

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION**

In re:

MORRIS PUBLISHING GROUP, LLC, et al.,¹

Debtors.

Chapter 11

Case No. 10-_____

Joint Administration Requested

**APPLICATION OF THE DEBTORS
FOR AN ORDER AUTHORIZING AND APPROVING THE
RETENTION OF KURTZMAN CARSON CONSULTANTS LLC AS
NOTICE, AND TABULATION CLAIMS AGENT FOR THE DEBTORS**

The above-captioned debtors (collectively, the “Debtors”) hereby move the Court for the entry of an order, substantially in the form attached hereto as Exhibit A, authorizing and approving the retention of Kurtzman Carson Consultants LLC (“KCC”) as notice, claims and tabulation agent to the Debtors. In support of this Application, the Debtors respectfully state as follows:²

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157 (b)(2).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Morris Publishing Group, LLC (9462); Athens Newspapers, LLC (“Athens”) (3084); Broadcaster Press, Inc. (3275); Homer News, LLC (“Homer”) (8613); Log Cabin Democrat, LLC (“Log Cabin”) (5012); Morris Publishing Finance Co. (3044); MPG Allegan Property, LLC (5060); MPG Holland Property, LLC (5060); Southeastern Newspapers Company, LLC (5156); Southwestern Newspapers Company, L.P. (1328); The Oak Ridger, LLC (5060); The Sun Times, LLC (“Sun Times”) (2529); Yankton Printing Company (8120); Stauffer Communications, Inc. (0047); and Florida Publishing Company (8216). Athens’s address is One Press Place, Athens, Georgia 30603. Homer’s address is 3482 Landings Street, Homer, Alaska 99603. Log Cabin’s address is 1058 Front Street, Conway, Arkansas 72033. Sun Times’s address is 104 S. Railroad Street, Ridgeland, South Carolina 29936. All other Debtors maintain an address at 725 Broad Street, Augusta, Georgia 30901.

² The facts and circumstances supporting this Application are set forth in the concurrently filed Affidavit of Steve K. Stone in Support of First Day Motions (the “Stone Affidavit”) and the Affidavit of Albert H. Kass, Vice President of Corporate Restructuring Services of KCC (the “Kass Affidavit”), a copy of which is attached hereto as Exhibit B.



2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are 28 U.S.C. § 156(c), 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND OF THE DEBTORS

4. Debtor Morris Publishing Group, LLC (“Morris Publishing”) is part of a private media business that has been owned and operated by the William S. Morris III family for three generations. Morris Publishing was formed in 2001 to assume the newspaper operations of its former parent, Morris Communications Company, LLC. The Debtors own and operate 13 daily newspapers and more than three dozen nondaily newspapers in the Southeast, Midwest, Southwest and Alaska, as well as city magazines and free community publications.

5. Newspapers form the Debtors’ core business unit. Their daily and nondaily newspapers have a total combined circulation of more than 450,000. The Debtors have a concentrated presence in the Southeast, with four signature holdings, including the *Florida Times-Union (Jacksonville)*, the *Savannah Morning News*, the *Athens Banner-Herald* and the *Augusta Chronicle*, their original and flagship newspaper. The Debtors’ daily newspapers have online sister publications as an additional service for readers and advertisers alike. Both print and online editions consistently win industry awards for content, photography and design. In all its news products, the Debtors are committed to local news coverage and to the highest standards of journalism. As of the Petition Date, the Debtors’ newspapers employed approximately 1,847 full-time employees and approximately 335 part-time employees.

6. The Debtors’ city magazines, located in Athens, Augusta and Savannah, cover the people, issues and events of their respective communities. In addition, many of the Debtors’ daily newspapers produce additional magazines that regularly serve their respective communities

with high quality local features. Publications such as *Coastal Antiques and Art*, *Coastal Senior* and *Savannah Coastal Parent* are produced through the Morris daily newspaper the *Savannah Morning News*. *Skirt!* is a free monthly magazine with circulation in 14 markets across the country that features content on issues important to women.

7. Free community papers are dedicated advertising vehicles designed to provide customers with reliable, no-frills opportunities for sales and purchases, along with practical community news and information. Both readers and advertisers look to these publications, popularly known as “shoppers,” for quick contact, quick information and quick results. The Debtors’ shoppers are published in eight states and have a total circulation of approximately 230,000.

8. Morris Publishing maintains its headquarters in Augusta, Georgia. The Debtors’ operations have been adversely affected by the general deterioration in the publishing and newspaper industries, particularly through the continuing severe decline in advertising revenue in this recession and the permanent loss to other media within various categories. The current state of these industries is reflected in the chapter 11 filings of numerous other publishers and newspapers in recent months.

9. In fiscal year 2008, the Debtors recorded revenues of approximately \$321.8 million, resulting in a net loss of approximately \$140.7 million. During this time, advertising and circulation accounted for approximately 78.2% and 18.9% of the Debtors’ revenue, respectively. In fiscal year 2008, advertising revenue had declined to approximately \$251.7 million (from approximately \$306.7 million in 2007), and circulation revenue had increased to approximately \$60.9 million (from approximately \$57.6 million in 2007).

10. More recently, for the nine month period ending September 30, 2009, the Debtors recorded revenues of \$190.0 million (down from \$243.1 million for the same period in 2008), resulting in a net loss of \$13.2 million (compared to a net loss of \$155.6 million for the same period in 2008). During this time, advertising revenue declined by 28.6%, while circulation revenue increased by 5.6%. At September 30, 2009, the Debtors' consolidated financial statements reported total assets and liabilities of approximately \$175.5 million and \$482.4 million, respectively.

11. In early 2009, the Debtors entered into discussions with certain of their prepetition creditors to reduce the Debtors' substantial debt load and address liquidity concerns threatening the long-term viability of the company. In September 2009, the Debtors reached agreement with an ad hoc committee (the "Ad Hoc Committee") of holders of the 7% Senior Subordinated Notes due 2013 (the "Old Notes") on the general terms of a comprehensive balance sheet restructuring of the Debtors' debt structure (the "Restructuring"). Pursuant to an October 30, 2009 Restructuring Support Agreement (as amended, the "Restructuring Support Agreement"), the Restructuring was to occur either through (a) an out-of-court offer (the "Exchange Offer") to acquire all \$278.5 million in principal amount of outstanding Old Notes for \$100 million aggregate principal amount of Floating Rate Secured Notes due 2014 (collectively, the "New Notes") or (b) alternatively, through cases filed under chapter 11 of the Bankruptcy Code and confirmation of a prepackaged chapter 11 plan (the "Plan"). The closing of the Exchange Offer was conditioned upon, among other things, at least 99% of the aggregate principal amount of Old Notes being validly tendered and not withdrawn.

12. On December 14, 2009, the Debtors launched the Exchange Offer and also began soliciting votes to accept or reject the Plan, which contemplates a full recovery for all allowed

claims other than those held by holders of Old Notes. Because less than 99% of the aggregate principal amount of Old Notes were validly tendered and not withdrawn, a condition to closing the Exchange Offer was not satisfied. Nonetheless, the Plan has been accepted overwhelmingly by the only class of creditors entitled to vote on the Plan. Accordingly, contemporaneously herewith, the Debtors have filed the Plan and its accompanying disclosure statement, along with a motion seeking approval of the adequacy of the disclosure statement, approval of the solicitation procedures and confirmation of the Plan. The Debtors believe that the Plan, once confirmed, will rationalize their balance sheet in a way that allows them to service their debt, fund future operations and support their long-term business plans.

RELIEF REQUESTED

13. By this Application, the Debtors respectfully request entry of an order, pursuant to 28 U.S.C. § 156(c), appointing KCC as the official claims, notice and tabulation agent (“Tabulation Agent”) in these chapter 11 cases according to the terms set forth in that certain services agreement (the “KCC Agreement”) annexed hereto as Exhibit C.

KCC’S QUALIFICATIONS

14. The Debtors anticipate that there will be a large number of creditors and other parties in interest in the chapter 11 cases. In view of the number of anticipated creditors and parties in interest and the complexity of the Debtors’ business, the Debtors submit that the appointment of KCC as Tabulation Agent is both necessary and in the best interests of the Debtors, their estates and other parties in interest. Further, by appointing KCC as Tabulation Agent, the distribution of notices in the cases will be expedited. Accordingly, the Debtors seek an order appointing KCC as Tabulation Agent in these chapter 11 cases pursuant to 28 U.S.C. § 156(c).

15. KCC is fully equipped to handle the volume of mailing involved in properly sending required notices to and processing any claims of creditors and other interested parties in the chapter 11 cases. KCC is one of the country's leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. KCC has substantial experience in matters of this size and complexity, and has acted as the official notice, claims, solicitation and balloting agent in many large bankruptcy cases in this District and other districts nationwide. See, e.g., In re Friedman's, Inc., et al., Case No. 056-40129 (Bankr. S.D. Ga. 2005); see also In re Archway Cookies LLC, et al., Case No. 08-12323 (Bankr. D. Del. 2008); In re Washington Mutual, Inc., et al., Case No. 08-12229 (Bankr. D. Del. 2008); In re Motor Coach Industries International, Inc., et al., Case No. 08-12136 (Bankr. D. Del. 2008); In re Boscov's, Inc., et al., Case No. 08-11637 (Bankr. D. Del. 2008); In re Mervyn's Holdings, LLC, et al., Case No. 08-11586 (Bankr. D. Del. 2008); In re Linens Holding Co., et al., Case No. 08-10832 (CSS) Bankr. D. Del. 2008).

SERVICES TO BE PROVIDED

16. KCC, at the request of the Debtors or the Clerk's Office, may perform Tabulation Agent and related administrative services for the Debtors in accordance with the terms of the KCC Agreement and will undertake the following services:

- (a) Notify all potential creditors of the filing of the bankruptcy petitions and, if necessary, of the setting of the first meeting of creditors, pursuant to §341(a) of the Bankruptcy Code, under the proper provisions of the Bankruptcy Code and the Bankruptcy Rules, as determined by Debtors' counsel;
- (b) Prepare and serve required notices in these chapter 11 cases, including:
 - (i) a notice of the commencement of these chapter 11 cases;
 - (ii) notices of objections to claims (if necessary);

- (iii) notices of any hearings on approval of the Debtors' disclosure statement and confirmation of the Plan; and
- (iv) such other miscellaneous notices as the Debtors or Court may deem necessary or appropriate for an orderly administration of these chapter 11 cases;
- (c) If necessary, assist in the preparation of and maintain an official copy of the Debtor(s)' schedules of assets and liabilities and statement of financial affairs (collectively, "Schedules"), listing the Debtor(s)' known creditors and the amounts owed thereto;
- (d) Provide access to the public for examination of copies of proofs of claim or proofs of interest, if any, filed in the chapter 11 cases without charge during regular business hours (if necessary);
- (e) Serve any bar date notice approved by this Court;
- (f) File with Clerk an affidavit or certificate of service which includes a copy of the notice, a list of persons to whom it was mailed (in alphabetical order), and the date mailed, within ten (10) days of service;
- (g) Docket claims received by the clerk's office, if any, maintain the official claims registers (the "Claims Registers") for each Debtor on behalf of the Clerk, and provide the Clerk with certified duplicate, unofficial Claims Registers on a monthly basis, unless otherwise directed;
- (h) Record all transfers of any claims, pursuant to Bankruptcy Rule 3001(e), and provide any notices of such transfers required by Bankruptcy Rule 3001(e);
- (i) Specify, in the applicable Claims Register, the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, and (iv) the classification(s) of the claim (*e.g.*, secured, unsecured, priority, *etc.*);
- (j) Relocate actual proofs of claim filed with the court to KCC;
- (k) Upon completion of the docketing process for any claims received to date by the clerk's office for each case, turn over to the Clerk copies of the claims register for the Clerk's review;
- (l) Make changes in the Claims Registers pursuant to Court Order;
- (m) Maintain the official mailing list for each Debtor of any entities that have filed a proof of claim, which list shall be available upon request by a party-in-interest or the Clerk;

- (n) Tabulate and calculate votes with respect to confirmation of the Plan;
- (o) Provide such other claims processing, noticing, and administrative services as may be requested from time to time by the Debtors; and
- (p) Thirty (30) days prior to the close of these cases, an Order dismissing the Tabulation Agent shall be submitted terminating the services of the Tabulation Agent upon completion of its duties and responsibilities and upon the closing of these cases.

17. In addition to the foregoing, KCC will assist the Debtors with, among other things: (a) maintaining and updating the master mailing lists of creditors; (b) to the extent necessary, gathering data in conjunction with the preparation of the Debtors' schedules of assets and liabilities and statements of financial affairs; (c) tracking and administration of claims, if any; and (d) performing other administrative tasks pertaining to the administration of these chapter 11 cases as may be requested by the Debtors, or the Debtors' professionals or the Clerk's Office in accordance with the terms of the KCC Agreement.

TERMS OF RETENTION

18. The Debtors propose to retain KCC on the terms and conditions set forth in the KCC Agreement, attached hereto and incorporated herein as Exhibit C.

19. The Debtors propose that the cost of KCC's services be paid from the Debtors' estates as provided by 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code in accordance with the terms of the KCC Agreement. The Debtors believe that the proposed rates to be charged by KCC are reasonable and appropriate for services of this nature. The Debtors believe KCC's rates are competitive and reasonable given the quality of KCC's services and KCC's prior bankruptcy expertise. Prior to the Petition Date, the Debtors paid KCC a retainer of \$50,000.00. The Debtors replenished the retainer with the following payments: (1) \$28,771.65 on September 8, 2009; and (2) \$3,745.03 on January 6, 2010.

20. As part of the overall compensation payable to KCC under the terms of the KCC Agreement, the Debtors have agreed to certain indemnification and contribution obligations. The KCC Agreement provides that the Debtors will indemnify and hold harmless KCC, its officers, employees and agents under certain circumstances specified in the KCC Agreement, except in circumstances of gross negligence or willful misconduct. Both the Debtors and KCC believe that such provisions are customary and reasonable for notice and claims agents in chapter 11 cases.

21. The Debtors request that the fees and expenses KCC incurs in the performance of the above services be treated as an administrative expense of the Debtors' chapter 11 estates and be paid by the Debtors in the ordinary course of business without further application to the Court.

22. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

KCC'S DISINTERESTEDNESS

23. The Debtors have many creditors, and accordingly, KCC may have rendered and may continue to render services to certain of these creditors, including in their own chapter 11 cases. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors or may have used the Debtors' services.

24. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the

Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders. Administar, a claims and noticing agent, is also an indirect subsidiary of Computershare Limited. On June 10, 2009, the marketing and operation of Administar's restructuring services were consolidated under KCC.

25. Although the Debtors do not propose to employ KCC under section 327 of the Bankruptcy Code, to the best of the Debtors' knowledge, information, and belief, and except as disclosed in the Kass Affidavit, KCC has represented that it neither holds nor represents any interest adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in Bankruptcy Code § 327(a) and as defined in Bankruptcy Code § 101(14), as modified by Bankruptcy Code § 1107(b). KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

26. In connection with its retention as notice and claims agent, KCC represents, among other things, that:

- (a) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these chapter 11 cases;
- (b) By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- (c) In its capacity as the notice and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States; and
- (d) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice and claims agent in these chapter 11 cases.

BASIS FOR RELIEF

27. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of bankruptcy courts, states in pertinent part:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c).

28. Due to the number of creditors and other parties in interest involved in the Debtors' chapter 11 cases, Debtors seek an order appointing KCC as the notice, claims and tabulation agent in these chapter 11 cases pursuant to 28 U.S.C. § 156(c) in order to relieve the Court and the Clerk's Office of these administrative and other burdens.

NOTICE

29. Notice of this Motion has been provided to: (i) the Office of the United States Trustee; (ii) the United States Securities and Exchange Commission; (iii) the Office of the United States Attorney for the Southern District of Georgia; (iv) the Internal Revenue Service; (v) the Debtors' twenty (20) largest unsecured creditors on a consolidated basis; (vi) counsel to the administrative agent for the Debtors' prepetition secured lenders; (vii) the indenture trustee with respect to the Debtors' Old Notes; and (viii) counsel to the Ad Hoc Committee. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

NO PRIOR REQUEST

30. No previous request for the relief sought herein has been made to this Court or to any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: Augusta, Georgia
January 19, 2010

NEAL, GERBER & EISENBERG LLP
Mark A. Berkoff (*Pro Hac Vice* Pending)
Deborah M. Gutfeld (*Pro Hac Vice* Pending)
Nicholas M. Miller (*Pro Hac Vice* Pending)
Two North LaSalle Street, Suite 1700
Chicago, IL 60602-3801
Telephone: (312) 269-8000
Facsimile: (312) 269-1747

-and-

/s/ James T. Wilson, Jr.
James T. Wilson, Jr. (Ga. Bar No. 768600)
945 Broad Street, Suite 420
Augusta, GA 30901-1289
Telephone: (706) 722-4933
Facsimile: (706) 722-0472

PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION**

In re:

MORRIS PUBLISHING GROUP, LLC, et al.,

Debtors.

Chapter 11

Case No. 10-_____

Joint Administration Requested

**ORDER AUTHORIZING AND APPROVING THE
RETENTION OF KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE, CLAIMS AND TABULATION AGENT TO THE DEBTORS**

Upon the application (the “Application”)¹ of the above-captioned debtors (collectively, the “Debtors”) for entry of an order (the “Order”) pursuant to 28 U.S.C. § 156(c) authorizing the retention of Kurtzman Carson Consultants LLC (“KCC”) as its notice, claims and tabulation agent; and upon the Affidavit of Albert H. Kass in support of the Application; it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; it appearing that notice of this Application and the opportunity for a hearing on this Application was appropriate under the particular

¹ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

circumstances and that no further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is ORDERED that:

1. The Application is granted to the extent provided herein.
2. The Debtors are authorized to retain and employ KCC as Tabulation Agent pursuant to 28 U.S.C. § 156(c), the terms of the KCC Agreement and as set forth in the Application.
3. The terms of the KCC Agreement are approved.
4. The Debtors are authorized to pay KCC's fees and expenses as set forth in the KCC Agreement in the ordinary course of business without the necessity of KCC filing fee applications with this Court and without further order of this Court.
5. The fees and expenses of KCC incurred pursuant to the KCC Agreement shall be, and shall be treated as, administrative expense priority claims against the Debtors' estates, pursuant to section 503(b)(1)(A) of the Bankruptcy Code.
6. In the event KCC is unable to provide the services set forth in this order or the KCC Agreement is terminated, KCC will immediately notify the Clerk and Debtors' counsel and cause to have all original proofs of claim, if any, and related computer information turned over to another claims agent with the advice and consent of the Clerk and Debtors' attorney.
7. If these cases convert to cases under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services until the claims filed in the chapter 11 cases have been completely processed; if claims agent representation is necessary in the converted chapter 7 cases, KCC will continue to be paid in accordance with 28 U.S.C. §156(c) under the terms set out in the KCC Agreement and this Order.

8. The Debtors and KCC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

9. Notwithstanding the possible applicability of Rules 6004(h), 7062 and 9014 of the Federal Rules of Bankruptcy Procedure or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: _____

United States Bankruptcy Judge

Prepared By:

NEAL, GERBER & EISENBERG LLP
Mark A. Berkoff (Admitted *Pro Hac Vice*)
Deborah M. Gutfeld (Admitted *Pro Hac Vice*)
Nicholas M. Miller (Admitted *Pro Hac Vice*)
Two North LaSalle Street, Suite 1700
Chicago, IL 60602-3801
Telephone: (312) 269-8000
Facsimile: (312) 269-1747

-and-

James T. Wilson, Jr. (Ga. Bar No. 768600)
945 Broad Street, Suite 420
Augusta, GA 30901-1289
Telephone: (706) 722-4933
Facsimile: (706) 722-0472

EXHIBIT B

Affidavit

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION**

In re:

MORRIS PUBLISHING GROUP, LLC, et al.,

Debtors.

Chapter 11

Case No. 10-_____

Joint Administration Requested

**AFFIDAVIT OF ALBERT H. KASS
IN SUPPORT OF THE APPLICATION FOR
ENTRY OF AN ORDER AUTHORIZING AND APPROVING
THE RETENTION OF KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE, CLAIMS AND TABULATION AGENT TO THE DEBTORS**

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Albert H. Kass, being duly sworn, hereby deposes and says:

1. I am the Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC (“KCC”), whose offices are located at 2335 Alaska Avenue, El Segundo, California 90245, telephone number (310) 823-9000. The matters set forth herein are made of my own personal knowledge and, if called and sworn as a witness, I could and would testify competently thereto.

2. This Affidavit is made in support of the Application for Entry of an Order Pursuant to 28 U.S.C. § 156(c) Authorizing and Approving the Retention of Kurtzman Carson Consultants LLC as Notice, Claims and Tabulation Agent to the above captioned Debtors (collectively, the “Debtors”), which has been filed contemporaneously herewith (the “Application”).¹

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Application.

3. As agent and custodian of the Court records pursuant to 28 U.S.C. § 156(c), KCC will perform at the request of the Office of the Clerk of the Court (the “Clerk’s Office”) the noticing and claims related services specified in the Application. In addition, at the Debtors’ request, KCC will perform such other noticing, claims, balloting, technical and support services specified in the Application.

4. KCC is one of the country’s leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. KCC has substantial experience in the matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases in this District and other districts nationwide. See, e.g., In re Friedman’s, Inc., et al., Case No. 05-40129 (Bankr. S.D.Ga. 2005); see also In re Archway Cookies LLC, et al., Case No. 08-12323 (Bankr. D. Del. 2008); In re Washington Mutual, Inc., et al., Case No. 08-12229 (Bankr. D. Del. 2008); In re Motor Coach Industries International, Inc., et al., Case No. 08-12136 (Bankr. D. Del. 2008); In re Boscov’s, Inc., et al., Case No. 08-11637 (Bankr. D. Del. 2008); In re Mervyn’s Holdings, LLC, et al., Case No. 08-11586 (Bankr. D. Del. 2008); In re Linens Holding Co., et al., Case No. 08-10832 (CSS) (Bankr. D. Del. 2008).

5. KCC represents, among other things, the following:

- (a) KCC is not a creditor of the Debtors;
- (b) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice, claims and balloting agent in these chapter 11 cases;
- (c) By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- (d) In its capacity as the notice agent and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States;

- (e) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice, claims and balloting agent in these chapter 11 cases;
- (f) In its capacity as notice, claims and balloting agent in these chapter 11 cases, KCC will not intentionally misrepresent any fact to any person;
- (g) KCC shall be under the supervision and control of the Clerk's Office with respect to the receipt and recordation of claims and claim transfers; and
- (h) None of the services provided by KCC as notice, claims and balloting agent shall be at the expense of the Clerk's Office.

6. The Debtors have many creditors, and accordingly, KCC may have rendered and may continue to render services to certain of these creditors, including in their own chapter 11 cases. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors or may have used the Debtors services.

7. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders. Administar, a claims and noticing agent, is also an indirect subsidiary of Computershare Limited. On June 10, 2009, the marketing and operation of Administar's restructuring services were consolidated under KCC.

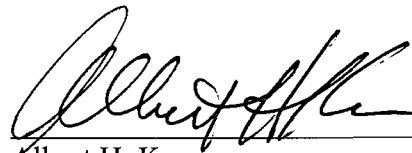
8. To the best of my knowledge and except as disclosed herein, KCC neither holds nor represents any interest adverse to the Debtors' estate in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in Bankruptcy Code § 327(a) and as defined in Bankruptcy Code § 101(14), as modified by Bankruptcy Code § 1107(b). KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

9. In performing the services of notice, claims and tabulation agent, KCC will charge the Debtors the rates set forth in the KCC Agreement, which is attached as Exhibit C to the Application. The rates set forth therein are at least as favorable as the rates that KCC charges in cases in which it has been retained to perform similar services.

10. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on Jan 18, 2010.



Albert H. Kass
Vice President of Corporate Restructuring Services
Kurtzman Carson Consultants LLC

State of California
County of Los Angeles

Subscribed and sworn to before me on this 18th day of January, 2010, by Albert H. Kass, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature Vanessa R. Quinones
Commission # 1732826
My Comm. Expires March 20, 2011

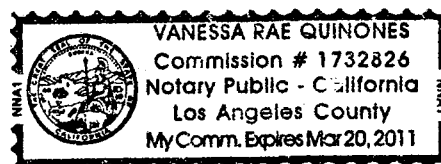


EXHIBIT C

KCC Agreement



KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 4 day of February, 2009, between Morris Publishing Group, LLC (together with its subsidiaries, the "Company"),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, "KCC").

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC's standard reports as well as consulting and programming support for Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the KCC Fee Structure.

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the "Company Parties") with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests,

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.



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advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company.

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect on the day such services and/or supplies are provided to the Company, in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment.

B. Company agrees to pay reasonable out of pocket expenses of KCC incurred in rendering services under this agreement, including related to transportation, lodging, and meals, in accordance with any applicable rules or orders of the court.

C. In addition to all fees for services and expenses hereunder, Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a mutually agreeable and competitive rate.

E. KCC agrees to submit its invoices to the Company monthly, provided, however, where total fees and expenses are expected to exceed \$50,000 in any single month, KCC may require advance payment which will be due and payable upon demand and prior to the performance of services hereunder. Company agrees that the amount invoiced is due and payable upon its receipt of the invoice. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, notice shall be given to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this Agreement in its entirety (the "Section 156(c) Order"). The form and



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substance of the motion and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. KCC shall receive a retainer in the amount of \$50,000 for services to be performed and expenses to be incurred in this matter due upon execution of this Agreement. This shall be an "evergreen retainer;" invoices shall be drawn down from the retainer and Company's payments shall then be deposited into the retainer to return the retainer to its original \$50,000.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for Company's use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days' written notice to the other party, release the required information.



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VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined below). As used herein, the term "Cause" means (i) gross negligence or wanton misconduct of KCC that causes serious and material harm to the Company's reorganization under Chapter 11 of the Bankruptcy Code or (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and shall provide all necessary staff, services and assistance required for an orderly transfer. Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. KCC may dispose of the data or media, and be reimbursed for the expense of such disposition, after giving the Company thirty (30) days' notice if the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.



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VIII. BANK ACCOUNTS

At the Company's request, KCC shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from any losses, claims, damages, judgments, liabilities and expense (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement, other than Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive for a period of two years following the termination of this Agreement.

B. Except as provided herein, KCC's liability to Company or any person claiming through or under Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC's liability to Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

C. Company is responsible for the accuracy of the programs and data it or any Company Party submits for processing to KCC and for the output. Company agrees to initiate and maintain backup files that would allow Company to regenerate or duplicate all programs and data submitted by Company to KCC.

D. Company agrees that except as set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.



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X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

XI. INDEPENDENT CONTRACTORS

Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this agreement.

XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or e-mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC
2335 Alaska Ave.
El Segundo, CA 90245
Attn: James Le
Tel: (310) 823-9000
Fax: (310) 823-9133
E-Mail: jle@kccllc.com

Morris Publishing Group, LLC
c/o Mark A. Berkoff and
Nicholas M. Miller
Neal, Gerber & Eisenberg LLP
Two North LaSalle Street • Suite 1700
Chicago IL • 60602-3801
Tel: (312) 269-8000
Fax: (312) 269-1747
E-Mail: mberkoff@ngelaw.com
E-Mail: nmiller@ngelaw.com

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals,



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understandings and other agreements, oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of Company and an officer of KCC.

XV. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned by KCC to a wholly owned subsidiary of KCC.

XVI. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in the Los Angeles County, State of California.

Notwithstanding the foregoing, any controversy or claims arising out of or relating to this Agreement after the commencement of a Chapter 11 Filing shall be resolved by The United States Bankruptcy Court in which the Chapter 11 Filing was made.

XVII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.



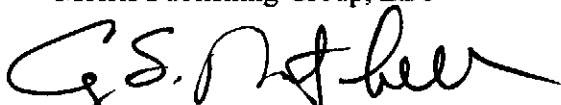
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

BY: Michael J. Frishberg DATE: 2/04/09
TITLE: VP, Restructuring Services

Morris Publishing Group, LLC



BY: CRAIG S. MEICHEN DATE: 2/04/09
TITLE: SR. VICE PRESIDENT