

Takeover may save Dodgers as sale awaits (10:15 a.m.)

Rob Gloster/Bloomberg News

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Major League Baseball's takeover of the Los Angeles Dodgers, possibly leading to a sale of the team, may salvage one of sports' enduring brands, marketers say. A legal fight by owner Frank McCourt might damage it more.

Baseball announced last week that it was going to appoint someone to run the franchise, days after the Los Angeles Times reported that McCourt took a \$30 million loan from News Corp.'s Fox network to meet payroll.

Ownership of the team has been a focus of a fight between McCourt and his ex-wife, Jamie, who divorced in October after almost 31 years of marriage. MLB stepping in probably will stop the bad publicity resulting from the divorce trial and set the team on a better course, as long as McCourt doesn't start another legal battle, said Robert Passikoff, founder and president of New York-based marketing firm Brand Keys Inc.

"If the short-term good move results in long-term lawsuits and accusations, then all that ever comes out of that is dirt," Passikoff said. "Dirt is a good foundation to build a ball field on, but it's a really crummy foundation to build a team brand on."

The McCourts bought the team from News Corp. in 2004 for \$430 million. Bloomberg Businessweek reported last August that, according to unidentified people close to the McCourts, the Dodgers' debt stood at around \$525 million, the majority of it borrowed against future ticket sales. Forbes magazine, which values the team at \$800 million, estimated almost all the team's profit was

being eaten up by interest.

The Dodgers, while based in Brooklyn, New York, became the first major league team with a black player when Jackie Robinson took the field in 1947. They started play in 1884 as the Brooklyn Atlantics, and didn't win their first championship until 1955. Even with devoted fans that lovingly called them

"Dem Bums," they joined the New York Giants in becoming the first baseball teams to move to the West Coast in 1958.

The Dodgers have won six World Series, tied for fifth most in baseball. Five of them came in Los Angeles, where Duke Snider, Sandy Koufax, Steve Garvey, Fernando Valenzuela and Kirk Gibson led them to championships. The franchise was a model of stability under O'Malley family ownership from 1950-98, with Walter Alston as manager from 1954-76 and Tommy Lasorda from 1976-96.

This year, the team hired no marquee free agents in the offseason and manager Joe Torre, who won four championships with the New York Yankees, stepped down after last season. He led the team to the National League Championship Series in two of his three years at the helm.

Ownership of the team may be decided in court, after a post-nuptial agreement that Frank McCourt claimed made him sole owner was ruled unenforceable by California Superior Court Judge Scott M. Gordon.

Seizing control of the franchise probably is a prelude to MLB, led by Commissioner Bud Selig, forcing a sale, said Alan I. Rothenberg, chairman of the Los Angeles Sports Council, founder of Major League Soccer and former executive with the Los Angeles Lakers and Clippers.

Baseball's goal is to get the team "in a position to be sold on a fairly orderly basis, with the sale being basically driven by the league rather than by either



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of the McCourts," Rothenberg said in a telephone interview last week. "The end of the road seems pretty clear: that a sale will be overseen, monitored, controlled -- whatever you want to say -- by Major League Baseball."

Selig said in a statement last week that MLB was taking control because of his "my deep concerns regarding the finances and operations of the Dodgers and to protect the best interests of the club, its great fans and all of Major League Baseball."

"The Dodgers have been one of the most prestigious franchises in all of sports and we owe it to their legion of loyal fans to ensure that this club is being operated properly now and will be guided appropriately in the future," Selig's statement said.

MLB executive Vice President Rob Manfred last week said that baseball wouldn't have further comment.

Baseball pushed Thomas Hicks toward a sale of the Texas Rangers last season and forced Marge Schott to sell her controlling interest in the Cincinnati Reds in 1999.

"Major League Baseball and Bud Selig have successfully gone this route before to repair franchises from operational and financial standpoints," said Michael Stone, founder and chief executive officer of ad agency Omnicom Inc.'s brand licensing unit The Beanstalk Group. "As a former owner, Selig understands what is required to successfully and profitably run a professional sports franchise."

Billionaire developer Alan Casden, who tried to buy the Dodgers when the team was last for sale, is said to be putting together a bid for the team after MLB took control out of concern for its rising debt, the Times reported.

Steve Soboroff, who was hired last week by the Dodgers as vice chairman, told reporters the Dodgers were in good shape financially and that Selig's move was "irresponsible."

Frank McCourt issued a statement, hours after Selig said the league was taking over management of the team, saying "it is hard to understand the commissioner's action."

Selig, who took control by using his power under a

clause that allows him to act in the best interests of baseball, wanted to make sure that MLB would be managing the sale, Rothenberg said.

"By stepping in, baseball can control the process more directly," Rothenberg said. "They always had the approval power but by stepping in they can control the whole process better than if one of the McCourts were controlling the sale process."



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