

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

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**In re:** :  
: **Chapter 11 Case No.**  
:  
**STAR TRIBUNE HOLDINGS** : **09 -10244 (RDD)**  
**CORPORATION, et al.,** :  
: **(Jointly Administered)**  
:  
**Debtors.**<sup>1</sup> :  
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**ORDER TO ESTABLISH PROCEDURES FOR  
INTERIM MONTHLY COMPENSATION AND  
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon the motion (the “**Motion**”)<sup>2</sup> 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) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a), for authority to establish procedures for monthly compensation and reimbursement of expenses of professionals retained by order of this Court, as more fully described in the Motion; and upon consideration of the Affidavit of David Montgomery, pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) in Support of First Day Motions and Applications, dated as of the Petition Date; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334

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<sup>1</sup> The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company.

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

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 relief requested therein 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 in accordance with the Case Management Order, 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 upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

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

ORDERED that except as may otherwise be provided in orders of the Court authorizing the retention of specific professionals, all Retained Professionals in these cases may seek monthly compensation in accordance with the following procedures:

- (a) On or before the 20th day of each month following the month for which compensation is sought, each Retained Professional

seeking compensation under this Order will serve a monthly statement (the “**Monthly Statement**”), by hand or overnight delivery, on (i) Star Tribune Holdings Corporation, 425 Portland Avenue, South Minneapolis, Minnesota, Attn: Randy M. Lebedoff, (ii) attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Timothy E. Graulich, (iii) attorneys for the official committee of unsecured creditors, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn: Kenneth A. Rosen, Esq. and Sharon L. Levine, Esq.; and (iv) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto (collectively, the “**Service Parties**”).

(b) Because (i) this Order is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and (ii) professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, the Monthly Statement shall not be filed with the Court and a courtesy copy need not be delivered to chambers.

(c) Each Monthly Statement shall contain a list of the individuals and their respective titles (e.g., attorney, accountant, or paralegal) who provided services during the statement period, their

respective billing rates, the aggregate hours spent by each individual and a reasonably detailed breakdown of the disbursements incurred. No Retained Professional should seek reimbursement of an expense that would not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330. Moreover, each Monthly Statement should contain contemporaneously maintained time entries for each individual in increments of tenths of an hour, except where otherwise ordered by the Court.

(d) Each Service Party receiving a Monthly Statement shall have at least 15 days after its receipt to review it. If any Service Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, he or she shall, by no later than the 35th day following the month for which compensation is sought, serve upon the Retained Professional whose Monthly Statement is objected to, and upon the other persons designated in paragraph (a) above to receive Monthly Statements, a written "Notice of Objection to Fee Statement" (hereinafter referred to as an "**Objection**") setting forth the nature of the objection and the amount of fees or expenses at issue.

(e) After the 35th day following the month for which compensation is sought, the Debtors shall promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Statement to which

no Objection has timely been served in accordance with paragraph (d) above.

(f) If the Debtors receive an Objection from one or more of the parties listed herein to a particular Monthly Statement, they shall withhold payment of that portion of the Monthly Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) above.

(g) If the parties to an Objection are able to resolve their dispute following the timely service of an Objection and if the party whose Monthly Statement was objected to serves on all of the parties listed in paragraph (a) a statement indicating that the Objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph (e), that portion of the Monthly Statement no longer subject to an Objection.

(h) All Objections not resolved by the parties shall be preserved and presented to the Court at the next interim or final fee application hearing to be heard by the Court in accordance with paragraph (k) below.

(i) The service of an Objection in accordance with paragraph (d) above shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any basis, whether or not raised in the Objection. Furthermore, the decision by any party not to object to a Monthly Statement shall not

constitute a waiver of any kind nor prejudice that party's right to object to any fee application subsequently made by any party to the Court in accordance with the Bankruptcy Code.

(j) Approximately every 120 days (but not less frequently than every 150 days), each Retained Professional shall, in accordance with General Order M-242, as amended by General Order M-269 (each of which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) (a) file with the Court (with a copy to chambers, including all exhibits) and (b) serve on the Core Service List, an application for interim or final (as the case may be) Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses requested. For the avoidance of doubt, the Retained Professional's Monthly Statements in connection with such fee applications need not be filed with the Court but should be served on the Court three days before the hearing date fixed in paragraph (k) below.

(k) The Debtors' attorneys shall obtain dates from the Court for the hearing of fee applications for all Retained Professionals. Approximately one month before the hearing, the Debtors' attorneys shall file a notice with the Court, served upon the U.S. Trustee and all Retained Professionals, that sets forth the time, date and location of the fee hearing, the date by which the fee applications must be filed, the period covered by such application and the objection deadline. Any Retained Professional unable to file its own fee application with the Court shall deliver to the

Debtors' attorneys a fully executed copy with original signatures, along with service copies, three days before the filing deadline. The Debtors' attorneys shall file and serve such application.

(l) Any Retained Professional that fails to timely file an application seeking approval of compensation and expenses previously paid under an order approving this Order shall (i) be ineligible to receive further monthly payments of fees or reimbursement of expenses as provided herein until the filing of a fee application covering such period or further order of the Court and (ii) may be required to disgorge any fees paid since the later of such Retained Professional's retention or last fee application.

(m) The pendency of an application or the entry of a Court order that the prior payment of compensation or the reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.

(n) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any Retained Professional.

(o) The attorney for any official committee may, in accordance with the foregoing procedure for monthly compensation and

reimbursement of Retained Professionals, collect and submit for payment statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that these reimbursement requests must comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995;

and it is further

ORDERED that each Retained Professional whose retention has been approved by the Court as of the Petition Date may seek, in its first Monthly Statement, compensation for work performed and reimbursement for expenses incurred during the period beginning on the Petition Date and ending on January 31, 2009. The first interim fee application for such Retained Professionals shall seek compensation and reimbursement of expenses for the period from the Petition Date through April 30, 2009. All Retained Professionals not retained as of the Petition Date shall serve their first Monthly Statement on the Service Parties for the period from the effective date of their retention through the end of the first full month following the effective date of their retention, and otherwise in accordance with the procedures set forth in the Motion; and it is further

ORDERED that the amount of fees and disbursements sought by each Retained Professional shall be set forth in U.S. dollars; and it is further

ORDERED that the Debtors shall include all payments to Retained Professionals on their monthly operating reports, detailed so as to state the amount paid to each Retained Professional; and it is further

ORDERED that any party may object to requests for payments made pursuant to this Order on the grounds that the Debtors have not timely filed

monthly operating reports, have not remained current with their administrative expenses and 28 U.S.C. § 1930 fees, or a manifest exigency exists by seeking a further order of this Court, otherwise, this Order shall continue and shall remain in effect during the pendency of this case; and it is further

ORDERED that no professional may file a Monthly Statement until the Court enters an order approving the retention of such professional pursuant to section 327 or 1103 of the Bankruptcy Code; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006.

Dated: New York, New York  
February 6, 2009

/s/Robert D. Drain  
THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE