

This communication is addressed only to counsel for certain defendants in the litigation referenced below, and to defendants who have not yet retained counsel. If you are represented by counsel in this matter, please deliver this communication to your counsel.

**CONFIDENTIAL SETTLEMENT COMMUNICATION TO SHAREHOLDER
DEFENDANTS SUBJECT TO FEDERAL RULE OF EVIDENCE 408**

Re: *In re Tribune Company Fraudulent Conveyance Litigation,*
Case Nos. 11-MD-2296 (WHP), 12-MC-2296 (WHP)

Plaintiffs in the above-referenced actions (the “Plaintiffs”) hereby offer to compromise and settle the claims asserted against certain defendants (the “Shareholder Defendants”) in the above-referenced multi-district litigation (the “MDL”) in exchange for payment of less than the full amount of those claims. The terms of the settlement offer are described below. The Shareholder Defendants to whom this offer is extended are those parties named as defendants in any one or more of the Note Holder Actions, the Retiree Actions and/or Count XIII of the FitzSimons Action (as defined below).

The Plaintiffs’ claims in the MDL arise from the leveraged buyout (“LBO”) of Tribune Company (“Tribune”) that closed in two steps in 2007, with Tribune transferring 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) (the Step One and Step Two transfers are collectively referred to herein as the “Transfers”). Tribune filed for bankruptcy protection less than one year after the Step Two Transfers were made.

The Plaintiffs are comprised of three discrete groups that are, or represent the interests of, pre-LBO creditors of Tribune that, as a consequence of the LBO, recovered none, or a fraction, of the money owed to them. The three Plaintiff groups are: (i) the Successor Indenture Trustees for Tribune’s pre-petition senior notes and PHONES Notes (together the “Note Holders”), (ii) 188 Tribune retirees (the “Retirees”) and (iii) the Official Committee of Unsecured Creditors of Tribune Company (the “UCC”) formed in connection with the Tribune bankruptcy case. The UCC is the Plaintiff in an action captioned *Official Committee of Unsecured Creditors of Tribune Company v. Dennis J. FitzSimons* (the “FitzSimons Action”). If and when the Tribune plan of reorganization becomes effective, the UCC will be replaced by a Litigation Trustee, Marc Kirschner, as the plaintiff in the FitzSimons Action. Mr. Kirschner has advised the Plaintiffs that he will honor the following settlement proposal on the specific terms set forth herein.

The Note Holders and the Retirees allege in each of the cases they commenced (respectively, the “Note Holder Actions” and the “Retiree Actions”) that the Transfers were constructive fraudulent conveyances under state law because they were made in exchange for less than reasonably equivalent value at a time when Tribune was (or was rendered) insolvent, had unreasonably small capital, and/or was unable to pay its debts as they come due. The UCC alleges in the FitzSimons Action that the Transfers were intentional fraudulent conveyances under applicable federal bankruptcy law and state law because they were made with actual intent to hinder, delay or defraud the Plaintiffs and other creditors. Because they share common questions of law or

fact, the Note Holder Actions, Retiree Actions, and FitzSimons Action have been coordinated for purposes of pretrial proceedings.

If any of the Plaintiff groups is successful in prosecuting its claims, such Plaintiffs will seek judgment for the full amount of the Transfers that were made to you/your client(s) plus pre-judgment interest back to the date of transfer and running through the date of payment, accruing (assuming the application of New York law) at the rate of 9% per year (the amount of such Transfers at that rate plus pre-judgment interest is referred to herein as the “Exposure”). As of October 1, 2012, the Exposure for each dollar received at Step One is \$1.480 and the Exposure for each dollar received at Step Two is \$1.431.

The Plaintiffs currently are prepared to settle and release the Step One and Step Two constructive fraudulent conveyance and intentional fraudulent conveyance claims against the Shareholder Defendants (collectively the “Claims”) on the following terms. These terms are available for only a limited time, and the settlement levels will increase dramatically if the case progresses as we expect. Additionally, pre-judgment interest will continue to accrue with the passage of time, increasing the Exposure of each defendant.

1. *Payment.* The Shareholder Defendant shall pay Plaintiffs collectively 20% of the amount of the Exposure in connection with Step One of the LBO, and 40% of the amount of the Exposure in connection with Step Two of the LBO (the “Settlement Payment”). If the Shareholder Defendant only received Transfers at one of the two Steps, no payment is required for the other Step. Exposure will be based on the actual amount of the Transfers received at each Step (see point 2 below), which may not be the amount shown on Exhibit A to the applicable Note Holder complaint.
2. *Representation.* To settle, a Shareholder Defendant must make a representation confirming the actual amount of the Transfers that it received at Step One and Step Two, and agree that if Plaintiffs subsequently learn such Transfers were understated, the Release will be null and void, and Plaintiffs may, among other things, reinstate their Claims in full (including any claim for pre-judgment interest).
3. *Mutual Releases.* The parties will enter into a settlement agreement and mutual release respecting all matters arising out of or related to the Claims (the “Release”), and each of the Plaintiff groups will dismiss their Claims against such Shareholder Defendant(s) with prejudice. If multiple parties are named in connection with a specific Transfer for which a Settlement Payment is made, all such parties will be released and the Claims against such parties dismissed.
4. *Effect on other Transfers.* If a Shareholder Defendant is named in connection with multiple Transfers and a Settlement Payment is made in respect of fewer than all such Transfers, the subject Release(s) will exclude Transfers for which no Settlement Payment is made.

5. *Effect on other Claims.* This settlement proposal relates only to the Claims. If the UCC has asserted claims against a Shareholder Defendant in addition to the fraudulent conveyance claim in Count XIII of the FitzSimons Action, those additional claims would not be released absent a separate negotiation and additional payment.

Please be advised that the Plaintiffs are offering to settle the Claims against you/your client(s) on the foregoing terms for a limited time only. At present, the settlement offer is open to Shareholder Defendants who execute and deliver the necessary settlement documentation and settlement payment on or before November 16, 2012 at 4:00 p.m. Eastern Standard Time, but the Plaintiffs reserve the right to withdraw the offer (or extend it) in their sole discretion at any time.

If you/your client(s) wish to accept the Plaintiffs' offer of compromise, please contact Plaintiffs' settlement administrator, Kurtzman Carson Consultants, at 1-866-927-7079, to obtain documentation and payment information. Information concerning the settlement offer can also be obtained at www.TribuneClassActionSettlement.com.

For the Note Holders: Akin Gump Strauss Hauer & Feld LLP; Friedman Kaplan Seiler & Adelman LLP; Kasowitz, Benson, Torres & Friedman LLP.

For the UCC: Zuckerman Spaeder LLP; Landis Rath & Cobb LLP.

For the Retirees: Teitelbaum & Baskin, LLP.