

ANCHORAGE DAILY NEWS

Alaska News

Sale of Alaska Dispatch News to Binkley group is approved by judge

✎ Author: Annie Zak, Michelle Theriault Boots ⓘ Updated: December 2, 2017

📅 Published September 11, 2017



Ryan Binkley speaks to reporters after the Alaska Dispatch News bankruptcy hearing on September 11, 2017, outside the Old Federal Building downtown. (Rugile Kaladyte / Alaska Dispatch News)

[Buy This Photo](#)

A federal bankruptcy judge on Monday approved the sale of Alaska Dispatch News to the Binkley family of Fairbanks for \$1 million, the amount the Binkley family company has already loaned the news operation.

The decision means Alaska's largest newspaper and news website will avoid a sudden shutdown, and that the Binkleys acquire Alaska Dispatch News for what they've spent.

"The balance of the purchase price is zero," U.S. Bankruptcy Court Judge Gary Spraker said in an order signed Monday.

In front of a packed downtown Anchorage courtroom full of lawyers, reporters and onlookers, Spraker said the sale price of \$1 million was fair and reasonable, especially since ADN would be unable to continue operations otherwise.

"There is no more money. There is no more time. There's also no more buyers," Spraker said during the hearing Monday.

The hearing, which began in the morning and lasted through the afternoon, was an opportunity for other bidders to come forward formally, but none did. An alternative, had the sale not been approved, was liquidation.

The buyer is the Binkley Co. LLC made up of siblings Ryan Binkley, Wade Binkley, James Binkley and Kai Binkley Sims. The group is working with Jason Evans, owner of Alaska Media LLC, though the proposed sale agreement lists only the Binkley Co. as buyer.

Ryan Binkley and Evans have been interim co-publishers of the newspaper since the company filed for Chapter 11 bankruptcy protection last month. Alice Rogoff is the former publisher, and she also attended Monday's hearing.

[A letter to readers from the new owners of Alaska Dispatch News]

A loan from the Binkley group approved by Spraker in August kept the lights on and paid salaries at the newspaper during the early stage of bankruptcy. The company's financial situation has been on the brink of collapse, bleeding money.

Binkley told staff Monday afternoon that under the "specter of the bankruptcy," ADN's revenue had dropped precipitously.

"By the time we get through the end of the week, we're basically going to have less than \$500 if all the estimates hold," said Erin Austin, ADN finance director, at the hearing.

The company lost \$4 million in the first six months of this year, Binkley had told staff recently. In 2015, bankruptcy filings show, the business recorded a net operating loss of \$5.8 million.

[Alaska Dispatch News bankruptcy sheds light on distressed company's finances]

Rogoff said in court that she started formal attempts to sell the paper in March, and talked with six prospective buyers. Ultimately, none besides the Binkley group decided to move forward.

Bob Kaufman, an owner of Channel Films, an Anchorage video production company, and someone Rogoff hired to assist in identifying prospective buyers, said in court that ADN "is in free fall."

He said Francis Wick, president of an Arizona chain of newspapers more than 90 years old, told him that papers as distressed as Alaska Dispatch News essentially can't continue to exist.

When asked about the value of the company in court, Kaufman offered an analogy: a Lamborghini sitting in a dealership has a very different price than one sitting in a Superfund site that costs \$10 million to clean up.

[Timeline: Alaska Dispatch News rooted in 1946 weekly]

The newspaper industry around the country has been struggling for years as many readers have abandoned print for news online.

Print circulation at newspapers, as well as advertising revenue in the industry, has been on the decline. ADN is the largest-circulation newspaper in Alaska and adn.com is the most-read news site.

"I purposely bit my tongue and did not inquire why the buyer believes this is going to succeed going forward," Spraker said at the hearing.

Mike Mills, an attorney for a committee of unsecured creditors, also spoke over the phone in Monday's hearing about whether \$1 million was a fair price considering the long list of vendors to which the newspaper owes more than \$2.5 million.

"The unfair part for the unsecured creditors in the estate is, (Rogoff) stopped the musical chairs a little bit early and didn't take care of the small guys," he said. "It's unfortunate a competing bidder didn't show up."

After the judge approved the sale, Ryan Binkley walked out of the courthouse and into a crowd of reporters.

He said work would need to begin immediately to bring ADN back from the edge of a financial cliff.

The first and biggest problem to solve would be the issue of where the paper will be printed, Binkley said. But the new owners plan to continue producing a print newspaper.

raw_html

"It's vastly important for the community that the print paper continue to be put out and we're committed to that," he said.

Many of ADN's woes have hinged on its printing operations at a building owned by telecommunications company GCI on Northway Drive in East Anchorage, the former Anchorage Daily News building.

GCI had moved to evict the newspaper's operations there, but GCI and the Binkley group have since been in negotiations to find a way to keep printing operations going. For the time being, printing will continue there.

The new owners need to decide by Sept. 21 whether to acquire a used press brought to Alaska by Rogoff, that is now sitting in a building on Arctic Boulevard once conceived as a new printing facility. "Complications and delays" on improvements there stymied those plans, according to bankruptcy filings.

In the Monday staff meeting, Binkley said companywide layoffs will be part of the next steps.

"I can't tell you how many (layoffs), but I can tell you every area of the organization will be affected," he said. He didn't give an exact timeline for layoffs but indicated they won't wait until next month. "We have to move very quickly."

Rogoff slipped out of the courthouse almost unnoticed by the waiting pack of reporters, who had already descended on the Binkley family's attorney.

Rogoff's attorney, Bill Bittner, remained on the courthouse steps. He said the bankruptcy had been "very difficult" for Rogoff, who spent much of the six-hour hearing with downcast eyes and a blank expression on her face.

She started the venture because she wanted to provide quality news, he said.

"Through a series of missteps in business in terms of the press locations, it's led to this, which has made her very sad for the people at ADN," Bittner said. "She's glad it is handed off to a prominent group of Alaskans that will hopefully continue the great traditions of the ADN."

Bittner said he believed Rogoff would continue to live in Alaska. He didn't know what her plans were beyond that.

[Monday bankruptcy hearing will decide future of Alaska Dispatch News]

ADN has about 210 employees, according to filings in bankruptcy court.

Rogoff, through online news startup Alaska Dispatch, bought the Daily News from newspaper chain McClatchy Co. in 2014 for \$34 million. The organizations merged and the newspaper's name was changed to Alaska Dispatch News.

Potentially changing the name again is just one among "a thousand decisions we have to make," Binkley said outside the courthouse Monday.

Despite ominous testimony about the newspaper's deep troubles, he and his partners felt "excited" to become owners.

"There's a lot of risk in this deal," Binkley said. "There's nothing certain about it. We're willing to take that risk because we believe the turnaround is possible."

Binkley told staff Monday that "absent some cleanup paperwork," he believed the sale was already closed.