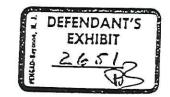
October 6, 1983



The Honorable Mayor Edward 1. Koch City Hall New York, N. Y. 10007

Dear Mr. Mayor:

#### TODAY THE JETS HAVE MADE TWO DECISIONS:

- 1. NEXT SEASON THE JETS WILL PLAY IN THE MEADOWLANDS.
- 2. THE JETS PLEDGE TO RETURN TO NEW YORK CITY IF THE CITY WILL BUILD A PROPER FOOTBALL STADIUM.

The New York Jets are a New York team. We occupy offices in Manhattan. We train at our modern training center, built by the Jets at Hofstra University on Long Island. We have been and are still playing our home games in a run-down, neglected stadium, which is well known to be the NFL's poorest facility for athletes and spectators alike. You, Mayor Koch, said that "Shea Stadium is not suitable for football"; Governor Carey, Chairman of the City's Sports Commission, has said "we have two ball parks, neither of which is suitable for football"; former Sports Commissioner, Allen Schwartz, has said "the Jets are playing in a stadium which is truly inadequate for football."

We met with you, Mr. Mayor, and Governor Carey on Monday, September 26, to discuss this problem. You said you would get back to us on Friday, September 30, with a proposal for a new stadium, which, in fact, was already being considered, according to your earlier statements. Instead of that, you, Mr. Mayor, held a news conference on Wednesday, September 28, announcing a Jets' move to New Jersey, although you knew very well that no such decision had been made.

As a direct result of your forcing the issue, the Jets' fans have expressed themselves. During the seven days since you made your announcement (September 28), the Jets received nine thousand telephone calls from fans. The Jets' office staff reports that less than sixty people voiced opposition to a Meadowlands move, with virtually every caller requesting ticket information if the Jets move to the Meadowlands. The Jets also received more than four thousand written requests to buy seats for next season if the Jets move to the Meadowlands.

YOU CANNOT FOOL THE PUBLIC, MR. MAYOR. JETS FANS WANT A CLEAN, EFFICIENT, WELL-RUN STADIUM, BUILT FOR FOOTBALL, NOT THE "UNSUITABLE" SHEA. HAVE WE NOT LEARNED A LESSON FROM THE CITY'S

COSTLY EXPERIENCE AT YANKEE STADIUM? IT IS TIME FOR NEW YORK TO HAVE A FIRST-CLASS, NEW PROFESSIONAL FOOTBALL STADIUM, A SOURCE OF PRIDE FOR OUR GREAT CITY.

Next\_season the Jets will play in the Meadowlands. The present season subscribers will have priority on seats in a quality stadium run by proven management. Also thousands of additional Jets fans will have the opportunity to watch NFL football in comfort and safety, in modern, clean surroundings, with proper facilities, adequate parking and good football sight-lines.

THE JETS PLEDGE TO RETURN TO NEW YORK CITY, IF THE CITY WILL DO THE FOLLOWING:

- 1. BUILD A FIRST-CLASS PROFESSIONAL FOOTBALL STADIUM FOR THE CITY OF NEW YORK.
- 2. HAVE ALL NECESSARY PERMITS, DETAILED PLANS, AUTHORIZATIONS, APPROVALS AND FINANCING SECURELY IN PLACE BEFORE FEBRUARY 1, 1986.
- 3. GUARANTEE THE JETS OCCUPANCY STARTING IN THE 1989
  SEASON UNDER A LEASE EQUITABLE TO THE CITY AND THE
  JETS.

THIS IS OUR PLEDGE, BASED UPON A REALISTIC TIMETABLE: a little more than two years to plan, authorize, approve and finance; three additional years to build.

Mr. Mayor, if you are interested in the Jets' pledge and the return of the New York Jets to New York City, please let me hear from you. The Jets still have opes for professional football to be played in a professional football stadium in New ork City. We trust that you share those hopes with us.

Most respectfully,

THE NEW YORK JETS

Leon Hess



#### MEMORANDUM

TO:

LEAGUE OWNERS

FROM:

JOHN F. BASSETT

Once more unto the breech, dear friends, once more; Or close up the wall with our English dead. In peace there's nothing so becomes a man As modest stillness and humility: But when the blast of war blows in our ears, Then imitate the actions of the tiger. Stiffen the sinews, summon up the blood. Disguise fair nature with hard-savoured rage....

Henry V., Act III, Scene 1.

Contrary to the educated prognosis of a cynical and surprised media, the USFL is still alive after two seasons.

But only hardly.

Over two years of organization and two years of play, the fledgling league has scarcely been more fragile.

If we had to kick off the ball for a third season within the next two months, I seriously question that half the teams would be able to complete the season.

Despite the financial clout of many strong men, the creative salesmanship of others, and the acceptance by the American public of a vibrant new idea, the USFL sputters on without a set plan or monitored controls.

In letter after letter, discussion after discussion, agreement after agreement, the League bobs and weaves, crashes and rebounds and moves on to who knows where.



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It's time to stop, ponder, plan, execute and control - in every aspect of our organization. If \$110,000,000 is not enough to teach a lesson, then God help those who need further education.

If we are to move to the fall, or if we are to stay in the spring, we must first institute financial cutbacks and controls to allow us to present to the NFL and the world that we are going to be here for awhile (whether in fact we are or aren't!).

The fact and the perception that we are strong, have our house in order, and are continuing to grow and attack, is the base foundation without which nothing will happen.

At the League level, and at the team level, limits must be instituted so that losses are liveable.

If we achieve a player cap, a coaches cap, an administrative cap, an ad & PR cap, play in-conference schedules, cutback on rosters, draft only from protected schools, and halve the League assessment, we are not minor league -- we are prudent businessmen who will scare the hell out of the NFL. The majority of them who assess us as going down the drain will have a major re-think.

And last and most importantly, the LC's must be re-established for every team.





AMOREW P. BRILLIANT VICE PRESIDENT AND GENERAL CILINESS

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CONFIDENTIAL

June 3, 1985

Mr. William J. McSherry, Jr. Executive Director United States Football League 52 Vanderbilt Avenue Fourth Floor New York, New York 10017



Dear Bill:

By wire transfer today ESPN has made a \$2,035,000 payment to the USFL, bringing our total payments for the 1985 season to \$13,695,000.

During our last telephone conversation you asked for my prompt attention to your May 8 draft of the proposed contract between the USFL and ESPN. As I then told you, a number of issues critical to ESPN must be satisfactorily answered before we consider signing any contract.

Our concerns should come as no surprise to you. During the negotiations with you, thet and Harry, Bill and I emphasized that our willingness to pay the extraordinary fees demanded by the USFL was based on our expectation that the USFL would at a minimum maintain its stature if not expand and strengthen its market presence. Instead, since June 1984, unilateral actions taken by the League and its owners have breached the underlying premise of our relationship and substantially eroded the value of the USFL.

The purpose of this letter is to reaffirm to you in writing the gravity of our concerns regarding the direction the League seems to be taking. We were particularly discouraged by the League's withdrawal from a number of important media markets, including Chicago, Detroit and Pittsburgh, as well as the net loss of four USFL markets. These dramatic changes were announced merely a few weeks after the June letters were signed. If, as we suspect, the USFL knew that wholesale departures were impendent, it should then have acted in good faith and apprised us. In fact, we were not consulted or even informed of these moves until they were announced in the press.

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## Exh. For ID 11-22-85

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harvey B. Aramer CSR #\*\* Coyle Reporting, Inc. Equally frustrating as well as damaging to us has been the seemingly never ending adverse publicity emanating, from all sources, the USFL front office and team owners. The most visible illustration of this problem is, of course, the public bickering and display of disorganization among the Commissioner and the owners as to the proposed shift to the Fall season. This dispute now has taken a more ominous turn evidenced by the threats of at least one owner (who also happens to be one of the League's few remaining founders) to form a rival football league. We were no less shocked and dismayed by the statements of another owner indicating that his star quarterback (and the only college player of any prominence signed by the USFL this year) is not worth the contract price paid for him.

Despite the substantial detriment to us caused by these developments, we have continued to produce first quality television coverage of League games and have promoted the League and our television package to the maximum extent possible within our budget. All these efforts were undertaken in an effort to create the most positive image of the USFL among our viewers, the press and advertising clients. Nevertheless, our worst fears, unfortunately, have been confirmed. Our ratings have plummetted by over thirty percent from last season; our advertising revenue is a mere fraction of what we had projected and, in particular, we have lost virtually all our domestic automobile sponsorship as a result of the League's abandonment of the Detroit market. There can be little doubt that the hardships which we have endured this season are attributable to the League's apparent disregard for our interests.

Other ongoing problems, in our view, raise serious questions as to whether the USFL owners actually intend to field teams next season. According to reports, at least two owners plan to defect the League now that it plans to shift to an Autumn schedule. The press further reports that still other teams are bankrupt, lacking independent ownership, without adequate stadium facilities, unable to meet payroll requirements or receiving financial support from the League. At least nine teams report decreased attendance and overall attendance appears to have dropped significantly from last season. After three years' existence, the League still does not appear to be even heading in the direction of stability. Given the fragility, even absence, of ownership, we cannot but wonder how the teams plan to carry out typical franchise operations such as drafting, signing and trading personnel and promoting fan support.

Exacerbating our concerns are reports that the League is merely going through the motions of a shift to Fall as a strategem to improve its antitrust suit against the NFL. We have made no secret to you of our doubts as to the wisdom of changing seasons. The League, whose future is already tenuous at best,

fould be forced to compete for the loyalty of entrenched high school, college and NFL football fans. Moreover, given the sootball crowded television schedules on weekends and Monday nights and the deference traditionally paid to high school football on Friday nights, you would be compelled to offer us attractive games from which to select on three midweek evenings. Having to attract fans to stadiums on cold workday nights in late Fall and Winter appears to make the shift in seasons as dubious for you as it is for us. Despite your recent assertions to the contrary, we are made to suspect that the purported move is merely a ploy to attempt to either recoup in the courts the USFL's mounting financial losses or perhaps force a merger with the established Fall league. In either case, we strenuously object to being made a pawn to the League, subsidizing its continuation while it focuses on its lawsuit instead of concentrating on the playing field and marketplace.

Although throughout the 1985 season the League has given us little reason for having faith in its continued viability and commitment to the future, including its ability and resolve to meet its obligations to provide a quality football league, ESPN still considers a strong USFL to be a valuable and key attraction of its broadcast schedule. We expect to receive from the League satisfactory assurances that at a minimum the League: 1) will field no less than twelve independently-owned, financially solvent teams with first quality football players, 2) will have access to stadium facilities of professional league caliber, 3) will exert all efforts, as promised by Harry, to restore teams to Detroit and Chicago, 4) will control damaging public statements by its owners, and 5) has based its planned shift in seasons on legitimate business reasons. The foregoing matters have always been implicit in all our discussions and negotiations.

We await your response to the matters raised in this letter.

Yours truly yours,

/kr

cc: J.W. Grimes

Steven M. Bornstein



MYLES H. TANENBAUM Managing General Partner

### PERSONAL AND CONFIDENTIAL

January 27, 1984

Mr. Tad Taube Woodmont Management 1050 Ralston Avenue Belmont, CA 94002 CONFIDENTIAL

Dear Tad:

I missed very much seeing you in New Orleans and that is not because I was denied the opportunity to keep you awake until the wee hours or to suffer the logic of your views when they differ from mine. I should also hasten to say that it was not your personal attractions that I missed either.

My purpose in writing is to share with you a concern that surfaced in New Orleans and I find gnawing at me virtually every day. That concern has to do with Donald Trump's grand plan for the USFL. Donald wants to move the League into the fall so that a merger with the NFL could be forced -- he told me that in so many words on two occasions, and I believe that his comments at the League meeting included that statement as well.

Obviously, each of us can differ as to the direction of the League, but my concern regarding Donald's direction is that (a) he pounds his view persistently like a wave on the shore, (b) he will do virtually anything to have his way, and (c) far more worrisome, Jay Seltzer (President of the Generals -- a New York attorney I have known for a number of years) told me that "obviously" the NFL would not be expanded by a full 18 team contingent, but those not included "in" would be compensated by getting their investment back plus a profit.

In other words, Donald has thought the scenario through to the point where the partner ownership group within our League will have its restructuring in a fashion which gets Donald into the NFL and the rest of us taken care of in some fashion.

After hearing from Jay. I then understood why Donald resisted the logics regarding the problem of moving to the fall. For example, a new spring league would come along (his response: that won't happen); stadium problems exist in the fall (his response: most teams will be able to comfortably work around that and others will have to work it out in some fashion); the fall requires Sunday day games against the NFL which means that unless we create

DEFENDANT'S
EXHIBIT

new football viewers we will be slicing up the existing 26 or 27 rating points which does not work out to much of an increase over what we can achieve in the spring (his response: we will get much more than a one-third share of the rating points); while we are playing in the spring we should not undermine the value of our season (his response: it is the wrong season anyway so don't worry about it). And there probably were other issues as = well.

While I was dealing on a logical basis with him, believing that he was a partner dealing honestly and openly with his partners, it turned out that he was planning a trip to the NFL for his team and that he might include some of us in the party. I can now see why he is stacking his team with NFL stand-outs and why he has taken some of the positions attributed to him.

Now here's our dilemma in Philadelphia:

- We are gearing up to put another \$6 million into the team because that is what it will take in order to get through year three and start on year four.
- It is a tough sell in our market, but we are willing to make the commitment here because Philadelphia, as the fourth or fifth largest TV market, is an important factor for the League. We would be a lot better off jumping to Indianapolis or one or two other cities that come to mind if we are to gear up for a merger in which we too would be a survivor.
- We undertook this venture with a group of partners we thought we knew 3. and could trust, and we ironed out at the outset our mutual understanding regarding the direction the League would be taking. I am not only disappointed by the potential change of course, but I find myself each day very gradually altering my thinking concerning our role in the League. Very candidly, I am a good partner in that I try to concern myself about the interests of my partners from the standpoint of the League as a whole, and not what would be good for us without regard for the rest of the League.
- If Donald Trump fails to have his way, what he will do? That is, will 4. he work for the goals we set out or will he take whatever approach suits him without regard to the majority view? I think I know the answer, and that concerns me. On the other hand, what also concerns me is that I find myself reacting to the point of questioning whether I would be prepared to go forward into the fall season -- and my concern here is whether I am establishing a dual standard. My answer thus far is that I would be justified because I embarked on the League with the purpose of pursuing the direction initially agreed upon, whereas Donald came into the League knowing full well our direction and he is now trying to reshape it -- his privilege so long as he is prepared to go along with the majority.
- A Long-range Planning Committee is being created with Joe Cannizaro as 5. chairman. I think Joe is a very fine man, and as far as I can tell he is bright and fair. But he was not part of the original group and I have no idea as to the other persons who will be on that committee, but

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I can virtually assure you that Donald Trump will be one. Is the deck being stacked?

I raise all of this with you because, in all candor, I have nobody else to swhom I can\_turn to put these thoughts and questions. My purpose also is to alert you to what I believe is happening, if you are not already aware of it.

I think it should be obvious that I am very much troubled by the very current situation: The seeds for a potential "falling out" among the membership exists. We joined together to play, not to fight, and I truly am not equipped to fight with partners particularly where distrust is surfacing as strongly as it has.

Do we have a gentlemen's understanding regarding player compensation that applies to the New Jersey Generals -- perhaps the question should be do we have such an understanding? Will our TV arrangement after 1984 be premised on generating network goodwill for a fall season, or will it be geared towards maximizing revenues in the spring? Will our expansion policy be implemented so as to find owners for new franchises in critical areas, and perhaps even to replace problem situations -- and I believe such situations exist either because of the nature of the markets or the ownership or both?

The real issue in regard to all of the foregoing is whether we will be taking a pro-fall or a pro-spring posture? These are critical issues that need to be addressed even before the fall or spring question is ultimately decided.

Tad, I am not raising these questions with you as though you are a guru with the answers -- but maybe you have them. My purpose obviously is to share with you my concern, which may very well parallel yours, and hopefully you may have some perceptions or perhaps even some approach which will work towards everybody's best interests, including Donald's.

I may be running from shadows, but I do not believe that to be the case. I have this vision of being patted on the head with an offer of thanks and perhaps something more if Donald has his way, or finding Donald withdrawing from the League and justifying his withdrawal by accusations concerning the caliber and mentality of the USFL ownership that would have convinced him to part company because there would be no hope for the USFL with such a group. Maybe I am simply getting paranoid, but I do not picture Donald staying in the League if we decide not to move into the fall; I do not see him withdrawing graciously, if he does withdraw; and if we do move to the fall, I see even more serious problems for our League as a whole, and certainly for us here in Philadelphia.

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My immediate concern relates to how we commit for the future in light of this situation. Boiled down, that really is the basic question. Do you have any insight?

Sincerely,

MHT:mmc

P.S. Obviously, I have no reluctance with regard to your discussing this letter with Howard, but I would appreciate your keeping it confidential among yourselves. MHT