McKinsey & Company and Yankelovich, Skelly and White, Inc. recommend following general course of action for the League at this juncture in its velopment:

- 1. Play in the Spring of 1985 and 1986 on an "improved Sunday" network schedule:
 - 2. Moving the season forward 4 weeks to begin the first of February
 - b. Shortening the regular season to 16 weeks to end mid-May
 - c. Expanding regional coverage to 6 games each Sunday
 - d. Initiating a comprehensive national advertising and marketing campaign, under the direction of one of the nation's best advertising agencies, coordinated with the network, and rigorously managed by the League and its ownership
 - e. Exploring the addition of a small number of franchises in major television markets after additional investigation of several key factors:
 ownership potential; level of interest the market displays for football
 in general, as well as the USFL; and other demographic and competitive factors.
- 2. In 1987, play in the season of the year which offers the League the best possible opportunity for the continued growth and development of its economic value to the ownership:
 - If the "League building" efforts undertaken in 1985 and 1986 fully capitalize upon and attain the rating improvement potential indicated by the market research, the USFL will be in good position to explore seriously, with all three networks, both Spring and Fall alternatives.
 - The season of choice then becomes the one where potential network contract opportunities, and terms, best fulfill the ownership's objectives at that time. If the League does its work effectively in 1985 and 1986 as it has done in its first 2 seasons to capture its full potential, we believe either opportunity can offer solid prospects for the future as many in the ownership have held.
- 3. Beginning immediately, institute expense management and control actions as appropriate for each team using the models developed in our work as a point of departure.

4. Once the full ownership makes its decisions, strongly and publicly affirm collective and indivdiual concensus concerning the League's future to underscore its permanence to the public and to reduce conjecturing about its future in the media.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES FOOTBALL LEAGUE, et al.,

Plaintiffs, : 84 Civ. 7484 (PKL)

NATIONAL FOOTBALL LEAGUE, et al.,

Defendants.

DEFENDANTS' MEMORANDUM IN SUPPORT OF ADMISSIBILITY OF THE MCKINSEY REPORT AND RELATED DOCUMENTS

In the spring and early summer of 1984, the USFL owners commissioned McKinsey & Company to prepare a study and report its recommendations with respect to whether the USFL should move to the Fall. McKinsey was paid approximately \$400,000 to conduct this study, and it presented both an oral and a written report to the owners at the meeting in Chicago on August 22, 1984, following which the owners did vote to make the switch. (Tr. 3453-56.) The written report is NFL Exhibit 712, and a summary of McKinsey's recommendations is NFL Exhibit 115. The oral report by Ms. Sharon Patrick of McKinsey, or a transcript thereof, is contained in NFL Exhibit 824 at pages 12-61, and discussion of the report by various owners (includ-

ing Mr. Trump) appears at pages 61-71.*

Putting aside for the moment possible questions of "multiple hearsay," it is plain that the McKinsey Report, in both its written and (transcribed) oral forms, is admissible under Fed. R. Evid. 801(d)(2)(C), (D) and is not hearsay at all. The McKinsey Report is alternatively admissible as a statement that is not hearsay because it is not offered to prove the truth of what is asserted in it but instead to prove that statements and recommendations were made to the USFL owners just before they took an important step, namely, voting to switch to the Fall beginning in 1986.

Moreover, the issue of "multiple hearsay" may be resolved in either of two ways: as the results of surveys and other data upon which McKinsey, an expert retained (and highly paid) by the USFL owners to conduct a management study and advise them on a major action they were contemplating, Fed. R.

^{*} The Court has already addressed the admissibility of this transcript. (Tr. 3421-39.) After that consideration, the Court allowed a portion of the transcript to be shown and read to the jury after allowing counsel for plaintiffs to develop on voir dire the fact that during the discussion phase of this meeting there were interruptions, people cut each other off, two people spoke at once, etc. and that accordingly the transcript cannot be taken as identifying precisely everything that was said, or every speaker, during the discussion. (Tr. 3442-44.) Of course, these considerations have no bearing on the McKinsey presentation made by Ms. Sharon Patrick, inasmuch as she was plainly identified (and undoubtedly was the only woman present) and spoke without interruption for a considerable period of time.