

EXHIBIT 1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

----- X
IN RE: DEWEY RANCH HOCKEY, LLC)
COYOTES HOLDINGS, LLC, COYOTES) CASE NO.
HOCKEY, LLC AND ARENA) 2:09-BK-09-09488
MANAGEMENT GROUP, LLC,) (JOINTLY ADMINISTERED
) CHAPTER 11)
DEBTORS.)
----- X

CONTAINS HIGHLY CONFIDENTIAL PORTIONS
DEPOSITION OF WILLIAM DALY
NEW YORK, NEW YORK
AUGUST 21, 2009

REPORTED BY:
JUDI JOHNSON, RPR, CRR, CLR
JOB NO.: 24399

Page 2

1
2 FOUR TIMES SQUARE
NEW YORK, NEW YORK

3
4 AUGUST 21, 2009
9:00 A.M.

5
6
7
8
9
10
11
12
13 DEPOSITION OF WILLIAM DALY, HELD AT
14 THE OFFICES OF SKADDEN, ARPS, SLATE, MEAGHER
& FLOM, LLP, FOUR TIMES SQUARE, NEW YORK,
15 NEW YORK, PURSUANT TO NOTICE, BEFORE JUDI
16 JOHNSON, A REGISTERED PROFESSIONAL REPORTER,
17 A CERTIFIED REALTIME REPORTER, A CERTIFIED
18 LIVENOTE REPORTER AND NOTARY PUBLIC OF THE
19 STATE OF NEW YORK.
20
21
22
23
24
25

Page 3

1 WILLIAM DALY
2 APPEARANCES:
3 JENNINGS STROUSS & SALMON, PLC
4 ATTORNEY FOR JERRY MOYES
5 201 E. WASHINGTON STREET
6 PHOENIX, ARIZONA 85004-2385
7
8 BY: PETER W. SORENSEN, ESQ.
9
10 SQUIRE SANDERS & DEMPSEY L.L.P.
11 ATTORNEY FOR THE DEBTORS
12 40 NORTH CENTRAL AVENUE
13 PHOENIX, ARIZONA 85004-4498
14
15 BY: GEORGE BRANDON, ESQ. (VIA TELEPHONE)
16
17 BROWN RUDNICK LLP
18 ATTORNEY FOR THE CITY OF GLENDALE
19 ONE FINANCIAL CENTER
20 BOSTON, MASSACHUSETTS 02111
21
22 BY: (NOT PRESENT)
23
24
25

Page 4

1 WILLIAM DALY
2 APPEARANCES CONTINUED:
3 SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLP
4 ATTORNEY FOR THE NATIONAL HOCKEY LEAGUE
5 FOUR TIMES SQUARE
6 NEW YORK, NEW YORK 10036
7
8 BY: SHEPARD GOLDFEIN, ESQ.
9
10 -AND-
11 STINSON MORRISON HECKER, LLP
12 1850 NORTH CENTRAL AVENUE - SUITE 2100
13 PHOENIX, ARIZONA 85004-4584
14 BY: (NOT PRESENT)
15
16
17 ALLEN, SALA & BAYNE PLC
18 ATTORNEY FOR THE COMMITTEE
19 1850 NORTH CENTRAL AVENUE - SUITE 150
20 PHOENIX, ARIZONA 85004
21
22 BY: PAUL SALA, ESQ. (VIA TELEPHONE)
23
24
25

Page 5

1 WILLIAM DALY
2 APPEARANCES CONTINUED:
3 KATTEN MUCHIN ROSEMANN LLP
4 ATTORNEY FOR THE GLENDALE HOCKEY, GLENDALE ARENA
5 JERRY REINSORF
6 575 MADISON AVENUE
7 NEW YORK, NEW YORK 10022-2585
8
9 BY: (NOT PRESENT)
10
11 DEWEY LEBOEUF, LLP
12 ATTORNEY FOR PSE
13 1301 AVENUE OF THE AMERICAS
14 NEW YORK, NEW YORK 10019-6092
15
16 BY: JEFFREY KESSLER, ESQ.
BIANCA M. FORDE, ESQ.
17
18
19 ALSO PRESENT:
20 RICHARD RODIER
21
22
23
24
25

Page 206

1 WILLIAM DALY
2 IN CONNECTION WITH HARTFORD'S MOVE TO CAROLINA
3 BUT I AM FAMILIAR WITH RELOCATION FEES CHARGED
4 OVER THE YEARS. AND AGAIN, I DON'T KNOW HOW ALL
5 OF THEM WERE DETERMINED, BUT FOR INSTANCE, IN
6 NEW JERSEY'S CASE, WHEN THE DEVILS RELOCATED
7 FROM DENVER TO NEW JERSEY, I BELIEVE THEY ENDED
8 UP PAYING A RELOCATION FEE TO THE LEAGUE WHICH
9 WAS DISTRIBUTED TO EACH OF THE FLYERS, ISLANDERS
10 AND RANGERS AS A FORM OF INDEMNIFICATION FOR
11 THEIR MARKETPLACES. THEY PAID A SEPARATE FEE TO
12 THE RANGERS FOR INDEMNIFICATION, AND THEY PAID
13 TWO OTHER FEES TO THE ISLANDERS AND
14 PHILADELPHIA. THEY ENDED UP PAYING
15 \$19.1 MILLION IN RELOCATION, INDEMNIFICATION
16 FEES IN THE CONTEXT OF A TRANSACTION WHERE THEY
17 PURCHASED THE CLUB FOR \$8 MILLION.
18 Q THIS WAS IN 1982?
19 A CORRECT.
20 Q NOW, YOU HAVE NO PERSONAL KNOWLEDGE OF
21 THIS, RIGHT?
22 A NO. ONLY WHAT I'VE READ.
23 Q NOW, IN 1982, IS IT TRUE, IF YOU'VE
24 LEARNED THIS THROUGH YOUR STUDY, THAT AT THAT
25 TIME THE LEAGUE'S POSITION WAS THAT EACH TEAM

Page 208

1 WILLIAM DALY
2 PHILADELPHIA, CORRECT?
3 A YES, THAT'S MY UNDERSTANDING.
4 Q AND IT'S TRUE, ISN'T IT, THAT THAT WAS
5 A PRODUCT A NEGOTIATION IN WHICH ALL THREE TEAMS
6 AND THE LEAGUE AND MR. MCMULLEN ALL PARTICIPATED
7 IN TOGETHER, RIGHT?
8 A I BELIEVE THAT'S CORRECT, ALTHOUGH,
9 AGAIN, THERE WERE STANDARDS EMPLOYED. FOR
10 INSTANCE, ONE MEASURE OF WHAT THE DEVILS HAD TO
11 PAY THE ISLANDERS AND FLYERS, AS I UNDERSTAND
12 IT, WAS 50 PERCENT OF THE ELECTRONIC MEDIA
13 RIGHTS THAT THEY COLLECTED IN THEIR MARKET,
14 BECAUSE IT WAS A DILUTION OF THE ELECTRONIC
15 MEDIA RIGHTS THAT MIGHT BE AVAILABLE TO THE
16 OTHER CLUBS.
17 Q HOW DO YOU KNOW THAT?
18 A BASED ON BOARD MINUTES.
19 Q FROM 1982?
20 A YES. WE HAVE BOARD MINUTES GOING BACK
21 -- WE HAVE 92 YEARS OF HISTORY IN THE NATIONAL
22 HOCKEY LEAGUE. WE HAVE BOARD MINUTES THAT GO
23 BACK A LONG WAY.
24 MR. KESSLER: MY REQUEST WOULD BE THAT
25 IF THE LEAGUE INTENDS IN ANY BRIEF,

Page 207

1 WILLIAM DALY
2 HAD AN ABSOLUTE TERRITORIAL VETO OVER ITS OWN
3 MARKET?
4 A I BELIEVE THAT WAS THE LEAGUE'S
5 POSITION, YES.
6 Q SO THAT EVERY ONE OF THOSE TEAMS, THE
7 RANGERS, THE FLYERS, THE ISLANDERS HAD AN
8 ABSOLUTE RIGHT TO KEEP THE DEVILS OUT IF THEY
9 WANTED TO?
10 A NO, THAT'S NOT CORRECT.
11 Q WHY NOT?
12 A NEITHER -- WELL, LAST TIME I CHECKED,
13 THE MEADOWLANDS WASN'T WITHIN 50 MILES OF
14 PHILADELPHIA, NOR WAS IT WITHIN 50 MILES OF
15 UNIONDALE.
16 Q IT WAS WITHIN 50 MILES OF THE RANGERS?
17 A CORRECT. FIVE MILES, ACTUALLY.
18 Q SO THE RANGERS HAD AN ABSOLUTE RIGHT?
19 A I BELIEVE THAT WAS THE COURT'S
20 INTERPRETATION, YES.
21 Q WHEN YOU SAY THE LEAGUE IMPOSED A
22 RELOCATION AND DISTRIBUTED, THE LEAGUE DIDN'T
23 KEEP ANY OF THE MONEY FROM THE RELOCATION FEE
24 DID IT? IT WAS GIVEN OUT TO THE THREE TEAMS,
25 THE RANGERS, THE ISLANDERS AND THE --

Page 209

1 WILLIAM DALY
2 ARGUMENT, SUBMISSION TO IN ANY WAY RELY UPON
3 THE EVENTS OF 1982, SINCE WE DON'T HAVE A
4 WITNESS WITH PERSONAL KNOWLEDGE OF THAT,
5 THAT WE WOULD REQUEST THAT SUCH BOARD
6 MINUTES OR ANY OTHER MATERIALS RELATING TO
7 THAT THAT YOU HAVE AVAILABLE BE PRODUCED.
8 IF YOU'RE NOT GOING TO RELY ON IT --
9 MR. GOLDFEIN: IF WE'RE GOING TO RELY
10 ON THEM, I'M SURE THAT INFORMATION WILL BE
11 MADE AVAILABLE TO YOU.
12 MR. KESSLER: THAT WOULD BE MY
13 REQUEST.
14 MR. SORENSEN: GOOD TIME FOR A BREAK?
15 MR. KESSLER: SURE.
16 (WHEREUPON, A BREAK WAS TAKEN.)
17 BY MR. KESSLER:
18 Q BACK TO THE DALY EXHIBIT 10, THE
19 SECOND PAGE, THIS IS TALKING ABOUT THE COLORADO
20 MOVE TO NEW JERSEY. AND YOU'RE TALKING -- IN
21 YOUR ANSWER, AT LEAST, YOU'RE SAYING THERE WERE
22 DIFFERENT ELEMENTS OF INDEMNITY. THERE WAS A
23 TERRITORIAL INDEMNIFICATION FOR THE RANGERS AND
24 THERE WAS A TELEVISION TERRITORY INDEMNIFICATION
25 FOR THE ISLANDERS AND FLYERS. I WANT TO

Page 246

1 WILLIAM DALY - HIGHLY CONFIDENTIAL
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13 REDACTED
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 247

1 WILLIAM DALY - HIGHLY CONFIDENTIAL
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13 REDACTED
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 248

1 WILLIAM DALY - HIGHLY CONFIDENTIAL
 2 MR. BRANDON: NO QUESTIONS, THANKS.
 3 MR. SALA: NO QUESTIONS.
 4 (TIME NOTED 3:49 P.M.)
 5
 6 WILLIAM DALY
 7
 8 SUBSCRIBED AND SWORN TO BEFORE ME
 9 THIS DAY OF , 2009
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 249

1 PROCEEDINGS
 2 CERTIFICATE
 3
 4 I, JUDI JOHNSON, RPR, CRR, CLR, A NOTARY PUBLIC IN
 5 AND FOR THE STATE OF NEW YORK, DO HEREBY CERTIFY:
 6 THAT THE WITNESS WHOSE TESTIMONY IS HEREINBEFOR
 7 SET FORTH, WAS DULY SWORN BY ME; AND
 8 THAT THE WITHIN TRANSCRIPT IS A TRUE RECORD
 9 OF THE TESTIMONY GIVEN BY SAID WITNESS. I FURTHER
 10 CERTIFY THAT I AM NOT RELATED, EITHER BY BLOOD OR
 11 MARRIAGE, TO ANY OF THE PARTIES TO THIS ACTION; AND
 12 THAT I AM IN NO WAY INTERESTED IN THE OUTCOME OF
 13 THIS MATTER.
 14 IN WITNESS WHEREOF, I HAVE HEREUNTO SET
 15 MY HAND THIS 21ST DAY OF AUGUST, 2009.
 16
 17
 18 JUDI JOHNSON, RPR, CRR, CLR
 19
 20
 21
 22
 23
 24
 25