

SKADDEN, ARPS, SLATE, MEAGHER &
 FLOM LLP
 Shana A. Elberg
 Bram A. Strohlic
 Four Times Square
 New York, New York 10036-6522
 Telephone: (212) 735-3000
 Fax: (212) 735-2000

TOGUT, SEGAL & SEGAL LLP
 Albert Togut
 Kyle J. Ortiz
 Amy Oden
 One Penn Plaza, Suite 3335
 New York, New York 10119
 Telephone: (212) 594-5000
 Fax: (212) 967-4258

– and –

Van C. Durrer, II
 Destiny N. Almogue (*pro hac vice* pending)
 300 South Grand Avenue, Suite 3400
 Los Angeles, California 90071-3144
 Telephone: (213) 687-5000
 Fax: (213) 687-5600

– and –

Jennifer Madden (*pro hac vice* pending)
 525 University Avenue
 Palo Alto, California 94301
 Telephone: (650) 470-4500
 Fax: (650) 470-4570

Proposed Counsel for Debtors and Debtors in Possession

**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	:	(Joint Administration Pending)
	:	
-----	X	

**DEBTORS’ MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
 ESTABLISHING NOTICE AND HEARING PROCEDURES FOR TRADING IN, OR
 CLAIMS OF WORTHLESSNESS WITH RESPECT TO, EQUITY SECURITIES IN THE
DEBTORS**

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, for which the Debtors have requested joint administration, 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.



The McClatchy Company and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**,” the “**Company**,” or “**McClatchy**”), hereby move (this “**Motion**”) this Court for entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “**Interim Order**” and the “**Final Order**,” respectively), granting the relief described below. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Sean M. Harding in Support of Chapter 11 Petitions and First Day Papers* (the “**First Day Declaration**”),² filed contemporaneously herewith. In further support of the Motion, the Debtors, by and through their undersigned proposed counsel, respectfully represent as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors respectfully request entry of an Interim Order and a Final Order establishing, pursuant to sections 105(a), 362(a)(3), and 541 of title 11 of the United States Code (the “**Bankruptcy Code**”), notification and hearing procedures for certain transfers of, or treatment of as becoming worthless, equity securities in McClatchy or of any beneficial interest therein, including Options (defined below) to acquire such equity securities, that must be complied with before such transfers of, or treatment of as becoming worthless, equity securities are deemed effective. The procedures are necessary to protect and preserve the value of the Debtors’ U.S. federal and state tax attributes, including but not limited to, net operating loss carryforwards (“**NOLs**”) and disallowed interest carryovers (collectively with the NOLs, any capital losses, unrealized built-in losses, and certain other tax credits and tax attributes, the “**Tax Attributes**”).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

2. If no such restrictions are imposed by this Court, the Debtors' ability to use their Tax Attributes could be severely limited or even eliminated. This could lead to significant negative consequences for the Debtors, their estates, creditors, stakeholders, and other parties-in-interest. To preserve, to the fullest extent possible, the Debtors' flexibility to maximize the use of the Tax Attributes, the Debtors seek limited relief that will enable the Debtors to closely monitor certain transfers of, or treatment of as becoming worthless, McClatchy's equity securities, so as to be in a position to act expeditiously if necessary to preserve their Tax Attributes. This will enable the Debtors to preserve flexibility in operating their business during the pendency of these Chapter 11 Cases (as defined below), and potentially minimize the tax consequences of the Debtors' proposed restructuring transactions, to the benefit of the Debtors' creditors and estates. Thus, the Debtors request that this Court immediately enter an Interim Order, thereby preserving the status quo in this regard.

JURISDICTION AND VENUE

3. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. This is a core proceeding under 28 U.S.C. § 157(b).

4. Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

5. The legal predicates for the relief requested herein are sections 105(a), 362(a)(3), and 541 of title 11 of the Bankruptcy Code, Bankruptcy Rule 3001, and Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”).

BACKGROUND

I. The Chapter 11 Cases

6. On the date hereof (the “**Petition Date**”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors have requested that the Chapter 11 Cases be jointly administered.

7. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

8. To date, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) has not appointed a creditors’ committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed therein.

9. The McClatchy Company and its direct and indirect Debtor subsidiaries are a diversified digital and print media business, focused on providing strong, independent local journalism to 30 communities across 14 states, as well as national news coverage through the Debtors’ Washington, D.C.-based bureau. The Debtors also provide a full suite of both local and nationwide digital marketing services. The Debtors’ businesses are comprised of websites and mobile applications, mobile news and advertising, video products, a digital marketing agency, daily newspapers, niche publications, other print and digital direct marketing services and community newspapers. The Debtors’ business operations, corporate and capital structures, and restructuring efforts are described in greater detail in the First Day Declaration.

II. The Debtors' Tax Attributes

10. The Debtors have generated, and may currently be generating, NOLs for U.S. federal income tax purposes. As of January 1, 2020, the Debtors had approximately \$26.5 million of U.S. federal NOLs available to offset taxable income. In addition, the Debtors have generated, and may currently be generating, disallowed interest carryovers. As of January 1, 2020, the Debtors had approximately \$118 million of U.S. federal disallowed interest carryovers available to offset taxable income. While the value of the Debtors' Tax Attributes is contingent upon the amount of the Debtors' taxable income that may be offset by the Tax Attributes and any existing limitation on their usage, the Debtors' Tax Attributes could translate into potential future tax savings which are valuable assets of the Debtors' estates. The Debtors' Tax Attributes are a valuable asset because the Debtors generally can carry forward their Tax Attributes to reduce or eliminate their income tax liability, thereby potentially freeing up funds to meet working capital requirements and service debt. In particular, the Tax Attributes may be available to the Debtors to offset taxable income generated by ordinary course activity and other transactions completed during the course of the Chapter 11 Cases, including pursuant to a sale of the Debtors' assets under section 363 of the Bankruptcy Code. Additionally, the Debtors can carry forward the NOLs, disallowed interest, and credits to reduce their future tax liability, thereby potentially recovering cash for the benefit of their estate. *See* 26 U.S.C. §§ 39, 163(j), 172. Unrestricted trading of, and treatments of as becoming worthless, McClatchy Stock (as defined below) could severely limit or even eliminate the Debtors' ability to use such Tax Attributes.

III. Potential Limitations on the Use of the Debtors' Tax Attributes

11. As a general matter, an "ownership change" within the meaning of section 382 ("Section 382") of title 26 of the United States Code, the Internal Revenue Code of 1986, as amended (the "IRC"), with respect to a corporation could severely limit or eliminate the

corporation's ability to use its Tax Attributes to offset future taxable income. *See* 26 U.S.C. §§ 382, 383. Under Section 382, an ownership change occurs when the percentage, by value, of a corporation's equity held by one or more persons holding five percent or more of the stock (in certain cases, taking into account Options to acquire such stock) (the "**5% Shareholders**") has increased by more than 50 percentage points over the lowest percentage of equity owned by such shareholders at any time during the preceding three-year period (the "**Testing Period**"). *See Id.* at 382(g). If there has been a prior ownership change, the Testing Period for determining whether another ownership change has occurred begins on the first day following the date of the prior ownership change. *See Id.* at 382(i).³

IV. Proposed Procedures for Trading in Equity Securities

12. By establishing procedures for continuously monitoring the trading of McClatchy's equity securities, the Debtors can preserve their ability to seek substantive relief at the appropriate time, particularly if it appears that additional trading may jeopardize the use of their Tax Attributes. Accordingly, the Debtors request that this Court enter the Interim Order and Final Order establishing the below procedures for trading in the equity securities:⁴

- (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.

³ Section 383 of the IRC ("**Section 383**") imposes a similar limitation to certain tax credits and net capital losses of a corporation. For clarity, this discussion refers only to Section 382 but the rules, principles, and policies discussed therein are generally applicable to Section 383's limit to a corporation's use of credits and net capital losses after an ownership change and are incorporated by reference into Section 383 by the IRC and the Treasury Regulations promulgated thereunder. *See* 26 U.S.C. § 383(e); 26 C.F.R. § 1.383-1(g).

⁴ With respect to the procedures set forth herein, the Debtors request that the Court permit the Debtors to waive, in writing and in their sole and absolute discretion, any and all restrictions, stays, and notification procedures contained in the Motion or in any order entered with respect hereto should the Debtors conclude, in their sole discretion, that any such restriction, stay or notification procedure is not necessary to protect their Tax Attributes.

- (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 30 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 30 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 30 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 30-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 30-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,⁵ 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

⁵ Based on approximately 7,935,411 shares of McClatchy Stock issued and outstanding as of February 11, 2020.

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.

V. Proposed Procedures for Claiming a Worthless Stock Deduction

13. The Debtors also request that the Court enter an order restricting the ability of shareholders that are, or were, a 50% Shareholder (as defined below) to treat their McClatchy Stock as becoming worthless for U.S. federal or state income tax purposes for any tax year ending before the Debtors emerge from chapter 11 protection. Under section 382(g)(4)(D) of the IRC, any stock (within the meaning of Section 382 and the Treasury Regulations promulgated thereunder) held by such a 50% Shareholder is treated as though such 50% Shareholder acquired such stock on the 1st day of such 50% Shareholder's 1st succeeding taxable year, and did not own such stock during any prior period. *See* 26 U.S.C. § 382(g)(4)(D). It is therefore essential that 50% Shareholders defer treating such stock as becoming worthless for U.S. federal income tax purposes until after the Debtors have emerged from bankruptcy.

14. By restricting 50% Shareholders from treating their stock as becoming worthless prior to the Debtors' emergence from chapter 11 protection, the Debtors can preserve their

ability to seek substantive relief to use the Tax Attributes. Accordingly, the Debtors request that the Court enter an order establishing the below procedures:⁶

- (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 30 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 30 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 30-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 30-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.

⁶ With respect to the procedures set forth herein, the Debtors request that the Court permit the Debtors to waive, in writing and in their sole and absolute discretion, any and all restrictions, stays, and notification procedures contained in the Motion or in any order entered with respect hereto should the Debtors conclude, in their sole discretion, that any such restriction, stay or notification procedure is not necessary to protect their Tax Attributes.

15. To ensure parties-in-interest receive appropriate notice of the procedures for trading in equity securities and treating stock as becoming worthless, the Debtors request that this Court approve the following notice provisions for the procedures for trading in equity securities and claiming worthless stock deductions.

16. Following entry of an Interim Order granting the Motion, the Debtors propose to send a notice in substantially the form attached hereto as **Exhibit A-6** (the “**Notice of Order**”) to: (a) the U.S. Trustee; (b) counsel to the Prepetition Agents; (c) counsel to Chatham; (d) counsel to Brigade; (e) counsel to the DIP Agent; (f) the PBGC; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the parties included on the Debtors’ consolidated list of their 30 largest unsecured creditors; (j) the U.S. Attorney for the Southern District of New York; (k) the transfer agent(s) for McClatchy Stock; (l) Nasdaq, Inc.; (m) any known Substantial Shareholder(s) and 50% Shareholder(s); (n) any party that has requested notice pursuant to Bankruptcy Rule 2002; (o) any directly registered holders of the McClatchy Stock; (p) any record holders (i.e., banks, brokers, intermediaries, other nominees or their mailing agents (collectively, the “**Nominees**”) of the McClatchy Stock; (q) the transfer agent(s) for the McClatchy Stock; and (r) any such other party entitled to notice pursuant to Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (collectively, the “**Notice Parties**”).

17. Upon receipt of the Notice of Order, each Nominee and transfer agent for any McClatchy Stock shall be required to send such Notice of Order to all holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (equal to, as of February 11, 2020, approximately 317,416 shares, if all shares have the same value per share), or an Option, with respect thereto, registered with such Nominees or transfer agent (the “**Registered**

Holders”) no later than five business days after being served with the Notice of Order. Any such Registered Holder, shall be required, in turn, to provide such Notice of Order to any holder for whose account such Registered Holder holds such McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (or an Option with respect thereto), and so on down the chain of ownership for all such holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares. Additionally, any person or entity or broker or agent acting on their behalf who sells at least 4.00%, by value, of all issued and outstanding shares of McClatchy Stock (or an Option with respect thereto) to another person or entity shall be required to provide notification of the existence of the Interim Order and Final Order or their contents to such purchaser or any broker or agent acting on their behalf of such McClatchy Stock, to the extent reasonably feasible. The Notice of Order will provide information as to the procedures to be followed in trading the McClatchy Stock and include notice of a final hearing and an opportunity to object before entry of a Final Order.

BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

VI. The Significance of the Debtors’ Tax Attributes

18. As a result of past and current operations, the Debtors presently have significant Tax Attributes. For example, as of January 1, 2020, the Debtors had approximately \$26.5 million of U.S. federal NOLs and approximately \$118 million of disallowed interest carryovers that were available to offset taxable income. These Tax Attributes may increase as the Chapter 11 Cases proceed and could translate into potential future federal income tax savings for the Debtors.

19. As discussed above, sections 39, 163(j) and 172(b) of the IRC permits corporations to carry forward Tax Attributes to offset future taxable income, thereby potentially significantly improving such corporations’ cash position in the future. *See* 26 U.S.C. §§ 39,

163(j), 172(b). Thus, the Debtors' Tax Attributes are a valuable asset of their estates, the availability of which could facilitate the Debtors' successful reorganization and serve to improve creditor recoveries. For example, the Company could utilize its NOLs, disallowed interest carryovers, and other Tax Attributes to offset income earned or recognized during the course of the Chapter 11 Cases or to offset any gain that may be recognized in connection with a sale transaction in bankruptcy. However, absent the relief requested herein, the trading and accumulation of McClatchy's equity securities during the pendency of the Chapter 11 Cases, or a 50% Shareholder's treatment of McClatchy stock as becoming worthless, could severely limit the Debtors' ability to use their Tax Attributes.

VII. The Provisions of Section 382

20. The general purpose of Section 382 is to prevent a company with taxable income from reducing its tax obligations by acquiring control of another company with NOLs, net unrealized built-in losses (as defined in IRC § 382(h)(3)) ("**Built-in Losses**"), or certain other tax attributes. To achieve this objective, Section 382 limits the amount of taxable income that can be offset by a pre-change loss to an amount equal to the long-term tax-exempt rate (as published monthly by the U.S. Department of the Treasury) as of the ownership change date multiplied by the value of the equity of the loss corporation immediately before the ownership change (a "**Section 382 Limitation**").⁷ Built-in Losses recognized during the five-year period after the ownership change may be subject to similar limitations.

21. If an ownership change were to occur during the course of the Chapter 11 Cases, Section 382 would limit the amount of taxable income that the Debtors could offset by their pre-

⁷ The Section 382 Limitation may be increased if the loss corporation has a net unrealized built-in gain at the time of the ownership change.

change losses in taxable years (or portions thereof) to an annual amount equal to the value of the corporation prior to the ownership change multiplied by the long-term tax-exempt rate. *See* 26 U.S.C. § 382(b). Pre-change losses would include NOLs, disallowed interest carryovers and Built-in Losses. This formulaic limitation under Section 382 can severely restrict the ability to use pre-change losses because the value of the equity of a distressed company may be quite low. By way of illustration, if McClatchy had undergone an ownership change as of January 31, 2020, it would be permitted to offset with pre-change losses no more than approximately \$98,421 of its income in each post-change tax year, which amount is the market capitalization of McClatchy (approximately \$6.19 million, as of January 31, 2020, based on approximately 7,935,411 shares issued and outstanding and a trading price of approximately \$0.78 per share) multiplied by 1.59% (the long-term tax-exempt rate for ownership changes occurring during January 2020).⁸ Taxable income in excess of this amount would generally be taxable to McClatchy at a federal income tax rate of 21%.

22. The problem facing the Debtors, which this Motion seeks to resolve, is that if, prior to the Debtors' emergence from chapter 11, too many equity holders transfer their equity interests or treat McClatchy Stock as becoming worthless, such dispositions or treatments may, individually or in the aggregate, trigger an ownership change. An ownership change occurring during the pendency of the Chapter 11 Cases is of particular concern because it would likely result in an additional and severe Section 382 Limitation due to the diminished value of the Debtors' equity. Subsequent to such an ownership change, the Debtors' abilities to use their Tax Attributes both during and after the pendency of the Chapter 11 Cases would be severely limited. The risk of losing the ability to use even a portion of their Tax Attributes as a result of the

⁸ Rev. Rul. 2020-1.

ownership change means the Debtors need the ability to monitor, and possibly object to, changes in ownership of McClatchy Stock that may adversely affect the Debtors' ability to utilize their Tax Attributes. The procedures will enable the Debtors to preserve flexibility in (a) operating their business during the pendency of these Chapter 11 Cases and (b) successfully prosecuting these Chapter 11 Cases.

VIII. Tax Attributes Are Property of the Debtors' Estates and Are Entitled to Court Protection.

23. Courts have uniformly held that a debtor's Tax Attributes constitute property of the estate under section 541 of the Bankruptcy Code and, as such, courts have the authority to implement certain protective measures to preserve the Tax Attributes. The seminal case articulating this rule is *In re Prudential Lines, Inc.*, in which this Court held that a "debtor's potential ability to utilize NOLs is property of an estate." *In re Prudential Lines, Inc.*, 107 B.R. 832, 838 (Bankr. S.D.N.Y. 1989), *aff'd*, 119 B.R. 430 (S.D.N.Y. 1990), *aff'd*, 928 F.2d 565 (2d Cir. 1991), *cert. denied* 502 U.S. 821 (1991). *See also In re White Metal Rolling & Stamping Corp.*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) ("[i]t is beyond peradventure that NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them."). Because the Debtors' Tax Attributes are property of their estates, this Court has the authority under section 362 of the Bankruptcy Code to enforce the automatic stay by restricting the transfer of equity securities in the Debtors that could jeopardize the existence or value of this asset. *See In re Phar-Mor, Inc.*, 152 B.R. 924, 927 (Bankr. N.D. Ohio 1993) (holding that section 362 prohibited the sale of stock in the debtors as an exercise of control of the debtors' NOLs, which were property of the debtors' estates).

IX. The Requested Relief is Narrowly Tailored.

24. The requested relief does not bar all trading of, or treatments of as becoming worthless, equity securities of the Debtors. At this early juncture, the Debtors seek only to establish procedures enabling it to monitor those types of trading in equity securities and the treatments of stock as becoming worthless which pose a serious risk under the Section 382 ownership change test, so as to preserve the Debtors' ability to seek substantive relief if it appears that a proposed trade of equity securities or treatment of stock as becoming worthless will jeopardize the use of their Tax Attributes. The procedures requested by the Debtors in the Motion would permit most trading in equity securities to continue subject only to Bankruptcy Rules 3001(e) and 3002 and applicable securities, corporate, and other laws. The restrictions on treating stock as becoming worthless would apply only to 50% Shareholders, and even then would not prohibit such treatment entirely, but would merely require them to be postponed to taxable years ending after the Debtors emerge from chapter 11 protection. Because of the Tax Attributes' importance to the Debtors' restructuring, and thus all parties-in-interest, implementation of the requested relief outweighs subjecting a limited number of transfers and/or worthless stock treatments to the procedures described above.

25. Moreover, the Debtors submit that the foregoing notice procedures satisfy due process and the strictures of Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and attend a hearing. *See, e.g., In re Colo. Mountain Cellars, Inc.*, 226 B.R. 244, 246 (D. Colo. 1998) (noting that hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the proposed notice procedures protect the due process rights of the parties-in-interest.

26. Once a Tax Attribute is limited under Section 382, its use may be limited forever. The relief sought herein is necessary to avoid an irrevocable loss or reduction in the availability

of the Tax Attributes and the irreparable harm which could be caused by unrestricted trading in McClatchy's equity securities or treatment of McClatchy stock as becoming worthless and McClatchy's resulting inability to offset taxable income freely with its Tax Attributes.

X. Bankruptcy Courts Routinely Grant the Relief Requested in the Motion.

27. Courts in this and other jurisdictions have similarly restricted transfers of equity in a debtor, or instituted notice procedures regarding proposed transfers, to protect a debtor against the possible loss of its NOL carryforwards and certain other tax attributes. *See, e.g., In re Pernix Sleep, Inc.*, No. 19-10323 (CSS) (Bankr. D. Del. Mar. 22, 2019); *In re Trident Holding Co., LLC*, No. 19-10384 (SHL) (Bankr. S.D.N.Y. Feb. 12, 2019); *In re Synergy Pharmaceuticals, Inc.*, No. 18-14010 (JLG) (Bankr. S.D.N.Y. Dec. 14, 2018); *In re Bon-Ton Stores, Inc.*, No. 18-10248 (MFW) (Bankr. D. Del. Mar. 6, 2018); *In re Avaya, Inc.*, No. 17-10089 (SMB) (Bankr. S.D.N.Y. Mar. 7, 2017); *In re BPS US Holdings Inc.*, No. 16-12373 (KJC) (Bankr. D. Del. Nov. 28, 2016); *In re SunEdison, Inc.*, No. 16-10992 (SMB) (Bankr. S.D.N.Y. May 12, 2016); *In re Samson Res. Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Oct. 14, 2015).⁹

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

28. The Court may grant the relief requested in this Motion immediately if the “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003; *see also In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008). In explicating the standards governing preliminary injunctions, the Second Circuit instructed that irreparable harm “is a continuing harm which cannot be adequately redressed by final relief on the merits’ and for

⁹ Because of the voluminous nature of the orders cited herein, they are not attached to the Motion. Copies of these orders, however, are available on request.

which ‘money damages cannot provide adequate compensation.’” *Kamerling v. Massanari*, 295 F.3d 206, 214 (2d Cir. 2002) (quoting *N.Y. Pathological & X-Ray Labs., Inc. v. INS*, 523 F.2d 79, 81 (2d Cir. 1975)). Further, the “harm must be shown to be actual and imminent, not remote or speculative. ” *Id.*; see also *Rodriguez v. DeBuono*, 175 F.3d 227, 234 (2d Cir. 1998). The Debtors submit that, for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm.

MOTION PRACTICE

29. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to the Motion. Accordingly, the Debtors submit that this Motion satisfies Local Bankruptcy Rule 9013-1(a).

RESERVATION OF RIGHTS

30. Nothing in this Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors’ or any other party in interest’s ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim; (d) granting third party beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

NOTICE

31. Notice of this Motion will be given to the Notice Parties. The Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

CONCLUSION

The Debtors respectfully request that this Court enter the Interim Order and the Final Order, substantially in the form annexed hereto, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: New York, New York
February 13, 2020

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Van C. Durrer, II

Shana A. Elberg
Bram A. Stochlic
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

– and –

Van C. Durrer, II
Destiny N. Almogue (*pro hac vice* pending)
300 S. Grand Avenue, Suite 3400
Los Angeles, California 90071-3144
Telephone: (213) 687-5000
Fax: (213) 687-5600

– and –

Jennifer Madden (*pro hac vice* pending)
525 University Avenue
Palo Alto, California 94301
Telephone: (650) 470-4500
Fax: (650) 470-4570

– and –

TOGUT, SEGAL & SEGAL LLP
Albert Togut
Kyle J. Ortiz
Amy Oden
One Penn Plaza, Suite 3335
New York, New York 10119
Telephone: (212) 594-5000
Fax: (212) 967-4258

Proposed Counsel to Debtors and Debtors in Possession

EXHIBIT A

Interim Order

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

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

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order establishing notice and hearing procedures that must be satisfied before certain transfers of, or treatments of as becoming worthless, equity securities in The McClatchy Company, or of any beneficial interest therein, are deemed effective; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having

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, for which the Debtors have requested joint administration, 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.kcellc.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 defined herein shall have the meanings ascribed to such terms in the Motion.

been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. Any purchase, sale, or other transfer of, or any treatment of as becoming worthless, equity securities in McClatchy in violation of the procedures set forth herein (including the notice requirements set forth in paragraph 3) 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.
3. 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 30 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 30 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 30 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 30-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 30-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,³ 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.

³ Based on approximately 7,935,411 shares of McClatchy Stock issued and outstanding as of February 11, 2020.

4. 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 30 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 30 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 30-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 30-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.
5. The Debtors may waive, in writing and in their sole and absolute discretion, any and all restrictions, stays, and notification procedures contained in this Interim Order.

6. The Debtors shall serve the Notice of Order setting forth the procedures authorized herein substantially in the form annexed hereto as **Exhibit A-6** (“**Notice of Order**”) on the Notice Parties. Notice served pursuant to the preceding sentence shall be via first class mail, postage prepaid.

7. Upon receipt of the Notice of Order, each Nominee and transfer agent for any McClatchy Stock shall send such Notice of Order to all holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (equal to, as of February 11, 2020, approximately 317,416 shares, if all shares have the same value per share), or an Option, with respect thereto, registered with such Nominees or transfer agent no later than five business days after being served with the Notice of Order.

8. Any such Registered Holder described in paragraph 7 of this Interim Order shall provide such Notice of Order to any holder for whose account such Registered Holder holds McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (or an Option with respect thereto), and so on down the chain of ownership for all such holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares.

9. Any person or entity or broker or agent acting on their behalf who sells at least 4.00%, by value, of all issued and outstanding shares of McClatchy Stock (or an Option with respect thereto) to another person or entity shall provide notification of the existence of this Interim Order or their contents to such purchaser or any broker or agent acting on their behalf of such McClatchy Stock, to the extent reasonably feasible.

10. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

11. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).
12. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).
13. The requirements set forth in this Interim Order are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate and other laws, and do not excuse compliance therewith.
14. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.
15. The final hearing on the Motion shall be held on _____, 2020 at ___:___ a.m./p.m., prevailing Eastern Time. Any objections or responses to the entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on _____, 2020, and shall be served on the Notice Parties. If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.
16. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: New York, New York
February __, 2020

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A-1

Notice Of Status As Substantial Shareholder

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

**NOTICE OF STATUS AS A SUBSTANTIAL
SHAREHOLDER²**

PLEASE TAKE NOTICE that the undersigned party is/has become a Substantial Shareholder with respect to McClatchy Stock (as defined herein and in the Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Interim Order**”)) of The McClatchy Company

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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, 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.

(“**McClatchy**”), a debtor and debtor in possession in Case No. 20-____ (____) pending in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, as of [DATE], the undersigned party beneficially owns [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock. The following table sets forth the date(s) on which the undersigned party acquired or otherwise became the beneficial owner of such McClatchy Stock:

Number Of, and Class Of, Shares	Date Acquired

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [_____].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being (a) filed with the Court and (b) served upon 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.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT A-2

Notice Of Intent To Acquire Equity Interest

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

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

**NOTICE OF INTENT TO PURCHASE, ACQUIRE, OR
OTHERWISE ACCUMULATE AN EQUITY INTEREST**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to purchase, acquire, or otherwise accumulate one or more shares of McClatchy Stock (as defined herein and in the Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Interim Order**”)) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a Substantial Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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 (a) all issued and outstanding shares (equal to, as of February 11, 2020, approximately 357,093 shares, 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, the undersigned party proposes to purchase, acquire, or otherwise accumulate [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock. If the Proposed Transfer is permitted to occur, the undersigned party will beneficially own [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock) after such transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being (a) filed with the Court and (b) served upon (i) counsel to the Debtors, Skadden,

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 Regulation 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.

Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attn: Shana A. Elberg and Bram A. Stochlic, 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.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party purchasing, acquiring or otherwise accumulating additional shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT A-3

Notice of Intent to Transfer Equity Interest

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

**NOTICE OF INTENT TO SELL, TRADE OR OTHERWISE
TRANSFER AN EQUITY INTEREST**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to sell, trade, or otherwise transfer one or more shares of McClatchy Stock (as defined herein and in the Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Interim Order**”)) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a Substantial Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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 (a) all issued and outstanding shares (equal to, as of February 11, 2020, approximately 357,093 shares, 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, the undersigned party proposes to sell, trade, or otherwise transfer [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock. If the Proposed Transfer is permitted to occur, the undersigned party will beneficially own [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock) after the transfer.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being (a) filed with the Court and (b) served upon counsel to the Debtors, Skadden,

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 Regulation 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.

Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attn: Shana A. Elberg and Bram A. Stochlic, 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.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party selling, trading or otherwise transferring shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT A-4

Notice of Status as 50% Shareholder

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

NOTICE OF STATUS AS 50% SHAREHOLDER²

PLEASE TAKE NOTICE that the undersigned party [is/has become] a 50% Shareholder with respect to McClatchy Stock (as defined herein and in the Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Interim Order**”)) of The McClatchy Company (“**McClatchy**”), a debtor and debtor in possession in Case No. 20-____ (____) pending in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

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, for which the Debtors have requested joint administration, 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.kcellc.net/McClatchy>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.

² For purposes of this Notice, (A) 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 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.

PLEASE TAKE FURTHER NOTICE that, as of [____], the undersigned party beneficially owns [____] shares of Class A McClatchy Stock and [____] shares of Class B McClatchy Stock. The following table sets forth the date(s) on which the undersigned party acquired or otherwise became the beneficial owner of such McClatchy Stock:

Number Of, and Class Of, Shares	Date Acquired

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [____].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being (a) filed with the Court and (b) served upon 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.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT A-5

Notice of Intent to Treat Stock as Becoming Worthless

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

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

**NOTICE OF INTENT TO TREAT
STOCK AS BECOMING WORTHLESS**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to treat as becoming worthless McClatchy Stock (as defined herein and in the Interim Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Interim Order**”)) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Worthlessness Claim**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a 50% Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (A) 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 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Worthlessness Claim, the undersigned party proposes to declare for [federal/state] tax purposes that [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock became worthless during the tax year ending [].

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this Notice is being (a) filed with the Court and (b) served upon 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

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.

90071-3144, Attn: Van C. Durrer, II and Destiny N. Almogue, and 525 University Avenue, Palo Alto, CA 94301, Attn: Jennifer Madden.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Worthlessness Claim described herein. If the Debtors file an objection, such Proposed Worthlessness Claim will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Worthlessness Claim may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned treating as becoming worthless its shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT A-6

Notice of Order

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	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 [__], 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**”).

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, for which the Debtors have requested joint administration, 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 [Month] [Day], 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 30 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 30 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 30 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 30-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 30-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,² 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.

² 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 30 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 30 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 30-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 30-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 [Month] [Day], 2020 at [] p.m.

Dated: New York, New York
February __, 2020

BY ORDER OF THE COURT

EXHIBIT B

Final Order

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

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

Upon the motion (the “**Motion**”)² of the Debtors for an interim order and a final order (this “**Final Order**”) establishing notice and hearing procedures that must be satisfied before certain transfers of, or treatments of as becoming worthless, equity securities in The McClatchy Company, or of any beneficial interest therein, are deemed effective; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper

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, for which the Debtors have requested joint administration, 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.kcellc.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 defined herein shall have the meanings ascribed to such terms in the Motion.

pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. Any purchase, sale, or other transfer of, or any treatment of as becoming worthless, equity securities in McClatchy in violation of the procedures set forth herein (including the notice requirements set forth in paragraph 3) 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.
3. 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 B-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 30 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 B-2** attached hereto, of the intended transfer of equity securities.

- (d) At least 30 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 B-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 30 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 30-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 30-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,³ 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

³ Based on approximately 7,935,411 shares of McClatchy Stock issued and outstanding as of February 11, 2020.

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.

4. 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 B-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 30 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 B-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 30 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 30-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 30-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.
5. The Debtors may waive, in writing and in their sole and absolute discretion, any and all restrictions, stays, and notification procedures contained in this Final Order.

6. The Debtors shall serve the Notice of Order setting forth the procedures authorized herein substantially in the form annexed hereto as **Exhibit B-6** (“**Notice of Order**”) on the Notice Parties. Notice served pursuant to the preceding sentence shall be via first class mail, postage prepaid.

7. Upon receipt of the Notice of Order, each Nominee and transfer agent for any McClatchy Stock shall send such Notice of Order to all holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (equal to, as of February 11, 2020, approximately 317,416 shares, if all shares have the same value per share), or an Option, with respect thereto, registered with such Nominees or transfer agent no later than five business days after being served with the Notice of Order.

8. Any such Registered Holder described in paragraph 7 of this Final Order shall provide such Notice of Order to any holder for whose account such Registered Holder holds McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares (or an Option with respect thereto), and so on down the chain of ownership for all such holders of McClatchy Stock in excess of 4.00%, by value, of all issued and outstanding shares.

9. Any person or entity or broker or agent acting on their behalf who sells at least 4.00%, by value, of all issued and outstanding shares of McClatchy Stock (or an Option with respect thereto) to another person or entity shall provide notification of the existence of this Final Order or their contents to such purchaser or any broker or agent acting on their behalf of such McClatchy Stock, to the extent reasonably feasible.

10. The requirements set forth in this Final Order are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate and other laws, and do not excuse compliance therewith.

11. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

12. All time periods set forth in this Final Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

13. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order.

14. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

Dated: New York, New York
[Month] [Day], 2020

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B-1

Notice Of Status As Substantial Shareholder

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

**NOTICE OF STATUS AS A SUBSTANTIAL
SHAREHOLDER²**

PLEASE TAKE NOTICE that the undersigned party is/has become a Substantial Shareholder with respect to McClatchy Stock (as defined herein and in the Final Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Final Order**”)) of The McClatchy Company

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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, 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.

(“**McClatchy**”), a debtor and debtor in possession in Case No. 20-____ (____) pending in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, as of [DATE], the undersigned party beneficially owns [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock. The following table sets forth the date(s) on which the undersigned party acquired or otherwise became the beneficial owner of such McClatchy Stock:

Number Of, and Class Of, Shares	Date Acquired

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [_____].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this Notice is being (a) filed with the Court and (b) served upon 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.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT B-2

Notice Of Intent To Acquire Equity Interest

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

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

**NOTICE OF INTENT TO PURCHASE, ACQUIRE, OR
OTHERWISE ACCUMULATE AN EQUITY INTEREST**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to purchase, acquire, or otherwise accumulate one or more shares of McClatchy Stock (as defined herein and in the Final Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Final Order**”)) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a Substantial Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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 (a) all issued and outstanding shares (equal to, as of February 11, 2020, approximately 357,093 shares, 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, the undersigned party proposes to purchase, acquire, or otherwise accumulate [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock. If the Proposed Transfer is permitted to occur, the undersigned party will beneficially own [_____] shares of Class A McClatchy Stock and [_____] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock) after such transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

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. Convertible stock is treated as an Option only if the terms of the conversion feature permit or require consideration other than the stock being converted. 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.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this Notice is being (a) filed with the Court and (b) served upon 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.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party purchasing, acquiring or otherwise accumulating additional shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT B-3

Notice of Intent to Transfer Equity Interest

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

----- X
In re : **Chapter 11**
:
THE McCLATCHY COMPANY, et al., : **Case No. 20-10418 (MEW)**
:
Debtors.¹ : **(Joint Administration Pending)**
:
----- X

**NOTICE OF INTENT TO SELL, TRADE OR OTHERWISE
TRANSFER AN EQUITY INTEREST**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to sell, trade, or otherwise transfer one or more shares of McClatchy Stock (as defined herein and in the Final Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Final Order**”)) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a Substantial Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (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 (a) all issued and outstanding shares (equal to, as of February 11, 2020, approximately 357,093 shares, 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, the undersigned party proposes to sell, trade, or otherwise transfer [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock. If the Proposed Transfer is permitted to occur, the undersigned party will beneficially own [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock (including any Options with respect to any McClatchy Stock) after the transfer.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this Notice is being (a) filed with the Court and (b) served upon counsel to the Debtors, Skadden,

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 Regulation 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.

Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036, Attn: Shana A. Elberg and Bram A. Stochlic, 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.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party selling, trading or otherwise transferring shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT B-4

Notice of Status as 50% Shareholder

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

-----	x	
<i>In re</i>	:	Chapter 11
	:	
THE McCLATCHY COMPANY, et al.,	:	Case No. 20-10418 (MEW)
	:	
Debtors.¹	:	(Joint Administration Pending)
	:	
-----	x	

NOTICE OF STATUS AS A 50% SHAREHOLDER²

PLEASE TAKE NOTICE that the undersigned party [is/has become] a 50% Shareholder with respect to McClatchy Stock (as defined herein and in the Final Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Final Order**”)) of The McClatchy Company (“**McClatchy**”), a debtor and debtor in possession in Case No. 20-____ (____) pending in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

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, for which the Debtors have requested joint administration, 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.kcellc.net/McClatchy>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 2100 Q Street, Sacramento, California 95816.

² For purposes of this Notice, (A) 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 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.

PLEASE TAKE FURTHER NOTICE that, as of [____], the undersigned party beneficially owns [____] shares of Class A McClatchy Stock and [____] shares of Class B McClatchy Stock. The following table sets forth the date(s) on which the undersigned party acquired or otherwise became the beneficial owner of such McClatchy Stock:

Number Of, and Class Of, Shares	Date Acquired

(Attach additional page if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [____].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this Notice is being (a) filed with the Court and (b) served upon 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.

Respectfully Submitted,

(Name of Shareholder)

By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Date: _____

EXHIBIT B-5

Notice of Intent to Treat Stock as Becoming Worthless

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

----- X
In re : **Chapter 11**
:
THE McCLATCHY COMPANY, et al., : **Case No. 20-10418 (MEW)**
:
: **(Joint Administration Pending)**
:
Debtors.¹ :
:
----- X

**NOTICE OF INTENT TO TREAT
STOCK AS BECOMING WORTHLESS**

PLEASE TAKE NOTICE THAT the undersigned party hereby provides notice of its intention to treat as becoming worthless McClatchy Stock (as defined herein and in the Final Order Establishing Notice and Hearing Procedures for Trading In, or Treating as Becoming Worthless, Equity Securities in the Debtors (the “**Final Order**”) of The McClatchy Company (“**McClatchy**”) or an Option with respect thereto (as defined herein and in the Interim Order) (the “**Proposed Worthlessness Claim**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], the undersigned party filed a Notice of Status as a 50% Shareholder² with the United States

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, for which the Debtors have requested joint administration, 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 For purposes of this Notice, (A) 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 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

Bankruptcy Court for the Southern District of New York (the “**Court**”) and served copies thereof on Debtors’ counsel.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently beneficially owns [] shares of Class A McClatchy Stock and [] shares of Class B McClatchy Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Worthlessness Claim, the undersigned party proposes to declare for [federal/state] tax purposes that [] shares of Class [] McClatchy Stock or an Option with respect to [] shares of Class [] McClatchy Stock became worthless during the tax year ending [].

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification or social security number of the undersigned party are [].

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the undersigned party hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this Notice is being (a) filed with the Court and (b) served upon 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

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.

90071-3144, Attn: Van C. Durrer, II and Destiny N. Almogue, and 525 University Avenue, Palo Alto, CA 94301, Attn: Jennifer Madden.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Notice to object to the Proposed Worthlessness Claim described herein. If the Debtors file an objection, such Proposed Worthlessness Claim will not be effective unless approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Worthlessness Claim may proceed solely as set forth in the Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned treating as becoming worthless its shares of McClatchy Stock (or an Option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

Respectfully Submitted,

(Name of Shareholder)

By: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT B-6

Notice of Order

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

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

**NOTICE OF FINAL 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 [___], 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**”).

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, for which the Debtors have requested joint administration, 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 [Month] [Day], 2020, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered a Final 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 “**Final Order**”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final 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 B-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 30 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 B-2** attached hereto, of the intended transfer of equity securities.

- (d) At least 30 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 B-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 30 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 30-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 30-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,² 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

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

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.

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 B-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 30 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 B-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 30 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 30-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 30-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. Stochlic, 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 Final 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.

Dated: New York, New York
February __, 2020

BY ORDER OF THE COURT