

Distribution from Morgan Stanley Settlement

The Litigation Trustee has reached a settlement of certain claims against Morgan Stanley & Co. LLC (“MS&Co.”) and Morgan Stanley Capital Services LLC (“MSCS,” together, the “Morgan Stanley Defendants”), two of the defendants in the FitzSimons Action. The Settlement Agreement, which was signed on April 25, 2016 and was subject to approval by the Bankruptcy Court, resolves claims against the Morgan Stanley Defendants arising from MSCS’s attempt to offset its obligations to Tribune under a 1994 interest rate swap agreement with The Times Mirror Company (a Tribune predecessor) using Tribune debentures that MS&Co. had purchased between April 2006 and November 2008.

In exchange for the Litigation Trustee’s dismissal of these claims, the Morgan Stanley Defendants agreed to pay the Litigation Trust \$23.7 million and relinquish its rights to an approximately \$12.6 million escrow account that had been created for the purpose of segregating MSCS’s potential interests pending resolution of the swap-related claims. The Litigation Trustee retains his other claims against MS&Co. in the FitzSimons Action relating to the latter’s role as financial advisor to Tribune and its Special Committee in the period leading to Tribune’s 2007 leveraged buyout. The Settlement Agreement was approved by the Bankruptcy Court on May 17, 2016 and became effective on May 31.

On June 9, 2016, the Litigation Trustee distributed \$20 million to the Class 1E and Class 1F beneficiaries of the Litigation Trust pursuant to the terms of the Litigation Trust Distribution Schedule (set forth in Exhibit C to the Litigation Trust Agreement). In addition, by stipulation of all of the interested parties, the Litigation Trust received 50 percent – or approximately \$6.3 million – of the \$12.6 million escrow amount relinquished by MSCS as part of the settlement, with the remaining 50 percent going to Deutsche Bank Trust Company Americas (“DBTCA”) and Law Debenture Trust Company of New York (“Law Debenture”), as successor indenture trustees, for distribution to Tribune’s senior noteholders.

The distributions are reflected in the following tables:

Distribution from Litigation Trust

DBTCA	\$14,898,307.91
Law Debenture	\$3,635,946.89
Other General Unsecured Creditors (Paid or Reserved for Disputed Claims)	\$1,465,745.20
TOTAL	\$20,000,000.00

Distribution of Escrow Amount

DBTCA	\$5,080,003.47
Law Debenture	\$1,238,459.84
Litigation Trust	\$6,318,463.31
TOTAL	\$12,636,926.62