

IN THE SUPREME COURT OF THE STATE OF NEVADA

NEWS+MEDIA CAPITAL GROUP
LLC, a Delaware limited liability
company; and LAS VEGAS
REVIEW-JOURNAL, INC., a
Delaware corporation,

Appellants/Cross-
Respondents

v.

LAS VEGAS SUN, INC., a Nevada
corporation,

Respondent/Cross-
Appellant.

Supreme Court No. 80511

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APPELLANTS/CROSS-RESPONDENTS' APPENDIX
VOL. 1

Appeal from the Eighth Judicial District Court of the State of
Nevada in and for the County of Clark
The Honorable Timothy Williams
District Court Case No: A-18-772591-B

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CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of June, 2020, the foregoing **Appellants'/Cross Respondents' Appendix – Volume 1** was served electronically with the Clerk of the Supreme Court of Nevada by using the court's electronic filing system, which will send notice of electronic filing to the following:

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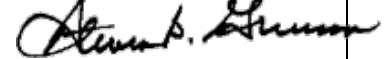
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**DISTRICT COURT
CLARK COUNTY, NEVADA**

LAS VEGAS SUN, INC., a Nevada
corporation,

Plaintiff,

vs.

NEWS+MEDIA CAPITAL GROUP LLC, a
Delaware limited liability company; LAS
VEGAS REVIEW-JOURNAL, INC., a
Delaware limited liability company; and
DOES, I-X, inclusive,

Defendants.

CASE NO.: A-18-772591-B

DEPT.: Department 13

COMPLAINT

**(EXEMPT FROM COURT ANNEXED
ARBITRATION PROGRAM:
EQUITABLE RELIEF REQUESTED)**

**BUSINESS COURT REQUESTED
PURSUANT TO E.D.C.R. 1.61(a)(2)(iv)**

COMES NOW Plaintiff Las Vegas Sun, Inc. (the "Sun"), and complains against
Defendants as follows:

INTRODUCTION

1. This Complaint stems from Defendants' unilateral, unbridled, and unabashed
actions that have intentionally deprived the Sun of the fundamental benefits of its bargain under
the parties' joint operating agreement. Through their superior position over the Sun,
Defendants have systematically (1) frustrated—and now completely eviscerated—the most
essential method by which the Sun funds its newspaper editorial operations; (2) improperly
diminished the vitality and visibility of the Sun's brand and voice in the market; (3) impaired

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1 the Sun's ability to compete for the public's attention; and (4) denied the Sun access to its only
2 contracted-for oversight mechanism that would reveal whether Defendants were abiding by the
3 parties' agreement, *i.e.*, an audit. Defendants' multi-pronged attack to cripple and crush the
4 Sun's financial stability and brand has been advanced with a single goal: to gain monopolistic
5 dominion over Las Vegas as the only news and political voice speaking to Southern Nevadans.
6 Defendants desperately hope that at the end of this unlawful scheme the Sun will be bled into
7 complete demise whereby Defendants would then find themselves free to prosecute whatever
8 agenda its owners might contemplate without any counterbalancing news organization of a
9 similar scale. Defendants' actions are unlawful, conducted in bad faith, and constitute breaches
10 of the parties' agreement and Defendants' implied duties of good faith and fair dealing.

11 **JURISDICTION AND VENUE**

12 2. This Court has subject matter jurisdiction over this action under Article 6,
13 section 6, of the Nevada Constitution.

14 3. Upon information and belief, a member or members of Defendant News+Media
15 Capital Group LLC ("News+Media") are Nevada citizens, and the center of Defendant Las
16 Vegas Review-Journal, Inc.'s (the "Review-Journal"), direction, control, and coordination, is in
17 the State of Nevada.

18 4. This Court has personal jurisdiction over Defendants, and each of them, pursuant
19 to NRS 14.065 because the acts and omissions complained of herein were committed, in part,
20 within the State of Nevada, County of Clark, and, thus, Defendants, and each of them, had and
21 continue to have sufficient minimum contacts with this forum such that the exercise of personal
22 jurisdiction over them will not offend traditional notions of fair play and substantial justice.

23 5. Venue is proper in the Eighth Judicial District Court, Clark County, Nevada,
24 under NRS 13.010, because all of the actions alleged herein were undertaken in Clark County,
25 Nevada, and affect property located in Clark County, Nevada, and NRS 13.040.

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THE PARTIES

6. The Sun is a Nevada corporation that is a member of Greenspun Media Group, LLC, which publishes various newspapers and magazines, including the Las Vegas Sun in Clark County, Nevada.

7. Defendant News+Media is a Delaware limited liability company doing business in the State of Nevada, which owns a separate newspaper in Clark County, Nevada, the Las Vegas Review Journal.

8. Defendant Review-Journal is a Delaware corporation doing business in the State of Nevada, which, upon information and belief, is a wholly-owned subsidiary of News+Media and operates and publishes the Las Vegas Review Journal.

9. Plaintiff alleges that Defendants named herein as Does I through X are individuals, corporations, limited-liability companies, partnerships, associations, or other persons or entities who are responsible in some manner or capacity for the acts alleged herein, but whose names are unknown to Plaintiff at this time. Plaintiff will seek leave to amend this Complaint to include the names of Does I through X when the identities of such defendants become known to Plaintiff.

GENERAL ALLEGATIONS

I. THE 1989 JOINT OPERATING AGREEMENT

10. The Sun and News+Media each own one of the two daily morning newspapers of general circulation in Las Vegas, Nevada. The Sun owns, operates, and publishes the Las Vegas Sun (also referred to herein as, the "Sun"). News+Media, through the Review-Journal, operates and publishes the Las Vegas Review-Journal (also referred to herein as, the "Review-Journal").

11. The Sun has been a source of news for Nevadans since 1950. By the late 1980s, the Sun had been operating at a substantial loss and was in probable danger of financial failure.

12. It was the Sun and the Review-Journal's prior owners, Donrey of Nevada, Inc.'s, firm belief that the continued publication of at least two newspapers of general circulation,

1 editorially and reportorially separate and independent, was of paramount importance to the
2 citizens of Las Vegas and its environs.

3 13. As a result, in June 1989, the Sun and Donrey of Nevada, Inc., entered into a
4 joint operating agreement, the 1989 JOA. *See generally* Ex. 1. These parties entered into the
5 1989 JOA in accordance with the Newspaper Preservation Act of 1970, 15 U.S.C. §§ 1801-04
6 (the “Act”). *See id.* at 3.

7 14. The Act authorizes the formation of joint operating agreements among
8 competing newspaper operations within the same market area: it exempts newspapers that
9 choose to merge operations from the otherwise applicable antitrust laws. At the same time, the
10 Act makes clear that merging newspapers must remain “editorially and reportorially
11 independent.”

12 15. Under the 1989 JOA, the Sun and the then-owners of the Review-Journal agreed
13 to start producing and distributing both newspapers in the form of a joint operation using a
14 single platform (the Review-Journal’s plant and equipment). *See generally* Ex. 1. The parties
15 agreed that the Review-Journal, among other things, would handle all print advertising and
16 circulation functions for both print newspapers. *Id.*

17 16. Pursuant to the 1989 JOA, together the parties operated separate daily news
18 publications: the Sun and Review-Journal, to which the agreement referred as the
19 “Newspapers.” The 1989 JOA allowed the Newspapers to maintain their editorial
20 independence while, at the same time, realizing the savings of joint production, distribution,
21 advertising, and other non-editorial functions.

22 17. Because the Review-Journal was now publishing and producing the Sun,
23 including printing, selling, and distributing the Newspapers, the Review-Journal agreed not to
24 “change the format of the Sun to a size or format different from that of the Review-Journal”
25 without the Sun’s approval. *Id.* at 5.1 & 5.1.1.

26 18. To facilitate the management and administration of this joint operation, the 1989
27 JOA obligated Defendants’ predecessor to form a separate business corporation, the “Agency,”
28 which was to own or lease all assets related to the operation. *Id.* at Art. 2. The Agency was

1 supposed to assume the duties and obligations of the joint operation, including the payment of
2 the joint expenses and collection of the joint revenues. *Id.* at Art. 2 & Art. 6.

3 19. The 1989 JOA defined such joint expenses and joint revenues as “Agency
4 Expense” and “Agency Revenues,” respectively. *Id.* at App’x B & C.

5 20. One such Agency Expense involved the parties’ news and editorial costs. The
6 1989 version of Section 4.2 provided:

7 4.2 News and Editorial Allocations. The Review-Journal and the
8 Sun shall establish, in accordance with the provisions of Appendix
9 A attached hereto and made a part hereof by reference, the
10 amounts to be allocated to Agency Expense, as hereinafter defined,
11 for each for news and editorial expense.

12 *Id.* § 4.2.

13 21. Under this version of Section 4.2, both parties’ news and editorial allocations
14 were approved deductions from the parties’ joint earnings as an Agency Expense. *See id.*

15 22. In the event that either the Sun’s or the Review-Journal’s editorial costs
16 exceeded their respective allocated amounts, Section 5.2 of the 1989 JOA required that such
17 additional expenses be borne by the newspaper that incurred them:

18 5.2 News and Editorial Autonomy. . . . All news and editorial
19 expense of the Sun or the Review-Journal in excess of the amounts
20 set forth in Appendix A shall be borne by the respective
21 newspaper.

22 Ex. 1.

23 23. The 1989 JOA further provided that the Sun, as the publisher of the Sun, would
24 receive compensation from the joint operation via two revenue streams:

25 A. compensation for the Sun’s news and editorial expenses was calculated
26 as 65 percent of the Review-Journal’s budgeted news and editorial expenses, on the condition
27 that such compensation was at least \$2.5 million annually (the “Sun’s editorial allocation”); and

28 B. a profit-sharing arrangement allocating to the Sun 10 percent of the
Agency Operating Profit, calculated as the excess of Agency Revenues over Agency Expense
(the “10% profits payment”).

1 *Id.* at App’x A & D.

2 24. An allocation structure similar to the one applied to the parties’ editorial costs
3 was also applied to the parties’ promotional activities and expenses. *See id.* § 5.1. Under the
4 1989 JOA, the Review-Journal would establish a budget for promotional activities each fiscal
5 year that was allocated between the Review-Journal and the Sun, with the Sun receiving 40
6 percent of the allocated budget. *Id.* § 5.1.4 & App’x A.3.

7 25. Also similar to the editorial cost provision of Section 4.2, Section 5.1.4 provided
8 that any promotional expenses incurred by either party in excess of the promotional allocation
9 was disallowed as an Agency Expense. *Id.* § 5.1.4 (“If either the Review-Journal or the Sun
10 determines that it wishes to incur expenses in excess of those in the promotional budget, such
11 expenses shall not be included in Agency Expense.”); *see also id.* at App’x B.1.1 (defining
12 “Agency Expense” as “[t]he amounts allocated to Review-Journal and Sun . . . for promotional
13 expenses as set forth in Appendix A”).

14 26. Any dispute arising under the 1989 JOA that could not be informally resolved by
15 the parties was subject to litigation, as the 1989 JOA did not provide for any alternative dispute
16 resolution procedure.

17 **II. ONGOING DISPUTES CULMINATE INTO A SETTLEMENT**

18 27. By 2002, the parties under the 1989 JOA had persistent disputes related to the
19 Sun’s compensation.

20 28. The Sun believed that Donrey of Nevada, Inc., and the successor-owner of the
21 Review-Journal, DR Partners, had been hiding and reclassifying valid editorial costs to avoid
22 paying the Sun its full 65 percent editorial allocation.

23 29. As a result of this ongoing dispute, DR Partners and the Sun entered into a
24 settlement agreement whereby DR Partners agreed to pay the Sun for amounts that included
25 certain editorial, profit, and other adjustments due to the Sun. *See generally* Ex. 2 § 10.13.

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1 **III. THE 2005 JOA**

2 30. In 2004, the Sun and DR Partners began renegotiating the 1989 JOA. The
3 renegotiation was desired by both parties in large part to eliminate the friction related to the
4 constant editorial cost dispute that was once addressed in the 2002 settlement.

5 31. DR Partners, through its General Partner Stephens Group, Inc., and the Sun
6 eventually executed an Amended and Restated Agreement, dated June 10, 2005 (the “2005
7 JOA”). *See generally* Ex. 2.

8 32. Like the 1989 JOA, the 2005 JOA was entered into pursuant to the Act. Ex. 2 §
9 1.1. DR Partners and the Sun explicitly acknowledged the public interest in remaining
10 editorially independent in the 2005 JOA as required by the Act. *See, e.g., id.* § 10.8 (“Because
11 of the public interest in maintaining editorially and reportorially independent and competitive
12 newspapers in Las Vegas” specific performance is available to enforce the 2005 JOA) & § 5.4
13 (“The Sun shall provide and pay for its own offices and editorial department and
14 management.”).

15 33. The 2005 JOA was to remain effective for an initial period ending on December
16 31st of the 50th year from July 1, 1990, *i.e.*, December 31, 2040. *Id.* § 1.2.

17 34. As a result of the new agreement, the parties combined the two newspapers into
18 a single media product that contained and separately branded the Review-Journal and the Sun.
19 *See generally id.* at Art. 5. In doing so, the parties removed the Agency concept from the 2005
20 JOA.

21 **A. Editorial Cost Obligations**

22 35. Unlike the previous version of Section 4.2 (which referenced an allocation for
23 news and editorial costs based on a set 65 percent formula, *see* Ex. 1 § 4.2 & App’x A), the
24 parties changed Section 4.2 to read as follows:

25 News and Editorial Allocations. The Review-Journal and the Sun
26 shall each bear their own respective editorial costs and shall
27 establish whatever budgets each deems appropriate.

28 Ex. 2 § 4.2.

1 36. The parties then modified the original language of Section 5.2 in line with the
2 new Section 4.2 to make all editorial costs an individual expense of the newspaper that incurred
3 them. *See id.* § 5.2. The old statement that “[a]ll news and editorial expense of the Sun or the
4 Review-Journal in excess of the amounts set forth in Appendix A shall be borne by the
5 respective newspaper” was deleted from Section 5.2 entirely. *Compare id. with Ex. 1 § 5.2.*

6 37. Every other reference to the parties’ previous method of sharing editorial costs,
7 and reference to those costs as a joint expense before the Agency Operating Profit was
8 calculated, was also deleted from the 2005 JOA. *Compare generally Ex. 2 with Ex. 1.* These
9 revisions caused the remainder of the 2005 JOA to conform with the new Section 4.2, *i.e.*, that
10 each party was to bear its own costs.

11 38. The Sun’s compensation scheme was also restructured to remove editorial costs
12 from its payment calculation.

13 39. The Sun and DR Partners replaced the Sun’s two-part compensation scheme
14 with “Annual Profits Payments” to the Sun. Ex. 2 at App’x D.

15 40. The new compensation arrangement required the Review-Journal to pay the Sun
16 a \$12 million Annual Profits Payment, payable monthly, in the first fiscal year (starting on
17 April 1, 2005). *Id.*

18 41. The amount of subsequent Annual Profits Payments was set to fluctuate in direct
19 correlation with the amount of the joint EBITDA. *Id.*

20 42. Higher operating expenses under the new compensation arrangement would
21 therefore work to reduce the joint EBITDA and, consequently, lead to lower Annual Profits
22 Payments to the Sun.

23 43. To effectuate a direct mandate of Section 4.2, Appendix D of the 2005 JOA
24 explicitly removed both the Sun’s and the Review-Journal’s editorial costs as an expense
25 category chargeable against the joint EBITDA for the fiscal year ending March 31, 2005, *i.e.*,
26 the “base year.” *See id.* at App’x D.

27 44. This was done to ensure that the calculation of the base year EBITDA was
28 consistent with calculations of future years’ EBITDAs.

1 **B. Promotional Obligations**

2 45. The 2005 JOA further deviated from the 1989 JOA regarding the parties'
3 responsibilities to promote the Newspapers and their promotional allocations.

4 46. Under the 1989 JOA, the parties promoted their respective newspapers with their
5 promotional allocations, with the Sun receiving 40 percent of the Review-Journal's established
6 promotional budget, and each party to bear its own expenses incurred in excess of that
7 allocation. *See* Ex. 1 § 5.1 & 5.1.4. The promotional allocation was eliminated in the 2005
8 JOA, and the Review-Journal was charged with the responsibility of promoting both
9 Newspapers. *See* Ex. 2 § 5.1.4.

10 47. Now, the Review-Journal would be responsible for marketing and promoting the
11 Sun (using commercially reasonable efforts to maximize the circulation of the Newspapers),
12 including equal mention to the Sun in the Review-Journal's promotional activities to ensure the
13 Sun's brand remained as vibrant as the Review-Journal's once the Review-Journal assumed
14 responsibility for all marketing.

15 48. The 2005 JOA specified how the parties were to charge promotional expenses
16 incurred for the Review-Journal's independent promotional activities:

17 5.1.4 Promotional Activities. Review-Journal shall use
18 commercially reasonable efforts to promote the Newspapers. Any
19 promotion of the Review-Journal as an advertising medium or to
20 advance circulation shall include mention of equal prominence for
21 the Sun. Either the Review-Journal or Sun may undertake
22 additional promotional activities for their respective newspaper at
23 their own expense. For all promotional activities for the
24 Newspapers paid for by the Review-Journal, the Review-Journal
25 shall be responsible for all promotional copy preparation and
26 placement, provided however, that the Sun shall have the right to
27 approve all promotional copy for the Sun that does not generically
28 and concurrently promote both Newspapers.

25 *Id.* § 5.1.4.

26 49. Thus, if the Review-Journal included the mention of equal prominence for the
27 Sun, the expense for that promotional activity was chargeable against the joint operation.

1 50. Virtually all promotion for a newspaper is either to promote it as an advertising
2 medium or to advance circulation.

3 51. However, if the Review-Journal undertook to promote its newspaper (or its non-
4 JOA entities) individually, the Review-Journal's expenses associated with those promotional
5 activities could not be charged against the joint operation. The same is true if the Sun
6 undertook to promote its own newspaper.

7 52. In light of this new joint operation platform and in line with Defendants' new
8 obligations, the parties included the following provision:

9 5.3 Performance and Cooperation. Sun and Review Journal agree
10 to take all corporate action necessary to carry out and effectuate
11 the intent, purposes and provisions of this Restated Agreement,
12 and to cooperate with the other party in every reasonable way that
will promote successful and lawful operation under this Restated
Agreement for both parties.

13 *Id.*

14 **C. Front Page Formatting Specifications**

15 53. The Sun and DR Partners' agreement to combine the separate Newspapers into a
16 single-media product naturally resulted in the Review-Journal's continued obligation to produce
17 and publish the Sun.

18 54. With the new, single-media product, however, the 2005 JOA contained strict and
19 mutually-agreed upon formatting specifications for the Sun's pages, including "the number,
20 placement, and characteristics," and how the Sun was to appear on the front page of the
21 Review-Journal. Ex. 2 § 5.1, App'x A.2(d), App'x B. The Review-Journal promised to feature
22 the Sun's masthead according to the detailed specifications in Appendix A.2(d). *Id.* App'x A &
23 App'x B.

24 55. The front page of the combined publication was required to appear, in pertinent
25 part, as follows:

26 The Monday-Sunday editions of the Review Journal shall include a
27 noticeable mention of the Sun, on the front page of the Review-
28 Journal. The noticeable mention will appear in a box above the
Review-Journal's masthead (the "Sun Box") and shall be in the

1 form shown on Appendix B. The Sun Box shall not be smaller in
2 proportion than shown in Appendix B. The Sun Box shall also
3 include the Sun's masthead, and any emblem that is part of the
4 Sun's masthead. The Sun Box shall include a promotion of a story
5 in the Sun and refer readers to the Sun inside. The type face,
6 editorial artwork, font, and editorial promotional content appearing
7 in the Sun Box shall be determined by Sun, in its sole discretion.
8 Any color in the Sun Box shall be restricted to constituent colors
9 used by the Review-Journal on its front page. The Sun Box shall
10 be the left-hand box unless it would be obscured by a spaeda fold,
11 in which case the Sun Box shall be the right-hand box. In the event
12 of major breaking news or for exigent production circumstances,
13 the Sun Box may be moved below the Review-Journal's masthead.
14 The Sun, on average, will receive as much editorial color as the
15 local news section of the Review-Journal.

16 *Id.*, App'x A at A.2(d).

17 56. Appendix B provided sample illustrations of how the Sun was to appear on the
18 front page.

19 **D. The Sun's Entitlement to an Audit, Arbitration, and Specific Performance**

20 57. The parties also incorporated audit and arbitration rights exercisable only by the
21 Sun in the 2005 JOA. *See* Ex. 2, App'x D at 19-20.

22 58. The Sun's audit right was a necessary provision now that Defendants were in
23 control of all aspects of non-editorial management: an audit was the Sun's sole mechanism by
24 which it could ensure that that Defendants were complying with the 2005 JOA.

25 59. Section 10.8 was included as an additional remedy, and expressly allowed for
26 specific performance of any default in performance of any material obligation under the 2005
27 JOA. *Id.*

28 60. Under the 1989 JOA, either party was allowed to inspect the books and records
of the other party within certain limitations, *see* Ex. 1 § 10.3, and there was no alternative
dispute resolution procedure provided for.

61. The parties changed these elements in the 2005 JOA and the parties included an
audit and arbitration provision in favor of the Sun.

62. The 2005 JOA's audit provision reads, in pertinent part:

Sun shall have the right, exercisable not more than once every twelve months and only after providing written notification no less than thirty days prior thereto, to appoint a[] certified public accounting firm or law firm as Sun's representative to examine and audit the books and records of the Review-Journal and the other publications whose earnings are included in EBITDA for purposes of verifying the determinations of the changes to the Annual Profit Payments.

Id.

63. The Sun's right to arbitrate any disputes follows that provision, providing:

If as a result of such an audit, there is a dispute between the Sun and the Review-Journal as to amounts owed to Sun and they are not able to resolve the dispute within 30 days, they shall select a certified public account to arbitrate the dispute. The arbitration shall be conducted according to the commercial arbitration rules of the American Arbitration Association, including such rules for the selection of a single arbitrator if sun and the Review-Journal are not able to agree upon an arbitrator. Sun and Review-Journal shall request the arbitrator to render a decision within sixty (60) days of his or her selection, and Sun and the Review-Journal each hereby covenant to cooperate with the arbitrator to facilitate such request.

Id. at 20.

64. Keeping in line with the purpose of the Act, the parties included an express provision acknowledging the availability of specific performance. Pursuant to Section 10.8 of the 2005 JOA, "[b]ecause of the public interest in maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages in the event of a default in their performance of material obligations hereunder, [the Sun] shall have the right to seek specific performance of the material provisions of the [2005 JOA]."

IV. THE SUN AND DR PARTNERS LITIGATE; DEFENDANTS TAKE OVER THE REVIEW-JOURNAL

65. In 2014, the Sun discovered that DR Partners and its then-successor-in-interest Stephens Media LLC ("Stephens Media") had reduced the base year EBITDA with the Review-Journal's individual news and editorial costs, contrary to the express language of Section 4.2 and Appendix D of the 2005 JOA.

1 66. The Sun made this discovery once Mr. Brian Greenspun obtained sole ownership
2 of the Sun.

3 67. Although the Sun immediately notified Stephens Media of the issue, Stephens
4 Media continued to reduce all subsequent EBITDAs by the amounts of the Review-Journal's
5 individual editorial costs.

6 68. In 2015, the Sun initiated a lawsuit against DR Partners and Stephens Media,
7 styled as *Las Vegas Sun, Inc. v. DR Partners d/b/a Stephens Media Group*, Case No. A-15-
8 715008-B (Nev. Dist. Ct., March 10, 2015). These proceedings were centered on the
9 interpretation of Section 4.2 and Appendix D of the 2005 JOA, and DR Partners' and Stephens
10 Media LLC's illegal editorial costs accounting practice.

11 69. Stephens Media sought to compel the action to arbitration pursuant to the
12 arbitration provision of Appendix D of the 2005 JOA.

13 70. The issue went before the Nevada Supreme Court on appeal in August 2015.
14 *See Las Vegas Sun, Inc. v. DR Partners d/b/a Stephens Media Group*, Appeal No. 68700.

15 71. The Nevada Supreme Court compelled the action to arbitration. *Las Vegas Sun,*
16 *Inc. v. DR Partners d/b/a Stephens Media Group*, Appeal No. 68700, Order of Reversal and
17 Remand (Nev. May 19, 2016).

18 72. In so ordering, the Nevada Supreme Court rejected a narrow reading of the
19 arbitration provision, and broadly construed the provision: "Appendix D of the JOA refers to the
20 payments that are owned to the Sun by the RJ under the JOA, including how those payments are
21 to be calculated, how the Sun can audit the books and records used to calculate those payments,
22 and how disputes regarding the calculation of those payments may be resolved." *Id.* at 3.

23 73. The Nevada Supreme Court reasoned that "[b]y disputing whether each
24 newspaper should bear its own editorial costs, the Sun is essentially disputing the amounts owed
25 to it under the JOA and therefore the dispute falls within the scope of the JOA's arbitration
26 provision." *Id.* at 6.

27 74. Where the 2005 JOA created some ambiguity regarding whether the parties
28 intended the arbitration provision to be restricted to disputes in which no legal analysis

1 whatsoever might be necessary, the Nevada Supreme Court concluded that “the ‘otherwise
2 unqualified of the language of the agreement’ and ‘the strong [] policy in favor of arbitration’
3 suggest that the current dispute is subject to arbitration.” *Id.* (quoting *Shy v. Navistar Int’l Corp.*,
4 781 F.3d 820, 825, 827 (6th Cir. 2015)).

5 75. The Nevada Supreme Court’s holding made clear that an audit is not a condition
6 precedent to arbitrating any issues of contract interpretation that are closely related to amounts
7 owed to the Sun under the 2005 JOA, as the Nevada Supreme Court compelled arbitration of the
8 prior action despite that no audit had occurred. *See id.*

9 76. The Sun and DR Partners and Stephens Media engaged in arbitration without
10 conducting an audit based on the Nevada Supreme Court’s directive. *See Las Vegas Sun, Inc. v.*
11 *DR Partners d/b/a Stephens Media Group*, AAA Case No. 01-16-0001-9187.

12 77. In November 2016, Stephens Media and the Sun settled the Sun’s dispute with
13 the parties to that litigation and arbitration.

14 78. The settlement resulted in a confidential settlement agreement.

15 79. The Review-Journal experienced two ownership changes during the Sun’s
16 litigation with DR Partners and Stephens Media, resulting in Defendants’ ownership and
17 operation of the Review-Journal as of December 10, 2015.

18 80. Defendants were notified of the disputes and pending legal proceedings initiated
19 by the Sun at the time of Defendants’ succession in ownership.

20 81. By 2016, Defendants were particularly aware of the Sun’s disputes concerning
21 Defendants’ predecessor’s accounting practices.

22 82. Defendants have been provided a copy of the confidential November 2016
23 settlement.

24 83. Defendants have known that that they should have changed and still should
25 change their accounting practices as a result.

26 84. Defendants, however, (like their predecessors) refused to do so.

27 85. Defendants have violated the 2005 JOA in several respects.

V. DEFENDANTS HAVE FAILED TO BEAR THE REVIEW-JOURNAL'S EDITORIAL COST BURDEN

86. The previous controversy between the Sun and Defendants' predecessors concerning the meaning of and obligations imposed by the 2005 JOA and who must carry the Review-Journal's editorial cost burden is presently ongoing between the Sun and Defendants.

87. By the fiscal year ending March 31, 2017, Defendants—for the first time in the history of the joint operation—recorded a negative EBITDA in the amount of negative \$2.25 million.

88. This constitutes a negative 122.43% EBITDA change from the prior year.

89. Defendants had increased the Review-Journal's editorial costs from \$6.78 million in 2016 to \$8.88 million in 2017.

90. The Review-Journal's editorial costs in the amount of \$8.88 million in 2017 is close to the amount of editorial costs that the Review-Journal maintained in 2005, when the joint EBITDA equaled \$121.56 million.

91. Upon information and belief, when News+Media purchased the Review-Journal, its immediate successor-in-interest remained with the Review-Journal as its manager for a short period of time in 2015 and early 2016.

92. Upon information and belief, under this management, the joint operation was projected to expect a financially strong close for the fiscal year end 2016. Consequently, the Sun was projected to receive an increase of more than 18 percent of its Annual Profits Payments for 2017.

93. Thereafter, the then-manager's financial forecast for the joint operation continued to point toward even stronger growth for the year 2016-2017, projecting profits of the joint operation in the amount of \$20 million.

94. The then-manager of the Review-Journal was removed from its position by the time that fiscal year 2015-2016 closed. News+Media placed a new manager and publisher in charge, who then communicated to the Sun that its Annual Profits Payments were expected to significantly decrease as a result of poor performance of the joint operation, and that they did not show any profits going forward.

1 95. As a result of Defendants’ illegal accounting practices related to the Review-
2 Journal’s editorial costs, Defendants owe the Sun in an amount in excess of \$1.43 million.

3 96. Defendants continue to illegally charge the Review-Journal’s individual editorial
4 costs against the joint operation to this day, resulting in an improper reduction of the Sun’s
5 Annual Profits Payments.

6 **VI. DEFENDANTS HAVE CHARGED THE REVIEW-JOURNAL’S INDIVIDUAL**
7 **PROMOTIONAL EXPENSES TO THE JOINT OPERATION**

8 97. Defendants have been marketing and promoting the Review-Journal (and the
9 Review-Journal’s non-JOA digital entities, including reviewjournal.com) in various advertising
10 mediums without any mention of the Sun, or displaying the Sun’s logo incomparably to the
11 Review-Journal’s.

12 98. The 2005 JOA mandates that Defendants “shall use commercially reasonable
13 efforts to promote the Newspapers.”

14 99. Contrary to this mandate, Defendants have confirmed that virtually none of the
15 Review-Journal’s promotional activities comply with the demands of the contract.

16 100. 100 percent of the Review-Journal’s television advertisements to promote
17 circulation and advertising of the Review-Journal omit mention of the Sun.

18 101. When the Sun challenged the Review-Journal to produce any examples of
19 promotional activities that mention the Sun in equal prominence, Defendants have conceded
20 that they cannot do so.

21 102. Defendants have not used commercially reasonable efforts to promote the
22 Newspapers.

23 103. Furthermore, all promotional activity for the RJ — completely charged against
24 the JOA activities — includes promotion for the reviewjournal.com, the revenues of which do
25 not accrue to the benefit of the JOA.

26 104. While Defendants may undertake to promote its newspaper individually the
27 Review-Journal’s expenses associated with those promotional activities may not be charged
28 against the joint operation.

1 105. Defendants have admitted to the Sun that they have not included the Sun in their
2 promotional activities for the Review-Journal.

3 106. Yet, upon information and belief, Defendants have failed to properly account for
4 those expenses under the 2005 JOA and Section 5.1.4.

5 107. Defendants' improper charges for the Review-Journal's unilateral promotional
6 activities, like the Review-Journal's editorial costs, reduces the joint EBITDA, and therefore the
7 Sun's Annual Profits Payments.

8 108. Defendants' failures to "use commercially reasonable efforts to promote the
9 Newspapers" and improper accounting practices related to the Review-Journal's unilateral
10 promotional activities specifically contravenes Defendants' obligations under Section 5.3 of the
11 2005 JOA. That is, that Defendants would "take all corporate action necessary to carry out and
12 effectuate the intent, purposes and provisions of this [2005 JOA], and to cooperate with the
13 other party in every reasonable way that will promote successful and lawful operation under
14 this [2005 JOA] for both parties."

15 109. As a result of Defendants' failures related to the Review-Journal's promotional
16 activities, the Sun has sustained damages.

17 110. Defendants' continue to not use commercially reasonable efforts to promote the
18 Sun and continue to improperly charge the Review-Journal's unilateral promotional activities
19 against the joint operation.

20 **VII. DEFENDANTS CHANGED THE NEWSPAPERS' FRONT PAGE**
21 **SPECIFICATIONS WITHOUT APPROVAL**

22 111. In 2017, Defendants, through the Review-Journal, informed the Sun that, after
23 12 years of publishing the Newspapers in accordance with the specifications of Appendices A
24 and B of the 2005 JOA, they were unilaterally changing the format of the front page of the
25 combined publication.

26 112. Two days later, the Review-Journal published the Newspapers with a new front
27 page design that has eliminated the Sun Box entirely and deviated from the Sun's
28 specifications, including reducing the font size of the Sun's logo.

113. The Sun has suffered damage to its brand as a result of the Review-Journal's unauthorized design.

114. The Review-Journal has continued to publish the unapproved font page design over the Sun's objection.

VIII. DEFENDANTS HAVE STONEWALLED THE SUN'S AUDIT REQUESTS FOR OVER A YEAR

115. Amidst the Sun's pending litigation with DR Partners and Stephens Media, on May 12, 2016, the Sun (through its appointed law firm representative) provided Defendants with its 30-day notice of intent to examine and audit the Review-Journal's books and records (and other publications whose earnings were included in EBITDA) to verify the Review-Journal's Annual Profit Payment calculation, and ensure that Defendants have not illegally redirected revenues from or charged expenses to the joint operation for the Review-Journal's non-JOA digital operations, including reviewjournal.com.

116. The Sun's audit request was made pursuant to and in accordance with Appendix D of the 2005 JOA.

117. The Sun forwarded its initial list of documentation requested after the notice period expired.

118. Defendants rejected the Sun's request in late July 2016.

119. Prior to and after the November 2016 settlement with Stephens Media, the Sun attempted to informally negotiate with Defendants to obtain documents from the Review-Journal, party-to-party.

120. On September 5, 2017, the Sun renewed its formal audit request, expressly appointing its chosen law firm auditor to examine and audit the books and records of the Review-Journal and related publications pursuant to Appendix D of the 2005 JOA.

121. One month later, the Review-Journal rejected the request on the grounds that it "far exceed[ed] the limited audit provisions" of the 2005 JOA, but also stated that the Review-Journal intended to gather relevant, albeit very limited, information for production in due course.

1 122. Next, on November 16, 2017, the Review-Journal disputed the Sun's audit
2 request as irrelevant based on the November 2016 settlement with Stephens Media, despite the
3 fact that the Sun's request affected the payments due to the Sun under Defendants' ownership
4 and operation of the Review-Journal.

5 123. But, once again, by November 28, 2017, the Review-Journal had agreed to
6 produce certain categories of documents initially requested by the Sun on September 5, 2017.

7 124. The Sun's representatives met with the Review-Journal's leadership to explain
8 the rationale and precedent behind the Sun's requests, in an effort to participate in the audit in
9 good faith.

10 125. After further discussion between counsel, on December 21, 2017, the Review-
11 Journal agreed to produce additional categories of documents the Sun requested on September
12 5, 2017, including editorial cost information and general financial statements.

13 126. The Review-Journal represented that it anticipated production would occur
14 within the first two weeks of January 2018.

15 127. That promised production never happened.

16 128. On January 15, 2018, the Sun warned the Review-Journal that this audit dispute
17 would be included in the Sun's impending arbitration demand without immediate compliance
18 by Defendants. Only then did the Review-Journal agree to open for inspection nearly all of the
19 documents the Sun requested on September 5, 2017—with one exception to the Review-
20 Journal's digital operations, including those related to reviewjournal.com—commencing the
21 audit on January 23, 2018.

22 129. Although Defendants have sought to prevent a reasonable review of the Review-
23 Journal's books and records regarding the Review-Journal's digital operations, it cannot be
24 disputed that the Review-Journal has inextricably intertwined its digital promotion, sales,
25 accounting, management, and billing with the print publication. All of the expenses related to
26 these items have been improperly charged against the joint operation. Furthermore, the
27 Review-Journal offers bundled print and digital products, yet Defendants have refused to allow
28 the relative revenue allocations to be audited.

1 130. Despite the parties' dispute as to the Review-Journal's digital operations, the
2 Sun agreed to commence the audit on the date that the Review-Journal proposed to open the
3 stipulated information for inspection.

4 131. However, on or about January 24, 2018, the Review-Journal then objected to the
5 Sun's chosen representative law firm.

6 132. As of this filing, Defendants have not produced any documents or opened for
7 inspection and examination the Review-Journal's books and records.

8 **IX. THE SUN INITIATES ARBITRATION OF THESE DISPUTES AND**
9 **DEFENDANTS CHALLENGE AAA JURISDICTION**

10 133. On February 12, 2018, the Sun filed its Demand for Arbitration and Arbitration
11 Statement in AAA. *See Las Vegas Sun, Inc. v. News+Media Capital Group LLC, et al.*, AAA
12 Case No. 01-18-0000-7567.

13 134. AAA confirmed receipt of the Sun's arbitration demand, and scheduled
14 Defendants' answering statement deadline for February 28, 2018, along with the parties'
15 Checklists for Conflicts.

16 135. The parties conducted the administrative call with AAA on February 23, 2018.

17 136. During the call, the parties discussed and agreed that the matter would be
18 overseen by a single arbitrator pursuant to Appendix D of the 2005 JOA, with the parties'
19 agreement as to how the single-arbitrator selection process would proceed. The parties also
20 agreed to the timing of the case (and agreed that the arbitrator must render a decision within 60
21 days from appointment), and discovery issues.

22 137. During that call, Defendants sought an extension to file their answering
23 statement. They were granted an extension to March 21, 2018.

24 138. On March 12, 2018, AAA provided the parties with the arbitrator selection list.
25 The parties were required to submit their arbitrator selections no later than March 28, 2018.

26 139. On March 20, 2018, Defendants again requested an extension of the AAA
27 deadlines, and sought to continue the due date of their arbitrator selection to April 2, 2018.
28 Defendants made this request on the ground that lead counsel was in trial.

143. Plaintiff has been forced to initiate the instant action as a result.

148. Disputes have arisen between Plaintiff and Defendants regarding the interpretation of the plain language of the 2005 JOA with respect to these disputes set forth herein, and the parties' rights and obligations thereunder, including the arbitrability of the disputes themselves pursuant to the arbitration provision set forth in Appendix D of the 2005 JOA.

1 149. Consequently, a dispute has arisen between the parties as to their rights and
2 obligations under the 2005 JOA.

3 150. Because the 2005 JOA is an executory contract, with the parties' obligations
4 continuing until 2040, Plaintiff seeks a judicial declaration that Plaintiff is entitled to an award
5 of damages for Defendants' past breaches of the 2005 JOA, in addition to a declaration (1)
6 interpreting the parties rights and duties as set forth in the 2005 JOA, and (2) directing
7 Defendants to comply with the 2005 JOA in a manner not inconsistent with the Court's order
8 on a going-forward basis and through the remainder of the term of the 2005 JOA so as to avoid
9 re-litigating the same issues.

10 151. No adequate remedy other than that prayed for exist by which the rights of the
11 parties may be ascertained.

12 152. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced
13 to obtain the services of counsel to prosecute this action and are entitled to an award of
14 attorneys' fees and costs incurred herein pursuant to NRS 18.010.

15 **SECOND CLAIM FOR RELIEF**
16 **(Breach of Contract—Arbitration Provision)**

17 153. Plaintiff realleges and incorporates by reference as though fully set forth herein
18 the allegations contained in the above paragraphs.

19 154. The 2005 JOA is a valid and existing contract.

20 155. The arbitration provision contained in Appendix D of the 2005 JOA provides
21 that in the event of a dispute between the Sun and the Review-Journal as to the amounts owed
22 to Sun, which are not resolved within 30 days, "arbitration shall be conducted" pursuant to the
23 AAA rules of arbitration, "including the rules for the selection of a single arbitrator if Sun and
24 Review-Journal are not able to agree upon an arbitrator."

25 156. The Nevada Supreme Court has already interpreted the 2005 JOA's arbitration
26 provision and held that any dispute relating to amounts owed to the Sun are arbitrable.

1 157. Despite substantially participating in the arbitration process initially, Defendants
2 have unnecessarily delayed the proceedings in bad faith and have now breached the 2005 JOA
3 by challenging AAA's jurisdiction over these disputes, and demanding that the case be closed.

4 158. Plaintiff has performed under the 2005 JOA.

5 159. As a direct and proximate result of Defendants' breaches, Plaintiff has suffered
6 damages in excess of \$15,000.

7 160. In addition, Defendants' breaches continue.

8 161. The editorial costs provisions included in the 2005 JOA are definite and certain.

9 162. The remedy at law is inadequate, and Plaintiff has tendered performance under
10 the 2005 JOA.

11 163. Defendants' refusal to arbitrate these disputes pursuant to the 2005 JOA is a
12 violation of a material obligation contained in the parties' agreement. Because of the
13 undisputed public interest in maintaining editorially and reportorially independent and
14 competitive newspapers in Las Vegas and its environs, and because of the inadequacy of
15 damages in the event of a default of Defendants' obligation to arbitrate these disputes, Plaintiff
16 has the right, under Section 10.8 of the 2005 JOA and the Act, to seek specific performance of
17 the same.

18 164. Accordingly, Plaintiff is entitled to an Order directing Defendants to specifically
19 perform in accordance with the terms of the 2005 JOA now and for the remaining duration of
20 the term of the 2005 JOA.

21 165. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced
22 to obtain the services of counsel to prosecute this action and are entitled to an award of
23 attorneys' fees and costs incurred herein pursuant to NRS 18.010.

24 **THIRD CLAIM FOR RELIEF**

25 **(Breach of Contract—Editorial Costs: Section 4.2 and Related Provisions)**

26 166. Plaintiff realleges and incorporates as though fully set forth herein the
27 allegations contained in the above paragraphs.

28 167. The 2005 JOA is a valid and existing contract.

1 168. Section 4.2 and related provisions, as detailed herein, require that Defendants
2 bear the Review-Journal's editorial costs, which requires Defendants to refrain from charging
3 its costs against the joint operation, and improperly reducing the joint EBITDA calculation and,
4 therefore, the Sun's Annual Profits Payments.

5 169. Defendants have beached the 2005 JOA, including Section 4.2, and related
6 provisions, by improperly charging the Review-Journal's editorial costs against the joint
7 operation, resulting in the Sun receiving improperly low, and now no, Annual Profits Payments.
8 Defendants have failed to pay sums due and owing under the 2005 JOA and continues to fail to
9 pay said sums despite Plaintiff's demands.

10 170. The Sun has performed under the 2005 JOA.

11 171. As a direct and proximate result of Defendants' breaches, Plaintiff has suffered
12 damages in excess of \$15,000.

13 172. In addition, Defendants' breaches continue.

14 173. The editorial costs provisions included in the 2005 JOA are definite and certain.

15 174. The remedy at law is inadequate.

16 175. Defendants' refusal to bear the Review-Journal's editorial costs and cease from
17 charging those costs against the joint EBITDA is a violation of a material obligation contained
18 in the parties' 2005 JOA. Because of the undisputed public interested in maintaining editorially
19 and reportorially independent and competitive newspapers in Las Vegas and its environs, and
20 because of the inadequacy of damages in the event of a default of Defendants' obligation,
21 Plaintiff has the right, under Section 10.8 of the 2005 JOA and the Act, to seek specific
22 performance of the same.

23 176. Accordingly, Plaintiff is entitled to an Order directing Defendants to specifically
24 perform in accordance with the terms of the 2005 JOA now and for the remaining duration of
25 the term of the 2005 JOA.

26 177. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced
27 to obtain the services of counsel to prosecute this action and are entitled to an award of
28 attorneys' fees and costs incurred herein pursuant to NRS 18.010.

FOURTH CLAIM FOR RELIEF

(Breach of Contract—the Review-Journal’s Independent Promotional Activities and Expenses: Section 5.1.4)

178. Plaintiff realleges and incorporates by reference as though fully set forth herein the allegations contained in the above paragraphs.

179. The 2005 JOA is a valid and existing contract.

180. Section 5.1.4 of the 2005 JOA requires that if Defendants undertake additional promotional activities for their respective newspaper, they must do so at their own expense.

181. Defendants are prohibited from charging their individual promotional activity expenses against the joint operation.

182. Defendants have failed to undertake individual promotional activities for the Review-Journal at their own expense: they have failed to properly account for their individual promotional expenses under the 2005 JOA, having charged those expenses against the joint operation.

183. As a direct and proximate result of these Defendants’ wrongful and unlawful acts, Plaintiff has suffered damages in excess of \$15,000.

184. In addition, Defendants’ breaches continue.

185. Section 5.1.4 in the 2005 JOA is definite and certain.

186. The remedy at law is inadequate.

187. Defendants’ failure to pay its individual promotional expenses, and refrain from charging those expenses against the joint operation, is a violation of a material obligation contained in the parties’ 2005 JOA. Because of the undisputed public interested in maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages of a default of Defendants’ obligation, Plaintiff has the right, under Section 10.8 of the 2005 JOA and the Act, to seek specific performance of the same.

188. Accordingly, Plaintiff is entitled to an Order directing Defendants to specifically perform in accordance with the terms of the 2005 JOA now and for the remaining duration of the term of the 2005 JOA.

189. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced to obtain the services of counsel to prosecute this action and are entitled to an award of attorneys' fees and costs incurred herein pursuant to NRS 18.010.

FIFTH CLAIM FOR RELIEF
**(Breach of Contract—The Front Page Format: Section 5.1,
and Appendices A and B)**

190. Plaintiff realleges and incorporates as though fully set forth herein the allegations contained in the above paragraphs.

191. The 2005 JOA is a valid and existing contract.

192. Section 5.1, and Appendices A and B of the 2005 JOA set forth strict and mutually-agreed upon formatting specifications for the Sun's pages, including how the Sun is to appear on the front page of the Newspapers and including the "Sun Box."

193. In violation of Section 5.1 and Appendices A and B of the 2005 JOA, Defendants changed the format and design of the front page of the Newspapers, such that the new design fails to comply with the 2005 JOA.

194. As a direct and proximate result of these Defendants' wrongful and unlawful acts, Plaintiff has suffered damages in excess of \$15,000.

195. In addition, Defendants' breaches continue.

196. Section 5.1 and Appendices A and B in the 2005 JOA are definite and certain.

197. The remedy at law is inadequate.

198. Defendants' unlawful change to the formatting specifications of the front page of the Newspapers is a violation of a material obligation contained in the parties' 2005 JOA. Because of the undisputed public interested in maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages of a default of Defendants' obligation, Plaintiff has the right, under Section 10.8 of the 2005 JOA and the Act, to seek specific performance of the same.

199. Accordingly, Plaintiff is entitled to an Order directing Defendants to specifically perform in accordance with the terms of the 2005 JOA now and for the remaining duration of the term of the 2005 JOA.

1 the term of the 2005 JOA, including allowing the Sun to audit the Review-Journal's digital
2 operations in their entirety due to Defendants commingling of the Review-Journal's digital
3 operations with the joint operations.

4 211. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced
5 to obtain the services of counsel to prosecute this action and are entitled to an award of
6 attorneys' fees and costs incurred herein pursuant to NRS 18.010.

7 **SEVENTH CLAIM FOR RELIEF**
8 **(Tortious Breach of the Implied Covenant of Good Faith and Fair Dealing)**

9 212. Plaintiff realleges and incorporates by reference as though fully set forth herein
10 the allegations contained in the above paragraphs.

11 213. The 2005 JOA is a valid and existing contract.

12 214. By virtue of Defendants' relationship with Plaintiff, a special relationship existed
13 between Defendants and Plaintiff. The relationship was one characterized by elements of
14 public trust, reliance, and fiduciary duty. Defendants were in a superior and entrusted position,
15 and engaged in grievous and perfidious conduct.

16 215. In Nevada, contained in every contract is the implied covenant of good faith and
17 fair dealing requiring Defendants to avoid undertaking actions which would injure or prejudice
18 Plaintiff's rights, or to otherwise act so as to deprive Plaintiff of the benefits arising under the
19 contract.

20 216. Plaintiff performed all conditions, covenants, and promises required by them
21 pursuant to the 2005 JOA.

22 217. By proceeding in the aforementioned manner, Defendants have breached their
23 duty of good faith and fair dealing to Plaintiff under the 2005 JOA.

24 218. As a direct and proximate result of these Defendants' wrongful and unlawful
25 acts, Plaintiff has suffered actual harm and damages in excess of \$15,000.

26 219. Defendants' conduct has been committed maliciously, fraudulently, and
27 oppressively, and Plaintiff is therefore entitled to recover from these Defendants punitive
28

1 damages, by way of example, and to punish these Defendants in an amount to be determined at
2 trial, but to exceed \$15,000.

3 220. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced
4 to obtain the services of counsel to prosecute this action and are entitled to an award of
5 attorneys' fees and costs incurred herein pursuant to NRS 18.010.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, Plaintiff respectfully requests the following relief:

8 A. A judicial declaration:

9 i. stating that Plaintiff is entitled to an award of damages for Defendants'
10 past breaches of the 2005 JOA; and

11 ii. interpreting the parties rights and duties as set forth in the 2005 JOA, and
12 directing Defendants to comply with the 2005 JOA in a manner not inconsistent with the
13 Court's order on a going-forward basis and through the remainder of the term of the 2005 JOA
14 so as to avoid re-litigating the same issues.

15 B. An Order requiring Defendants to specifically perform their contractual
16 obligations under the 2005 JOA now and through the remainder of the term of the 2005 JOA,
17 including:

18 i. compelling the instant disputes to AAA arbitration pursuant to the
19 arbitration provision contained in Appendix D;

20 ii. directing Defendants to abide by Section 4.2 and related provisions of the
21 2005 JOA, and cease charging the Review-Journal's editorial costs against the joint operation;

22 iii. directing Defendants to abide by Section 5.1.4, and use commercially
23 reasonable efforts to promote both Newspapers and cease charging the Review-Journal's
24 individual promotional expenses against the joint operation;

25 iv. directing Defendants to abide by Section 5.1, and Appendices A and B,
26 and revert to the original front page design that complied with the 2005 JOA; and
27
28

1 v. directing Defendants to comply with the audit provision contained in
2 Appendix D to the 2005 JOA, and allowing the Sun to inspect the Review-Journal's digital
3 operations in their entirety.

4 C. An award of compensatory damages for Defendants' breaches of the 2005 JOA
5 in an amount to be determined at trial.

6 D. An award of punitive damages.

7 E. An award to Plaintiff of its cost of suit, including reasonable attorney's fees.

8 F. And, an order granting to Plaintiff such other and further relief to which it may
9 be entitled and which this Court finds to be just and appropriate.

10 DATED this 9th day of April, 2018.

11 LEWIS ROCA ROTHGERBER CHRISTIE LLP

12
13 BY: E. Leif Reid

E. LEIF REID, SBN 5750

KRISTEN L. MARTINI, SBN 11272

One East Liberty Street, Suite 300

Reno, Nevada 89501

16 *Attorneys for Plaintiff*

EXHIBIT LIST

EXHIBIT NO.	DESCRIPTION	NO. OF PAGES
1	1989 [Joint Operating] Agreement	44
2	2005 Amended and Restated [Joint Operating] Agreement	25

EXHIBIT 1

1989 [Joint Operating] Agreement

EXHIBIT 1

1989 [Joint Operating] Agreement

AGREEMENT

This Agreement is dated as of June 12, 1989, between Donrey of Nevada, Inc., a Nevada corporation ("Donrey"), and the Las Vegas Sun, Inc., a Nevada corporation ("Sun").

PRELIMINARY STATEMENT

Donrey owns and publishes in Las Vegas, Nevada, an all day newspaper on weekdays, a morning newspaper on Saturdays and holidays, and a Sunday newspaper, each known as the Las Vegas Review-Journal (hereinafter referred to as the "Review-Journal"). Sun owns and publishes in Las Vegas, Nevada, a morning newspaper on weekdays and Saturdays and a Sunday newspaper, each known as the Las Vegas Sun (hereinafter referred to as the "Sun"). The Sun presently operates and for a number of years has operated at a substantial loss, and is in probable danger of financial failure. It is the firm belief of the parties that the continued publication of at least two newspapers of general circulation, editorially and reportorially separate and independent, is of paramount importance to the citizens of Las Vegas and its environs. The parties further believe that publication of the Sun can be carried on profitably, and its continued editorial existence and independence thereby assured, if its production, distribution and advertising functions and related non-news and non-editorial activities are conducted and performed by the Review-Journal, through a single staff of Review-Journal employees utilizing Review-Journal's plant and equipment under a joint

Pages 12:13 relate to the same.

newspaper operating arrangement (hereinafter referred to as "Agreement"), under which the Review-Journal will act on its own behalf with respect to the Las Vegas Review-Journal and on behalf of the Sun with respect to the Las Vegas Sun.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

TERM

1.1 Effective Date. The term of this Agreement shall begin at 12:01 a.m. on the 10th day (or on such later day as the parties may agree) after the filing of written consent of the Attorney General of the United States to this Agreement under the Newspaper Preservation Act, which shall be known as "the Effective Date". The parties agree to pursue diligently the filing of the application for approval of this Agreement to the Department of Justice and to use their best efforts and take all action necessary to obtain such written consent as expeditiously as possible within the procedures set forth in applicable regulations of the Department of Justice. This Agreement does not constitute any limitation on either party's obligation to engage in good faith labor negotiations if and as required by the National Labor Relations Act, and to implement any understandings it may reach in such negotiations.

Upon execution hereof, each party shall furnish to the other a written opinion of its counsel that all necessary

corporate action has been taken to authorize this Agreement and that, subject to the conditions of the preceding paragraph, this Agreement shall constitute the valid and binding obligation of the respective party. The parties agree to cooperate in coordinating meetings with government officials, community leaders, employees and their representatives, advertisers and others to explain the Agreement.

If, within eighteen (18) months after the filing of the application with the Department of Justice, the application has neither been approved by the Attorney General without a hearing nor been the subject of an order for a hearing, or if, within eighteen (18) months after the Attorney General has issued an order for a hearing, the application has not been approved by the Attorney General, the parties shall discuss the feasibility of continuing to seek approval of the application and either party may, after notification to the other, withdraw from the application. The Review-Journal and Donrey intend to make a request, at the time of filing the application, under 28 CFR Section 48.5 for a protective order withholding from public disclosure their financial and other privileged and confidential commercial information to be filed with this application and restricting access to such materials to the applicants and the Department of Justice. If the request is not granted the Review-Journal and Donrey reserve the right to unilaterally withdraw the application. If the protective order is initially granted but, at a later date, access to or inspection of the protected information is to be afforded anyone other than the

applicants, the Department of Justice, or an administrative law judge, and their respective employees, without restrictions as to disclosure acceptable to the Review-Journal and Donrey, then the Review-Journal and Donrey shall have the unilateral right to withdraw the application and dismiss any further hearing or proceedings concerning the application.

Each party shall pay its own costs and professional fees in connection with the formulation and drafting of this Agreement and the preparation and filing of the application to the Department of Justice. From and after the filing of such application all costs and professional fees shall be borne equally by the parties with each party having reasonable approval of costs and fees to be incurred.

1.2 Duration. Subject to the termination provisions set forth in Article 9, this Agreement shall continue for an initial period ending at the close of business on the ~~31st day of~~ ~~December of the fiftieth (50th)~~ year following the Effective Date. The Agreement shall automatically renew for succeeding renewal periods of ten (10) years each unless either party shall notify the other in writing at least two (2) years prior to the end of the initial period that it elects to terminate the Agreement at the end of said fiftieth (50th) year, or unless either party shall notify the other in writing at least two (2) years prior to the end of the renewal period that it elects to terminate the Agreement as of the end of said renewal

period. The phrase "term of this Agreement" as used hereafter shall mean the initial period and any renewal period or periods.

ARTICLE 2

AGENCY

Donrey of Nevada, Inc. now owns and operates the Review-Journal, together with other unrelated business operations in the State of Nevada. In order to facilitate management, administration, record keeping and tax administration under this Agreement, Donrey, as of the effective date of this Agreement, shall have established a separate Nevada business corporation which shall own or lease all assets related to the operation of the Las Vegas Review-Journal. Donrey shall cause such corporate entity to assume and agree to perform all duties and obligations of the Review-Journal under the terms of this Agreement.

ARTICLE 3

TRANSFER OF CONTRACTS AND SALE OF SUPPLIES, INVENTORY AND EQUIPMENT BY SUN TO REVIEW-JOURNAL

3.1 Transfer to and Assumption by Review-Journal of Certain Contracts. To enable Review-Journal to perform its functions hereunder on behalf of Sun, Sun shall (as of the Effective Date) transfer certain assets and assign certain contracts to Review-Journal subject to the procedures and conditions hereinafter specified in this Section 3.1.

3.1.1 Delivery of Contracts and Data to Review-Journal.

Upon consent of the Attorney General as specified in Section 1.1, Sun shall furnish to the Review-Journal:

3.1.1.1 Circulation Contracts. All subscription, bulk sales, circulation, dealer and sub-dealer, and delivery agent lists and contracts related to the Sun in the possession or control of Sun, and all books and statements of account, records and other information relating to or concerning routes, daily draws by editions, distribution, delivery, sales returns, or prepaid subscriptions of the Sun in any territory, but not including the Sun's general books of account.

3.1.1.2 Contracts for Supplies. All contracts and other available information as may be reasonably necessary to form business judgments respecting such contracts, then held by Sun for the purchase of newsprint, film, ink and supplies for the Sun's mechanical departments, and all other similar contracts (other than those relating to the Sun's news and editorial departments) which would be helpful or beneficial to the Review-Journal in fulfilling its obligations hereunder.

3.1.1.3 Advertising Contracts. A list of all contracts then outstanding for publication of advertising in the Sun, which list shall indicate in each case the date of the contract, the name and address of the advertiser, the amount of space used up to that time, the amount unpaid and owing the Sun for advertising run to that time, the amount prepaid as of the Effective Date, the frequency of insertions, the rate, the expiration date, and any special conditions, records, requirements or publication orders with the date thereof, and any special instructions, agreements or commitments made by the Sun with

the advertiser with respect thereto, and all insertion orders for advertising subsequent to the Effective Date. Sun shall make available to the Review-Journal at the Review-Journal's request copies of any or all such contracts.

3.1.2 Analysis of Contracts and Assumption by Review-Journal. As soon as possible after such information and documents shall have been furnished to the Review-Journal, and in any event prior to the Effective Date, Review-Journal shall designate in writing to Sun those contracts that Sun shall assign to Review-Journal and which Review-Journal shall assume as of the Effective Date (excluding all portions which Sun had a duty to perform prior to the Effective Date); provided, that with respect to advertising contracts Review-Journal shall have no obligation to assume any advertising contract that is on a trade-out basis, and Review-Journal agrees that it will not refuse the assumption of any advertising contract solely on the basis of the contract rate. However, for advertising contracts containing rates which Review-Journal determines to be unreasonably low, Review-Journal shall have the right to charge to Sun the difference between the contract rate and a rate determined by Review-Journal to be reasonable, effective ninety (90) days after the date of assumption and continuing for the balance of such contracts. Subject to the foregoing, Review-Journal shall use its best efforts to maximize its designation of such contracts

to be assigned to and assumed by Review-Journal. Review-Journal pre-assumption analysis of such contracts and information may include consultation with the contracting parties, and Sun agrees to assist Review-Journal in that process. Sun shall remit to Review-Journal (a) all dealers', vendors' and carriers' cash deposits (to the extent that the same shall not be due and owing to such depositors on the Effective Date) and (b) all sums in respect of prepaid subscriptions and prepaid advertising received by Sun but not earned prior to the Effective Date. As to any assigned and assumed advertising contracts, Review-Journal shall have the right to make adjustments, such as rebates or short ratings of any of same so long as this shall not alter indebtedness due Sun prior to the Effective Date without Sun's approval. All such contracts to be assumed by Review-Journal shall be assigned to Review-Journal by Sun as of the Effective Date, and such contracts shall be assumed by Review-Journal as of that date and thereafter shall be performed by Review-Journal, and Sun shall be relieved from any and all performance obligations under such contracts accruing after the Effective Date.

3.2 Newsprint. Review-Journal shall procure, as of the Effective Date and thereafter, a supply of newsprint adequate to produce the Newspapers as defined in Section 5.1 below;

provided, that Review-Journal shall have the purchase and assumption obligations specified in Section 3.3 as to Sun newsprint.

3.3 Sale of Supplies, Inventory and Equipment. As of the Effective Date, Review-Journal agrees to purchase Sun's inventory of newsprint and supplies common to or usable in the operations of both newspapers (i.e., newsracks, production film, rubber bands, plastic bags, etc.). Upon the consent of the Attorney General as specified in Section 1.1, Sun shall deliver to Review-Journal a schedule identifying all supplies, inventory (on hand or in transit) and equipment owned or leased by Sun and used or available to be used in the production and distribution of the Sun. On or before the Effective Date, Review-Journal shall designate in writing which of the scheduled items of supplies, inventory and equipment it wishes to purchase or sublease, as the case may be.

As to such of the equipment as is owned by Sun, which Review-Journal determines to purchase, Sun shall be obligated to sell and deliver same and Review-Journal shall be obligated to buy at a purchase price equal to the purchase cost of such equipment or its then market value, whichever is lower.

As to such of the supplies and inventory which Review-Journal is obligated to purchase or designates for purchase by it, Sun shall be obligated to sell and deliver same and Review-Journal shall be obligated to buy at a purchase price equal to the cost of same to Sun, or its then market value, whichever is lower.

Any newspaper production equipment of the Sun which is not purchased by the Review-Journal may be sold by the Sun to a third party, provided that the sale of any such equipment to any party within the State of Nevada shall require Donrey's prior approval.

ARTICLE 4

NEWS AND EDITORIAL COPY, FEATURES AND SERVICES

4.1 Maintenance of News and Editorial Staff; Feature Materials. Review-Journal and Sun each shall maintain a staff of news and editorial employees, and shall license such feature materials (including, but not limited to, news and editorial services supplied by third parties), adequate to provide its respective newspaper with all of the news and editorial copy and related services deemed necessary by each of them as to its respective newspaper.

4.2 News and Editorial Allocations. The Review-Journal and the Sun shall establish, in accordance with the provisions of Appendix A attached hereto and made a part hereof by reference, the amounts to be allocated to Agency Expense, as hereinafter defined, for each for news and editorial expenses.

4.3 Furnishing News and Editorial Copy and Services. In furnishing features, news and editorial copy, and like materials to Review-Journal for publication in the Sun or the Sun portion of jointly published newspapers as provided in Section 4.4, and in providing layout for such material, Sun shall provide all such material in a form appropriate for the production of its

newspaper, or its portion of jointly published newspapers hereunder, in conformity with the mechanical standards, deadlines and production requirements which prevail in the Review-Journal plant from time to time, including page sizes, column widths, and cut-offs established by Review-Journal, upon reasonable notice to Sun. Sun shall acquire and maintain at its expense such newsroom equipment (including, but not limited to, typewriters, video terminals and news editing systems) as may be required as of the Effective Date to interface with Review-Journal production facilities. ~~Any changes or additions thereafter required in such equipment shall be covered by Appendix B hereto.~~ Newshole limitations and other matters for separate and jointly published newspapers are set forth in Appendix A hereto.

4.4 Furnishing Copy, Features and Services for Jointly Published Newspapers. Sun shall furnish editorial copy, features and comics to permit the Review-Journal to include them within jointly published newspapers, which shall be Sundays, Saturdays, holidays, other special editions and total market coverage editions. The Sun portion of jointly published newspapers shall be in accordance with Appendix A hereto. All components of jointly published newspapers shall bear the Review-Journal's headdress, typeface and style. The front page logo of all jointly published newspapers shall read "Las Vegas REVIEW-JOURNAL and SUN," and all folios shall similarly refer to both papers, except for editorial and other pages described in Appendix A as being for the use of only one newspaper, which

pages shall bear only the name of such newspaper. The Review-Journal shall provide all of the news content of jointly published newspapers, except for stories and features included on those pages described in Appendix A as being only for the use of the Sun. The Review-Journal reserves the right to print conspicuous notices in jointly published newspapers to the effect that the news content of the non-Sun portion of the newspaper, including locally produced supplements, is produced by Review-Journal personnel.

4.5 Showbiz Magazine. Showbiz Magazine, which is owned or controlled by Sun, is carried as an insert by the Sun and distributed to hotels in Las Vegas. As of the Effective Date, Showbiz Magazine shall be a department or division of the Sun and subject to the terms of this Agreement. If the Review-Journal determines that it no longer desires Showbiz Magazine to be governed by the terms of this Agreement and/or no longer desires to carry Showbiz Magazine as an insert in the jointly published Sunday newspaper, Review-Journal shall give sixty (60) days prior written notice to Sun, and Sun shall have the right to transfer Showbiz Magazine out of Sun, or continue publication and distribution of Showbiz Magazine, and in either case, outside the terms of this Agreement. In this event, Review-Journal agrees to perform, at the request of Sun, composition, production and printing services at reasonable costs and further agrees not to engage in the production of an entertainment magazine for distribution to Las Vegas hotels for a period of two (2) years.

ARTICLE 5

CONTINUING PUBLICATION AND NEWS AND EDITORIAL AUTONOMY

5.1 Production and Promotion of the Newspapers. Subject to the terms of this Agreement, and as of the Effective Date, Sun shall be a daily afternoon newspaper and Review-Journal shall be a daily morning newspaper and on Saturday, Sunday, holidays, and other special editions the newspapers shall be jointly published as provided in Section 4.4. So long as Sun furnishes news and editorial copy, features and services to Review-Journal in accordance with Article 4 of this Agreement, Review-Journal agrees to produce the Sun daily as an afternoon newspaper as provided herein, to include the Sun copy and features in jointly published newspapers as specified in Article 4 above, and to sell all advertising for, promote and circulate such newspapers as provided herein. Review-Journal agrees that the afternoon Sun and the Sun portion of jointly published newspapers shall contain no editorial content other than that furnished by Sun. Also subject to the terms of this Agreement, Review-Journal further agrees to publish and produce for the term of this Agreement the Las Vegas Review-Journal daily as a morning newspaper and to produce jointly published newspapers as provided herein. The daily Sun and the Sun portion of jointly published newspapers, and the daily Review-Journal and the balance of the jointly published newspapers are hereinbefore and hereinafter referred to as the "Newspapers".

Review-Journal shall print the Newspapers on equipment owned or leased by the Review-Journal in the Review-Journal plant or plants located at such place or places as Review-Journal may determine, and all operations under this Agreement, except the operation of the Sun's news and editorial department, shall be carried on and performed by the Review-Journal with Review-Journal employees and equipment and in the Review-Journal's said plant or plants or by independent contractors selected by the Review-Journal.

The Review-Journal shall control, supervise, manage and perform all operations involved in managing and operating under this Agreement, including printing, selling and distributing the Newspapers, shall determine page sizes, number of columns per page, cut-offs, page makeup of non-news and non-editorial content (subject to the newshole formula set forth in Appendix A), and all other mechanical and technical functions of the Newspapers, shall purchase newsprint, materials and supplies as required (subject to Sun's obligations under Section 3.2), shall determine the rates for, solicit and sell all advertising space in the Newspapers, shall determine circulation rates, collect the Newspapers' circulation and advertising accounts receivable which come into existence after the Effective Date, and shall make all determinations and decisions and do any and all acts and things related to the foregoing activities, provided:

5.1.1 Format. Review-Journal shall not change the format of the Sun to any size or format different from that of the Review-Journal without approval of Sun.

5.1.2 Editions. The number of Sun editions shall not be changed without approval of Sun.

5.1.3 Best Efforts. Review-Journal agrees that it will use its best efforts, using the same degree of diligence, to sell advertising space in the Sun and the Review-Journal and to promote and circulate the Sun and the Review-Journal.

5.1.4 Promotional Activities. Review-Journal shall establish for each fiscal year a budget for promotional activities which shall be allocated between the Review-Journal and the Sun in accordance with the provisions of Appendix A, attached hereto and made a part hereof by reference. Promotional activities may include radio and television, outdoor advertising, in-paper or house advertisements, and other advertising media. All expenses of such promotional activities shall be Agency Expense, up to the amount of the promotional budget allocation. If either the Review-Journal or the Sun determines that it wishes to incur expenses in excess of those in the promotional budget, such expenses shall not be included in Agency Expense. Direct circulation sales expenses, including such items as carrier premiums and expenses of order generation shall not be included in the promotional budget and shall be allocated by Review-Journal between the newspapers so as to maximize the maintenance and enhancement of the circulation of the newspapers to the

extent economically feasible. The newsroom of each newspaper shall determine the nature, extent and timing of its promotional activities and shall supply basic information therefor. Review-Journal promotion management shall be responsible for all final promotional copy preparation and placements.

5.1.5 Rates. Review-Journal shall not increase the single copy or subscription prices of the daily edition of the Sun to an amount higher than the comparable rates for the Review-Journal. Review-Journal shall not change the rates for advertising to be run solely in the Sun in relation to the rates charged for comparable advertising to be run solely in the Review-Journal, unless such change is justified by the then-relative circulation of the Sun and the Review-Journal and other factors considered relevant in the industry.

5.1.6 Meetings of JOA Participants. Periodically, not less than four times per year, Donrey senior management shall meet with Sun senior management to discuss operations under this Agreement and future plans and opportunities.

5.1.7 Advertising Acceptability. Sun may reject any advertising or types of advertising for the Sun which is in the opinion of Sun undesirable or inappropriate for publication therein, and shall notify Review-Journal in writing of any specific advertising or types of advertising that Sun deems undesirable for publication. Review-Journal shall accept all advertising for the Sun other than the advertising indicated on

Sun's written notice, subject to all laws affecting the acceptability of advertising.

5.1.8 Sun Distribution. To the extent economically feasible, Review-Journal shall use its best efforts to substantially maintain the historical area and extent of distribution of the Sun.

5.2 News and Editorial Autonomy. Preservation of the news and editorial independence and autonomy of both the Review-Journal and the Sun is of the essence of this Agreement. Sun shall have exclusive and complete control, authority and direction over the news and editorial content, features and services to be furnished by Sun to Review-Journal to be included in its newspaper and in its portion of the jointly published newspapers, including without limitation the right of selection of all its news and editorial employees, and the exclusive right to hire and discharge such employees. Review-Journal shall have exclusive and complete control, authority and direction over the news and editorial content, features and services in its newspapers and in its portion of the jointly published newspapers, including without limitation the right of selection of all its news and editorial employees, and the exclusive right to hire and discharge such employees. The Review-Journal and Sun each hereby agrees to preserve high standards of newspaper quality throughout the term of this Agreement. All news and editorial expense of the Sun or the Review-Journal in excess of the amounts set forth in Appendix A shall be borne by the respective newspaper.

5.3 Performance and Cooperation. Sun and Review-Journal agree to take all corporate action necessary to carry out and effectuate the intent, purposes and provisions of this Agreement, and to cooperate with the other party in every reasonable way that will promote successful and lawful operation under this Agreement for both parties.

5.4 Sun Office Space. The Sun shall have the option to provide its own offices for its news and editorial department and senior management, or to occupy office space, to be provided by the Review-Journal, adjacent to the Review-Journal's newspaper building.

ARTICLE 6

PAYMENT OF EXPENSES, DISTRIBUTION OF REVENUES, AND OTHER FINANCIAL PROVISIONS

6.1 Expenses and Revenues. Review-Journal shall pay and record all Agency Expense, as defined in Appendix B hereto, and collect and record all Agency Revenues as defined in Appendix C hereto, and shall pay to Sun, monthly, a sum for Sun news and editorial expense as provided in Appendix A hereto.

6.2 Accounting Records. Accounting records of Agency Revenues and Agency Expense shall be maintained by Review-Journal. Accounting records of news and editorial expense shall be separately maintained by the Review-Journal and the Sun for their respective newspapers. All such records shall be kept on a fiscal year basis in reasonable detail and in accordance with generally accepted accounting principles. Financial statements to be provided under Section 6.3 shall be prepared

in accordance with generally accepted accounting principles and the applicable provisions of this Agreement.

6.3 Financial Statements. Within ninety (90) days following the close of each fiscal year, Review-Journal shall furnish to Sun financial statements in respect of such year which summarize Agency Revenues and Agency Expense hereunder. Within thirty (30) days after the end of each month, except the last month of the fiscal year, Review-Journal shall furnish to Sun a monthly financial statement summarizing Agency Revenues and Agency Expense. All Agency financial statements furnished by Review-Journal shall be certified by a financial officer of Review-Journal.

6.4 Distributions. Payments of Sun's share of operating profit, pursuant to Appendix D, shall be made with each financial statement to be furnished to Sun under the provisions of Section 6.3 above.

ARTICLE 7

TRANSITIONAL MATTERS

7.1 Collection of Sun Receivables. After the Effective Date, Review-Journal shall use its best efforts (without any obligation to institute legal proceedings) to collect Sun advertising and circulation accounts receivable which are outstanding on the Effective Date and shall remit same to Sun on a monthly basis, less the Agency's reasonable collection costs specifically incurred in connection therewith. Such collections and collection costs recovered by Review-Journal shall not be Agency Revenues or Agency Expense. Any such

advertising accounts which have not been collected by Review-Journal within sixty (60) days after the Effective Date shall be returned to Sun. Collections from particular subscribers shall first be applied to circulation accounts receivable unless otherwise agreed by Sun. As to any Sun advertising or circulation contracts assumed by Review-Journal under Section 3.1 above, Review-Journal will remit to Sun the portion of the receipts thereunder reflecting advertising run or circulation delivered by Sun prior to the Effective Date but not payable until on or after that date, and such portion shall not be Agency Revenues.

7.2 Termination Obligations. Sun shall be solely responsible for all notices, severance allowances, accrued benefits, or other related payments or obligations which may become due or payable to any terminated employee or agent of Sun.

7.3 Sun Personnel. Review-Journal shall be under no obligation to employ any terminated Sun employee.

ARTICLE 8

NONLIABILITY PROVISIONS

8.1 Defense of Claims and Indemnification. Any claim, demand, suit, action, obligation or other liability asserted against or sustained by Review-Journal and Sun, or either of them, in respect of any third party ("Claims") shall be dealt with as provided in this Article 8. For all purposes of this Article 8, the term "cost or expense" shall include reasonable attorneys' fees.

8.1.1 Claims Related to the Joint Operation. Review-Journal shall defend and shall control the defense or settlement of any third party Claims related to the joint operations or to its performance or non-performance under this Agreement (including but not limited to Claims arising from any advertising published in, or excluded from, any of the Newspapers -- except as provided in Section 8.1.2 -- and Claims in respect of feature, news and editorial content furnished by Sun hereunder arising as a result of any act or omission on the part of Review-Journal other than republication in the form furnished by Sun), devoting reasonable efforts to minimizing any resulting liability and related cost or expense. Any such liability, and the cost or expense related thereto, shall be an Agency Expense, except to the extent any such Claim shall be covered by insurance. Review-Journal shall give written notice to Sun of any material Claims arising under this Section 8.1.1.

8.1.2 Other Claims. Except as specifically provided in Section 8.1.1. or elsewhere in this Agreement, neither party hereto shall be charged with or held responsible for any third party Claims (except to the extent certain Sun contracts shall be assumed by Review-Journal under Article 3), arising before or after the Effective Date by reason of any act or omission on the part of the other party, and the responsible party shall indemnify and hold the other party harmless therefrom, including all related cost or expense. The responsible party shall defend, settle, pay or discharge any such Claim and shall indemnify and hold harmless

the other party against any such Claim, and from any liability, cost or expense arising therefrom. By way of example under this section 8.1.2 and without limitation, the entire cost or expense of defending, settling or paying and discharging Claims relating to any feature, news or editorial copy published in, or excluded from the daily Review-Journal or the Review-Journal portion of the jointly published newspaper, or arising by reason of anything done or omitted by the news and editorial department of the Review-Journal in regard to its daily newspaper or the Review-Journal portion of the jointly published newspaper, or arising by reason of any advertising rejected by the Review-Journal or accepted by the Review-Journal in situations where such advertising would be rejected pursuant to Sun guidelines, shall be borne by the Review-Journal, and any such liability, cost or expense on account of Claims relating to any feature, news or editorial copy published in, or excluded by Sun from the daily Sun or the Sun portion of any jointly published newspaper, or arising by reason of anything done or omitted by the news and editorial department of the Sun, or arising by reason of any advertising rejected by the Review-Journal pursuant to Sun guidelines, or accepted in situations where such advertising would be rejected pursuant to Review-Journal guidelines, shall be borne by Sun, unless such Claims shall be an Agency Expense by reason of the operation of Section 8.1.1.

8.1.3 Insurance. For the purposes of this Article 8, each party shall separately maintain and pay for, as an item of

news and editorial expense, insurance to the extent reasonably available protecting against losses from libel, invasion of privacy, copyright or trademark infringement and other matters related to the gathering or preparation of news and editorial matter for publication, in such amounts as the parties may agree upon from time to time, but in no event less than Ten Million Dollars (\$10,000,000), and the other party shall be named as an additional insured.

8.2 Force Majeure. Neither party shall be liable to the other for any failure or delay in performance under this Agreement, occasioned by war, riot, government action, act of God or public enemy, damage to or destruction of facilities, strike, labor dispute, failure of suppliers or workers, inability to obtain adequate newsprint or supplies, or any other cause substantially beyond the control of the party required to perform, provided that in the event partial performance under this Agreement is feasible, notwithstanding the occurrence of one or more of the foregoing, performance shall be allocated between the newspapers by the Review-Journal, in its sole judgment, and if it is feasible to publish only one newspaper product, Review-Journal shall exercise its best efforts to produce a jointly published newspaper in which the Sun portion shall be determined by Review-Journal, notwithstanding the provisions of Appendix A hereto, provided, that the Sun portion shall not be less than two (2) pages.

ARTICLE 9

TERMINATION

9.1 Events of Termination. This Agreement shall continue in full force and effect unless and until it may be terminated by the occurrence of one of the following events of termination:

9.1.1 Voluntary Termination. Voluntary termination under the provisions of Section 1.1.

9.1.2 Bankruptcy or Default. If either party hereto makes an assignment of its assets for the benefit of creditors, is adjudged a bankrupt or has a receiver appointed for its business by a court of competent jurisdiction (provided, that such adjudication shall continue unstayed on appeal or otherwise in effect for a period of ninety (90) days after the entry of the decree related thereto before such adjudication becomes an event of termination, and further provided that the appointment of the receiver must continue unvacated, not set aside, not stayed or otherwise in effect for a period of ninety (90) days after such appointment before such appointment becomes an event of termination), or if either party defaults in the performance of any of its material obligations hereunder and does not cure such default within sixty (60) days after receiving written notice thereof from the other party, then such other party may, at its election, and in addition to all other remedies available to it at law or in equity, terminate this Agreement upon thirty (30) days' written notice by the Sun and sufficient notice by the Review-Journal to enable the Sun to arrange for the separate

production of the Sun, but not to exceed six (6) months; provided, that in the event of default, the other party shall have the additional option to cure such default and, on demand, be reimbursed by the defaulting party for all costs and expenses related thereto.

9.1.3 Change of Controlling Interest. In view of the nature of the relationship established by this Agreement and the fact that the Sun is published under the direction and control of Herman M. Greenspun and Brian L. Greenspun, the Review-Journal shall not be required to carry out the terms of this Agreement or be associated with another party to which it objects. Accordingly, ownership or control of the Sun shall not be transferred to any other entity or person without notice to and prior approval by the Review-Journal, provided that the Review-Journal will not object to any transfer of the ownership or control of Sun to any entity under the immediate direction and control of Herman M. Greenspun, or Brian L. Greenspun, or any other lineal descendant of Herman M. Greenspun. If, following an approved or permitted change of control of Sun, a subsequent change of control occurs, notice as hereinabove shall be given and the Review-Journal may exercise the rights provided herein.

9.1.4 Loss Operation. If there are any two (2) consecutive years in which the Agency does not have an operating profit (Agency Expenses in excess of Agency Revenues), despite the Review-Journal's good faith efforts to produce an operating

profit, the Review-Journal may terminate this Agreement upon ninety (90) days written notice.

9.2 Mechanics of Termination. Upon termination of this Agreement, Review-Journal shall take appropriate action to transfer to Sun: (a) all then current circulation contracts, agreements or lists concerning bulk sales, subscriptions, dealers and sub-dealers, distributions, deliveries, sales returns and prepaid subscriptions of the Sun's daily newspaper, and of all jointly published newspapers, plus all pertinent portions of then current records and data pertaining thereto, and all sums received by Review-Journal in respect of prepaid subscriptions and cash deposits relating to daily Sun circulation, and a pro rata portion of all sums received by Review-Journal in respect of such subscriptions and deposits relating to the jointly published newspaper circulation, and (b) all then current advertising contracts and all pertinent portions of then current records and data relating to advertising to be published in the Sun and in all jointly published newspapers. Review-Journal shall further provide Sun with the originals and all copies of all contracts relating solely to circulation and advertising of the daily Sun, and copies of all other contracts referred to in the immediately preceding sentence.

ARTICLE 10

MISCELLANEOUS

10.1 Notices. Each notice or other communication given pursuant to this Agreement shall be given in writing, delivered

in person or mailed by registered or certified mail, addressed to the respective parties as follows:

Review-Journal: Donrey, Inc.
P. O. Box 410
Las Vegas, NV 89125
Attention: Fred W. Smith

Sun: Las Vegas Sun, Inc.
P. O. Box 4279
Las Vegas, NV 89127
Attention: Brian L. Greenspun

or, in the case of either party hereto, at such other address or marked for the attention of such other person, as such party may set forth in a written notice to the other party.

10.2 Disclaimer of Labor Related Obligations. The parties specifically agree that neither party hereby assumes any obligations of the other party related to its employment practices or to any of its employees, whether or not arising under any collective bargaining agreements or arising prior to, on or subsequent to the Effective Date.

10.3 Inspection of Books and Records. Either party shall have the right to authorize its independent certified public accountants or any of its corporate officers to inspect the books and records of the other party hereto at reasonable times and intervals in regard to the financial statements specified in Article 6, but only as to the three (3) years preceding the exercise of the right of inspection, commencing with the year immediately preceding the year in which the right is exercised. The expenses of any such inspection shall be borne by the party

causing such inspection to be made and shall not be included in Agency Expenses.

10.4 Limited Effect. Nothing herein contained shall constitute the parties hereto partners, joint venturers, successors, alter egos, joint employers, an unincorporated association, or as having any relationship other than as specifically provided by this Agreement. This Agreement is intended solely for the benefit of the parties hereto, and their permitted successors and assigns and not for the benefit of any other person or party. This Agreement, including Appendices A through D hereto, and contracts and agreements supplemental hereto, comprises the entire understanding and agreement of the parties hereto on the subject matter herein contained and any and all other representations or agreements, which heretofore may have been made on such subject matter, whether oral or in writing, by any agent of either party shall be null, void and of no effect whatsoever. Time is of the essence of this Agreement.

10.5 Community Cable TV. As of the Effective Date, Sun shall assign or cause to be assigned to Donrey the right to receive ten percent (10%) of all dividends or distributions of any kind paid or made by Community Cable TV ("CCTV"), a Nevada corporation which owns and operates a cable television system serving Las Vegas and surrounding communities and certain unincorporated areas of Clark County, Nevada, to any of its shareholders, including any payments in excess of current salaries or current percentages of income as management or

consultant fees paid by CCTV to any of its shareholders. With respect to payments to be made to Donrey hereunder, Sun shall cause CCTV to make such payments, or make such payments directly to Donrey. As soon as permitted under the terms of certain shareholder and financing agreements, CCTV shall issue to Donrey ten percent (10%) of the total issued and outstanding common stock of CCTV, which shall be issued as fully paid and nonassessable. In addition, at such time as Sun or its affiliates have purchased all of the issued and outstanding common stock of CCTV owned by third parties, Donrey shall have the right to purchase an additional thirty-five percent (35%) of the issued and outstanding common stock of CCTV on the same terms and conditions, including price, as those on which Sun or its affiliates acquired such stock, which shall be issued as fully paid and nonassessable. In the event of the sale by Sun or its affiliates of any interest in CCTV prior to Donrey's acquisition of stock, Donrey shall be entitled to receive ten percent (10%) of the net sale proceeds, and Donrey's right to receive its ten percent (10%) stock interest shall be ratably reduced. Donrey's rights with respect to CCTV as herein provided shall survive the expiration or termination of this Agreement, provided, in the event the Review-Journal and Donrey withdraw from the application to the Department of Justice, pursuant to Section 1.1 of this Agreement, or if the Review-Journal terminates this Agreement pursuant to Section 9.1.4. within the first three (3) years of the term of this Agreement, Donrey's rights with

respect to CCTV shall terminate, and in the event Donrey has received any payments, issuances, or transfers of or with respect to CCTV stock pursuant hereto prior to Donrey's withdrawal from the application to the Department of Justice or the Review-Journal's termination of this Agreement as herein provided, such payments, issuances or transfers of or with respect to CCTV stock shall be refunded or rescinded.

10.6 Sun Trademark, Tradenames, Service Marks and Copyrights.

In its use of such Sun trademarks, tradenames, service marks and copyrights as may be required to perform its obligations under this Agreement, Review-Journal shall use its best efforts to comply substantially with all relevant laws of the State of Nevada and of the United States pertaining to trademarks, tradenames, service marks and copyrights in force at any time during the term of this Agreement. Sun shall use its best efforts to maintain in effect said trademarks, tradenames, service marks and copyrights, and shall make applications for the registration and/or renewal thereof if and when required by law. Review-Journal acknowledges Sun's right, title and interest in and to said trademarks, tradenames, service marks and copyrights and all renewals thereof, and agrees that it shall not at any time permit, take, or cause to be taken any action within its control in any way impairing or tending to impair any part of such right, title and interest. Review-Journal agrees to publish such notices in the Sun and the jointly published newspapers as Sun reasonably may request in order to protect

said trademarks, tradenames, service marks and copyrights, or any of them. Review-Journal shall not in any manner represent that it has any ownership interest in said trademarks, tradename, service marks or copyrights or in the registration thereof, and Review-Journal acknowledges that its use hereunder of said trademarks, tradenames, service marks or copyrights shall not create in its favor any right, title or interest in or to same beyond those created by this Agreement.

10.7 Tax Treatment of Payments to Sun. It is contemplated by the parties that the payments to Sun under Section 6.4 of this Agreement will be, for federal income tax purposes, ordinary income to Sun and will be deductible by Review-Journal as a business expense.

10.8 Specific Performance. Because of the public interest of maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages in the event of default in the performance of material obligations hereunder, each party shall have the right to seek specific performance of the material provisions of this Agreement, provided, that in the event of any action by Sun for specific performance against Review-Journal, if Sun does not obtain an order of specific performance, Review-Journal shall be entitled to recover in such action its attorneys' fees and costs.

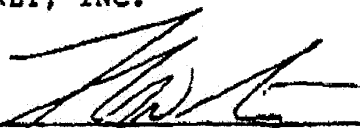
10.9 Successors and Assignment. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their permitted successors and assigns.

10.10 Governing Law; Modification. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, modification or discharge shall be sought.

10.11 Headings. Headings have been inserted in this Agreement for the purpose of convenience only. They shall not be used to interpret or construe the meaning of any Articles or Sections, nor shall they have the effect of limiting or enlarging the meaning thereof.

IN WITNESS WHEREOF, this Agreement has been executed by the parties' respective corporate officers thereto duly authorized as of the day and year first above written.

DONREY, INC.

By 
Fred W. Smith
President

LAS VEGAS SUN, INC.

By 
Brian L. Graenspun
President

APPENDIX A

A.1. Pursuant to Section 4.2 of this Agreement, for each fiscal year after the Effective Date Review-Journal shall establish an allocation for Review-Journal news and editorial expenses, and the allocation for, news and editorial expenses for the Sun shall be equal to sixty-five percent (65%) of the Review-Journal allocation, subject to a minimum of Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) per fiscal year, which shall be increased each year by a percentage equal to the percentage increase in the CPI for the Las Vegas metro area. Such allocations shall be prorated for any period less than a full fiscal year. The aggregate allocations for news and editorial expenses shall constitute Agency Expense. On the first day of each month following the Effective Date, Review Journal shall pay to Sun an amount equal to one-twelfth (1/12th) of the Sun's annual allocation for news and editorial expenses as herein provided.

A.2. Pursuant to Sections 4.3 and 4.4 of this Agreement, the reading content of the newspapers shall be in accordance with the following formulas:

(a) For Monday through Friday editions, the number of pages of the Sun and the number of pages of the Review-Journal shall be determined by the ratio of the number of inches of advertising to be printed in each newspaper and the size of the newshole in each newspaper shall be determined by the same ratio, provided that in no event

shall the average newshole of the Sun in any month be less than eighty-five percent (85%) of the newshole of the Review-Journal in such month.

(b) For the jointly published Sunday edition, Sun shall be entitled to a separate section of three (3) open pages (one cover page, one editorial page and one op. ed. page), plus four hundred fifty (450) column inches, provided, that the Review-Journal may add additional pages to the Sun section comprised of news and advertising, as may be required by composition or printing requirements. The Review-Journal shall attempt to place the Sun section within the first four (4) sections of the Sunday edition. The Review Journal shall determine the number of pages for a comic section for jointly published Sunday editions which shall consist of strips and features selected equally by the Review-Journal and the Sun.

(c) For jointly published Saturday and holiday editions, the Sun shall be entitled to one editorial or op. ed. page and one comic page.

A.3. Pursuant to Section 5.1.4 of this Agreement, the Review-Journal shall establish for each fiscal year after the Effective Date a budget for promotional activities of the Review-Journal and the Sun and at least forty percent (40%) of each total budget shall be allocated to the Sun.

A.4. Edition times for Monday through Friday issues of the Review-Journal and the Sun and for jointly published Sunday,

Saturday and holiday editions shall be established by the Review-Journal in accordance with normal industry standards.

A.5. If the Review-Journal determines that it is feasible to publish an "extra" edition, such edition shall be a jointly published edition, but the content of any "extra" edition shall be determined solely by the Review-Journal.

APPENDIX B

B.1. Except as otherwise expressly provided for in this Agreement, the term "Agency Expense" shall mean and include all costs and expenses of the performance of the Review-Journal's obligations under this Agreement, including but not limited to:

~~B.1.1. The amounts allocated to Review-Journal and Sun for news and editorial expenses and for promotional expenses as set forth in Appendix A.~~

B.1.2. Costs and expenses incurred by Review-Journal, with respect to the newspapers, supplements and Showbiz Magazine, for composition, printing, and distributing; news content of Showbiz Magazine; solicitation and sale of advertising; circulation sales expenses; collection of circulation and advertising accounts receivable, including a reasonable allowance for doubtful receivables and write-offs of receivables deemed uncollectible.

B.1.3. Compensation of Review-Journal's non-news and non-editorial employees, including, without limitation, salaries, commissions, payroll taxes, the cost of group insurance, retirement benefits, workers' compensation coverage, and other benefits for such employees as may be customary in the newspaper industry from time to time.

B.1.4. Accrued vacation or severance pay for Review-Journal's non-news and non-editorial employees.

~~Agency~~ costs s/h/multide
income taxes
RJ liable 1975

B.1.5. Costs for supplies, postage, private couriers, freight, Sunday comics and supplements, film, photo paper and chemicals, ink, newsprint, plates, cuts and mats and contract trucking, and similar costs for all Review-Journal newspaper departments, other than news and editorial.

B.1.6. Expenses for travel, auto allowances, mileage reimbursement, employee relations, recruiting, and attendance at seminars and conventions for Review-Journal's non-news and non-editorial employees.

B.1.7. Sales and use taxes on equipment and personal property purchased for use by Review-Journal or otherwise applied to Agency operations under this Agreement to the extent that such taxes are not capitalized for purposes of depreciation or amortization.

B.1.8. Taxes, license or permit fees paid by Review-Journal with respect to or resulting from the conduct of business under this Agreement or with respect to property used by Review-Journal in the operations under this Agreement, except federal, state or local taxes, if any, measured by net income.

B.1.9. The cost of membership for Review-Journal and Sun and their non-news and non-editorial employees in the Better Business Bureau, Las Vegas Chamber of Commerce, and other business-oriented



memberships which shall be determined by Review-Journal to be in the best interests of the Agency.

B.1.10. The cost of Review-Journal and Sun membership in the Newspaper Advertising Bureau, American Newspaper Publishers Association, and other similar newspaper organizations.

B.1.11. The cost of public liability insurance, insurance against interruption or suspension of publication of the newspapers, carrier insurance, and libel, invasion of privacy and related insurance covering advertising printed in the newspapers. Insurance costs relating to the news or editorial activities of the Review-Journal or the Sun shall not be considered Agency Expense and such costs shall be borne separately by the parties; provided, that each party shall attempt to add the other as an additional named insured under such insurance, but Review-Journal may procure libel, invasion of privacy and related insurance to cover any otherwise inadequately insured exposure it may have as a republisher of Sun news, editorial or advertising copy, and the cost of such additional insurance shall be an Agency Expense.

B.1.12. The cost of fire and casualty insurance on buildings, equipment, and other property utilized by Review-Journal in the performance of the Agreement.



B.1.13. The cost of all utilities related to the Review-Journal's performance of the Agreement.

B.1.14. Costs and expenses incurred in connection with hazardous waste materials.

B.1.15. Costs and expenses incurred by Review-Journal in obtaining legal and other professional services which it deems necessary in performing its obligations under this Agreement, including but not limited to the costs and fees related to any defense against third party claims, charges, complaints and related matters asserted against the Review-Journal related to the Agreement or Review-Journal's performance of the Agreement; provided, that such costs and fees related to news and editorial liabilities as defined in Section 8.1.2 shall not be Agency Expense, except insofar as such liabilities are asserted against Review-Journal solely due to its republication of Sun news, editorial or feature material or advertising copy.

B.1.16. A monthly charge of Five Hundred Fifty Thousand Dollars (~~\$550,000~~) for the rental value of all Review-Journal real property, plant and equipment (including the value of Sun office space provided by Review-Journal under Section 5.4 of the Agreement), except that devoted to non-agency activities such as the Review-Journal's news and editorial operations. The rental charge would be adjusted each five (5)



years on the basis of the change in the CPI for the Las Vegas, Nevada, market.

B.1.17. A monthly charge equal to one and one-half percent ($1\frac{1}{2}\%$) of the cost of all equipment acquired, expansion or remodeling of buildings, or other capital expenditures, in connection with Agency activities, subsequent to the date of the Agreement. The monthly charge would be subject to adjustment at any time on the basis of increases in the prime interest rate at First Interstate Bank, Las Vegas, Nevada. The Review-Journal shall have sole discretion regarding the purchase of equipment or other necessary capital expenditures for the performance of the Agreement.

B.1.18. A monthly charge for general management services equal to three and one-half percent ($3\frac{1}{2}\%$) of Agency Revenues.

B.2. All costs and expenses in connection with the news content, composition, production, distribution and advertising sales in connection with Showbiz Magazine shall be included in Agency Expense for the period Showbiz Magazine is governed by the terms of this Agreement, pursuant to Section 4.5.

B.3. Changes or additions in the Sun's newsroom equipment which may be required after the Effective Date to interface with Review-Journal production facilities shall be purchased or paid for by Review-Journal and a monthly charge equal to one and one-half percent ($1\frac{1}{2}\%$) of the cost thereof shall be



included in Agency Expense. This monthly charge would be subject to adjustment at any time on the basis of increases in the prime interest rate at First Interstate Bank, Las Vegas, Nevada.

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APPENDIX C
AGENCY REVENUES

C.1. Except as otherwise expressly provided in this Agreement, the term "Agency Revenues" shall mean and include:

C.1.1. All advertising and circulation revenues of the newspapers, subject to the provisions of Section 7.1 of this Agreement with respect to accounts receivable outstanding on the Effective Date.

C.1.2. All revenues from sales incidental to the publication of the newspapers or involving either the facilities used to produce the newspapers or personnel whose compensation is included in Agency Expense, such as sales of commercial printing, waste paper, press plates, and other production materials.



APPENDIX D

Operating profit under the Agreement shall mean the excess of Agency Revenues over Agency Expense, and shall be distributed as follows:

For each fiscal year during the term of the Agreement the operating profit shall be distributed ninety percent (90%) to the Review-Journal and ten percent (10%) to the Sun, with payment to be made to the Sun pursuant to the provisions of Section 6.4 of the Agreement, provided, that for the first fiscal year the Sun shall be guaranteed a minimum operating profit distribution of Three Million Dollars (\$3,000,000).

APPENDIX D

Operating profit under the Agreement shall mean the excess of Agency Revenues over Agency Expense, and shall be distributed as follows:

For each fiscal year during the term of the Agreement the operating profit shall be distributed ninety percent (90%) to the Review-Journal and ten percent (10%) to the Sun, with payment to be made to the Sun pursuant to the provisions of Section 6.4 of the Agreement.



EXHIBIT 2

2005 Amended and Restated [Joint Operating] Agreement

EXHIBIT 2

2005 Amended and Restated [Joint Operating] Agreement

AMENDED AND RESTATED AGREEMENT

This Amended and Restated Agreement ("Restated Agreement") dated as of June 10, 2005 between DR Partners, a Nevada General Partnership, the successor-in-interest to Donrey of Nevada, Inc. ("DR") and the Las Vegas Sun, Inc., a Nevada corporation ("Sun").

PRELIMINARY STATEMENT

WHEREAS, DR owns and publishes in Las Vegas, Nevada, a morning newspaper on weekdays, a morning newspaper on Saturdays and holidays, and a Sunday newspaper, each known as the Las Vegas Review-Journal (hereinafter referred to as the "Review-Journal"); and

WHEREAS, Sun owns in Las Vegas, Nevada, an afternoon newspaper on weekdays, known as the Las Vegas Sun (hereinafter referred to as the "Sun") and a combined Saturday and Sunday paper with the Review-Journal; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I REGULATORY FILING AND TERM

1.1 Regulatory Filing. Within ten business days (or on such later day as the parties may agree) the Parties agree to file the Restated Agreement with the Attorney General of the United States under the Newspaper Preservation Act within the Department of Justice and to use their best efforts and take all action necessary to effect the intent of this Restated Agreement. In the event of any action by the United States Department of Justice after the filing of the Restated Agreement which, in the sole opinion of either party, hinders, impairs, seeks to halt or otherwise materially impacts this Restated Agreement, then either party may declare the Restated Agreement null and void, and the 1989 Agreement between the parties shall be reinstituted and remain in full force and effect. The Restated Agreement does not constitute any limitation on either party's obligation to engage in good faith labor negotiations if and as required by the National Labor Relations Act, and to implement any understandings it may reach in such negotiations.

Upon execution hereof, each party shall furnish to the other a written opinion of its counsel that all necessary corporate or partnership action has been taken to authorize this Restated Agreement and that, subject to the conditions of the preceding paragraph, this Restated Agreement shall constitute the valid and binding obligation of the respective party. The parties agree to cooperate in coordinating meetings with government officials, community leaders, employees and their representatives, advertisers and others to explain the Restated Agreement.

Each party shall pay its own costs and professional fees in connection with the formulation and drafting of the Restated Agreement and the preparation and filing of the Restated Agreement with the Department of Justice. From and after the filing of such Restated Agreement, all costs and professional fees in connection with seeking any required approval by the Department of Justice shall be controlled and approved by the Review-Journal and such cost and shall be borne solely by Review-Journal.

1.2 Term. The term of this Restated Agreement shall begin at 12:00 a.m. on June 10, 2005 ("the Effective Date"). The 1989 Agreement shall remain in full force and effect through September 30, 2005 (the "Transition Date"). Subject to the termination provisions set forth in Article 9, the Restated Agreement shall continue for an initial period ending at the close of business on the 31st day of December of the fiftieth (50th) year from July 1, 1990. The Restated Agreement shall then automatically renew for succeeding periods of ten (10) years unless either party shall notify the other in writing at least two (2) years prior to the end of the then current period that it elects to terminate the Restated Agreement at the end of said period. The phrase "term of this Agreement" as used hereafter shall mean the initial period and any renewal period or periods.

ARTICLE 2

AGENCY

Intentionally omitted

ARTICLE 3

Intentionally omitted

ARTICLE 4

NEWS AND EDITORIAL COPY, FEATURES AND SERVICES

4.1 Maintenance of News and Editorial Staff, Feature Materials. Review-Journal and Sun each shall maintain a staff of news and editorial employees, and shall license such feature materials (including, but not limited to, news and editorial services supplied by third parties), adequate to provide its respective newspaper with all of the news and editorial copy and related services deemed necessary by each of them as to its respective newspaper. Review-Journal shall use commercially reasonable efforts to cause third party suppliers of feature materials and professional associations to provide such feature materials and association memberships to Sun at rates equivalent to those currently charged to Sun.

4.2 News and Editorial Allocations. The Review-Journal and the Sun shall each bear their own respective editorial costs and shall establish whatever budgets each deems appropriate.

4.3 Furnishing News and Editorial Copy and Services. In furnishing features, news and editorial copy, and like materials to Review-Journal for publication in the Sun, and in providing layout for such material, Sun shall provide all such material in a form appropriate for the production of its newspaper, in conformity with the mechanical standards, deadlines and production requirements which prevail in the Review-Journal plant from time to time, including

deadlines, page sizes, column widths, and cut-offs established by Review-Journal, upon reasonable notice to Sun. Sun shall acquire and maintain at its expense such newsroom equipment (including, but not limited to, newspaper production systems, i.e., "front-end" systems) as may be required to interface with Review-Journal production facilities. In the event that the newspaper production system used by the Review-Journal is changed and (i) the Sun has utilized a production system that is current with systems commonly employed in the newspaper industry; (ii) the change by the Review-Journal results in any loss of a fully functional interface with the Sun newspaper production system, the Review-Journal shall be responsible to furnish such additional software, hardware and technical services to the Sun as may be necessary to establish such an interface. The Review-Journal shall give Sun ninety (90) days advance notice of anticipated changes to the Review-Journal's production system, including technical specifications for the new or modified system. The Sun shall treat any software provided as confidential and conform to all applicable licensing requirements for such software. Newshole limitations and other matters are set forth in Appendix A hereto. The parties agree to begin the publication cycle changes for the Sun on the Transition Date (or on such latter day as the parties may agree). The Review-Journal reserves the right to print conspicuous notices to the effect that the news content of the non-Sun portion of the Newspapers, including locally produced supplements, is produced by Review-Journal personnel. The Sun reserves the right to print conspicuous notices to the effect that the news content of the non-Review-Journal portion of the Newspapers, including locally produced supplements, is produced by Sun personnel.

4.4 Intentionally omitted.

ARTICLE 5

CONTINUING PUBLICATION AND
NEWS AND EDITORIAL AUTONOMY

5.1 Production and Promotion of the Newspapers. Subject to the terms of the Restated Agreement, and as of the Transition Date, Sun shall be a daily morning newspaper as specified in Appendix A. The Review-Journal shall be a daily morning newspaper, as specified in Appendix A, including such sections and materials as are consistent with custom and practice in the United States metropolitan daily newspaper industry. So long as Sun furnishes news and editorial copy, features and services to Review-Journal in accordance with Article 4 of this Restated Agreement, Review-Journal agrees to produce the Sun daily as a morning newspaper as provided herein to include the Sun copy and to sell all advertising for, promote and circulate such newspapers as provided herein. The daily Sun and the daily Review-Journal are hereinbefore and hereinafter referred to as the "Newspapers". Review-Journal shall print the Newspapers in the Review-Journal plant or plants located at such place or places as Review-Journal may determine, and all operations under this Restated Agreement, except the operation of the Sun's news and editorial department, shall be carried on and performed by the Review-Journal with Review-Journal employees and equipment and in the Review-Journal's said plant or plants or by independent contractors selected by the Review-Journal. All costs, including capital expenditures, of operations under this Restated Agreement, except the operation of the Sun's news and editorial department, shall be borne by Review-Journal.

The Review-Journal shall control, supervise, manage and perform all operations involved in managing and operating under this Restated Agreement, including the need, if any, for Sunday supplements and comics, total or zoned market coverage, direct mail or other publication programs, zoned editions, and printing, selling and distributing the Newspapers, shall determine page sizes, number of columns per page, cut-offs, page makeup of non-news and non-editorial (subject to Appendix A), and all other mechanical and technical functions of the Newspapers, shall purchase newsprint, materials and supplies as required and shall determine the rates for, solicit and sell all advertising space in the Newspapers, shall determine circulation rates, collect the Newspapers' circulation and advertising accounts receivable, and shall make all determinations and decisions and do any and all acts and things related to the foregoing activities, provided:

5.1.1 Format. Review-Journal shall not change the format of the Sun to any size or format different from that of the Review-Journal without approval of Sun.

5.1.2 Sun Editions. The number of Sun editions shall not be changed without approval of Sun.

5.1.3 Circulation. Review-Journal shall use commercially reasonable efforts to maximize the circulation of the Newspapers.

5.1.4 Promotional Activities. Review-Journal shall use commercially reasonable efforts to promote the Newspapers. Any promotion of the Review-Journal as an advertising medium or to advance circulation shall include mention of equal prominence for the Sun. Either the Review-Journal or Sun may undertake additional promotional activities for their respective newspaper at their own expense. For all promotional activities for the Newspapers paid for by the Review-Journal, the Review-Journal shall be responsible for all promotional copy preparation and placement, provided however, that the Sun shall have the right to approve all promotional copy for the Sun that does not generically and concurrently promote both Newspapers.

5.1.5 Intentionally omitted.

5.1.6 Meetings of JOA Participants. DR senior management shall meet quarterly with Sun senior management to discuss performance under this Restated Agreement.

5.1.7 Advertising Acceptability. Sun may reject any advertising or types of advertising for the Sun which is, in the opinion of Sun, undesirable or inappropriate for publication therein, and shall notify Review-Journal in writing of any specific advertising or types of advertising that Sun deems undesirable for publication. Review-Journal shall accept all advertising for the Sun other than the advertising indicated on Sun's written notice, subject to all laws affecting the acceptability of advertising.

5.1.8 Intentionally omitted.

5.2. News and Editorial Autonomy. Preservation of the news and editorial independence and autonomy of both the Review-Journal and the Sun is of the essence of this Restated Agreement. Sun shall have exclusive and complete control, authority and direction over the news and editorial content, features and services to be furnished by Sun to Review-Journal to be included in its newspaper, including without limitation the right of selection of all its news and editorial employees, and the exclusive right to hire and discharge such employees. Review-Journal shall have exclusive and complete control, authority and direction over the news and editorial content, features and services in its newspapers, including without limitation the right of selection of all its news and editorial employees, and the exclusive right to hire and discharge such employees. The Review-Journal and Sun each hereby agrees to preserve high standards of newspaper quality throughout the term of this Restated Agreement consistent with United States metropolitan daily newspapers.

5.3. Performance and Cooperation. Sun and Review-Journal agree to take all corporate action necessary to carry out and effectuate the intent, purposes and provisions of this Restated Agreement, and to cooperate with the other party in every reasonable way that will promote successful and lawful operation under this Restated Agreement for both parties.

5.4. Sun Office Space. The Sun shall provide and pay for its own offices for its news and editorial department and management.

ARTICLE 6
Intentionally omitted

ARTICLE 7
PAYMENT

During the term of this Restated Agreement, DR and the Sun shall receive the amounts set forth in Appendix D.

ARTICLE 8
NON-LIABILITY PROVISIONS

8.1 Defense of Claims and Indemnification. Any claim, demand, suit, action, obligation or other liability asserted against or sustained by Review-Journal and Sun, or either of them, in respect of any third party ("Claims") shall be dealt with as provided in this Article 8. For all purposes of this Article 8, the term "cost or expense" shall include reasonable attorneys' fees and costs, whether or not taken to trial or appeal or in any bankruptcy or other related proceeding.

8.1.1 Claims Related to the Joint Operation. Review-Journal shall defend and shall control the defense or settlement of any third party Claims related to the joint operations or to its performance or non-performance under this Restated Agreement (including but not limited to Claims arising from any advertising published in, or excluded from, any of the Newspapers -

except as provided in Section 8.1.2 - and claims in respect of feature, news and editorial content furnished by Sun hereunder arising as a result of any act or omission on the part of Review-Journal other than republication in the form furnished by Sun), devoting reasonable efforts to minimizing any resulting liability and related cost or expense. Any such liability, and the cost of expense related thereto, shall be borne by the Review-Journal, except to the extent any such Claim shall be covered by insurance.

8.1.2 Other Claims. Except as specifically provided in Section 8.1.1. or elsewhere in this Restated Agreement, neither party hereto shall be charged with or held responsible for any third party Claims, arising before or after the Effective Date by reason of any act or omission on the part of the other party, and the responsible party shall defend and indemnify and hold the other party harmless therefrom, including all related cost or expense. The responsible party shall defend, settle, pay or discharge any such Claim and shall indemnify and hold harmless the other party against any such Claim, and from any liability, cost or expense arising therefrom. By way of example under this Section 8.1.2 and without limitation, the entire cost or expense of defending, settling or paying and discharging Claims relating to any feature, news or editorial copy published in, or excluded from the daily Review-Journal or arising by reason of anything done or omitted by the news and editorial department of the Review-Journal in regard to its daily newspaper or arising by reason of any advertising rejected by the Review-Journal or accepted by the Review-Journal in situations where such advertising would be rejected pursuant to Sun guidelines, shall be borne by DR and any such liability, cost or expense on account of claims relating to any feature, news or editorial copy published in, or excluded by Sun from the daily Sun or, or arising by reason of anything done or omitted by the news and editorial department of the Sun, or arising by reason of any advertising rejected by the Review-Journal pursuant to Sun guidelines, or accepted in situations where such advertising would be rejected pursuant to Review-Journal guidelines, shall be borne by Sun, unless such Claims shall be an expense of the Review-Journal by reason of the operation of Section 8.1.1.

8.1.3 Insurance. For the purpose of this Article 8, each party shall separately maintain and pay for, as an item of news and editorial expense, insurance to the extent reasonably available protecting against losses from libel, invasion of privacy, copyright or trademark infringement and other matters related to the gathering or preparation of news and editorial matter for publication, in such amounts as the parties may agree upon from time to time, but in no event less than Ten Million Dollars (\$10,000,000), and the other party shall be named as an additional insured.

8.2 Force Majeure. Neither party shall be liable to the other for any failure or delay in performance under this Restated Agreement, occasioned by war, riot, government action, act of God or public enemy, acts of terrorism, damage to or destruction of facilities, strike, labor dispute, failure of suppliers or worker, inability to obtain adequate newsprint or supplies, or any other cause substantially beyond the control of the party required to perform, provided that in the event partial performance under this Restated Agreement is feasible, notwithstanding the occurrence of one or more of the foregoing, performance shall be allocated between the newspapers by the Review-Journal, in its sole judgment, notwithstanding the provisions of Appendix A hereto, provided, that the Sun portion shall not be less than six (6) pages.

ARTICLE 9
TERMINATION

9.1 Events of Termination. This Restated Agreement shall continue in full force and effect unless and until it may be terminated by the occurrence of one of the following events of termination:

9.1.1 Stated Duration. Expiration of the term set forth in Section 1.1

9.1.2 Bankruptcy or Default. If either party hereto makes an assignment of its assets for the benefit of creditors, an order of relief is entered by any bankruptcy court or has a receiver appointed for its business by a court of competent jurisdiction (provided, that such assignment, order of relief or adjudication shall continue unstayed on appeal or otherwise in effect for a period of ninety (90) days after the assignment, the entry of the order of relief or decree related thereto before such assignment or adjudication becomes an event of termination, and further provided that the appointment of the receiver must continue unvacated, not set aside, not stayed or otherwise in effect for a period of ninety (90) days after such appointment before such appointment becomes an event of termination), or if either party defaults in the performance of any of its material obligations hereunder and does not cure such default within sixty (60) days after receiving written notice thereof from the other party, then such other party may, at its election, and in addition to all other remedies available to it at law or in equity, terminate this Restated Agreement. In the event of the entry of an unstayed order of relief in an involuntary bankruptcy by DR, the Sun shall have the right, at its option, to purchase from DR, the equipment necessary to publish the Sun. The value of the equipment shall be set by the bankruptcy trustee. In the event of an unstayed order of relief in an involuntary bankruptcy, the Sun may lease, at fair market value, for a period not to exceed five (5) years the assets necessary to the publish the Sun.

9.1.3. Change of Controlling Interest. In view of the nature of the relationship established by this Restated Agreement and the fact that the Sun is published under the direction and control of the Estate of Herman Greenspun and Brian L. Greenspun, the Review-Journal shall not be required to carry out the terms of this Restated Agreement or be associated with another party to which it reasonably objects. Accordingly, ownership or control of the Sun shall not be transferred to any other entity or person without notice to and prior approval by the Review-Journal, provided that the Review-Journal will not object to any transfer of the ownership or control of Sun to any entity under the immediate direction of Brian L. Greenspun, or any other lineal descendant of Herman M. Greenspun. Notwithstanding the foregoing, controlling interest of the Sun may be transferred to any person that can provide the necessary editorial background and expertise to produce the Sun pursuant to the terms of this Restated Agreement. Following an approved or permitted change of control of Sun, if a subsequent change of control occurs, notice as hereinabove shall be given and the Review-Journal may exercise the rights provided herein.

9.1.4 Intentionally omitted.

9.2 Intentionally omitted.

9.3 Duties Upon Termination. Upon termination of this Restated Agreement, either by expiration of its term or otherwise, the Review-Journal shall provide Sun with a complete list (including all contact information) of current newspaper subscribers and advertisers.

ARTICLE 10
MISCELLANEOUS

10.1 Notices. Each notice or other communication given pursuant to this Agreement shall be given in writing, delivered in person or mailed by registered or certified mail, addressed to the respective parties as follows:

Review-Journal: DR Partners
P. O. Box 70
Las Vegas, NV 89125
Attention: Sherman Frederick

Sun: Brian L. Greenspun, Esq.
President & Editor
Las Vegas Sun
2275 Corporate Circle Drive
Suite 300
Henderson, Nevada 89074

Or, in case of either party hereto, at such other address or marked for the attention of such other person, as such party may set forth in a written notice to the other party.

10.2 Disclaimer of Labor Related Obligations. The parties specifically agree that neither party hereby assumes any obligations of the other party related to its employment practices or to any of its employees, whether or not arising under any collective bargaining agreements or arising prior to, on or subsequent to the Effective Date.

10.3 Intentionally omitted.

10.4 Limited Effect. Nothing herein contained shall constitute the parties hereto partners, joint venturers, successors, alter egos, joint employers, an unincorporated association, or as having any relationship other than as specifically provided by this Restated Agreement. This Restated Agreement is intended solely for the benefit of the parties hereto, and their permitted successors and assigns and not for the benefit of any other person or party. This Restated Agreement, including Appendices A through D hereto, and the contracts and agreements supplemental hereto, comprises the entire understanding and agreement of the parties hereto on the subject matter herein contained and any and all other representations or agreements, which heretofore may have been made on such subject matter, whether oral or in

writing, by any agent of either party shall be null, void and of no effect whatsoever. Time is of the essence of this Restated Agreement.

10.5 Intentionally omitted.

10.6 Sun Trademark, Tradenames, Service Marks and Copyrights. In its use of such Sun trademarks, tradenames, service marks and copyrights as may be required to perform its obligations under this Restated Agreement, including promotion of the Newspapers, Review-Journal shall use commercially reasonable effort to comply substantially with all relevant laws of the State of Nevada and of the United States pertaining to trademarks, tradenames, service marks and copyrights in force at any time during the term of this Restated Agreement. Review-Journal shall have the exclusive right and the obligation to distribute the Sun through electronic replica technology (i.e. technology customarily used by metropolitan daily newspapers which transmits an entire Sun page to the subscriber or consumer in any form) to the same extent the Review-Journal distributes its own pages by such means provided, however, that Sun shall have the right to republish, license, or otherwise use its editorial content in any form or media, other than as an entire Sun page or pages, upon the earliest of: (i) 7:00 a.m., (ii) the time the Review-Journal guarantees delivery to its subscribers, or (iii) the time the Review-Journal first uses its editorial content in any form or media other than in the printed newspaper or replica technology. Sun shall use commercial reasonable efforts to maintain in effect said trademarks, trade names, services marks and copyrights, and shall make applications for the registration and/or renewal thereof if and when required by law. Review-Journal acknowledges Sun's right, title and interest in and to said trademarks, trade names, service marks and copyrights and all renewals thereof, and agrees that it shall not at any time permit, take, or cause to be taken any action within its control in any way impairing or tending to impair any part of such right, title and interest. Review-Journal agrees to publish such notices in the Sun as Sun reasonably may request in order to protect said trademarks, trade names, service marks and copyrights, or any of them. Review-Journal shall not in any manner represent that it has any ownership interest in said trademarks, trade names, services marks or copyrights or in the registration thereof, and Review-Journal acknowledges that its use hereunder of said trademarks, trade names, services marks or copyrights shall not create in its favor any right, title or interest in or to same beyond those created by this Restated Agreement. The Review-Journal shall have the right to republish, license, or otherwise use its editorial content in any form or media.

10.7 Tax Treatment of Payments to Sun. Its is contemplated by the parties that the payments to Sun under Appendix D of this Restated Agreement will be, for federal income tax purposes, ordinary income to Sun and will be deductible by DR as a business expense.

10.8 Specific Performance. Because of the public interest in maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages in the event of default in the performance of material obligations hereunder, each party shall have the right to seek specific performance of the material provisions of this Restated Agreement, provided, that in the event of any action by either party for specific performance, if that party does not obtain an order of specific

performance, the other party shall be entitled to recover in such action its attorneys' fees and costs.

10.9 Successors and Assignment. This Restated Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their permitted successors and assigns.

10.10 Governing Law: Modification. This Restated Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. This Restated Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, modification or discharge shall be sought.

10.11 Headings. Headings have been inserted in this Restated Agreement for the purpose of convenience only. They shall not be used to interpret or construe the meaning of any Articles or Sections, nor shall they have the effect of limiting or enlarging the meaning thereof.

10.12 Ancillary Publications. Nothing in this Restated Agreement shall preclude either party from engaging in any lawful business outside of this Restated Agreement, except that neither Review-Journal, or any Affiliate of Review-Journal nor Sun, or any Affiliate of Sun, shall, outside of this Restated Agreement, publish a newspaper that is published three or more days per week and that is directed primarily to Clark, Nye, or Lincoln Counties, Nevada or any parts thereof. As used in this Restated Agreement, "Affiliate" means any person, corporation, partnership, trust or other entity which controls, is controlled by, or is under common control with either party.

10.13 Release. As a material inducement to DR to enter into this Restated Agreement, and for other good and valuable consideration, Sun, for itself, and its assigns, hereby unconditionally releases and forever discharges DR and the Las Vegas Review-Journal and their partners, predecessors, successors, assigns, agents, stockholders, directors, officers, current or former employees, representatives, attorneys, divisions, subsidiaries, affiliates, receivers, trustees, shareholders and all persons acting by, through, under or in concert with any of them from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses, including, but not limited to, attorneys' fees and costs actually incurred of any nature whatsoever with respect to all those claims asserted or which could have been asserted which arise out of, or are related to, operation of the Las Vegas Review-Journal or Sun between June 17, 1989, and June 10, 2005, known or unknown, including, but not limited to, any claims connected with operations under the 1989 Joint Operating Agreement between the parties, during that time period, including those items set forth on Exhibit C to a release agreement between the parties dated June 20, 2002 and any claims related to the conduct or operation of lvvj.com, reviewjournal.com, lasvegasnewspapers.com.

As a material inducement to Sun to enter into this Restated Agreement, and for other good and valuable consideration, DR, for itself, its affiliates and assigns, hereby unconditionally releases and forever discharges Sun its partners, predecessors, successors, assigns, agents, stockholders, directors, officers, current or former employees, representatives, attorneys,

divisions, subsidiaries, affiliates, receivers, trustees, shareholders and all persons acting by, through, under or in concert with any of them from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses, including, but not limited to, attorneys' fees and costs actually incurred of any nature whatsoever with respect to all those claims asserted or which could have been asserted which arise out of, or are related to, operation of the Las Vegas Review-Journal or Sun between June 17, 1989, and June 10, 2005, known or unknown, including, but not limited to, any claims connected with operations under the 1989 Joint Operating Agreement between the parties, during that time period, including those items set forth on Exhibit D to a release agreement between the parties dated June 20, 2002 and any claims related to the conduct or operation of lasvegassun.com or lasvegasnewspapers.com.

IN WITNESS WHEREOF, this Restated Agreement has been executed by the parties' respective corporate officers thereto duly authorized as of the day and year first above written.

DR PARTNERS.

By: Stephens Group, Inc.
General Partner

By: Warren A. Stephens
Warren Stephens
Chief Executive Officer

LAS VEGAS SUN, INC.

By: Brian L. Greenspun
Brian L. Greenspun
President

APPENDIX A

A.1. Intentionally omitted

A.2. Pursuant to Section 4.3. of this Restated Agreement, the number, placement, and characteristics of Sun pages shall be in accordance with the following specifications:

- (a) For Monday through Friday editions, the Sun shall be composed of an open front page with the Las Vegas Sun flag and seven (7) additional editorial pages (or the lineage equivalent thereof) of which three (3) shall be open pages as determined by the Sun. The remaining pages may include advertising, subject to the restrictions in (d) below. For Monday-Friday editions, the Review-Journal shall be composed of as many pages as Review-Journal management determines in its sole discretion.
- (b) For the Sunday edition, the Sun shall be composed of an open front page with the Las Vegas Sun flag and nine (9) additional editorial pages (or the lineage equivalent thereof) of which three (3) shall be open pages as determined by the Sun. The remaining pages may include advertising, subject to restrictions in (d) below. The Review-Journal shall determine the number of pages for a comic section for the Sunday edition which shall consist of strips and features selected by the Review-Journal. The Sunday paper, including comics, shall be composed of as many Review-Journal pages as Review-Journal management determines in its sole discretion.
- (c) For Saturday and holiday editions, the Sun shall be composed of an open front page with the Las Vegas Sun flag and five (5) additional editorial pages (or the lineage equivalent thereof) of which three (3) shall be open pages as determined by the Sun. The Saturday and holiday editions shall be composed of as many Review-Journal pages as Review-Journal management determines in its sole discretion. The remaining pages may include advertising, subject to restrictions in (d) below.
- (d) The Sun shall not include any Review-Journal editorial content. Standard materials such as weather pages, comics, standardized television listings and the like shall not be considered Review-Journal editorial material and may be included in the Sun as additional pages unless the Sun objects in writing thereto. Other than open pages, the Sun may include advertising. No Sun page shall be more than 50% advertising, except for full page ads, and no advertising shall appear "above the fold" in the Sun, except for full page ads. Notwithstanding the foregoing, pages may contain, from time to time, more than 50% advertising due to production issues and advertising demands. Advertising will not be stacked in a pyramid format and shall be evened out in terms of height on the page. The Monday-Sunday editions of the Review-Journal shall include a noticeable mention of the

Sun, on the front page of the Review-Journal. The noticeable mention will appear in a box above the Review-Journal's masthead (the "Sun Box") and shall be in the form shown on Appendix B. The Sun Box shall not be smaller in proportion than shown in Appendix B. The Sun Box shall also include the Sun's masthead, and any emblem that is part of the Sun's masthead. The Sun Box shall include a promotion of a story in the Sun and refer readers to the Sun inside. The type face, editorial artwork, font, and editorial promotional content appearing in the Sun Box shall be determined by Sun, in its sole discretion. Any color in the Sun Box shall be restricted to constituent colors used by the Review-Journal on its front page. The Sun Box shall be the left-hand box unless it would be obscured by a spaeda fold, in which case the Sun Box shall be the right-hand box. In the event of major breaking news or for exigent production circumstances, the Sun Box may be moved below the Review-Journal's masthead. The Sun, on average, will receive as much editorial color as the local news section of the Review-Journal.

A.3. Edition times for Monday through Sunday issues of the Review-Journal shall be established by the Review-Journal in accordance with normal industry standards. Deadlines for the Sun shall be the same as those established for the last local news sections of the Review-Journal. The Sun will be placed as the third section of the Newspapers except on occasions when exigent production circumstances require that it be placed as the fourth section. The Sun will be printed in the same press run as the Review-Journal local news section. The Review-Journal shall be solely responsible for determining the need for replating the Newspapers, and shall treat the Sun and the Review-Journal equally with respect to replating of page one for major breaking national or international news events

A.4. If the Review-Journal determines that it is feasible to publish an "extra" edition, such edition shall be a Review-Journal edition and the content of any "extra" edition shall be determined solely by the Review-Journal.

A.5. In the event the Review-Journal determines that the Sun's continued placement in the Review-Journal has a material and substantial negative financial impact on the revenue and profit of the Newspapers it may deliver the Sun separately from the Review-Journal but at the same time, place, and manner as the Review-Journal. The Review-Journal shall provide written notice to the Sun within fifteen (15) days of beginning such separate delivery specifying in detail the factual basis for its determination.

In the event the Sun disagrees with the Review-Journal's determination, it shall within seven (7) days of receipt of notice from the Review-Journal, request that the matter be submitted to arbitration by an arbiter mutually agreed upon by the parties. If Sun requests arbitration, the Review-Journal shall not deliver the Sun separately until sixty (60) days after selection of the arbitrator. In the event the parties are not able to agree upon an arbiter within seven (7) days, an arbiter shall selected by the Chairman of the Department of Journalism of Northwestern University, Evanston, Illinois, or a similar journalism school if Northwestern University has ceased operations of its School of Journalism. The parties shall request the arbitrator to render a decision within sixty (60) days of his or her selection, and Sun and the Review-Journal each

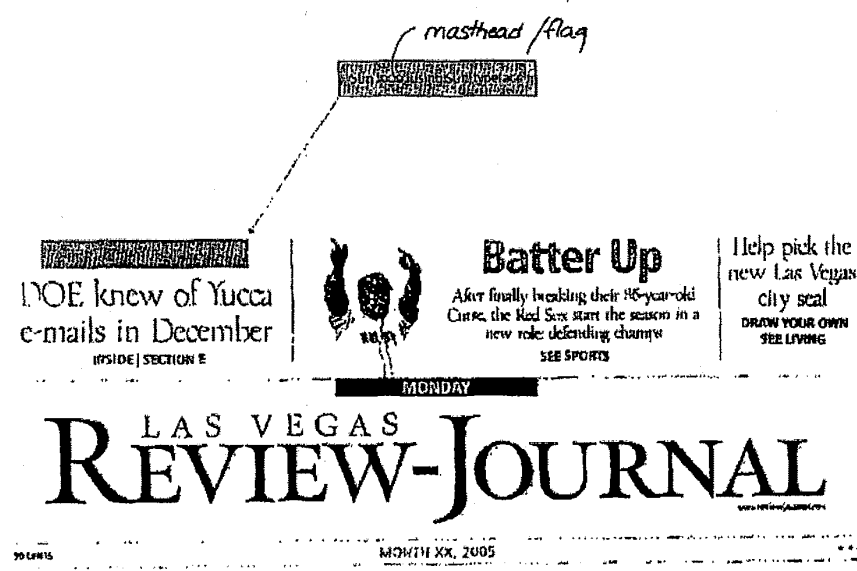
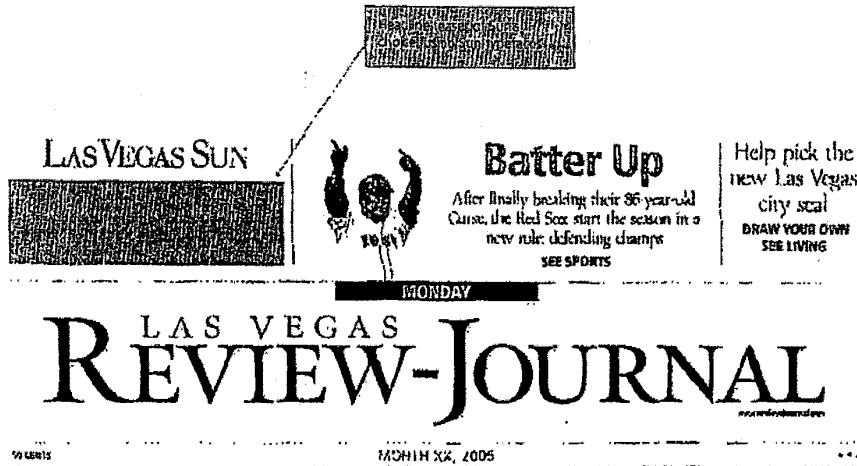
hereby covenant to cooperate with the arbitrator to facilitate such request.

The arbitrator shall have experience in the senior management of metropolitan daily newspapers. In determining material and substantial negative financial impact, only the following factors shall be considered; advertiser abandonment of the Newspapers specifically due to the Sun's inclusion within the Review-Journal or subscriber cancellations of the Newspapers specifically due to the Sun's inclusion within the Review-Journal. The material and substantial negative financial impact shall be determined by reference to generally accepted standard newspaper industry sources. The decision of the arbitrator shall be final. The cost of the arbitration shall be borne by the non-prevailing party. The Review-Journal's rights under this section shall be cumulative and may not be exercised more often than once every eighteen (18) months.

In the event Sun determines, in its sole discretion, that the Sun's continued placement in the Review-Journal negatively impacts the Sun, the Review-Journal shall, upon fifteen (15) day written notice from Sun, thereafter deliver the Sun separately from the Review-Journal but at the same time, place and manner as the Review-Journal, provided that Sun shall pay any incremental expenditure reasonably incurred because of such separate delivery, which separate delivery shall be effected without any derogation in the publication, production, or delivery of the Review-Journal. Prior to giving its fifteen (15) day written notice, Sun may request and the Review-Journal shall provide a good faith estimate of such incremental expenditures and the parties shall meet and confer regarding the estimate. If the Sun is separately delivered, it will no longer receive noticeable mention in the Review-Journal.

APPENDIX B

[Sample to be attached]



APPENDIX C
Intentionally omitted

APPENDIX D

Sun shall receive an annual profits payment (the "Annual Profits Payment"), one-twelfth (1/12th) of which shall be paid monthly in advance on the first day of each month during the Term. For the fiscal year beginning April 1, 2005, the Annual Profits Payment shall be Twelve Million Dollars (\$12,000,000), provided, however, that payments to Sun shall continue in accordance with the 1989 Agreement until the Transition Date. Each fiscal year thereafter during the term of this Agreement the Annual Profits Payment shall be adjusted as set forth in this Appendix D. Within thirty (30) days following the beginning of each such fiscal year, Review-Journal shall calculate the percentage change (the "Percentage Change") between the earnings, before interest, taxes, depreciation and amortization ("EBITDA") for the fiscal year immediately preceding (the "LTM EBITDA") and the EBITDA for the penultimate fiscal year (the "Prior Period EBITDA"). The Annual Profits Payment shall be increased, or decreased, as the case may be, by the Percentage Change between the LTM EBITDA and the Prior Period EBITDA.

In calculating the EBITDA (i) for any period that includes earnings prior to April 1, 2005, such earnings shall not be reduced by any amounts that during such period may have been otherwise been deducted from earnings under section A.1 of Appendix A or sections B.1.16, B.1.17, B.1.18, or B.3 of Appendix B of the 1989 Agreement and (ii) for any period whether before or after April 1, 2005, such earnings shall not be reduced by any amounts paid to Sun as a percentage of operating profit under Appendix D of the 1989 Agreement or under this Appendix D. Any expense of the Review-Journal attributable to a transaction with an Affiliate shall not exceed fair market value. EBITDA shall include the earnings of the Newspapers and the

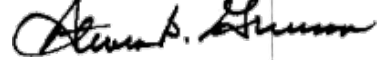
earnings of the Review-Journal's Affiliates derived from publications generally circulated in Clark, Nye, or Lincoln Counties, Nevada or any parts thereof. For purposes of this paragraph, Press Equipment shall mean the press equipment currently owned by the Review-Journal and identified in Appendix D-1 and any additional equipment, whether owned by the Review-Journal or third parties, to the extent that it produces substantially the same product or result, and Other Equipment shall mean all equipment and facilities used for production or operation of the printed Newspapers or other print publications whose earnings are included in EBITDA other than Press Equipment. EBITDA, whether determined for any period before or after April 1, 2005, shall not include (a) any expense for rents, leases or similar expense for Other Equipment (i) if such expense, under generally accepted accounting principles, should be treated as a capitalized lease obligation, or (ii) if such expense is made for the use of any capital asset the use of which is intended to replace any item of Other Equipment that is owned by the Review-Journal as of the Effective Date or (b) any expense for rents, leases, or similar expenses for Press Equipment, including any portion of a printing services contract that is fairly attributable to the use of Press Equipment. All calculations shall be made in accordance with generally accepted newspaper industry accounting principles consistently applied. The Parties intend that EBITDA be calculated in a manner consistent with the computation of "Retention" as that line item appears on the profit and loss statement for Stephens Media Group for the period ended December 31, 2004. Sun shall have the right, exercisable not more than once every twelve months and only after providing written notification no less than thirty days prior thereto, to appoint an certified public accounting firm or law firm as Sun's representative to examine and audit the books and records of the Review-Journal and the other publications whose earnings are included in EBITDA for purposes of verifying the determinations of the changes to the Annual Profit

Payments. Such representative shall agree in writing to maintain the confidentiality of all such financial records inspected. The confidentiality agreement shall not restrict the representative from disclosing to the management of Sun information concerning the audit of the Review-Journal, but shall restrict the representative from disclosing any specific individual salary information or advertiser-specific information (e.g., names, prices, contract terms, discounts, total inches) for the other publications whose earnings are included in EBIDTA. With respect to such other publications, the representative may only disclose summary information (e.g., total advertising revenue or total salaries) that is not identifiable with individual advertisers or employees. If as a result of such an audit, there is a dispute between Sun and the Review-Journal as to amounts owed to Sun and they are not able to resolve the dispute within 30 days, they shall select a certified public accountant to arbitrate the dispute. The arbitration shall be conducted according to the commercial arbitration rules of the American Arbitration Association, including such rules for the selection of a single arbitrator if Sun and the Review-Journal are not able to agree upon an arbitrator. Sun and the Review-Journal shall request the arbitrator to render a decision within sixty (60) days of his or her selection, and Sun and the Review-Journal each hereby covenant to cooperate with the arbitrator to facilitate such request. The arbitrator shall agree to be bound by terms of confidentiality to the same extent as the Sun's representative. The arbitrator shall make an award to Sun in the amount of the arrearage, if any, found to exist, together with interest thereon from the date any arrearage was due until paid at the corporate prime rate as quoted by the Wall Street Journal on the first business day of each month. The arbitrator shall also make an award of the fees and cost of arbitration, which may include a division of such fees and costs among the parties in a manner determined by the arbitrator to be reasonable in light of the positions asserted and the determination made.

DR shall be entitled to all of the profits of the Newspapers after the payments set forth above to the Sun during the term of this Restated Agreement.

APPENDIX D-1

1 Goss Urbanite Press (Pama Lane)
1 Goss Community Press (Press Annex)
2 Goss Newsliner presses (Main pressroom)
1 Didde press (Mailroom)
2 Lines of Heidelberg Inserters and GMA/Alphaliners



AFFIDAVIT OF SERVICE

CLARK COUNTY DISTRICT COURT
CLARK COUNTY, STATE OF NEVADA

Las Vegas Sun, Inc., a Nevada corporation

Plaintiff(s)

v.

News+Media Capital Group LLC, a Delaware limited
liability company; et al.,

Defendant(s)

Case No.:A-18-772591-B

Kristen Martini, Esq Bar No. 11272

LEWIS ROCA ROTHGERBER CHRISTIE LLP

3993 Howard Hughes Pkwy, Suite 600

Las Vegas, NV 89169

(702) 949-8200

Attorneys for the Defendant

Client File# 155091-00059

I, Judith Mae All, being sworn, states: That I am a licensed process server registered in Nevada. I received a copy of the Summons; Complaint; Notice of Related Cases from LEWIS ROCA ROTHGERBER CHRISTIE LLP

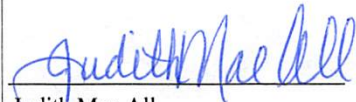
That on 4/13/2018 at 1:30 PM I served the above listed documents to LV Review-Journal, Inc. c/o CSC Services of Nevada, Inc., Registered Agent by personally delivering and leaving a copy at 2215-B Renaissance Drive, Las Vegas, NV 89119 with Taylor Lee - Customer Service Specialist, a person of suitable age and discretion, authorized by Registered Agent to accept service of process at the above address shown on the current certificate of designation filed with the Secretary of State.

That the description of the person actually served is as follows:

Gender: Female, Race: Caucasian, Age: 18 - 25, Height: Seated, Weight: 120-140 Lbs, Hair: Auburn, Eyes: Brown, Marks: Glasses

I being duly sworn, states: that all times herein, Affiant was and is over 18 years of age, not a party to or interested in the proceedings in which this Affidavit is made. I declare under perjury that the foregoing is true and correct.

Date: 4/19/18



Judith Mae All
Registered Work Card# R-040570
State of Nevada

(No Notary Per NRS 53.045)

Service Provided for:

Nationwide Legal Nevada, LLC

626 S. 7th Street

Las Vegas, NV 89101

(702) 385-5444

Nevada Lic # 1656



Steven D. Grierson

AFFIDAVIT OF SERVICE

CLARK COUNTY DISTRICT COURT
CLARK COUNTY, STATE OF NEVADA

Las Vegas Sun, Inc., a Nevada corporation

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v.

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Kristen Martini, Esq Bar No. 11272

LEWIS ROCA ROTHGERBER CHRISTIE LLP

3993 Howard Hughes Pkwy, Suite 600

Las Vegas, NV 89169

(702) 949-8200

Attorneys for the Plaintiff

Client File# 155091-00059

I, Judith Mae All, being sworn, states: That I am a licensed process server registered in Nevada. I received a copy of the Summons; Complaint; Notice of Related Cases, from LEWIS ROCA ROTHGERBER CHRISTIE LLP

That on 4/13/2018 at 1:30 PM I served the above listed documents to News+Media Capital Group, LLC c/o CSC Service of Nevada, Inc., Registered Agent by personally delivering and leaving a copy at 2215-B Renaissance Drive, Las Vegas, NV 89119 with Taylor Lee - Customer Service Specialist, a person of suitable age and discretion, authorized by Registered Agent to accept service of process at the above address shown on the current certificate of designation filed with the Secretary of State.

That the description of the person actually served is as follows:

Gender: Female, Race: Caucasian, Age: 18 - 25, Height: Seated, Weight: 120-140 Lbs, Hair: Auburn, Eyes: Brown, Marks: Glasses

I being duly sworn, states: that all times herein, Affiant was and is over 18 years of age, not a party to or interested in the proceedings in which this Affidavit is made. I declare under perjury that the foregoing is true and correct.

Date: 4/19/18

Judith Mae All
Judith Mae All
Registered Work Card# R-040570
State of Nevada

(No Notary Per NRS 53.045)

Service Provided for:
Nationwide Legal Nevada, LLC
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BUSINESS COURT CIVIL COVER SHEET

County, Nevada

A-15-715008-B

Case No.

(Assigned by Clerk's Office)

X I

I. Party Information (provide both home and mailing addresses if different)

Plaintiff(s) (name/address/phone):

Las Vegas Sun, Inc., a Nevada Corporation

Defendant(s) (name/address/phone):

DR Partners, a Nevada General Partnership,
d/b/a Stephens Media Group; DOES I-X, inclusive

Attorney (name/address/phone):

E. Leif Reid, Esq., Lewis Roca Rothgerber LLP
50 W. Liberty Street, Suite 410, Reno, Nevada 89501
(775) 823-2900

Attorney (name/address/phone):

II. Nature of Controversy (Please check the applicable boxes for both the civil case type and business court case type)

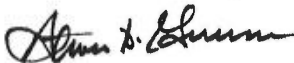
☐ Arbitration Requested

Civil Case Filing Types		Business Court Filing Types
Real Property Landlord/Tenant <input type="checkbox"/> Unlawful Detainer <input type="checkbox"/> Other Landlord/Tenant Title to Property <input type="checkbox"/> Judicial Foreclosure <input type="checkbox"/> Other Title to Property Other Real Property <input type="checkbox"/> Condemnation/Eminent Domain <input type="checkbox"/> Other Real Property Construction Defect & Contract Construction Defect <input type="checkbox"/> Chapter 40 <input type="checkbox"/> Other Construction Defect Contract Case <input type="checkbox"/> Uniform Commercial Code <input type="checkbox"/> Building and Construction <input type="checkbox"/> Insurance Carrier <input type="checkbox"/> Commercial Instrument <input type="checkbox"/> Collection of Accounts <input type="checkbox"/> Employment Contract <input type="checkbox"/> Other Contract Judicial Review/Appeal/Other Civil Filing Judicial Review <input type="checkbox"/> Foreclosure Mediation Case Appeal Other <input type="checkbox"/> Appeal from Lower Court	Torts Negligence <input type="checkbox"/> Auto <input type="checkbox"/> Premises Liability <input type="checkbox"/> Other Negligence Malpractice <input type="checkbox"/> Medical/Dental <input type="checkbox"/> Legal <input type="checkbox"/> Accounting <input type="checkbox"/> Other Malpractice Other Torts <input type="checkbox"/> Product Liability <input type="checkbox"/> Intentional Misconduct <input type="checkbox"/> Employment Tort <input type="checkbox"/> Insurance Tort <input type="checkbox"/> Other Tort Civil Writs <input type="checkbox"/> Writ of Habeas Corpus <input type="checkbox"/> Writ of Mandamus <input type="checkbox"/> Writ of Quo Warrant <input type="checkbox"/> Writ of Prohibition <input type="checkbox"/> Other Civil Writ	CLARK COUNTY BUSINESS COURT <input type="checkbox"/> NRS Chapters 78-89 <input type="checkbox"/> Commodities (NRS 91) <input type="checkbox"/> Securities (NRS 90) <input type="checkbox"/> Mergers (NRS 92A) <input type="checkbox"/> Uniform Commercial Code (NRS 104) <input type="checkbox"/> Purchase/Sale of Stock, Assets, or Real Estate <input type="checkbox"/> Trademark or Trade Name (NRS 600) <input type="checkbox"/> Enhanced Case Management <input checked="" type="checkbox"/> Other Business Court Matters WASHOE COUNTY BUSINESS COURT <input type="checkbox"/> NRS Chapters 78-88 <input type="checkbox"/> Commodities (NRS 91) <input type="checkbox"/> Securities (NRS 90) <input type="checkbox"/> Investments (NRS 104 ARLS) <input type="checkbox"/> Deceptive Trade Practices (NRS 598) <input type="checkbox"/> Trademark/Trade Name (NRS 600) <input type="checkbox"/> Trade Secrets (NRS 600A) <input type="checkbox"/> Enhanced Case Management <input type="checkbox"/> Other Business Court Matters

3-10-15

Date

Signature of initiating party or representative



CLERK OF THE COURT

1 COMPB
2 E. LEIF REID
3 Nevada Bar No. 5750
4 LEWIS ROCA ROTHGERBER LLP
5 50 West Liberty Street, Suite 410
6 Reno, Nevada 89501
7 Telephone Number: (775) 823-2900
8 Fax Number: (775) 823-2929
9 leif@lrllaw.com
10 *Attorneys for Plaintiffs*

DISTRICT COURT
CLARK COUNTY, NEVADA

A-15-715008-B

XI

11 LAS VEGAS SUN, INC., a Nevada Corporation,
12
13 PLAINTIFF,

14 VS.

15 DR PARTNERS, a Nevada General Partnership,
16 d/b/a STEPHENS MEDIA GROUP; DOES I-X,
17 inclusive,

18 DEFENDANTS.

**COMPLAINT FOR SPECIFIC
PERFORMANCE AND
DECLARATORY JUDGMENT**

**(EXEMPT FROM ARBITRATION:
DECLARATORY RELIEF
REQUESTED)**

**BUSINESS COURT REQUESTED
PURSUANT TO
E.D.C.R. 1.61(a)(2)(iv)**

19 COMES NOW Plaintiff Las Vegas Sun, Inc., and complains against Defendant DR
20 Partners, doing business as Stephens Media Group, and Does I-X as follows:

JURISDICTION AND VENUE

21 1. This Court has subject matter jurisdiction over this action under Article 6, section 6
22 of the Nevada Constitution.

23 2. This Court has personal jurisdiction over Defendants, and each of them, pursuant to
24 NRS 14.065 because the acts and omissions complained of herein were committed, in part, within
25 the State of Nevada, County of Clark and, thus, Defendants, and each of them, had and continue to
26 have sufficient minimum contacts with this forum such that the exercise of personal jurisdiction
27 over them will not offend traditional notions of fair play and substantial justice.

28 3. Venue is proper in the Eighth Judicial District Court, Clark County, Nevada, under
NRS 13.010, because all of the actions alleged herein were undertaken in Clark County, Nevada,
and affect property located in Clark County, Nevada. Venue is also proper pursuant to
NRS 13.040.

THE PARTIES

4. Plaintiff Las Vegas Sun, Inc., is a Nevada corporation that is a member of Greenspun Media Group, LLC, which publishes various newspapers and magazines in Clark County, Nevada.

5. DR Partners, doing business as Stephens Media Group, is and at all times material hereto was a Nevada general partnership having its principal place of business in Clark County, Nevada.

6. Plaintiff alleges that Defendants named herein as Does I through X are individuals, corporations, limited-liability companies, partnerships, associations or other persons or entities who are responsible in some manner or capacity for the acts alleged herein, but whose names are unknown to Plaintiff at this time. Plaintiff will seek leave to amend this Complaint to include the names of Does I through X when the identities of such defendants become known to Plaintiff.

GENERAL ALLEGATIONS

**THE 1989 JOINT OPERATING AGREEMENT AND ITS
2005 RESTATEMENT AND AMENDMENT**

7. Las Vegas Sun, Inc., publishes a daily newspaper called Las Vegas Sun ("The Sun") for circulation in the Las Vegas metropolitan area.

8. Defendant is the owner and publisher of the Las Vegas Review Journal ("LVRJ") in Las Vegas, Nevada.

9. In 1989, pursuant to the Newspaper Preservation Act of 1970, Las Vegas Sun, Inc., negotiated a joint operating agreement (the "1989 JOA"), attached hereto as **Exhibit 1**, with Defendant's predecessor, Donrey of Nevada, Inc. Under the 1989 JOA, the LVRJ was required to, among other things, print The Sun and handle all advertising and circulation functions for both print newspapers, thereby eliminating significant expenses to The Sun. Since entering into the 1989 JOA, Las Vegas Sun, Inc., has had no control over revenue generated by The Sun.

10. The 1989 JOA ensured that The Sun would be in existence until at least 2040.

11. In 2005, Las Vegas Sun, Inc., renegotiated the 1989 JOA with Defendant DR Partners, which resulted in the execution of the Amended and Restated Agreement ("2005 Amended JOA"), attached hereto as **Exhibit 2**.

1 12. Under the 2005 Amended JOA, the LVRJ agreed to continue to produce and
2 promote The Sun. Specifically, the LVRJ agreed to print both the LVRJ and The Sun together in
3 its facilities and to fund and execute payments to all costs, including capital expenditures of
4 operations, with exception to the operation of The Sun's news and editorial department.

5 13. As with the original 1989 JOA, the 2005 Amended JOA still requires that each
6 entity maintain its own, separate editorial staff. However, the 2005 Amended JOA included a
7 change to Section 4.2, concerning the "News and Editorial Allocations." The change provided that
8 The Sun and the LVRJ are required to "bear their own respective editorial costs," "establish
9 whatever budgets each deems appropriate," and "maintain a staff of news and editorial
10 employees." **Exhibit 2** § 4.2. Under the 1989 JOA, the entities shared the news and editorial
11 expenses amongst each other in accordance with a specified allocation formula.
12 *See Exhibit 1* § 4.2 & App'x A.1.

13 14. Pursuant to Appendix D of the 2005 Amended JOA, Las Vegas Sun, Inc., "shall
14 receive an annual profits payment ("the Annual Profits Payment"), one-twelfth (1/12th) of which
15 shall be paid monthly in advance of the first day of each month during the term." **Exhibit 2** at
16 App'x D. Appendix D reiterated the change contained in Section 4.2 that editorial costs would
17 now be separate and not shared. It states: "In calculating the EBITDA . . . such earnings shall not
18 be reduced by any amounts that during such period may have been otherwise been deducted [sic]
19 from earnings under section A.1 of Appendix A or sections B.1.16, B.1.17, B.1.18, or B.3 of
20 Appendix B of the 1989 Agreement."

21 15. The payments the LVRJ makes pursuant to Appendix D are Las Vegas Sun, Inc.'s
22 sole source of revenue and are used to set its annual budget and pay for its editorial expenses. For
23 fiscal year beginning April 1, 2005, the Annual Profits Payment made to Las Vegas Sun, Inc., was
24 Twelve Million Dollars (\$12,000,000.00). *See id.*

25 16. For the fiscal year thereafter, the Annual Profits Payment was to be adjusted as

26 ///

27 ///

28 ///

1 follows:

2 Within thirty (30) days following the beginning of each such fiscal
3 year, Review-Journal shall calculate the percentage change (the
4 "Percentage Change") between earnings,, before interest, taxes,
5 depreciation and amortization ("EBITDA" for the fiscal year
6 immediately preceding (the "LTM EBITDA") and the EBITDA for
the penultimate fiscal year (the "Prior Period EBITDA"). The
Annual Profits Payment shall be increased, or decreased, as the case
may be, by the Percentage Change between the LTM EBITDA and
the Prior Period EBITDA.

7 *Id.*

8 **DEFENDANT'S CONDUCT GIVING RISE TO VIOLATIONS OF LAW**

9 17. Since the effective date of the 2005 Amended JOA, Defendant has reduced
10 EBITDA performance by improperly including the LVRJ's editorial costs in the total operation
11 expenses of the 2005 Amended JOA.

12 18. The inclusion of the LVRJ's editorial costs in the total operating expenses of the
13 2005 Amended JOA is a direct violation of section 4.2 of the 2005 Amended JOA, which states
14 explicitly that the LVRJ and The Sun are to "bear their own respective editorial costs." Appendix
15 D of the 2005 Amended JOA similarly requires the LVRJ to exclude its editorial costs from the
16 EBITDA calculation.

17 19. By including these editorial costs in the total operating expenses of the 2005
18 Amended JOA, the EBITDA calculated under the terms of the 2005 Amended JOA has been
19 improperly decreased, thereby leading to an inaccurately low Annual Profits Payment being made
20 to Las Vegas Sun, Inc.

21 20. By including the LVRJ's editorial costs in the total operational costs of the 2005
22 Amended JOA, Defendant has improperly reduced the sum owed to Las Vegas Sun, Inc., and has
23 caused Las Vegas Sun, Inc. to underwrite the LVRJ's newsroom costs in defiance of section 4.2 of
24 the 2005 Amended JOA. These underpayments effectively starved the Las Vegas Sun, Inc.'s news
25 organization.

26 21. Upon information and belief, Defendant's treatment of the LVRJ's editorial costs as
27 a 2005 Amended JOA operational expense has resulted in an aggregate shortfall in payments to
28

1 Las Vegas Sun, Inc., of at least \$6,000,000, plus interest, since the 2005 Amended JOA went into
2 effect.

3 **FIRST CLAIM FOR RELIEF**
4 **(Declaratory Relief)**

5 22. Plaintiff realleges and incorporates by reference the averments contained in the
6 above paragraphs as though fully set forth herein.

7 23. NRS 30.040(1) allows any person interested under a written contract to have
8 determined any question of construction or validity arising under that contract and obtain a
9 declaration of rights thereunder.

10 24. A justiciable controversy presently exists between Plaintiff and Defendant, as set
11 forth herein.

12 25. The present controversy is between parties whose interests are adverse.

13 26. A dispute has arisen between Plaintiff and Defendant, for which a declaratory
14 judgment of this Court is required, as to the meaning of section 4.2 and Appendix D of the 2005
15 Amended JOA, specifically as to the relationship between the responsibilities of the parties to bear
16 their own editorial costs and the calculation of EBITDA for purposes of determining the Annual
17 Profits Payment owed to Las Vegas Sun, Inc.

18 27. Plaintiff is entitled to a judicial declaration that Defendant has breached the 2005
19 Amended JOA by improperly including the LVRJ's editorial costs in the total 2005 Amended JOA
20 operating costs, thereby decreasing the EBITDA calculation and resulting in improperly low
21 Annual Profits Payments being made to Las Vegas Sun, Inc., in the aggregate amount of at least
22 \$6,000,000, plus interest, since the 2005 Amended JOA went into effect.

23 28. A declaration of rights is necessary and appropriate at this time in order for the
24 parties to ascertain their respective rights, obligations, and liabilities, and no adequate remedy
25 other than that prayed for exist by which the rights of the parties may be ascertained.

26 29. Furthermore, as a result of Defendant's wrongful and unlawful acts, Plaintiff has
27 been forced to obtain the services of counsel to prosecute this action and are entitled to an award of
28 attorneys' fees and costs incurred herein pursuant to NRS § 18.010, *et seq.*

SECOND CLAIM FOR RELIEF
(Breach of Contract - Specific Performance)

30. Plaintiff realleges and incorporates by reference the averments contained in the above paragraphs as though fully set forth herein.

31. The parties entered into a valid and existing agreement on June 10, 2005 (the 2005 Amended JOA).

32. Defendant has breached the 2005 Amended JOA by including the LVRJ's editorial costs in the total operational costs of the 2005 Amended JOA, thereby resulting in Las Vegas Sun, Inc., receiving improperly low Annual Profits Payments. Defendant has failed to pay sums due under the 2005 Amended JOA and continues to fail to pay said sums despite Plaintiff's demands.

33. Las Vegas Sun, Inc., has performed each and every duty and obligation under the 2005 Amended JOA, and is not in breach thereof. Defendant's obligations to perform are not conditioned upon any event or happening which has yet to occur.

34. Pursuant to Article 10.8 of the 2005 Amended JOA, "[b]ecause of the public interest in maintaining editorially and reportorially independent and competitive newspapers in Las Vegas and its environs, and because of the inadequacy of damages in the event of a default in their performance of material obligations hereunder, [Las Vegas Sun, Inc.,] shall have the right to seek specific performance of the material provisions of the [2005 Amended JOA]." **Exhibit 2 § 10.8.**

35. The payment of the Annual Profits Payments, and thus the proper calculation of EBITDA, is a material obligation of the 2005 Amended JOA. As Las Vegas Sun, Inc.'s sole source of income, the Annual Profits Payment ensures that The Sun has the required resources to continue to publish its editorial content, which serves the public interest and conforms to the goals of the Newspaper Preservation Act.

36. Plaintiff is entitled to specific performance by Defendant of Defendant's contractual obligations, including, but not limited to, proper calculation of EBITDA and payment of all Annual Profits Payment obligations outstanding under the 2005 Amended JOA, including interest thereon. These calculations are specifically required to exclude the LVRJ's editorial costs.

1 37. As a result of Defendant's wrongful and unlawful acts, Plaintiff has been forced to
2 obtain the services of counsel to prosecute this action and is entitled to an award of attorneys' fees
3 and costs incurred herein pursuant to NRS 18.010, *et seq.*

4 **PRAYER FOR RELIEF**

5 WHEREFORE, Plaintiff respectfully requests that this Court provide the following relief:

6 A. A declaratory judgment stating that Defendant may not include the LVRJ's editorial
7 costs in its EBITDA calculation pursuant to terms of the 2005 Amended JOA;


8 B. An order requiring Defendants to specifically perform their contractual obligations
9 under the 2005 Amended JOA, including but not limited to, excluding the LVRJ's editorial costs
10 from its calculation of EBITDA and payment of all Annual Profits Payment obligations
11 outstanding under the 2005 Amended JOA, with interest;

12 C. An award to Plaintiff of its cost of suit, including reasonable attorney's fees; and

13 D. An order granting to Plaintiff such other and further relief to which it may be
14 entitled and which this Court finds to be just and appropriate.

15 DATED this 10th day of March, 2015.

16 LEWIS ROCA ROTHGERBER LLP

17 BY:  for #11098

18 E. LEIF REID
19 50 West Liberty Street, Suite 410
20 Reno, Nevada 89501

21 Attorneys for Plaintiff
22
23
24
25
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27
28


CLERK OF THE COURT

MORRIS LAW GROUP

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702/474-9400 · FAX 702/474-9422

☐ Voluntary Dismissal
☐ Involuntary Dismissal
☒ Summary Judgment
☐ Dismissed Judgment
☐ Default Judgment
☐ Judgment of Arbitration
☐ Mediation by Party(s)

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12 Attorneys for Defendant DR Partners
13 d/b/a Stephens Media Group

14 DISTRICT COURT
15 CLARK COUNTY, NEVADA

16 LAS VEGAS SUN, INC., a Nevada
17 Corporation,

18 Plaintiff,

19 vs.

20 DR PARTNERS, a Nevada General
21 Partnership, d/b/a STEPHENS
22 MEDIA GROUP; DOES 1-X,
23 inclusive,

24 Defendants.

) Case No.: A-15-715008-B
) Dept. No.: XI

) STIPULATION AND
) ORDER OF DISMISSAL
) WITH PREJUDICE

25 IT IS HEREBY STIPULATED between Plaintiff Las Vegas Sun,
26 Inc. and Defendant DR Partners, predecessor in interest to Stephens Media
27 LLC ("Stephens Media"), by and through their counsel of record, that this
28 case shall be, and hereby is, dismissed with prejudice, each party to bear its
own costs and attorneys' fees.

This Stipulation and Order is intended to conclude this lawsuit
in its entirety, including all claims that are, or could have been, asserted
herein by Plaintiff against Stephens Media.

12-16-16P04:39 RCVD

MORRIS LAW GROUP

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Dated: Dec. 16, 2016

Dated: December 14, 2016

By: John P. Magorje (9519)
E. Leif Reid, Bar No. 5750
Kristen Martini, Bar No. 11272
Lewis Roca Rothgerber Christie
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By: [Signature]
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d/b/a Stephens Media Group*

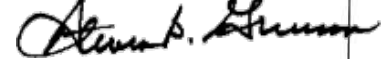
*Attorneys for Plaintiff
Las Vegas Sun, Inc.*

ORDER

IT IS SO ORDERED.

[Signature]
DISTRICT COURT JUDGE *Sw*

12/20/16
DATED



1 E. LEIF REID, ESQ.
2 Nevada Bar No. 5750
3 KRISTEN L. MARTINI, ESQ.
4 Nevada Bar No. 11272
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12 *Attorneys for Plaintiff*

13 **DISTRICT COURT**
14 **CLARK COUNTY, NEVADA**

15 LAS VEGAS SUN, INC., a Nevada
16 corporation,

17 Plaintiff,

18 vs.

19 NEWS+MEDIA CAPITAL GROUP LLC, a
20 Delaware limited liability company; and LAS
21 VEGAS REVIEW-JOURNAL, INC., a
22 Delaware limited liability company;

23 Defendants.

CASE NO.: A-18-772591-B

DEPT.: 16

ORDER GRANTING PLAINTIFF'S
MOTION TO COMPEL ARBITRATION
AND DENYING DEFENDANTS'
MOTION TO DISMISS

Date of Hearing: October 24, 2018
Time of Hearing: 9:00 a.m.

24 This matter came before the Court on Plaintiff Las Vegas Sun, Inc.'s Motion to Compel
25 Arbitration, and Defendants News+Media Capital Group LLC and Las Vegas Review-Journal,
26 Inc.'s Motion to Dismiss on October 24, 2018, at 9:00 a.m., with E. Leif Reid, Esq., and Kristen
27 L. Martini, Esq., of the law firm Lewis Roca Rothgerber Christie LLP, appearing on behalf of
28 Plaintiff, and Richard J. Pocker, Esq., of the law firm Boies Schiller Flexner LLP, appearing on
behalf of Defendants.

Having considered the pleadings and papers filed by the parties, and argument of counsel,
and good cause appearing therefore, THE COURT HEREBY FINDS THAT:

1. Based on the Nevada Supreme Court Order of Reversal and Remand issued in *Las Vegas Sun, Inc. v. DR Partners d/b/a Stephens Media Group*, Appeal No. 68700 (May 19, 2016),

106384776_1

-1-

NOV 08 2018

1 the parties' Amended and Restated [Joint] Operating Agreement ("JOA"), and Nevada's policy
2 favoring arbitration, Plaintiff's Third, Fourth, and Sixth Claims for Relief, and those portions of
3 its First and Seventh Claims for Relief also involving the disputes raised in Plaintiffs' Third,
4 Fourth, and Sixth Claims for Relief, must be compelled to arbitration.

5 2. Because the disputes raised in Plaintiff's Third, Fourth, and Sixth Claims for
6 Relief, and those portions of its First and Seventh Claims for Relief also involving the disputes
7 raised in Plaintiffs' Third, Fourth, and Sixth Claims for Relief, are arbitrable, Defendants'
8 arguments in support of dismissal of those claims based on Defendants' affirmative defenses
9 must be resolved in arbitration.

10 3. With respect to Defendants' request for dismissal of Plaintiff's nonarbitrable
11 claims, Plaintiff has alleged facts in its Complaint sufficient to state a claim upon which relief
12 may be granted.

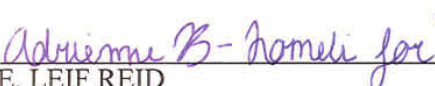
13 THEREFORE, IT IS HEREBY ORDERED THAT:

14 Plaintiff's Motion to Compel Arbitration is GRANTED, and Defendants' Motion to
15 Dismiss is DENIED.

16 
17 DISTRICT COURT JUDGE
18 11/15/18 CII

18 Respectfully submitted by:

19 LEWIS ROCA ROTHGERBER CHRISTIE
20 LLP

21 BY:  14486
22 E. LEIF REID
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25 Reno, Nevada 89501

26 Attorneys for Plaintiff
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Attorneys for Defendants
News+Media Capital Group LLC &
Las Vegas Review-Journal, Inc.

DISTRICT COURT
CLARK COUNTY, NEVADA

LAS VEGAS SUN, INC., a Nevada
corporation,

Plaintiff,

vs.

NEWS+MEDIA CAPITAL GROUP LLC, a
Delaware limited liability company; LAS
VEGAS REVIEW-JOURNAL, INC., a
Delaware limited liability company; and
DOES, I-X, inclusive,

Defendants.

CASE NO.: A-18-772591-B

DEPT.: XVI

ANSWER TO COMPLAINT

INTRODUCTION

1. Answering Paragraph "1" of the Plaintiff's Complaint, the Defendants deny the allegations contained in said paragraph.

JURISDICTION AND VENUE

2. Answering Paragraph "2" of the Plaintiff's Complaint, the allegations contained in said paragraph are legal conclusions, and as such, require no response. To the extent that a response is required, the Defendants deny said allegations.

3. Answering Paragraph “3” of the Plaintiff’s Complaint, the Defendants deny the allegations purporting to represent factual matters. The remaining allegations are legal conclusions, and require no response. To the extent that a response is required, the Defendants deny said allegations.

4. Answering Paragraph “4” of the Plaintiff’s Complaint, the allegations contained in said paragraph are legal conclusions, and as such, require no response. To the extent that a response is required, the Defendants deny said allegations.

5. Answering Paragraph “5” of the Plaintiff’s Complaint, the allegations contained in said paragraph are legal conclusions, and as such, require no response. To the extent that a response is required, the Defendants deny said allegations.

THE PARTIES

6. Answering Paragraph “6” of the Plaintiff’s Complaint, the Defendants admit the allegations contained in said paragraph.

7. Answering Paragraph “7” of the Plaintiff’s Complaint, the Defendants admit the allegations contained in said paragraph.

8. Answering Paragraph “8” of the Plaintiff’s Complaint, Defendants admit that Defendant LAS VEGAS REVIEW-JOURNAL, INC. is a Delaware corporation doing business in the State of Nevada, which operates and publishes the Las Vegas Review-Journal.

9. Answering Paragraph “9” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

10. Answering Paragraph “10” of the Plaintiff’s Complaint, the Defendants admit that the Plaintiff owns and operates the Las Vegas Sun (“the Sun”), the Defendants operate and publish the Las Vegas Review-Journal, and both the Sun and Las Vegas Review-Journal are daily newspapers of general circulation in Las Vegas, Nevada. The Defendants deny the remaining allegations in said paragraph.

11. Answering Paragraph “11” of the Plaintiff’s Complaint, the Defendants are without sufficient knowledge or information upon which to base a response to said paragraph, and therefore deny the allegations in said paragraph.

1 12. Answering Paragraph “12” of the Plaintiff’s Complaint, the Defendants are
2 without sufficient knowledge or information upon which to base a response to said paragraph,
3 and therefore deny the allegations in said paragraph.

4 13. Answering Paragraph “13” of the Plaintiff’s Complaint, Defendants admit that
5 the Sun and Donrey of Nevada, Inc. entered into a joint operating agreement, the 1989 JOA.
6 As to the remaining allegations as to the reasons for the agreement and/or its compliance with
7 the Newspaper Preservation Act of 1970, the Defendants are without sufficient knowledge or
8 information upon which to base a response to said allegations, and therefore deny said
9 allegations.

10 14. Answering Paragraph “14” of the Plaintiff’s Complaint, the allegations in such
11 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
12 statutory language, to which no responsive pleading is required. To the extent any response is
13 required, the Defendants deny the allegations in said paragraph.

14 15. Answering Paragraph “15” of the Plaintiff’s Complaint, the 1989 JOA speaks
15 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

16 16. Answering Paragraph “16” of the Plaintiff’s Complaint, the 1989 JOA speaks
17 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

18 17. Answering Paragraph “17” of the Plaintiff’s Complaint, the 1989 JOA speaks
19 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

20 18. Answering Paragraph “18” of the Plaintiff’s Complaint, the Defendants are
21 without sufficient knowledge or information upon which to base a response to said paragraph,
22 and therefore deny the allegations in said paragraph.

23 19. Answering Paragraph “19” of the Plaintiff’s Complaint, the 1989 JOA speaks
24 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

25 20. Answering Paragraph “20” of the Plaintiff’s Complaint, the Defendants admit
26 that the 1989 JOA contains the quoted language, but the Defendants are without sufficient
27 knowledge or information upon which to base a response to the remaining allegations and
28

1 characterizations contained in said paragraph, and therefore deny the remaining allegations and
2 characterizations in said paragraph.

3 21. Answering Paragraph “21” of the Plaintiff’s Complaint, the 1989 JOA speaks
4 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

5 22. Answering Paragraph “22” of the Plaintiff’s Complaint, the Defendants admit
6 that the 1989 JOA contains the quoted language, but the Defendants are without sufficient
7 knowledge or information upon which to base a response to the remaining allegations and
8 characterizations contained in said paragraph, and therefore deny the remaining allegations and
9 characterizations in said paragraph.

10 23. Answering Paragraph “23” of the Plaintiff’s Complaint, the 1989 JOA speaks
11 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

12 24. Answering Paragraph “24” of the Plaintiff’s Complaint, the 1989 JOA speaks
13 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

14 25. Answering Paragraph “25” of the Plaintiff’s Complaint, the 1989 JOA speaks
15 for itself and Defendants deny the unnecessary characterizations of its provisions, as worded.

16 26. Answering Paragraph “26” of the Plaintiff’s Complaint, the Defendants admit
17 that the 1989 JOA did not provide for any alternative dispute resolution procedure. The
18 Defendants are without sufficient information upon which to form a belief as to the truth of the
19 remaining allegations and characterizations contained in said paragraph and therefore, deny
20 said allegations and characterizations.

21 **II. ONGOING DISPUTES CULMINATE INTO A SETTLEMENT**

22 27. Answering Paragraph “27” of the Plaintiff’s Complaint, the Defendants are
23 without sufficient knowledge or information upon which to base a response to said paragraph,
24 and therefore deny the allegations in said paragraph.

25 28. Answering Paragraph “28” of the Plaintiff’s Complaint, the Defendants are
26 without sufficient knowledge or information upon which to base a response to said paragraph,
27 and therefore deny the allegations in said paragraph.

29. Answering Paragraph “29” of the Plaintiff’s Complaint, the Defendants are without sufficient knowledge or information upon which to base a response to said paragraph, and therefore deny the allegations in said paragraph.

III. THE 2005 JOA

30. Answering Paragraph “30” of the Plaintiff’s Complaint, the Defendants are without sufficient knowledge or information upon which to base a response to said paragraph, and therefore deny the allegations in said paragraph.

31. Answering Paragraph “31” of the Plaintiff’s Complaint, the Defendants admit the allegations contained in said paragraph.

32. Answering Paragraph “32” of the Plaintiff’s Complaint, the 2005 JOA speaks for itself and the Defendants deny the unnecessary characterizations of its provisions, as worded.

33. Answering Paragraph “33” of the Plaintiff’s Complaint, the 2005 JOA speaks for itself and the Defendants deny the unnecessary characterizations of its provisions, as worded.

34. Answering Paragraph “34” of the Plaintiff’s Complaint, the Defendants are without sufficient knowledge or information upon which to base a response to said paragraph, and therefore deny the allegations in said paragraph.

35. Answering Paragraph “35” of the Plaintiff’s Complaint, the Defendants admit that the 2005 JOA contains the quoted language, but the Defendants are without sufficient knowledge or information upon which to base a response to the remaining allegations and characterizations contained in such paragraph, and therefore deny the remaining allegations and characterizations in said paragraph. The 2005 JOA speaks for itself.

36. Answering Paragraph “36” of the Plaintiff’s Complaint, the Defendants admit that the quoted language does not appear in Section 5.2 of the 2005 JOA. As to the remaining allegations and characterizations in said paragraph, the Defendants are without sufficient knowledge or information upon which to base a response to said allegations, and therefore deny said allegations. The 2005 JOA speaks for itself.

1 37. Answering Paragraph “37” of the Plaintiff’s Complaint, the 2005 JOA speaks
2 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
3 worded.

4 38. Answering Paragraph “38” of the Plaintiff’s Complaint, the Defendants are
5 without sufficient knowledge or information upon which to base a response to said paragraph,
6 and therefore deny the allegations in said paragraph.

7 39. Answering Paragraph “39” of the Plaintiff’s Complaint, the 2005 JOA speaks
8 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
9 worded.

10 40. Answering Paragraph “40” of the Plaintiff’s Complaint, the 2005 JOA speaks
11 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
12 worded.

13 41. Answering Paragraph “41” of the Plaintiff’s Complaint, the 2005 JOA speaks
14 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
15 worded.

16 42. Answering Paragraph “42” of the Plaintiff’s Complaint, the 2005 JOA speaks
17 for itself and the Defendants deny the unnecessary characterizations and conjecture of its
18 provisions, as worded.

19 43. Answering Paragraph “43” of the Plaintiff’s Complaint, the 2005 JOA speaks
20 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
21 worded.

22 44. Answering Paragraph “44” of the Plaintiff’s Complaint, the Defendants are
23 without sufficient knowledge or information upon which to base a response to said paragraph,
24 and therefore deny the allegations in said paragraph.

25 45. Answering Paragraph “45” of the Plaintiff’s Complaint, the 2005 JOA speaks
26 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
27 worded.

1 46. Answering Paragraph “46” of the Plaintiff’s Complaint, the 1989 JOA and the
2 2005 JOA speak for themselves and the Defendants deny the unnecessary characterizations of
3 their provisions, as worded.

4 47. Answering Paragraph “47” of the Plaintiff’s Complaint, the 2005 JOA speaks
5 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
6 worded.

7 48. Answering Paragraph “48” of the Plaintiff’s Complaint, the Defendants admit
8 that the language quoted in said paragraph is contained in Section 5.1.4 of the JOA. The
9 Defendants deny remaining allegations in said paragraph.

10 49. Answering Paragraph “49” of the Plaintiff’s Complaint, the 2005 JOA speaks
11 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
12 worded.

13 50. Answering Paragraph “50” of the Plaintiff’s Complaint, the Defendants are
14 without sufficient knowledge or information upon which to base a response to said paragraph,
15 and therefore deny the allegations in said paragraph.

16 51. Answering Paragraph “51” of the Plaintiff’s Complaint, the 2005 JOA speaks
17 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
18 worded.

19 52. Answering Paragraph “52” of the Plaintiff’s Complaint, the Defendants admit
20 that the quoted language contained in said paragraph is contained in the 2005 JOA, but the
21 Defendants are without sufficient knowledge or information upon which to base a response to
22 the remaining allegations and characterizations in said paragraph, and therefore deny the
23 allegations in said paragraph.

24 53. Answering Paragraph “53” of the Plaintiff’s Complaint, the 2005 JOA speaks
25 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
26 worded.

27 54. Answering Paragraph “54” of the Plaintiff’s Complaint, the Defendants admit
28 and affirmatively state that Section 5.1, and Appendices A and B set forth specifications which

1 apply to the Sun's pages and its "noticeable mention" on the front page of the Las Vegas
2 Review-Journal. The Defendants deny the remaining allegations in said paragraph, as worded.

3 55. Answering Paragraph "55" of the Plaintiff's Complaint, the Defendants admit
4 that the quoted language is contained in Appendix A to the 2005 JOA, but deny the remaining
5 allegations and characterizations contained in said paragraph.

6 56. Answering Paragraph "56" of the Plaintiff's Complaint, the 2005 JOA,
7 including Appendix B, speaks for itself, and Defendants deny the unnecessary allegations and
8 characterizations contained in said paragraph.

9 57. Answering Paragraph "57" of the Plaintiff's Complaint, the 2005 JOA speaks
10 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
11 worded.

12 58. Answering Paragraph "58" of the Plaintiff's Complaint, the Defendants deny the
13 allegations (as worded) contained in said paragraph.

14 59. Answering Paragraph "59" of the Plaintiff's Complaint, the 2005 JOA speaks
15 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
16 worded.

17 60. Answering Paragraph "60" of the Plaintiff's Complaint, the 2005 JOA speaks
18 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
19 worded.

20 61. Answering Paragraph "61" of the Plaintiff's Complaint, the 1989 JOA and the
21 2005 JOA speak for themselves and the Defendants deny the unnecessary characterizations of
22 their provisions, as worded.

23 62. Answering Paragraph "62" of the Plaintiff's Complaint, the Defendants admit
24 that the quoted language in said paragraph is contained in the 2005 JOA.

25 63. Answering Paragraph "63" of the Plaintiff's Complaint, the Defendants admit
26 that the quoted language in said paragraph is contained in the 2005 JOA.

27 64. Answering Paragraph "64" of the Plaintiff's Complaint, the Defendants admit
28 that the language quoted is contained in Section 10.8 of the 2005 JOA, but Defendants are

1 without sufficient knowledge or information upon which to base a response to the remaining
2 allegations and characterizations, and therefore deny the remaining allegations and
3 characterization in said paragraph.

4 **IV. THE SUN AND DR PARTNERS LITIGATE:**
5 **DEFENDANTS TAKE OVER THE REVIEW JOURNAL**

6 65. Answering Paragraph “65” of the Plaintiff’s Complaint, the Defendants are
7 without sufficient knowledge or information upon which to base a response to said paragraph,
8 and therefore deny the allegations in said paragraph..

9 66. Answering Paragraph “66” of the Plaintiff’s Complaint, the Defendants are
10 without sufficient knowledge or information upon which to base a response to said paragraph,
11 and therefore deny the allegations in said paragraph.

12 67. Answering Paragraph “67” of the Plaintiff’s Complaint, the Defendants are
13 without sufficient knowledge or information upon which to base a response to said paragraph,
14 and therefore deny the allegations in said paragraph.

15 68. Answering Paragraph “68” of the Plaintiff’s Complaint, the Defendants admit
16 that the litigation mentioned in said paragraph was in fact initiated. The Defendants deny the
17 remaining allegations and characterizations contained in said paragraph.

18 69. Answering Paragraph “69” of the Plaintiff’s Complaint, the Defendants admit
19 the allegations contained in said paragraph.

20 70. Answering Paragraph “70” of the Plaintiff’s Complaint, the Defendants admit
21 the allegations contained in said paragraph.

22 71. Answering Paragraph “71” of the Plaintiff’s Complaint, the Defendants admit
23 the allegations contained in said paragraph.

24 72. Answering Paragraph “72” of the Plaintiff’s Complaint, the Defendants admit
25 that the language quoted in said paragraph is contained in the Order entered by the Nevada
26 Supreme Court in Las Vegas Sun, Inc. v. D.R. Partners d/b/a Stephens Media Group, Appeal
27 No. 68700. The Defendants deny the remaining characterizations and allegations in said
28 paragraph.

1 73. Answering Paragraph “73” of the Plaintiff’s Complaint, the Defendants admit
2 that the language quoted in said paragraph is contained in the Order entered by the Nevada
3 Supreme Court in Las Vegas Sun, Inc. v. D.R. Partners d/b/a Stephens Media Group, Appeal
4 No. 68700. The Defendants deny the remaining characterizations and allegations in said
5 paragraph.

6 74. Answering Paragraph “74” of the Plaintiff’s Complaint, the Defendants admit
7 that the language quoted in said paragraph is contained in the Order entered by the Nevada
8 Supreme Court in Las Vegas Sun, Inc. v. D.R. Partners d/b/a Stephens Media Group, Appeal
9 No. 68700. The Defendants deny the remaining characterizations and allegations in said
10 paragraph.

11 75. Answering Paragraph “75” of the Plaintiff’s Complaint, the Defendants deny the
12 allegations contained in said paragraph.

13 76. Answering Paragraph “76” of the Plaintiff’s Complaint, the Defendants are
14 without sufficient knowledge or information upon which to base a response to said paragraph,
15 and therefore deny the allegations in said paragraph.

16 77. Answering Paragraph “77” of the Plaintiff’s Complaint, the Defendants admit
17 that the dispute settled and deny the remainder of the allegations contained in said paragraph.

18 78. Answering Paragraph “78” of the Plaintiff’s Complaint, the Defendants admit
19 the allegations contained in said paragraph.

20 79. Answering Paragraph “79” of the Plaintiff’s Complaint, the Defendants admit
21 the allegations contained in said paragraph.

22 80. Answering Paragraph “80” of the Plaintiff’s Complaint, the Defendants admit
23 that they became aware of the pending legal proceedings when they succeeded in ownership.

24 81. Answering Paragraph “81” of the Plaintiff’s Complaint, the Defendants are
25 without sufficient knowledge or information upon which to base a response to said paragraph,
26 and therefore deny the allegations in said paragraph.

27 82. Answering Paragraph “82” of the Plaintiff’s Complaint, the Defendants admit
28 that early in 2018 they were provided with a copy of the settlement agreement reached in the

1 Sun's litigation with DR Partners and Stephens Media, subject to protective, use and
2 confidentiality stipulations.

3 83. Answering Paragraph "83" of the Plaintiff's Complaint, the Defendants deny the
4 allegations contained in said paragraph.

5 84. Answering Paragraph "84" of the Plaintiff's Complaint, the Defendants admit
6 that their accounting practices did not change as a result of the Sun's litigation with DR
7 Partners and Stephens Media. The Defendants deny all other allegations, and characterizations
8 in said paragraph.

9 85. Answering Paragraph "85" of the Plaintiff's Complaint, the Defendants deny the
10 allegations contained in said paragraph.

11 **V. DEFENDANTS HAVE FAILED TO BEAR THE REVIEW-JOURNAL'S**
12 **EDITORIAL COST BURDEN**

13 86. Answering Paragraph "86" of the Plaintiff's Complaint, the Defendants admit
14 that the Plaintiff and Defendants disagree as to meaning and interpretation of certain provisions
15 of the 2005 JOA regarding editorial costs, and certain of those disagreements are the same or
16 similar to those between the Sun and the prior owners of the Las Vegas Review-Journal. The
17 Defendants deny the remaining allegations and characterizations in said paragraph.

18 87. Answering Paragraph "87" of the Plaintiff's Complaint, the Defendants admit
19 that for the fiscal year ending March 31, 2017, the Las Vegas Review-Journal recorded a
20 negative EBITDA in the approximate amount of \$2.25 million. The Defendants are without
21 sufficient knowledge or information to form a response to the remaining characterizations and
22 allegations in said paragraph, and deny such characterizations and allegations.

23 88. Answering Paragraph "88" of the Plaintiff's Complaint, the Defendants are
24 without sufficient knowledge or information upon which to base a response to said paragraph,
25 and therefore deny the allegations in said paragraph.

26 89. Answering Paragraph "89" of the Plaintiff's Complaint, the Defendants admit
27 the allegations contained in said paragraph.

1 90. Answering Paragraph “90” of the Plaintiff’s Complaint, the Defendants are
2 without sufficient knowledge or information upon which to base a response to said paragraph,
3 and therefore deny the allegations in said paragraph.

4 91. Answering Paragraph “91” of the Plaintiff’s Complaint, the Defendants
5 affirmatively state that after the Defendants’ purchase of the Las Vegas Review-Journal, Jason
6 Taylor served as manager, from December 2015 until March 2016. The Defendants deny the
7 remaining allegations and characterizations in said paragraph.

8 92. Answering Paragraph “92” of the Plaintiff’s Complaint, the Defendants
9 affirmatively state that Jason Taylor created an unreasonable assessment of the anticipated
10 advertising revenues for the Las Vegas Review-Journal. The Defendants deny the remaining
11 allegations and characterizations contained in said paragraph.

12 93. Answering Paragraph “93” of the Plaintiff’s Complaint, the Defendants
13 affirmatively state that Jason Taylor created an unreasonable assessment of the anticipated
14 advertising revenues for the Las Vegas Review-Journal. The Defendants deny the remaining
15 allegations and characterizations contained in said paragraph.

16 94. Answering Paragraph “94” of the Plaintiff’s Complaint, the Defendants
17 affirmatively state that Jason Taylor left employment with the Defendants in March of 2016,
18 and that he was replaced with a new manager. New management advised the Plaintiff’s
19 management that the rate of decline in print advertising revenues would negatively impact the
20 profitability of the Las Vegas Review-Journal. The Defendants deny the remaining allegations
21 and characterizations contained in said paragraph, as worded.

22 95. Answering Paragraph “95” of the Plaintiff’s Complaint, the Defendants deny the
23 allegations contained in said paragraph.

24 96. Answering Paragraph “96” of the Plaintiff’s Complaint, the Defendants deny the
25 allegations contained in said paragraph.

26 **VI. DEFENDANTS HAVE CHARGED THE REVIEW-JOURNAL’S INDIVIDUAL**
27 **PROMOTIONAL EXPENSES TO THE JOINT OPERATION**

28 97. Answering Paragraph “97” of the Plaintiff’s Complaint, the Plaintiff’s
allegations are vaguely worded with respect to time, and specifically what activity is the subject

1 of its allegation. Consequently, the Defendants are without sufficient knowledge or
2 information upon which to form a response, and therefore deny the allegations and
3 characterizations contained in said paragraph.

4 98. Answering Paragraph “98” of the Plaintiff’s Complaint, the 2005 JOA speaks
5 for itself. The Defendants deny the characterizations and allegations contained in said
6 paragraph.

7 99. Answering Paragraph “99” of the Plaintiff’s Complaint, the Defendants deny the
8 allegations contained in said paragraph.

9 100. Answering Paragraph “100” of the Plaintiff’s Complaint, the Defendants are
10 without sufficient knowledge or information upon which to base a response to said paragraph,
11 and therefore deny the allegations in said paragraph.

12 101. Answering Paragraph “101” of the Plaintiff’s Complaint, the Defendants deny
13 the allegations contained in said paragraph.

14 102. Answering Paragraph “102” of the Plaintiff’s Complaint, the Defendants deny
15 the allegations contained in said paragraph.

16 103. Answering Paragraph “103” of the Plaintiff’s Complaint, the Plaintiff’s
17 allegations are vaguely worded with respect to time, specifically what activity is the subject of
18 its allegation. Consequently, the Defendants are without sufficient knowledge or information
19 upon which to form a response, and therefore deny the allegations and characterizations
20 contained in said paragraph.

21 104. Answering Paragraph “104” of the Plaintiff’s Complaint, the 2005 JOA,
22 including Appendix B, speaks for itself, and Defendants deny the unnecessary allegations and
23 characterizations contained in said paragraph.

24 105. Answering Paragraph “105” of the Plaintiff’s Complaint, the Plaintiff’s
25 allegations are vaguely worded with respect to time, specifically what activity is the subject of
26 its allegation. Consequently, the Defendants are without sufficient knowledge or information
27 upon which to form a response, and therefore deny the allegations and characterizations
28 contained in said paragraph.

1 106. Answering Paragraph “106” of the Plaintiff’s Complaint, the Defendants deny
2 the allegations contained in said paragraph.

3 107. Answering Paragraph “107” of the Plaintiff’s Complaint, the Defendants deny
4 the allegations contained in said paragraph.

5 108. Answering Paragraph “108” of the Plaintiff’s Complaint, the Defendants deny
6 the allegations contained in said paragraph.

7 109. Answering Paragraph “109” of the Plaintiff’s Complaint, the Defendants deny
8 the allegations contained in said paragraph.

9 110. Answering Paragraph “110” of the Plaintiff’s Complaint, the Defendants deny
10 the allegations contained in said paragraph.

11 **VII. DEFENDANTS CHANGED THE NEWSPAPERS’ FRONT PAGE**
12 **SPECIFICATIONS WITHOUT APPROVAL**

13 111. Answering Paragraph “111” of the Plaintiff’s Complaint, the Defendants admit
14 that they informed the Plaintiff in March 2017 that they would be publishing the Las Vegas
15 Review-Journal with a redesigned front page commencing with the beginning of April 2017.
16 Defendants further affirmatively state that the redesigned front page was and is in full
17 compliance with the provisions of the 2005 JOA. The Defendants deny the remaining
18 allegations and characterizations in said paragraph.

19 112. Answering Paragraph “112” of the Plaintiff’s Complaint, the Defendants admit
20 that the Las Vegas Review-Journal was published with the aforementioned redesigned front
21 page at the beginning of April. Defendants further affirmatively state that the redesigned front
22 page was and is in compliance with the provisions with the 2005 JOA. The Defendants deny
23 the remaining allegations and characterizations in said paragraph.

24 113. Answering Paragraph “113” of the Plaintiff’s Complaint, the Defendants deny
25 the allegations contained in said paragraph.

26 114. Answering Paragraph “114” of the Plaintiff’s Complaint, the Defendants admit
27 that the redesigned front page of the Las Vegas Review-Journal has been published from April
28 2017 to the present. The Defendants deny the remaining allegations and characterizations in
said paragraph.

**VIII. DEFENDANTS HAVE STONEWALLED THE SUN'S AUDIT REQUESTS FOR
OVER A YEAR**

115. Answering Paragraph "115" of the Plaintiff's Complaint, the Defendants admit that the Plaintiff, through its lawyers, sent to the Defendants a letter on or about May 12, 2016, purporting to be its 30 day notice of intent to examine and audit the Las Vegas Review-Journal's books and records. The Defendants deny the remaining allegations and characterizations contained in said paragraph.

116. Answering Paragraph "116" of the Plaintiff's Complaint, the Defendants admit that the Plaintiff stated that its "audit request" was made pursuant to Appendix D of the 2005 JOA. The Defendants deny any remaining allegations or characterizations in said paragraph.

117. Answering Paragraph "117" of the Plaintiff's Complaint, the Defendants admit that they received a list of the documentation which the Plaintiff was requesting.

118. Answering Paragraph "118" of the Plaintiff's Complaint, the Defendants admit and affirmatively state that the Defendants responded in July 2016 to the Sun's "request" by way of a letter from its counsel objecting to the Sun's request as being outside the scope of the Sun's rights under the 2005 JOA. The Defendants deny the remaining allegations and characterizations in said paragraph.

119. Answering Paragraph "119" of the Plaintiff's Complaint, the Defendants admit the allegations contained in said paragraph.

120. Answering Paragraph "120" of the Plaintiff's Complaint, the Defendants admit the allegations contained in said paragraph.

121. Answering Paragraph "121" of the Plaintiff's Complaint, the Defendants admit the allegations contained in said paragraph.

122. Answering Paragraph "122" of the Plaintiff's Complaint, the Defendants deny the allegations contained in said paragraph, as worded.

123. Answering Paragraph "123" of the Plaintiff's Complaint, the Defendants admit the allegations contained in said paragraph.

124. Answering Paragraph "124" of the Plaintiff's Complaint, the Defendants admit that the Sun's representatives met with the management of the Las Vegas Review-Journal and

1 explained its rationale for requesting the information it did. The Defendants deny the
2 remaining allegations and characterizations contained in said paragraph.

3 125. Answering Paragraph “125” of the Plaintiff’s Complaint, the Defendants admit
4 the allegations contained in said paragraph.

5 126. Answering Paragraph “126” of the Plaintiff’s Complaint, the Defendants admit
6 the allegations contained in said paragraph.

7 127. Answering Paragraph “127” of the Plaintiff’s Complaint, the Defendants admit
8 that the anticipated provision of documents and information to the Sun did not occur within the
9 first two weeks of January 2018, due to logistical considerations.

10 128. Answering Paragraph “128” of the Plaintiff’s Complaint, the Defendants admit
11 that the Plaintiff advised them on or about January 15, 2018 that it wanted immediate
12 compliance with its audit request, and would otherwise include a claim concerning the audit in
13 its anticipated arbitration demand. Defendants further admit that it subsequently agreed to
14 share with the Sun additional records and information (beyond that to which the Sun was
15 actually entitled), and made arrangements to begin the Sun’s audit on January 23, 2018. The
16 Defendants deny the remaining allegations and characterizations contained in said paragraph.

17 129. Answering Paragraph “129” of the Plaintiff’s Complaint, the Defendants deny
18 the allegations contained in said paragraph.

19 130. Answering Paragraph “130” of the Plaintiff’s Complaint, the Defendants admit
20 the allegations contained in said paragraph.

21 131. Answering Paragraph “131” of the Plaintiff’s Complaint, the Defendants deny
22 the allegations contained in said paragraph.

23 132. Answering Paragraph “132” of the Plaintiff’s Complaint, the Defendants
24 affirmatively state that they were prepared to commence the audit in January 2018, as agreed,
25 but objected to the Certified Public Accountant designated by the Plaintiff to examine the
26 materials to be provided. The 2005 JOA required that a law firm or a Certified Public
27 Accounting Firm be the entity conducting the audit. Upon learning of the Defendants’
28 objection, instead of redesignating a person/or entity qualified under the 2005 JOA, the

1 Plaintiff abandoned its audit efforts, and commenced an arbitration proceeding with the
2 American Arbitration Association. The Defendants deny the remaining allegations and
3 characterizations in said paragraph, as worded.

4 **IX. THE SUN INITIATES ARBITRATION OF THESE DISPUTES AND**
5 **DEFENDANTS CHALLENGE AAA JURISDICTION**

6 133. Answering Paragraph “133” of the Plaintiff’s Complaint, the Defendants admit
7 the allegations contained in said paragraph.

8 134. Answering Paragraph “134” of the Plaintiff’s Complaint, the allegations in such
9 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
10 statutory language, to which no responsive pleading is required. To the extent any response is
11 required, the Defendants deny the allegations in said paragraph.

12 135. Answering Paragraph “135” of the Plaintiff’s Complaint, the Defendants admit
13 the allegations contained in said paragraph.

14 136. Answering Paragraph “136” of the Plaintiff’s Complaint, the Defendants admit
15 that an Administrative Call was conducted with the AAA on February 23, 2018, and that
16 scheduling, qualifications of the arbitrator, procedures, and potential discovery issues were
17 discussed. The official records of the AAA regarding the results and subject matter of the call
18 speak for themselves, and the Defendants consequently deny the remaining characterizations
19 and allegations in said paragraph.

20 137. Answering Paragraph “137” of the Plaintiff’s Complaint, the Defendants admit
21 the allegations contained in said paragraph.

22 138. Answering Paragraph “138” of the Plaintiff’s Complaint, the Defendants admit
23 the allegations contained in said paragraph.

24 139. Answering Paragraph “139” of the Plaintiff’s Complaint, the Defendants admit
25 the allegations contained in said paragraph.

26 140. Answering Paragraph “140” of the Plaintiff’s Complaint, the Defendants admit
27 that on March 22, 2018 they advised the Sun and the AAA that they contested and objected to
28 the AAA’s jurisdiction to resolve the four (4) claims set forth in the Sun’s Arbitration Demand.

1 The Defendants deny the remaining allegations and characterizations contained in said
2 paragraph.

3 141. Answering Paragraph “141” of the Plaintiff’s Complaint, the Defendants admit
4 that on or about March 22nd, they proposed to discuss a three person arbitration panel as a
5 compromise solution for resolving the parties’ dispute, a settlement framework to which the
6 Plaintiff was not receptive. The Defendants deny the remaining characterizations and
7 allegations contained in said paragraph, as worded.

8 142. Answering Paragraph “142” of the Plaintiff’s Complaint, the Defendants deny
9 the allegations contained in said paragraph.

10 143. Answering Paragraph “143” of the Plaintiff’s Complaint, the Defendants deny
11 the allegations contained in said paragraph.

12 **FIRST CLAIM FOR RELIEF**
13 **(Declaratory Relief)**

14 144. Answering Paragraph “144” of the Plaintiff’s Complaint, the Defendants hereby
15 reallege and incorporate by reference as through fully set forth herein, the responses contained
16 in the paragraphs above.

17 145. Answering Paragraph “145” of the Plaintiff’s Complaint, the allegations in such
18 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
19 statutory language, to which no responsive pleading is required. To the extent any response is
20 required, the Defendants deny the allegations in said paragraph.

21 146. Answering Paragraph “146” of the Plaintiff’s Complaint, the allegations in such
22 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
23 statutory language, to which no responsive pleading is required. To the extent any response is
24 required, the Defendants deny the allegations in said paragraph.

25 147. Answering Paragraph “147” of the Plaintiff’s Complaint, the allegations in such
26 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
27 statutory language, to which no responsive pleading is required. To the extent any response is
28 required, the Defendants deny the allegations in said paragraph.

1 148. Answering Paragraph “148” of the Plaintiff’s Complaint, the Defendants admit
2 the allegations contained in said paragraph.

3 149. Answering Paragraph “149” of the Plaintiff’s Complaint, the Defendants admit
4 the allegations contained in said paragraph.

5 150. Answering Paragraph “150” of the Plaintiff’s Complaint, the language of said
6 paragraph sets forth legal conclusions, alleged statements of law, and a description of the relief
7 sought by the Plaintiff, to which no responsive pleading is required. To the extent any response
8 is required, the Defendants deny the allegations contained in said paragraph, and deny that the
9 Plaintiff is entitled to any of the relief it seeks.

10 151. Answering Paragraph “151” of the Plaintiff’s Complaint, the Defendants deny
11 the allegations contained in said paragraph.

12 152. Answering Paragraph “152” of the Plaintiff’s Complaint, the Defendants deny
13 the allegations contained in said paragraph.

14 **SECOND CLAIM FOR RELIEF**
15 **(Breach of Contract – Arbitration Provision)**

16 153. Answering Paragraph “153” of the Plaintiff’s Complaint, the Defendants hereby
17 reallege and incorporate by reference as through fully set forth herein, the responses contained
18 in the paragraphs above.

19 154. Answering Paragraph “154” of the Plaintiff’s Complaint, the allegations in such
20 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
21 statutory language, to which no responsive pleading is required. To the extent any response is
22 required, the Defendants deny the allegations in said paragraph.

23 155. Answering Paragraph “155” of the Plaintiff’s Complaint, the 2005 JOA speaks
24 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
25 worded.

26 156. Answering Paragraph “156” of the Plaintiff’s Complaint, the language of said
27 paragraph purports to set forth the ruling of the Nevada Supreme Court, and contains a legal
28 conclusion and purported interpretation of that conclusion. The referenced Order of the

1 Nevada Supreme Court speaks for itself. The Defendants deny the allegations and unnecessary
2 characterizations contained in said paragraphs.

3 157. Answering Paragraph “157” of the Plaintiff’s Complaint, the Defendants deny
4 the allegations contained in said paragraph.

5 158. Answering Paragraph “158” of the Plaintiff’s Complaint, the Defendants are
6 without sufficient knowledge or information upon which to base a response to said paragraph,
7 and therefore deny the allegations in said paragraph.

8 159. Answering Paragraph “159” of the Plaintiff’s Complaint, the Defendants deny
9 the allegations contained in said paragraph.

10 160. Answering Paragraph “160” of the Plaintiff’s Complaint, the Defendants deny
11 the allegations contained in said paragraph.

12 161. Answering Paragraph “161” of the Plaintiff’s Complaint, the Defendants admit
13 that the 2005 JOA contains provisions pertinent to editorial costs. As to the remaining
14 characterizations and allegations, such characterizations and allegations are legal conclusions,
15 to which no responsive pleading is required. To the extent any response is required, the
16 Defendants deny the remaining allegations in said paragraph.

17 162. Answering Paragraph “162” of the Plaintiff’s Complaint, the Defendants deny
18 the allegations contained in said paragraph.

19 163. Answering Paragraph “163” of the Plaintiff’s Complaint, the Defendants deny
20 the allegations contained in said paragraph.

21 164. Answering Paragraph “164” of the Plaintiff’s Complaint, the Defendants deny
22 the allegations contained in said paragraph.

23 165. Answering Paragraph “165” of the Plaintiff’s Complaint, the Defendants deny
24 the allegations contained in said paragraph.

25 **THIRD CLAIM FOR RELIEF**

26 **(Breach of Contract – Editorial Costs: Section 4.2 and Related Provisions)**

27 166. Answering Paragraph “166” of the Plaintiff’s Complaint, the Defendants hereby
28 reallege and incorporate by reference as through fully set forth herein, the responses contained
in the paragraphs above.

1 167. Answering Paragraph “167” of the Plaintiff’s Complaint, the allegations in such
2 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
3 statutory language, to which no responsive pleading is required. To the extent any response is
4 required, the Defendants deny the allegations in said paragraph.

5 168. Answering Paragraph “168” of the Plaintiff’s Complaint, the 2005 JOA speaks
6 for itself and the Defendants deny the unnecessary characterizations of its provisions, as
7 worded.

8 169. Answering Paragraph “169” of the Plaintiff’s Complaint, the Defendants deny
9 the allegations contained in said paragraph.

10 170. Answering Paragraph “170” of the Plaintiff’s Complaint, the Defendants are
11 without sufficient knowledge or information upon which to base a response to said paragraph,
12 and therefore deny the allegations in said paragraph.

13 171. Answering Paragraph “171” of the Plaintiff’s Complaint, the Defendants deny
14 the allegations contained in said paragraph.

15 172. Answering Paragraph “172” of the Plaintiff’s Complaint, the Defendants deny
16 the allegations contained in said paragraph.

17 173. Answering Paragraph “173” of the Plaintiff’s Complaint, the Defendants admit
18 that the 2005 JOA contains provisions pertinent to editorial costs. As to the remaining
19 characterizations and allegations, such characterizations and allegations are legal conclusions,
20 to which no responsive pleading is required. To the extent any response is required, the
21 Defendants deny the remaining allegations in said paragraph.

22 174. Answering Paragraph “174” of the Plaintiff’s Complaint, the Defendants deny
23 the allegations contained in said paragraph.

24 175. Answering Paragraph “175” of the Plaintiff’s Complaint, the Defendants deny
25 the allegations contained in said paragraph.

26 176. Answering Paragraph “176” of the Plaintiff’s Complaint, the Defendants deny
27 the allegations contained in said paragraph.

177. Answering Paragraph “177” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

FOURTH CLAIM FOR RELIEF
(Breach of Contract – the Review-Journal’s Independent Promotional Activities and Expenses: Section 5.1.4)

178. Answering Paragraph “178” of the Plaintiff’s Complaint, the Defendants hereby reallege and incorporate by reference as through fully set forth herein, the responses contained in the paragraphs above.

179. Answering Paragraph “179” of the Plaintiff’s Complaint, the allegations in such paragraph are legal conclusions, alleged statements of law and alleged interpretations of statutory language, to which no responsive pleading is required. To the extent any response is required, the Defendants deny the allegations in said paragraph.

180. Answering Paragraph “180” of the Plaintiff’s Complaint, Section 5.1.4 of the 2005 JOA speaks for itself and the Defendants deny the characterizing of said provision, as worded.

181. Answering Paragraph “181” of the Plaintiff’s Complaint, the allegations in such paragraph are legal conclusions, alleged statements of law and alleged interpretations of statutory language, to which no responsive pleading is required. To the extent any response is required, the Defendants deny the allegations in said paragraph.

182. Answering Paragraph “182” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

183. Answering Paragraph “183” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

184. Answering Paragraph “184” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

185. Answering Paragraph “185” of the Plaintiff’s Complaint, the Defendants admit that the 2005 JOA includes a Section 5.1.4 and Appendices A and B. As to the remaining characterizations and allegations, such characterizations and allegations are legal conclusions,

1 to which no responsive pleading is required. To the extent any response is required, the
2 Defendants deny the remaining allegations in said paragraph.

3 186. Answering Paragraph “186” of the Plaintiff’s Complaint, the Defendants deny
4 the allegations contained in said paragraph.

5 187. Answering Paragraph “187” of the Plaintiff’s Complaint, the Defendants deny
6 the allegations contained in said paragraph.

7 188. Answering Paragraph “188” of the Plaintiff’s Complaint, the Defendants deny
8 the allegations contained in said paragraph.

9 189. Answering Paragraph “189” of the Plaintiff’s Complaint, the Defendants deny
10 the allegations contained in said paragraph.

11 **FIFTH CLAIM FOR RELIEF**
12 **(Breach of Contract – The Front Page Format: Section 5.1, and Appendices A and B)**

13 190. Answering Paragraph “190” of the Plaintiff’s Complaint, the Defendants hereby
14 reallege and incorporate by reference as through fully set forth herein, the responses contained
15 in the paragraphs above.

16 191. Answering Paragraph “191” of the Plaintiff’s Complaint, the allegations in such
17 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
18 statutory language, to which no responsive pleading is required. To the extent any response is
19 required, the Defendants deny the allegations in said paragraph.

20 192. Answering Paragraph “192” of the Plaintiff’s Complaint, the Defendants admit
21 and affirmatively state that Section 5.1, and Appendices A and B set forth specifications which
22 apply to the Sun’s pages and its “noticeable mention” on the front page of the Las Vegas
23 Review-Journal. The Defendants deny the remaining allegations in said paragraph, as worded.

24 193. Answering Paragraph “193” of the Plaintiff’s Complaint, the Defendants deny
25 the allegations contained in said paragraph.

26 194. Answering Paragraph “194” of the Plaintiff’s Complaint, the Defendants deny
27 the allegations contained in said paragraph.

28 195. Answering Paragraph “195” of the Plaintiff’s Complaint, the Defendants deny
the allegations contained in said paragraph.

1 196. Answering Paragraph “196” of the Plaintiff’s Complaint, the Defendants admit
2 that the 2005 JOA includes a Section 5.1 and Appendices A and B. As to the remaining
3 characterizations and allegations, such characterizations and allegations are legal conclusions,
4 to which no responsive pleading is required. To the extent any response is required, the
5 Defendants deny the remaining allegations in said paragraph.

6 197. Answering Paragraph “197” of the Plaintiff’s Complaint, the Defendants deny
7 the allegations contained in said paragraph.

8 198. Answering Paragraph “198” of the Plaintiff’s Complaint, the Defendants deny
9 the allegations contained in said paragraph.

10 199. Answering Paragraph “199” of the Plaintiff’s Complaint, the Defendants deny
11 the allegations contained in said paragraph.

12 200. Answering Paragraph “200” of the Plaintiff’s Complaint, the Defendants deny
13 the allegations contained in said paragraph.

14 **SIXTH CLAIM FOR RELIEF**
15 **(Breach of Contract – Audit)**

16 201. Answering Paragraph “201” of the Plaintiff’s Complaint, the Defendants hereby
17 reallege and incorporate by reference as through fully set forth herein, the responses contained
18 in the paragraphs above.

19 202. Answering Paragraph “202” of the Plaintiff’s Complaint, the allegations in such
20 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
21 statutory language, to which no responsive pleading is required. To the extent any response is
22 required, the Defendants deny the allegations in said paragraph.

23 203. Answering Paragraph “203” of the Plaintiff’s Complaint, the Defendants admit
24 that the quoted language in said paragraph appears in Appendix D to the JOA. As to the
25 remaining characterizations and allegations, such characterizations and allegations are legal
26 conclusions, to which no responsive pleading is required. To the extent any response is
27 required the Defendants deny the remaining allegations in said paragraph.

28 204. Answering Paragraph “204” of the Plaintiff’s Complaint, the Defendants deny
the allegations contained in said paragraph.

1 205. Answering Paragraph “205” of the Plaintiff’s Complaint, the Defendants deny
2 the allegations contained in said paragraph.

3 206. Answering Paragraph “206” of the Plaintiff’s Complaint, the Defendants deny
4 the allegations contained in said paragraph.

5 207. Answering Paragraph “207” of the Plaintiff’s Complaint, the Defendants admit
6 that Appendix D to the 2005 JOA contains an audit provision. As to the Plaintiff’s
7 characterization of that provision, such characterization is a legal conclusion, to which no
8 responsive pleading is required. To the extent a response is required, the Defendants are
9 without sufficient knowledge or information upon which to base a response to said paragraph,
10 and therefore deny the allegations in said paragraph.

11 208. Answering Paragraph “208” of the Plaintiff’s Complaint, the Defendants deny
12 the allegations contained in said paragraph.

13 209. Answering Paragraph “209” of the Plaintiff’s Complaint, the Defendants deny
14 the allegations contained in said paragraph.

15 210. Answering Paragraph “210” of the Plaintiff’s Complaint, the Defendants deny
16 the allegations contained in said paragraph.

17 211. Answering Paragraph “211” of the Plaintiff’s Complaint, the Defendants deny
18 the allegations contained in said paragraph.

19 **SEVENTH CLAIM FOR RELIEF**

20 **(Tortious Breach of the Implied Covenant of Good Faith and Fair Dealing)**

21 212. Answering Paragraph “212” of the Plaintiff’s Complaint, the Defendants the
22 Defendants hereby reallege and incorporate by reference as through fully set forth herein, the
23 responses contained in the paragraphs above.

24 213. Answering Paragraph “213” of the Plaintiff’s Complaint, the allegations in such
25 paragraph are legal conclusions, alleged statements of law and alleged interpretations of
26 statutory language, to which no responsive pleading is required. To the extent any response is
27 required, the Defendants deny the allegations in said paragraph.

28 214. Answering Paragraph “214” of the Plaintiff’s Complaint, the Defendants deny
the allegations contained in said paragraph.

215. Answering Paragraph “215” of the Plaintiff’s Complaint, the allegations in such paragraph are legal conclusions, alleged statements of law and alleged interpretations of statutory language, to which no responsive pleading is required. To the extent any response is required, the Defendants deny the allegations in said paragraph.

216. Answering Paragraph “216” of the Plaintiff’s Complaint, the Defendants are without sufficient knowledge or information upon which to base a response to said paragraph, and therefore deny the allegations in said paragraph.

217. Answering Paragraph “217” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

218. Answering Paragraph “218” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

219. Answering Paragraph “219” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

220. Answering Paragraph “220” of the Plaintiff’s Complaint, the Defendants deny the allegations contained in said paragraph.

PRAYER FOR RELIEF

221. Answering the provisions of the Plaintiff's Complaint designated as its "Prayer for Relief", the statements contained therein constitute descriptions of the remedies sought by the Plaintiff and require no response. To the extent the Plaintiff's Prayer for Relief requires a response, the Defendants deny that the Plaintiff is entitled to any of the relief it seeks from the Court.

Defendants deny any allegation not specifically admitted.

Defendants deny all argument made in the headings of the Sun's complaint.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff fails to state a claim upon which relief can be granted.

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SECOND AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of accord and satisfaction.

THIRD AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of waiver.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of estoppel.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of laches.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of setoff.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the doctrine of recoupment.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by the Statute of Frauds.

NINTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, by a failure of a condition.

TENTH AFFIRMATIVE DEFENSE

The Defendants obligations were excused by Plaintiff’s conduct.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims fail for the want of any controversy as Plaintiff already settled its claims with Las Vegas Review-Journal.

TWELFTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred by the applicable statute of limitations.

THIRTEENTH AFFIRMATIVE DEFENSE

The Defendants did not have confidential relationship with the Plaintiff.

FOURTEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by the Parol Evidence Rule.

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FIFTEENTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole or in part, by the doctrines of acquiescence, unclean hands, unjust enrichment and/or ratification, as well as other applicable equitable doctrines.

SIXTEENTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole or in part, because the Defendants at all times acted in good faith and did not directly or indirectly induce any act or acts constituting a cause of action arising under any law.

SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by release, compromise and settlement.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by payment.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by mistake.

TWENTIETH AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by ratification.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or part, by acquiescence.

TWENTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff’s claims are barred, in whole or in part, because the Court lacks jurisdiction over them.

TWENTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff’s claims for punitive damages are barred because none of the alleged acts or omissions was or is malicious, willful, wanton, reckless, or grossly negligent.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

Any alleged damages allegedly incurred by Plaintiff are the result of acts and omissions of persons other than Defendants and therefore any alleged acts or omissions of the Defendants did not proximately cause Plaintiff’s alleged damages.

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CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D), I certify that I am an employee of Boies Schiller Flexner LLP and that on the 14th day of December, 2018, the foregoing **ANSWER TO COMPLAINT** was served and/or filed via the Court's E-Filing System to the following:

E. Leif Reid, Esq.
Kirsten L. Martini, Esq.
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/s/ Shilah Wisniewski
SHILAH WISNIEWSKI
An employee of Boies Schiller Flexner LLP

Plaintiff's Motion to Confirm Arbitration Award, in Part, and to
Vacate or, Alternatively, Modify or Correct the Award, in Part
(Excluding Exhibits) [Filed Under Seal]
[Page Nos. 147-178]

Plaintiff's Motion to Confirm Arbitration Award, in Part, and to
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[Page Nos. 147-178]