



UPDATE: In addition to the 5 percent equity stake in the partnership, Tribune affiliates will receive approximately \$728 million in cash.

The nearly two and half year process involving the sale of the Cubs has reached a major milestone today, as announced by the Tribune Co.:

The Ricketts family has signed a definitive agreement with Tribune Company to acquire a 95 percent interest in the Chicago Cubs National League Baseball Club, Wrigley Field and Tribune's approximately 25 percent interest in Comcast SportsNet (CSN) in a transaction valued at \$845 million. The Ricketts family will have management control of the joint venture as its 95 percent owner. Tribune will retain a five-percent ownership interest.

"Our family is thrilled to have reached an agreement to acquire a controlling interest in the Chicago Cubs, one of the most storied franchises in sports," said Joe Ricketts. "The Cubs have the greatest fans in the world, and we count our family among them. We look forward to closing the transaction so that we can begin leading the Cubs to a World Series title."

TRIBUNE CO. REACHES SALES AGREEMENT FOR CHICAGO CUBS

Written by Maury Brown
Friday, 21 August 2009 16:27

The Ricketts family reached the agreement with Tribune after a thorough bid process that began more than two years ago. Tribune intends to proceed to a final transaction close without soliciting further bids from other parties.

"This joint venture will provide dedicated, local family ownership and management for the team," commented Tribune Chairman Sam Zell. "The Ricketts family will be a great steward of the franchise. They have a strong respect for the team, for the fans and for what the Cubs mean to the City of Chicago."

Final closing of the agreement is dependent upon approval by Major League Baseball owners and bankruptcy court approvals. As part of the court's approval process, the entity holding most of the assets of the Cubs franchise will voluntarily file for Chapter 11 protection so that the franchise can emerge free and clear of Tribune Company's financial obligations. All obligations specific to the Cubs franchise - player contracts and agreements with sponsors, broadcasters, advertisers, suppliers and ticket holders - are not expected to be impacted by the court approval process, and there should be no interruption of team operations. The court is expected to rule on approval of the transaction early in the fourth quarter of 2009.

As noted, with the sales agreement in place, the next step would be approval by the bankruptcy court, followed by approval through several MLB committees, including the Ownership Committee, and Executive Committee, before coming to a full vote by MLB's 30 owners. While approval of the sale to the Ricketts family is seen as having an exceptionally good chance of approval, the vetting process through the various committees within MLB will take several weeks. The next scheduled quarterly meetings by MLB's owners is set for November 17-19, shortly after the end of the World Series, in Chicago.

If MLB wished to place the vote before owners before the Nov. face-to-face owners meeting, the vote could take place via conference call. Historically, ownership transfer votes have taken place in face-to-face votes.

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