# Hedge fund strikes deal for Tribune Publishing newspaper group

February 17 2021, by Rob Lever



The New York Daily News and other members of Tribune Publishing are set to be acquired by a hedge fund in a $650 million transaction

A hedge fund has struck a deal to acquire the publisher of the Chicago Tribune, New York Daily News and other regional dailies, stoking fears

of fresh job cuts in the battered US newspaper sector.

Alden Global Capital, which already owns some 50 US newspapers, agreed to buy the shares it does not already own in Tribune Publishing in a deal valuing the group at $650 million, according to a joint statement late Tuesday.

As part of the deal, the companies agreed to spin off the Baltimore Sun to a nonprofit group formed this year called Sunlight for All Institute, which will operate the daily and its affiliates in Maryland.

The agreement sparked fears about the outlets' futures, in light of Alden's reputation for aggressive cost cutting.

"Alden is the most avaricious of the chain newspaper owners, squeezing the life (and the journalism) out of its properties," Northeastern University journalism professor Dan Kennedy wrote in a blog post.

Tribune chairman Philip Franklin said that the publishing group's committee examining offers was able to negotiate "a premium, all-cash price, which the committee concluded was superior to the available alternatives."

The deal comes with newspapers across the United States facing a financial calamity worsened by the coronavirus pandemic, with several bankruptcies and consolidations in recent years.

McClatchy, the second largest newspaper chain, filed for bankruptcy protection last year just ahead of the pandemic, which has deepened the industry's woes.

Gannett, the largest chain following its merger with rival GateHouse, implemented pay cuts and furloughs last year to cope with the economic

impact of the Covid-19 outbreak.

Following a long decline in print readership, many local and regional newspapers have reduced staff or cut the number of print editions. Most have struggled to gain traction online with internet giants dominating the digital advertising market.

## 'Hedge fund vampire'

News Guild president Jon Schleuss called the buyout "a terrible deal for the company, the workers, the shareholders and our democracy," adding in a tweet: "Alden is only interested in extreme short-term profits by cutting everything to the bone."

Vanity Fair media writer Joe Pompeo recently called Alden "the hedge fund vampire that bleeds newspapers dry," citing its downsizing of newsrooms at the Denver Post and other local newspapers.

Washington Post columnist Margaret Sullivan in 2018 called Alden "one of the most ruthless of the corporate strip-miners seemingly intent on destroying local journalism."

The deal—subject to shareholder approval—would take Tribune Publishing private and include the Hartford Courant, South Florida's Sun Sentinel and Orlando Sentinel, Virginia's Daily Press and The Virginian-Pilot, as well as The Morning Call of Lehigh Valley, Pennsylvania.

Tribune Publishing, which briefly adopted the name Tronc as part of a digital push, sold the Los Angeles Times in 2018 to biotech billionaire Patrick Soon-Shiong.

The spinoff of the Baltimore Sun follows a movement to create nonprofit groups supporting local journalism.

"Nonprofit ownership won't solve the Sun's issues by itself, but having a locally based owner that cares about supporting journalism that serves the community will give the Sun a fighting shot," said Joseph Lichterman, manager of editorial and digital strategy at the Lenfest Institute, a nonprofit operating newspapers in Philadelphia.

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