



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

June 1, 2010

## [Philly Newspaper Wins Pulitzer Prize Amidst Bankruptcy](#)

Two investigative reporters from The Philadelphia Daily News were awarded the Pulitzer Prize for their work on a yearlong series of stories about a corrupted police narcotics team. However, the newspaper company itself is still in bankruptcy. The parent company of The Philadelphia Daily News and its sister publication, The Philadelphia Inquirer filed for bankruptcy in February 2009 and since then has been fighting to keep the newspapers from being taken over by their creditors. A lot may be decided when the newspapers' assets go under the auction hammer on Tuesday, April 27. The owners of the newspapers, led by Philly resident Brian Tierney, himself a former PR man are making a bid at the auction.

The owners of the newspapers are concerned with the consequences of the publications being taken over by parties without a genuine concern for journalism. A hedge fund or private equity firm owning a newspaper would only be concerned about their bottom line, not the ideals of good journalism like bringing information to the community on issues that matter. Owners like that would not hesitate to fire reporters and cut budgets on investigative reporting for the sake of profits.

However, nobody would want a newspaper to shut down, not even hedge funds. So it cannot be certain how such companies would manage newspapers if they own them. With so many newspapers under bankruptcy protection, eventually many of them will inevitably be owned by powerful hedge funds, including publications like the Minneapolis Star Tribune and The Baltimore Sun and the Los Angeles Times, currently owned by the Tribune Company.

The problem faced by most newspaper companies is not so much that they are making losses, it is having too much debt. Even when the economy was doing well, newspaper companies would pile up on debts in order to expand and these debts would be offset by their revenue from existing sales or acquiring other newspapers. But in the face of increased competition from Internet advertising and news, the revenue of the print media has decreased drastically.

Thus newspapers under bankruptcy are hoping for the economy to pick up and their debt load to lighten in order for their bankruptcy reorganization plans to work and keep them afloat. But

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analysts are not optimistic that most newspapers can succeed in holding out, despite the bankruptcy protection they have.

As for the Philadelphia Daily News, its eventual owners will be highest bidder in the auction of its assets. Whoever it will be, what is almost certain is the price will be a lot lower than the \$500 million the newspaper was worth only four years ago.