

Tribune Bankruptcy Judge to Hear Requests in Cubs Sale

Written by Maury Brown
Monday, 31 August 2009 11:29



A bankruptcy judge will hear from attorneys for the Tribune Co. today in an effort to help expedite the sale of the Chicago Cubs, Wrigley Field, and a 25 percent stake in Comcast SportsNet Chicago.

Tribune will meet with U.S. Bankruptcy Judge Kevin Carey in an effort to speed up the sale process of the Cubs to the Ricketts family. Tribune said in court filings that the club would be “irreparably harmed as a result of damage to the Cubs’ unique brand and the uncertain, and potentially severe, ramifications on a Major League Baseball franchise from an extended stay in bankruptcy.”

Tribune and Thomas Ricketts, who is representing the family effort to purchase the storied franchise announced 10-days ago that an \$845 million sales agreement had been reached between the parties. After adjustments, Tribune’s creditors would receive \$728 million in cash. Tribune is currently \$13 billion in debt.

As part of the new ownership structure the Rickettses and Tribune have formed Chicago National League Ball Club LLC in which Tribune will retain a 5 percent ownership equity in the Cubs. Tribune is retaining the minority stake in the franchise to avoid paying hundreds of millions of dollars in capital gains taxes.

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The hearing with Judge Carey will outline a two-step process in which Tribune will seek permission to officially sign the sales agreement, and then place the newly formed LLC into bankruptcy for a short period of time. As soon as Chicago National League Ball Club LLC were placed into bankruptcy, Tribune would seek final approval of the sale through Carey.

If the structure passes the bankruptcy court's muster, the sales agreement would be completed between Tribune and Rickettses. From that stage, approval from Major League Baseball would need to occur. Ownership transfer of the club would then have to pass through MLB's Executive and Ownership Committees before needing approval from 75 percent of the league's 30 owners.

The next face-to-face owners meetings where a vote to approve the ownership transfer would occur is scheduled for Nov. 17-19 at Chicago's O'Hare Airport Hilton.



Maury Brown is the Founder and President of the [Business of Sports Network](#), which includes The Biz of Baseball, The Biz of Football, The Biz of Basketball and The Biz of Hockey. He is available for hire or freelance

[Brown's full bio is here.](#)

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<p> Dave Howard, the Mets' executive vice president of business operations, went on Fox Business Network on Monday night to shoot down the claims of author Erin Arvedlund, who said Friday that owner Fred Wilpon would be forced to sell the team because of losses related to the Bernie Madoff scheme. Former Mets GM Jim Duquette also appeared on the program, after criticizing the Mets on his radio show Sunday.</p>
<p> As the video shows, Arvedlund cites only "her opinion" in a possible sale of the Mets, while Howard says unequivocally that the Mets -- either minority or majority stake -- is not for sale.</p>
<p>Source: FOX Business</p>
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