

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CONRAD M. BLACK, F. DAVID RADLER AND  
HOLLINGER INC.,

Defendants.

C.A. No. 04 CV 7377

Judge William T. Hart

**CONSENT OF DEFENDANT F. DAVID RADLER**

1. Defendant F. David Radler (“Defendant”) acknowledges having been served with the United States Securities and Exchange Commission’s First Amended Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) in this action and acknowledges having filed an answer to the Complaint, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the final judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violating, directly or indirectly, Sections 10(b), 13(b)(5) and 14(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b), 78m(b)(5) and 78n(a)] and Rules 10b-5, 13b2-1, 14a-3, 14a-9 thereunder [17 C.F.R. §§

240.10b-5, 240.13b2-1, 240.14a-3 and 240.14a-9] and, as a control person pursuant to Section 20(a) of the Exchange Act [15 U.S.C. §20(a)], Section 13(a) and 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§78t(a), 78m(b)(2)(A) and 78m(b)(2)(A)] and Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13] thereunder;

(b) orders Defendant liable for disgorgement in the amount of \$32,347,184, representing ill-gotten gains as a result of the conduct alleged in the Complaint in the amount of \$24,310,911, together with prejudgment interest thereon in the amount of \$8,036,273, but credits Defendant for \$8,651,957 paid to Hollinger International, Inc., now known as The Sun-Times Media Group, Inc., pursuant to an agreement between Defendant and Hollinger International dated November 2003, and orders Defendant to pay the amount of \$23,695,227. Specifically, Defendant's disgorgement amount represents (i) \$4,300,000 in ill-gotten gains received by Defendant in connection with the CNHI II transaction alleged in the Complaint; (ii) \$285,000 in ill-gotten gains received by Defendant in connection with the non-competition payments from the Forum and Paxton transactions alleged in the Complaint; (iii) \$2,612,500 in ill-gotten gains received by Defendant in connection with American Publishing Company transaction alleged in the Complaint; (iv) \$15,573,411 in ill-gotten gains received by Defendant in connection with the CanWest transaction alleged in the Complaint; (v) \$550,000 in ill-gotten gains received by Defendant in connection with the Bishop/Blackfoot

Assignment alleged in the Complaint; (vi) \$625,000 in ill-gotten gains received by Defendant in connection with the Mammoth Times transaction alleged in the Complaint; and (vii) \$365,000 in ill-gotten gains received by Defendant in connection with the Skagit Valley Argus and San Juan Journal transactions alleged in the Complaint; plus (viii) prejudgment interest thereon in the amount of \$8,036,273, and (ix) which credits Defendant for the \$8,651,957 previously paid to Hollinger International, Inc., as described above;

- (c) orders Defendant liable for and to pay a civil penalty in the amount of \$5,000,000 under Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and
- (d) bars Defendant from serving as an officer or director of any issuer required to file reports with the Commission under Sections 12(b), 12(g), or 15(d) of the Exchange Act [15 U.S.C. §§ 78l(b), 78l(g) and 78o(d)] pursuant to 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

3. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment shall be distributed to The Sun-Times Media Group, Inc., formerly known as Hollinger International, Inc., pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The civil penalty shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant agrees that he shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such

compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant agrees that he shall, within thirty (30) days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this action. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

4. Defendant agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such civil penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

5. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

6. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

7. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

8. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

9. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

10. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within 30 days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and

other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the Complaint in this action.

12. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

13. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,

expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

14. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant agrees to cooperate with the Commission, including: (i) voluntarily making himself available to be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) accepting service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony in any civil and/or administrative proceeding in connection with any related investigation by Commission staff; (iii) appointing Defendant's undersigned attorney as agent to receive service of such notices and subpoenas by the Commission; (iv) with respect to such notices and subpoenas, waives any territorial limitations on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

15. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

16. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: January 30, 2007



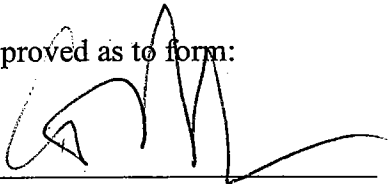
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F. David Radler

On January 30, 2007, F. David Radler, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



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Notary Public ROBERT J. ROSE  
Commission expires: NO TIME LIMIT

Approved as to form:



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Anton R. Valukas  
Jenner & Block, LLC  
One IBM Plaza  
Chicago, IL 60611  
Attorney for Defendant F. David Radler