

Chicago Sun-Times owner files for bankruptcy

March 31 2009, by Chris Lefkow



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Chief executive Jeremy Halbreich, in a letter to readers, said the Sun-Times had filed for [bankruptcy](#) under Chapter 11, which protects a company from its creditors while it restructures.

"Like many US companies today and like many other [newspaper](#) companies across the country, Sun-Times Media Group has faced significant declines in revenue," Halbreich said.

"Please be assured that this action does not mean the company or our newspapers or online sites are going out of business," he added. "We will continue to publish and operate our newspapers and corresponding online sites."

Besides the Sun-Times, the company owns a string of weeklies and suburban papers including the SouthtownStar, Beacon News (Aurora), Courier-News (Elgin), Herald News (Joliet), Lake County News-Sun (Waukegan) and Naperville Sun.

Its top creditor is the US government. According to the newspaper, the Sun-Times Media Group owes up to 608 million dollars in back taxes and penalties from past business practices by its former owner, Conrad Black, who is currently serving a six-and-a-half-year jail term for fraud.

The newspaper quoted Halbreich as saying the Sun-Times was looking for a buyer and had hired Rothschild Inc. to field offers. "We're very confident that there's going to be some interest here," he said.

The Sun-Times, which has a weekday circulation of more than 300,000 and a Sunday circulation of 250,000, is the latest US newspaper group to declare bankruptcy.

Tribune Co., owner of Chicago's other major daily, the Chicago Tribune, and seven other newspapers including the Los Angeles Times, filed for bankruptcy in December.

The Minneapolis Star Tribune declared bankruptcy in January and Philadelphia Newspapers, owner of the city's two major dailies, the Inquirer and the Daily News, filed for bankruptcy protection in February as did the Journal Register Co., publisher of 20 daily newspapers and more than 180 non-daily publications.

The US newspaper industry has been reeling from a steep drop in print advertising revenue, steadily declining circulation and the migration of readers to free news online.

The Rocky Mountain News of Denver, Colorado, shut down in February and the Seattle Post-Intelligencer ended its print edition on March 17 and reemerged as an online-only publication with a greatly reduced staff.

Hearst Corp., owner of the Post-Intelligencer, has also threatened to shut down the San Francisco Chronicle if its unions do not accept significant job cuts.

On Monday, Detroit's two struggling newspapers, the Detroit Free Press, owned by Gannett Corp., the largest US newspaper chain, and the Detroit News, owned by MediaNews Group, cut back home delivery to just three days a week.

Detroit is the first major US city to halt seven-day-a-week home delivery.

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