expenses and benefits).

16. This “doctrine of necessity” functions in a chapter 11 reorganization as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of critical pre-petition claims not explicitly authorized by the Bankruptcy Code. *See In re Boston & Maine Corp.*, 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing the existence of a judicial power to authorize trustees to pay claims for goods and services that are indispensably necessary to the debtors’ continued operation). The doctrine is frequently invoked early in a reorganization, particularly in connection with those chapter 11 sections that relate to payment of pre-petition claims. The court in *In re Structurelite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S.D. Ohio 1988) indicated its accord with “the principle that a bankruptcy court may exercise its equity powers under section 105(a) to authorize payment of pre-petition claims where such payment is necessary to ‘permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately.’” The court stated that “a *per se* rule proscribing the payment of pre-petition indebtedness may well be too inflexible to permit the effectuation of the rehabilitative purposes of the Code.” *Id.* at 932. Accordingly, pursuant to section 105(a) of the Bankruptcy Code, this Court is empowered to grant the relief requested herein.

17. Moreover, section 363(b)(1) of the Bankruptcy Code empowers the Court to allow the debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Debtors’ decisions to use, sell or lease assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992)

(holding that a judge determining a section 363(b) application must find from the evidence presented before him or her a good business reason to grant such application); *see also Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 674 (Bankr. S.D.N.Y. 1989) (noting the standard for determining a section 363(b) motion is “a good business reason”).

18. The business judgment rule is satisfied “when the following elements are present: (1) a business decision, (2) disinterestedness, (3) due care, (4) good faith, and (5) according to some courts and commentators, no abuse of discretion or waste of corporate assets.” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993) (internal quotations omitted). In fact, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Courts in this district have consistently and appropriately been loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and will uphold a board’s decisions as long as they are attributable to any “rational business purpose.” *In re Integrated Res. Inc.*, 147 B.R. at 656.

19. The Debtors submit that the requested relief represents a sound exercise of the Debtors’ business judgment and is justified under sections 105(a) and 363(b) of the Bankruptcy Code, and *all* of the Debtors’ creditors will benefit if the requested relief is

granted. Additionally, any pre-petition amounts that the Debtors may pay in respect of the Insurance Programs are extremely small in light of the size of the Debtors' estates and benefits to be derived therefrom. Therefore, the Debtors submit that the continuation of the Insurance Programs and the payment of all pre-petition and post-petition Insurance Obligations arising thereunder is essential to preserve the Debtors' assets and protect against unknowable losses. Further, for the avoidance of doubt, the Debtors are not seeking authority to prepay any of their Insurance Obligations.

20. Finally, section 363(c)(1) expressly grants the Debtors the authority to "enter into transactions . . . in the ordinary course of business" and "use property of the estate in the ordinary course of business without notice or a hearing." Therefore, the Debtors believe they are permitted to pay all post-petition amounts due pursuant to the Insurance Programs and to renew or obtain new insurance policies as such actions are in the ordinary course of the Debtors' business.

21. Numerous courts in this jurisdiction have granted the relief requested herein in other large chapter 11 cases. *See, e.g., In re Frontier Airlines Holdings, Inc.*, Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. May 2, 2008); *In re PLVTZ, Inc.*, Case No. 07-13532 (Bankr. S.D.N.Y. Nov. 9, 2007); *In re Dana Corp.*, Case No. 06-10354 (Bankr. S.D.N.Y. Mar. 6, 2006); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sep. 15, 2005); *In re Footstar, Inc.*, Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. Mar. 30, 2004); *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Jul. 22, 2002); *In re Adelphia Commc'n Corp.*, Case No. 02-41729 (REG) (Bankr. S.D.N.Y. June 26, 2002); *In re Adelphia Bus. Solutions, Inc.*, Case No. 02-11389 (REG) (Bankr. S.D.N.Y. March 27, 2002); *In re Global Crossing Ltd.*, Case No. 02-

40188 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001).

22. To the extent any Insurance Program or related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, the Debtors do not, at this time, seek to assume the same. Accordingly, if the Court authorizes the payments described above, such payments should not be deemed to constitute post-petition assumption or adoption of the programs, policies, or agreements as executory contracts pursuant to section 365 of the Bankruptcy Code.

Necessity for Immediate Relief

23. 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”

24. The Debtors believe that, in the coming months, they will need to make five monthly installment payments of \$6,317 each under their current Auto and General Liability insurance programs, including a payment on January 22, 2009. The Debtors would of course suffer immediate and irreparable harm if they were unable to engage in their current operations due to an inability to pay their insurance premiums.

Request for Waiver of Stay

25. 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.

Interim Order

26. The Debtors seek the relief requested in this Motion in the form of the interim order (the “**Interim Order**”) attached hereto. Within three business days of the entry of the Interim Order, the Debtors shall serve a copy of the Interim Order and 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 Debtors’ 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 (collectively, the “**Notice Parties**”).

27. The deadline to file an objection (“**Objection**”) to the Motion shall be 4:00 p.m. (prevailing Eastern Time) on the date that is 15 days after the date of the entry of the Interim Order (the “**Objection Deadline**”). An Objection shall be considered timely only if, on or prior to the Objection Deadline, it is (a) filed with the Court and (b) served upon and actually received by (i) the Office of the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, (ii) the attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Timothy E. Graulich, (iii) the attorneys for any official committee of unsecured creditors then appointed in these cases and (iv) the

attorneys to the agent for the Debtors' first lien pre-petition lenders, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude.

28. Unless otherwise ordered by the Court, a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two business days before the date of the applicable hearing.

29. If no Objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order granting the relief requested herein, which order shall be submitted and may be entered with no hearing and no further notice or opportunity to be heard afforded to any party. If an Objection is timely filed, a hearing will be held at a date and time to be established by the Court.

30. The foregoing notice procedures satisfy Bankruptcy Rule 9014 by providing the counterparties with notice and an opportunity to object and be heard at a hearing. *See, e.g., In re Drexel Burnham Lambert*, 160 B.R. 729, 734 (S.D.N.Y. 1993) (an opportunity to present objections satisfies due process); *In re Colorado Mountain Cellars, Inc.*, 226 B.R. 244, 246 (D. Colo. 1998) (a hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses.

Notice

31. No trustee, examiner, or creditors' committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on the Notice Parties.

No Previous Request

32. 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 that the Court grant 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
Timothy E. Graulich
Lynn I. Poss

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New York, New York 10017
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*Proposed Counsel to the Debtors
and Debtors in Possession*

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)**
:
Debtors.¹ :
----- X

**INTERIM ORDER AUTHORIZING DEBTORS TO CONTINUE AND RENEW
THEIR LIABILITY, PROPERTY, CASUALTY AND OTHER INSURANCE
PROGRAMS AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF**

Upon the motion (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**”), pursuant to sections 105(a), 363(b)(1) and 363(c)(1) of the Bankruptcy Code, for authorization, in their sole discretion, to (a) continue their liability, property, casualty and other insurance programs (the “**Insurance Programs**”) and (b) pay all obligations in respect thereof, as more fully described in the Motion; and upon consideration of the Affidavit of David W. Montgomery filed in support of the Debtors’ first-day pleadings; and the Court having jurisdiction to 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

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.

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, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, (c) attorneys to an ad hoc committee of the Debtors' 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 therefor, it is

ORDERED that, pursuant to sections 105(a), 363(b)(1) and 363(c)(1) of the Bankruptcy Code, the relief requested in the Motion is hereby granted; and it is further

ORDERED that the Debtors are, in their sole discretion, authorized to maintain their Insurance Programs without interruption and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases; and it is further

ORDERED that the Debtors are, in their sole discretion, authorized, but not required, to pay any amounts arising under the Insurance Programs, whether due and payable before or after the commencement of these chapter 11 cases; and it is further

ORDERED that the Debtors are, in their sole discretion, authorized, but not required, to renew or obtain new insurance policies or execute other agreements in connection with their Insurance Programs; and it is further

ORDERED that the Banks, including, but not limited to those on the list annexed hereto as Exhibit C, are authorized to honor, process and pay, to the extent of funds on deposit, any and all pre-petition checks or electronic fund transfer requests issued by the Debtors in respect of any Insurance Obligation, whether pre- or post-petition; and it is further

ORDERED that, notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or automated clearing house transfers ("**ACH Transfers**") should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court; and it is further

ORDERED that the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any pre-petition check or item in a good faith belief that the Court has authorized such pre-petition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures; and it is further

ORDERED that nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Debtors' Insurance Programs; and it is further

ORDERED that to the extent any Insurance Program or related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Order nor any payments made in accordance with this Order shall constitute the post-petition assumption of those Insurance Programs or related agreements under section 365 of the Bankruptcy Code; and it is further

ORDERED that nothing in this Order authorizes the Debtors to prepay any of their Insurance Obligations; and it is further

ORDERED that within three business days of the entry of this interim order (the "**Interim Order**"), the Debtors shall serve a copy of the Interim Order and the Motion on the First Day Notice Parties; and it is further

ORDERED that any objection to the relief requested in the Motion on a permanent basis must, by 4:00 p.m. (prevailing Eastern Time) on the date that is 15 days after the date of the entry of this Interim Order (the "**Objection Deadline**"), be: (a) filed with the Court and (b) served upon and actually received by (i) the Office of the U.S.

Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, (ii) the attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Timothy E. Graulich, (iii) the attorneys for any official committee of unsecured creditors then appointed in these cases and (iv) the attorneys to the agent for the Debtors' first lien pre-petition lenders, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude; and it is further

ORDERED that a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two business days before the date of the applicable hearing; and it is further

ORDERED that if timely objections are received there shall be a hearing to consider such timely objections to the Motion; and it is further

ORDERED that if no Objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of this Interim Order, which Order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party, and the Motion shall be approved *nunc pro tunc* to the date of the commencement of these chapter 11 cases; 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.

New York, New York

Dated: January __, 2009

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Insurance Programs

Policy	Insurance Company	Policy Number	Policy Term	Policy Limit	Coverage	Deductible/ Retention
D&O/EPL	National Union Fire (AIG)	003302724	3/5/08 – 3/5/09	\$10,000,000	Management Liability	\$50,000
Excess D&O/EPL 10X10	Federal Ins. Co (Chubb)	82080686	3/5/08 – 3/5/09	\$10,000,000	Management Liability	Excess of \$10,000,000
Fiduciary Liability	National Union Fire (AIG)	003315615	3/5/08 – 3/5/09	\$5,000,000	Management Liability	\$10,000
Special Risk K&R	National Union Fire (AIG)	6472477	3/5/08 – 3/5/09	\$5,000,000	Special Risk	\$0
Crime	National Union Fire (AIG)	003318217	3/5/08 – 3/5/09	\$3,000,000	Crime	\$25,000
Media Professional	Mutual Insurance Co.	030706080	3/5/08 – 3/5/09	\$15,000,000	Libel Slander	\$250,000
Property	FM Global	FS005	3/5/08 – 3/5/09		Property & BM	
General Liability	Zurich American	GLO914201501	3/5/08 – 3/5/09	\$2,000,000	Liability	\$100,000
Automobile	Zurich American	BAP914201401	3/5/08 – 3/5/09	\$1,000,000	BI/PD/UM	\$100,000
Umbrella	National Union Fire (AIG)	BE9834387	3/5/08 – 3/5/09	\$25,000,000	Excess Liability	\$10,000
Excess Umbrella	Fireman's Fund	SHX000799053 989	3/5/08 – 3/5/09	\$25,000,000	Excess Liability	Excess of \$25,000,000
Travel & Accident	National Union Fire (AIG)	GTP000911325 4	3/5/07 – 3/5/10 3 Year Term	\$2,500,000	Medical AD&D	\$0
ERISA Bond	Travelers	104901553	3/5/07 – 3/5/10 3 Year Term	\$500,000	ERISA Bond	\$0
Excess Medical	ING ReliaStar	64791-8	1/1/09 – 12/31/09	\$2,000,000	Medical	\$275,000
Excess Medical	HealthPartners	3130	1/1/09 – 12/31/09	\$5,000,000	Medical	\$250,000

EXHIBIT C

Bank	Account Number(s)
M&T Bank	XXXXXX2379
Star Choice Credit Union	XXX26 XXX41
Wells Fargo Bank N.A.	XXXXXX9206 XXXXXX3445 XXXXXX5245 XXXXXX0386 XXXXXX6602 XXXXXX3621 XXXXXX3639 XXXXXX4650
Wells Fargo Brokerage Services, LLC	XXXX3213 XXXX2073 XXX695