



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Bankruptcy Updates

Tribune Creditors Withdraw Bankruptcy Plan

A group of creditors of the Tribune known as the Bridge Lenders have withdrawn their plan for reorganizing the newspaper company. With this withdrawal there remain two proposals for the plans to exit the company from bankruptcy. Tribune Co. owns the Chicago Tribune, Los Angeles Times and about 20 broadcasters and other newspapers. The company filed for bankruptcy two years ago, less than a year after it was bought over by real estate developer Sam Zell in a leveraged buyout.

Last year, four different plans were proposed for reorganizing the newspaper company. Most bankruptcy cases only hear one plan for reorganizing. The Bridge Lenders have now agreed to withdraw its own plan and instead support that of the Tribune, which is based on a settlement among lenders JPMorgan Chase & Co and hedge funds Oak Tree Capital Management and Angelo, Gordon & Co.

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According to a mediator's report filed in bankruptcy court last week, the Bridge Lenders agree to accept \$64.5 million in cash, lawyers' fees and their share of distributions from trusts that will pursue legal claims.

There are now two reorganization plans left. Primarily, they differ in their approach to settling the legal claims that arose from the bankruptcy. The one proposed by the company aims to settle many of the legal claims which wiped out billions of dollars worth of bonds. The other proposal comes from the bondholders led by Aurelius Capital Management and proposes a plan to recover billions of dollars from lenders who they claim are responsible for funding Sam Zell's buyout.

Delaware Bankruptcy Judge Kevin Carey will decide on which plan he will confirm. He has set scheduled hearings for March.

Record Number of Minnesota Bankruptcies

For the fourth year in a row, the number of bankruptcy filings in Minnesota has risen. In general, this rise has been caused by insurmountable debt. The housing market is partly to blame, according to the view of experts.

In the state, 22,000 people have filed for bankruptcy last year, reflecting a 4% rise from the year before. Bankruptcy experts advise people to deal with their debts early as you do not know when unfortunate incidents may happen. Common causes of bankruptcy include medical bills and credit card debts due to poor financial management.

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