

# United States Senate

WASHINGTON, DC 20510

March 12, 2020

Heath Bradford Freeman  
President & Director  
Alden Global Capital LLC  
885 3<sup>rd</sup> Avenue #34  
New York, NY 10022

Dear Mr. Freeman:

We are deeply concerned that Alden Global Capital, with a history of dismantling local newspapers for personal gain, is now pursuing an alarming strategy of staff cuts at Tribune Publishing.

On January 13, 2020, two months after Alden obtained a 32 percent stake in Tribune Publishing, veteran employees of Tribune Publishing, including staff members at the *Chicago Tribune*, reported being offered buyouts in an effort to reduce expenses. In February, it was announced that the *Chicago Tribune's* top two editors would be departing. These are disturbing developments in Alden's already troubling history of laying off experienced newspaper staff and stripping newspaper assets for profit. For example, in 2018, Alden laid off a third of the staff at the *Denver Post*. Sweeping staff buyouts will dramatically undercut the ability of Tribune papers to meet the needs of their communities.

In addition to Alden's deeply concerning practices of mass layoffs, we are troubled by reports that Alden is under investigation by the Department of Labor due to mishandling of pension funds. It has been reported that up to 90 percent of MNG Enterprises' newspaper pension assets were previously invested in hedge funds controlled by Alden. This raises further questions about Alden's capacity to act in the best interests of workers and retirees.

We also are disturbed by Alden's lack of transparency surrounding its investors. A recent filing with the Securities and Exchange Commission indicates that 80 percent of Alden's clients are non-U.S. persons and that more than \$830 million of Alden's assets under management are connected to non-U.S. citizens. Furthermore, Alden has domiciled significant funds in the Cayman Islands, a well-known tax haven that lends itself to corporate secrecy.

Across the country, newspapers still play a critical role in informing the public, ensuring accountability, and promoting civic engagement. The *Chicago Tribune* alone has received 27 Pulitzer Prizes for its distinguished journalism. The *Chicago Tribune's* experienced reporters keep Illinoisans objectively informed of developments at the local, state, and national levels, and their high-quality investigative reporting has led to Congressional action on significant issues such as cancer-causing pollution, dangerous consumer products, and gun violence.

Unfortunately, too many community newspapers face steep challenges due to consolidation in the advertising market, the practices of dominant digital platforms, and predatory hedge fund investors. With these concerns in mind, as well as Alden's disturbing history of gutting newspaper's workforce and assets, we believe it is imperative that the public have a full understanding of your plans for Tribune Publishing. We ask that you respond to the following questions no later than March 27, 2019.

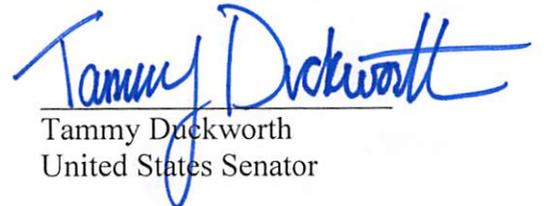
1. It is our understanding that Alden has agreed not to increase its stake in Tribune Publishing until after June. After this date, does Alden intend to increase its ownership stake with the goal of influencing newspaper portfolios or selling assets?
2. Does Alden plan to push for additional staff layoffs at Tribune Publishing beyond the buyouts already offered? If not, will you commit to supporting current staff levels at Tribune Publishing? Can Alden provide an example of a journalism investment that has not resulted in mass layoffs and/or newspaper closures?
3. What specific steps will Alden take to protect freedom of the press and ensure that communities served by Tribune Publishing continue to have access to fact-based, timely reporting?

Alden Global Capital must reverse course and put an end to policies that have hollowed out local newspapers and their staff across the country. We look forward to your prompt response.

Sincerely,



Richard J. Durbin  
United States Senator



Tammy Duckworth  
United States Senator