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11 Attorneys for the City of Glendale, Arizona

12 IN THE UNITED STATES BANKRUPTCY COURT
13 FOR THE DISTRICT OF ARIZONA

14
15 In re:
16 DEWEY RANCH HOCKEY, LLC,
17 COYOTES HOLDINGS, LLC,
18 COYOTES HOCKEY, LLC and
19 ARENA MANAGEMENT GROUP, LLC,
20 Debtors.

Case No. 2:09-bk-09488-RTBP
(Jointly Administered)

Chapter 11

**CITY OF GLENDALE'S
SUPPLEMENTAL OBJECTION TO
DEBTORS' MOTION FOR ORDER
COMPELLING NHL TO ATTEND
MEDIATION**

21
22 This filing applies to:
23 All Debtors
24 Specified Debtors

25 The City of Glendale, an Arizona municipal corporation (the "City"), by its
26 undersigned counsel, hereby submits this Supplemental Objection ("Supplemental
27 Objection") to the Debtors' Motion for Order Compelling NHL to Attend Mediation
28 [Doc. No. 981] ("Motion").

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1 Notwithstanding PSE's urgent need to advise this Court of its revised offer to the
2 City at Wednesday's emergency hearing, the offer is not radically different from the one
3 made before this Court at the auction on September 10-11, 2009. Although PSE's offer
4 removes certain contingencies and accelerates payment of a portion (but not all) of the
5 proposed payment, it remains a contingent \$50 million offer. While the City can
6 understand the Court's view that this is not an insignificant sum, the repeated emphasis on
7 PSE's monetary offer clouds the fact that the City's analysis here is not simply a financial
8 one.

9 In considering what is in the best interests of the City and its taxpayers, the City
10 must consider a number of legitimate factors, some of which simply cannot be quantified.
11 Particularly, if the City were to accept PSE's offer it would be giving up its most valuable
12 and fundamental right in connection with these cases – the right to specifically enforce the
13 Team's commitment to play its home games in Glendale for 30 years. As the City has
14 repeatedly stated since the beginning of these cases, the loss of such right would be
15 devastating and incalculable in light of the substantial economic and emotional
16 investments that the City, its taxpayers and local business owners have made in the Team,
17 the Jobing.com Arena and the Westgate City Center in reliance on the Team's
18 commitment. While the amount of such harm is difficult to quantify, the City believes
19 that this harm is much greater than \$50 million, even after consideration of litigation risk.
20 The City continues to evaluate the situation carefully, including consideration of all
21 economic scenarios, litigation risks, and other relevant factors. The City's primary
22 concern has been and remains the long-term interests of the City's citizens.

23 Given PSE's clear intention to relocate the Team, the City's right to specific
24 performance would necessarily not be on the table in the proposed mediation. Therefore,
25 the City submits that a forced mediation would be counterproductive to its efforts to make
26 the best decision in light of all relevant factors and available options.

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