

With all the support and encouragement I got to buy the team, I think its appropriate to share the decision making process behind what happened and why. Buying the Cubs was a unique opportunity to own one of the most storied franchises in sports. Its a team that represents so much to so many, with such a unique legacy, that when the opportunity arose, I decided to go for it.

I'm not going to get into the numbers, or the people, or much of the process other than to say that the person I worked with at the Trib was great. The person I worked with at the Cubs did a great job as well. Nothing about the process was anything but positive when it came to the people assigned to work with me.

During the entire process I thought I had a very strong chance of being able to buy the team. I thought I could offer a competitive price. I thought I had the experience to come in and improve the business so that I could continue to invest in the product on the field without having to squeeze every nickel from Cubs fans. I also thought I could win over Major League Baseball. All told, I thought my experience in owning a team and most importantly, my commitment to always trying to win, would give me an important advantage.

From my perspective, the Cubs being a winning team was important to the seller, the Tribune company, even after they sold. When the Cubs won, the newspaper sold more copies, more people watched the games on WGN and listened on the radio, which in turn meant those mediums could sell more advertising at a higher rate. On the flipside, if the new owner was purely about making money at the expense of a winning team, it could cause the value of the seller's other assets to decline faster than they otherwise would. Not that this would compensate for significant delta in ds;rd price, but it could break ties.

On the flipside, my dedication to winning could also make my job of getting approval with MLB baseball much harder. Some people thought it meant that I would spend on players like I did in my early days with the Mavericks. Back before I learned that sometimes GMs put keeping their jobs ahead of trying to win championships. But thats another story for another time. I had no intentions of trying to outspend the Yankees or Red Sox. There was no reason to. I didnt have to beat either of those teams unless I made it to the World Series. The only teams I had to be better than were those in the National League, and more importantly, those in my division. There were no big spending rivals close to home, so the AL East could spend themselves silly. My plans were to spend to win, not to spend for spending's sake. IMHO, the money I could save being in the 2nd tier of payroll could be invested in scouting and development. I made this clear to any and all of the owners that I spoke to across the league. Of course that didnt stop some from trying to convince some owners otherwise.

In particular, a lot of the "intelligence" that I would be a big time spender seemed to come out of Chicago. The "conventional wisdom" of people that I talked to around the league suggested that Jerry Reinsdorf, the owner of the White Sox was going to be my primary obstacle to getting approval from MLB should I buy the Cubs. Contrary to popular belief, I think I have a good relationship with Jerry. I know I have a good relationship with all the people I deal with at the Bulls. We are probably on the same side of NBA issues 99pct of the time. I honestly don't know what if any information was coming from Jerry, or his position on my owning a team. He was very cordial to me and made it clear that he would be happy to talk to me about anything at any time, although we never did get the chance to chat.

My sense of the entire situation was that whoever the new owner of the Cubs would be, it was in the Sox best interest for things to stay business as usual. Published TV ratings and other published measures showed that the Cubs were more popular than the Sox, yet before I even started looking at the Cubs, I knew from my discussions with people in the NBA that the Cubs and Sox were treated as equals in their business dealings. That was great for the Sox, not so good for the Cubs. Im guessing the people in the Sox organization knew, that if I bought the team, particularly at the price point that was being suggested in the papers, there was no way I would just accept parity in future business dealings. I was going to have to try to negotiate the very best deals possible for the Cubs, even if it was at the expense of the White Sox.

In my conversations with owners around the league, they seemed to understand this point. But what was most interesting to me, was that a recurring theme was that they thought I would be good for baseball. Many had talked to NBA owners who explained that I did my homework and was a good partner. That in my areas of strength, in particular technology, I would make sure I tried to contribute and help the league how and where I could. It was pretty obvious that more than a few of the owners hoped I would come in and stir things up and stand up and speak for the owners when it came to digital rights and the future of technology and how it would impact the teams and leagues profitability. They were hoping I would be the new guy to come in and take the commissioners' arrows. Which of course I would be fine with and happy to do if it got me their confirmation vote.

The obstacles seemed to be minor, the opportunity with the Cubs significant. It really was an opportunity that I thought I could be successful with on the field, and financially. More importantly, its something I could have a blast with. The Cubs had a strong organization, with strong management, so if I could do a deal, it wouldnt require changing the entire organization or culture like I had to with the Mavs. I felt I would have to tweak some things, but it was all manageable, which made me feel good that I could stay committed to the Mavs and lock in with the Cubs .

The hardest part was going to be the financial deal. I never thought it conceivable that it would be hard to spend a billion dollars on a sports team. In this case it was. Add me to the list of people who never want to participate in this type of sales process again. I tried every trick I knew to try to get them to commit to me. It reminded me of when I was 16 and selling magazines door to door "Do you mean to tell me Mrs Doe, that when you tell your husband that you spent 75 cents per day on the education and enjoyment of your family, he is going to get mad ? Of course not, he will be proud and excited for you and your family". You name the trial close, I went for it. But I couldnt close them.

Then the credit crisis hit and hit hard.

All of the sudden, what seemed like a sane business decision, didnt seem so sane any longer. In particular, the financial participations I had been discussing with my bankers were for shorter term loans. Just refinance at the end of the term. Its what everyone is doing. Except that it no longer seemed like a safe bet that I could refinance in a few years. I didnt want to be caught with a Sumner Redstone margin call, and for better or worse, the banks were getting worried about staying in business and the idea of matching the asset to the term wasnt something they were ready to do, unless of course they could convince 30 other banks to do the same thing. I thought about writing to Congress to get a bailout...just kidding.

With the credit market on the fritz, the other option was to add investors and just pay cash. However, if we were going to pay cash, I was not going to bid anywhere near 1 Billion dollars for the assets. Once the credit crisis hit, the value of cash went through the roof. It was not just a matter of how much the Cubs were worth, it was also a matter of how much more money I could earn with that cash. Cash was and is king. Distressed investment opportunities were rolling in the door that could make me multiples of what any sports team could. I could not see any scenario where the Cubs were worth anywhere near the numbers that had been discussed in the media. There is one publicly owned team, the Atlanta Braves, that are owned by Liberty Capital. The market cap of ALL of Liberty Capital net of cash and debt got as low as \$250mm dollars, and today trades for about \$500mm dollars, and they own far more than just the Braves.

So there was the issue of valuation. There was also the issue of the economy. It was impossible to predict the full impact of these tough times on any sports team. That uncertainty created two issues. The first of course was valuation. How much would I be willing to pay for the team ? I wasn't sure. More important to me was the cash flow. If the economy had a significant impact on future revenues, it would also impact how much I could invest in players. The absolute last position i wanted to be in was paying so much for the team, that if revenues fell off, I couldnt play to win.

So when it came down to it, I did what I thought was the only smart thing to do. I asked for an extension. I knew that if they got the money they wanted for the team, well my bid was not going to be high enough anyway. If they didnt, or the other bidders couldnt come up with their money, they would come back to me.

I'm still waiting