

**CONFIDENTIAL SETTLEMENT NOTICE TO CERTAIN SHAREHOLDER DEFENDANTS –
SUBJECT TO FEDERAL RULE OF EVIDENCE 408**

In re: Tribune Company Fraudulent Conveyance Litigation, 11-MD-2296 (RJS) (S.D.N.Y.)

Kirschner v. FitzSimons, et al., 12-CV-2652 (RJS) (S.D.N.Y.)

February 21, 2014

*Note: This communication is addressed only to counsel for certain defendants in the litigation referenced above and to certain pro se defendants (i.e., defendants that have not retained counsel). **If you are represented by counsel in this matter, please deliver this communication to your counsel.***

Plaintiff Marc S. Kirschner hereby offers to settle claims against certain defendants in the above-referenced litigation (the “FitzSimons Action”). Mr. Kirschner was appointed to be the Litigation Trustee of the Tribune Litigation Trust by the United States Bankruptcy Court for the District of Delaware. If you or your client (hereafter “you”) is eligible to participate in the settlement and chooses to do so, Plaintiff will dismiss you with prejudice from the FitzSimons Action. **Plaintiff is making this settlement offer to provide defendants that received more than \$50,000 but less than \$100,000 in aggregate payments from Tribune for Tribune stock (hereafter “Shareholder Payments”) an opportunity to resolve this litigation consensually now without further cost or expense. This offer is being made only to these smaller defendants.**

The principal terms of the settlement are the following:

1. **Eligibility:** You are eligible to participate in the settlement if you are named as a defendant in only Count I of the Fifth Amended Complaint in the FitzSimons Action and you **received more than \$50,000 but less than \$100,000 in aggregate Shareholder Payments** in Step One and Step Two of the 2007 leveraged buyout of Tribune Company (the “Tribune LBO”). The Fifth Amended Complaint, dated August 1, 2013, is available under the “Documents” tab on the Litigation Trust website: www.tribunetrustlitigation.com.
2. **Settlement Terms:** Plaintiff will settle his claims against you in return for **payment of 16.25% of the amount of Shareholder Payments you received in Step One of the Tribune LBO (if any), plus 31.5% of the amount of Shareholder Payments you received in Step Two of the Tribune LBO (if any).** This includes all claims to recover the Shareholder Payments, and for prejudgment interest, fees and costs. In return for payment of this amount, Plaintiff will dismiss you with prejudice from the FitzSimons Action. You will also be released from any liability you may face in connection with certain other lawsuits alleging that the Tribune LBO was a constructive fraudulent conveyance under state law, which lawsuits have been dismissed but are now on appeal.

For example, if you received a total of \$68,000 in Shareholder Payments between Step One and Step Two (split evenly), in order to accept this Settlement and be dismissed you would need to make a payment of \$16,235 (16.25% x \$34,000 + 31.5% x \$34,000).

The settlement terms above are **significantly more favorable** to you than were the terms of Plaintiff’s prior settlement offer, which offer was extended to all defendants. The settlement terms offered herein represent half of the prior offer.

Should you elect not to settle, Plaintiff will continue his lawsuit in federal district court and will pursue a judgment against you in the *full amount* of the Shareholder Payments received by you in Step One and Step Two, **plus prejudgment and post-judgment interest (which would continue to accrue until payment is made), costs, and fees.**

3. **Deadline:** This offer expires on April 30, 2014, but may be extended or withdrawn at any time at Plaintiff's sole discretion. To accept the offer you must contact Plaintiff's settlement administrator to obtain a copy of the settlement agreement, and then sign the agreement and return it to the settlement administrator so it is received on or before April 30, 2014. After you receive back from the settlement administrator a fully executed copy of the settlement agreement, you will need to make the required settlement payment within 14 days.
4. **To accept the settlement offer:** Please contact Plaintiff's settlement administrator, Kurtzman Carson Consultants, at (866) 526-6860 and they will send you a form settlement agreement for execution. When you call, please have available records or other information as to the exact amount of Shareholder Payments you received at both steps of the LBO. The form settlement agreement can also be obtained on the Litigation Trust's website: www.tribunetrustlitigation.com.

Akin Gump Strauss Hauer & Feld LLP
Friedman Kaplan Seiler & Adelman LLP
Counsel for Plaintiff Litigation Trustee

Summary of the FitzSimons Action

Plaintiff's claim against you arises from the Tribune LBO that closed in two steps in 2007. In the Tribune LBO, Tribune transferred funds to shareholders and other parties in exchange for their shares on or about June 4, 2007 ("Step One" of the LBO) and again on or about December 20, 2007 ("Step Two" of the LBO). Tribune filed for bankruptcy protection less than one year after the Step Two transfers were made.

The FitzSimons Action was commenced by the Official Committee of Unsecured Creditors of Tribune in November 2010 on behalf of Tribune's creditors that were harmed by the LBO. The right to prosecute the FitzSimons Action has been assigned to Plaintiff, who filed the Fifth Amended Complaint on August 1, 2013. The FitzSimons Action is currently pending for pretrial proceedings in the United States District Court for the Southern District of New York. Count I of the FitzSimons Action alleges that the Shareholder Payments were intentional fraudulent conveyances under federal law because, among other things, they were made by Tribune with actual intent to hinder, delay, or defraud Tribune's creditors.

If you have been named as a defendant in Count I, it is because various records received by Plaintiff show that you received, directly or indirectly, at least \$50,000 in Shareholder Payments. You previously have been served with the complaint and/or amended complaints. A copy of the current Fifth Amended Complaint can be viewed at www.tribunetrustlitigation.com under the "Documents" tab.

Questions and Answers

How do I know if I or my client is eligible to participate in the settlement?

You are eligible to participate in the settlement if you received more than \$50,000 but less than \$100,000 in total Shareholder Payments in Step One and Step Two combined. Eligibility is based on the Shareholder Payments received, not on the profit made on the sale of the Tribune shares compared to what the shares were purchased for.

Can I or my client participate in the settlement if I or my client received a Shareholder Payment in Step One or in Step Two, but not in both steps?

Yes, you may participate so long as the total amount you received in Step One and/or Step Two is more than \$50,000 but less than \$100,000. You will have to represent in the actual Settlement Agreement the actual amount of Shareholder Payments you received

How much is the settlement amount?

The settlement amount is 16.25% of the Shareholder Payments you received in Step One, plus 31.5% of the Shareholder Payments you received in Step Two.

What else do I need to do to accept and enter the settlement?

You may contact Plaintiff's settlement administrator, Kurtzman Carson Consultants ("KCC"), at (866) 526-6860 to accept the settlement offer or for any other questions you have. KCC will send you an actual written settlement agreement containing the terms of the settlement, such as the amount of the necessary payment, mutual releases, and provisions requiring Plaintiff to dismiss the Action against you. The settlement will not be effective until all parties have signed and you have made the required settlement payment.

How are Shareholder Payments made jointly to two or more defendants, or for the benefit of two or more persons, going to be treated?

Eligibility to participate in this settlement is based on the Shareholder Payments received, *not* on the number of defendants or persons that may have jointly received or otherwise shared in such Shareholder Payments. For example, a husband and wife who owned a joint securities account, or a trust with three siblings as beneficiaries, that received Shareholder Payments totaling \$170,000, would not be eligible to participate in the Settlement by dividing the total Shareholder Payments into "per person" amounts.

Likewise, the settlement payment amounts are based on the Shareholder Payments received, not the number of defendants. A husband and wife that jointly received \$68,000 in total Shareholder Payments would only need to make one settlement payment between them, not one payment each.

How long will the settlement offer remain open?

To accept the offer you must contact Plaintiff's settlement administrator to obtain a copy of the settlement agreement, and then sign the agreement and return it to the settlement administrator so it is received on or before April 30, 2014. The settlement offer may be extended or withdrawn at any time at Plaintiff's sole discretion. After you receive back from the settlement administrator a fully executed copy of the settlement agreement, you will need to make the required settlement payment within 14 days.

The dollar amount mentioned in the summons I or my client received included only some of the LBO payments I or my client received. Do I need to take the other payments into consideration in connection with the settlement?

Yes. You will need to disclose, and calculate the settlement amount on, all the Shareholder Payments you received in connection with Step One and Step Two of the LBO, whether or not they are mentioned in the summons or Fifth Amended Complaint. If the total amount of the actual payments is \$100,000 or more, you are not eligible to participate in this offer.

The dollar amount mentioned in the summons I or my client received is incorrect, or stated simply as “\$50,000.” How does this affect the settlement offer?

If the number in the summons is incorrect, you will be given an opportunity to submit information showing the correct amount, and the settlement amount will be calculated on the actual amount of Shareholder Payments (assuming it is more than \$50,000 and less than \$100,000). If the number is stated simply as \$50,000, you will need to submit information showing the actual amount (assuming it is more than \$50,000 and less than \$100,000) to participate in the settlement.

What happens if I or my client does not agree to participate in the settlement?

You will remain a defendant in the FitzSimons Action unless and until that action is resolved, subject to whatever defenses and responses you may have. If Plaintiff is ultimately successful on Count I, Plaintiff will seek judgment against you for the full amount of all Shareholder Payments at Step One and Step Two made to you, plus prejudgment and post-judgment interest running from the date of each Shareholder Payment and through the date of payment of the judgment, plus costs and fees.

What effect does the settlement have on the other lawsuits arising from the Tribune LBO that were pending in the United States District Court for the Southern District of New York and that are now on appeal?

If you agree to the settlement offer, you will be fully released from any liability you may face in the other lawsuits brought by Tribune Note Holders and Tribune retirees. Those suits were dismissed last year but are now on appeal.

How does this settlement offer compare to Plaintiff’s prior settlement offer?

This settlement offer is significantly more favorable to defendants than was Plaintiff’s prior settlement offer, which included defendants that received larger amounts. This settlement offer allows you to settle for half of the prior offer. This offer is being made only to smaller defendants in this action.

Are the terms of the settlement offer negotiable?

No. The terms of the settlement offer, as specified in the settlement agreement and summarized in this notice, are not negotiable.

If I do not have an attorney, should I hire one?

You do not need an attorney to accept this offer. However, Plaintiff encourages all defendants to consult with an attorney about this lawsuit and settlement offer. You may be able to find further information about obtaining possible legal representation at www.tribune-defendants.com.