

First of all, nothing but the best for Chuck and Nolan. I want the Rangers to win the World Series as much as any fan does and I think they have the right people on the field and off to help them do it.

So why did I go chasing the Rangers despite all the negative media attention ? Because I believe it was the right thing to do.

First some background. This wasn't a spur of the moment thing. More than a year ago, before the current parties were involved (or at least I was told there weren't others involved), I was contacted by someone the team owed a lot of money to and asked if I would be interested in buying the team side by side with them. I said yes. Got information. Did some very preliminary homework and told the group I was interested. That fell through. They decided not to go forward.

Then I was contacted by the departing owner of the Rangers and asked if I would be interested in investing in the team. I said no, but to get in touch if there was the opportunity to buy the team. Not long after that, I was contacted and started the process of discussing a purchase of the team. We had a few meetings and quite a few options were discussed. Most of the options required that I also purchase and take on expenses and assets/liabilities that I believed were not core to the operation of the team and could in fact make things more difficult. I was not willing to do that.

What I was willing to do was to make a significant enough of an investment that would catch the team up on all of their debt and provide some working capital (it would require the creditors to make some adjustments, but early discussions suggested that it would not be a problem). I was willing to go forward if I got control of the team. I want to win Championships and in my mind there was hope of winning a World Series with the Rangers

At that point we also had some preliminary discussions with MLB who were on board because it would avoid what appeared in my and others opinion to be inevitable, bankruptcy. I thought I was on my way to buying the Rangers. At that point we signed some paperwork so we could have further meetings. It was at this point I also spend 2mm dollars on bonds in the Rangers holding company in order to get access to information about the Rangers, and also the Stars (because they are my co-tenant at the AAC). Why get the information that way ?... Trust but verify. It gave me a way to confirm what I was being told.

Unfortunately, in our further discussions, I was not able to get anywhere close to doing a deal that did not have those obligations I was not willing to take. They were deal killers for me.

Fast forward to December, Chuck and Nolan get exclusive rights to negotiate for the team. Which IMHO was great. I knew Chuck from back in Pittsburgh and he was coming to Mavs games and schmoozing his way through Dallas in impressive fashion. Like I knew he would. Then the next month there was the discussion of bankruptcy. Then in May, the team is put into bankruptcy. Then June. Then Chuck and Nolan sign their deal. Then mid July, the Rangers go to auction.

Around the 2nd week in July, I got asked by someone who was considering bidding in the auction if I wanted to partner with them. I told them that I doubted it, but I would take a look. From that first look, it appeared to me that all those obligations that I didn't like were still in the deal. But I was soon informed that because of the bankruptcy auction, they could be removed. That got my attention.

In my opinion if those operational issues could be removed, there would be more operating cash flow for the team. That's a good thing. In addition, as everyone told me time and again, the Rangers TV deal ran out in 4 years. Combine that with the Mavs TV deal running out just a few years later and it could either form a foundation for a new sports network, or preferably cause Fox to pay an ungodly amount of money to keep the teams on FSN. Fox had more to lose from a competitive sports network being formed, particularly in Texas, than a new network had to gain from being created. So the leverage of owning both teams was enormous.

That was a financial win for both teams. The ability to earn more money from TV revenues for both teams meant more money could be put on the field/court. It was a unique situation.

But I still had not committed to bid on the Rangers, either on my own or with someone else. I wanted to contact Chuck first. In my mind, the ability to move Chuck /Nolan and their investors to a new group would accomplish two important things, it would get them out from under the bad obligations and it would allow them to use the leverage of the Mavs to their benefit as well. Of course I realized there were going to be huge legal bills involved in trying to figure out how to make it all work, but that came with the territory. It was the next day I made the comment to a radio station that I was trying to help and act as a backstop.

I got in touch with Chuck and briefly described all this. He thanked me and said that he would check into it. He quickly got back to me and said he had to keep things as they were. Which I completely understood.

While I understood it, to me it was a lost opportunity. The economics got too good once the external stuff and TV were considered. So I started looking in parallel at doing a bid myself or working with the initial folks who contacted me. Going forward at that time meant to me that there were 3 basic outcomes:

1. The GRE group refuses to remove those 3rd party costs and obligations. At which point I/we win the auction and go to Chuck and Nolan and and their investors ask them to join our group. Now why would they join our group ? I couldn't see any way on this earth that Nolan Ryan would ever leave his players and team behind. He loves this team too much. He has been around the league long enough to know that owners come and go, but the commitment to the guys you go to war with comes first. So I truly wasn't concerned about him not coming. Chuck may have been more difficult. It would have been my job to convince him. There aren't enough hours in the day for me to run both teams like I do the Mavs. Chuck had already proven he could do the job. I would have worked hard to convince him. For Chuck/Nolan and all their investors, without the garbage expenses, the team was in a much better place.

I realize a lot of "commentators" were villain-izing me. Suggesting I was trying to break things up. They were of the opinion that there was no way Chuck or Nolan would ever come on board. I obviously thought they were wrong. And I didn't care what they said. What I have learned in 11 years in the sports business is that the dumbest guys in the room are always the media guys. Some do a decent job of reporting, most just spew opinions. And those opinions change more often than they brush their teeth. So what the media was saying was of zero impact or influence on what I was going to do. Listening to the media only increases your odds of failing at whatever you are doing. So I ignore them.

2. The GRE group gives up those 3rd party costs and obligations and we have an auction. If they win, which is what happened, they no longer have those obligations and as best I can tell are now in a better financial position. Their stated purchase price before the auction was \$575mm. It ended up being around \$600mm. So for 5pct they got rid of the costs and obligations. If we win, we still try to bring on Chuck and Nolan as investors and operators and we change nothing. Absolutely nothing ... On the baseball side. On the business side, we start marketing hard and leverage all the success of the Rangers and we work towards increasing our media revenues by playing off Fox against starting a new network.

3. Someone else comes in and blows away both GRE and me in the auction and its over. In this case, at least we both gave it a shot and someone just beat us.

I could live with any of the 3 options.

As it turns out , I wasn't in a position to go after this myself. Why ? Two reasons. First, despite what people think, I don't keep hundreds of millions of dollars in a checking account. I prefer that it earn money doing things for me. It is not easy to get liquid to the point of \$400mm dollars or more in just a few weeks. And in those few short weeks, its not easy to go to the banks and get a loan for a baseball team. Lots of reasons. Some I don't like, but it's not. Second, I didn't have enough time to do all the due diligence my folks needed to do. You don't read every contract and get people to run numbers and advise you on what all the implications of a bankruptcy auction are in a couple weeks. I was paying people to work round the clock. I was killing my General Counsel Robert Hart to the point of exhaustion. There wasn't enough time.

So a meeting was set up with Jim Crane. I liked him. He had been working on the Rangers for several years. He had all the due diligence in place. His people had scoured the contracts , etc. He had smart people around him and he had his money ready to go as well. Plus he had a relationship with the existing creditors who were willing to loan us money in order to facilitate a competitive auction. Of course the creditors were very self serving. If lending us money helped us, it helped them potentially earn more money from the auction. Together we could put together a bid. As it turns out we could afford a purchase price up to about \$600mm dollars. (Right where we left the bidding last night/this morning.)

From then until the auction date it was really about looking for gotchas. What were the things that could hurt our bid in the Auction. Most were elements that applied dealing with the bankruptcy court and the auction process. There was a ton of paperwork that had to be in by the day before the auction and we had to figure out what went on it.

Along the way of course things always get interesting. Last friday one of the parties tried to stop the auction and do a side deal. We had to shut that down. Same thing on tuesday night.

Fastforward to this past Tues. We turned in our purchase agreement with all our numbers and all the documentation saying what we would pay for, what we wanted excluded (all those 3rd party costs) and the information required to qualify for the bid. Everyone got their copies that night.

The morning of the auction, Im up early. We get to the courthouse about 8am to meet. The first thing we have to do is meet with the debtors. The people who owed the money to the creditors. They are of course squeezing to include every penny they can and to exclude every type of liability. Then we have to fight over how to evaluate all that stuff. That takes hours. It's also why you heard GRE complain about not having our bid. The people who owed all the money were fighting us to protect themselves. IMHO, to the negative of the people who were owed the money. We just wanted to be able to bid. GRE just wanted to know what our starting bid was.

We got to the courtroom and all the screaming and shouting started. There were enough blogs that tweeted and covered all that, im not going to. It's never fun watching how the sausage is made. And Im not a bankruptcy lawyer so I couldnt begin to explain all of it.

But some how the auction went on. I have to honestly tell you there were more than a few times I thought we had the thing won. They were arguing about everything and anything to knock down our bid. I thought it was because they were out of it. As it turns out, they obviously were not. They beat us fair and square. As a result , I think they are in a better position than when they started the auction . But thats my opinion.

Now lets talk about MLB. It seems to be a fun media sport to talk about how there is no way i will ever get approved buy MLB to buy a team. At the hearing yesterday it was mentioned that our group only had a 50/50 chance of ever being approved. I tend to never look at the glass as being half empty or half full. I look to see who is pouring the water and to deal with them. Not the media. I am pretty confident we would have been approved.

Finally lets talk about finances. Lets talk about the bonds I own. I have been getting a bunch of emails from reporters asking how much money I made on the bonds I own. Suggesting that I bid up the price of the Rangers in order to increase the value of the \$2mm i spent on bonds. To all of you I offer a lesson in economics.

It is NEVER a good idea to risk hundreds of millions of dollars on the purchase of a team AND to spend what could come to more than a \$1million in professional fees in order to increase the value of the \$2mm you bought in bonds. I know its something for the media to talk about. But if any of you out there think it through, I dont want you to think i was stupid enough to do something that stupid.