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16 **UNITED STATES BANKRUPTCY COURT**
17 **FOR THE DISTRICT OF ARIZONA**

18 In re) Case No. 2:09-bk-09488-RTBP
19 DEWEY RANCH HOCKEY, LLC,) (Jointly Administered)
20 COYOTES HOLDINGS, LLC,) Chapter 11
21 COYOTES HOCKEY, LLC, and) **National Hockey League's Objection to**
22 ARENA MANAGEMENT GROUP, LLC,) **PSE Sports & Entertainment's Position on**
23 Debtors.) **Relocation and Ownership Transfer**
24) **Discovery**

25 This filing applies to:
26 All Debtors
 Specified Debtors
27

28

1 The National Hockey League (the "NHL") hereby objects to the relocation-related requests
2 set forth in PSE Sports & Entertainment's Position on Relocation and Ownership Transfer
3 Discovery.¹

4 The NHL has good and specific reasons for rejecting Mr. Jim Balsillie - the overwhelming
5 (unanimous) majority of current NHL owners do not trust him or want to do business with him.
6 We have provided the basis for that view to the Court - and to Mr. Balsillie already. Recognizing
7 that Mr. Balsillie is unwilling to accept the Board's decision, the NHL also has offered to provide
8 reasonable discovery regarding the basis for its decision. Without comment on the argumentative
9 phrasing of PSE's requests, the NHL has offered to produce documents responsive to Requests 10-
10 13 set forth in PSE's position paper, including all documents relating to the Board of Governor's
11 consideration and denial of Mr. Balsillie's request for transfer of ownership. The NHL is also
12 willing to make available for deposition each of the witnesses PSE has requested that relate to the
13 ownership transfer issue: (1) Commissioner Gary B. Bettman, (2) Deputy Commissioner William
14 L. Daly, (3) Mr. Jeremy Jacobs, who is the Chairman of the Board of Governors and the principal
15 owner of the Boston Bruins, and (4) Mr. Craig Leipold, who is a Member of the Executive
16 Committee and Board of Governors and the principal owner of the Minnesota Wild.

17 Document Discovery

18 The NHL objects, however, to PSE's request to conduct document discovery right now
19 relating to relocation-related issues. Taking relocation-related discovery including requests for the
20 production of email, which requires a massive amount of time and expense, is neither feasible nor
21 advisable right now. We are only nine business days from the deadline for PSE's opposition to the
22 NHL's Motion to determine that the Debtors' interest in the Coyotes may not be transferred to PSE.

23 _____
24 ¹ The NHL incorporates herein the Omnibus Objection of the National Hockey League to (I) Joint
25 Motion of Debtors and PSE Sports & Entertainment LP for Order Requiring Gary Bettman and William
26 Daly to Appear for the Taking of Depositions and (II) Joint Motion of Debtors and PSE Sports &
27 Entertainment LP for Order Requiring Production of Documents From the National Hockey League, filed
28 on August 10, 2009. Additional objections set forth therein include: (i) the Debtors and PSE seek
confidential information from NHL member franchises that are not before this Court, (ii) there are no funds
in the Debtors' estates to fund this fishing expedition, and (iii) even assuming that PSE alone, rather than the
Debtors, sought this information, PSE is merely a bidder and does not have independent standing to conduct
discovery in connection with the auction.

1 Just completing the discovery limited to the ownership transfer issue in that timeframe will be
2 difficult (the NHL itself intends to depose Mr. Balsillie and Mr. Rodier regarding the ownership
3 transfer issue). During these nine business days, the NHL also has multiple motions now due on
4 August 18, 2009. Six depositions, document discovery regarding the ownership transfer issue, and
5 the preparation of multiple motions will more than occupy those nine days.

6 Of course, this litigation work is all in addition to the more critical work being done to try
7 to produce a Qualified Bid from at least one Glendale bidder. The NHL was pleased to learn at
8 yesterday's hearing that the largest secured creditor, SOF, has reached a deal in principal with the
9 Reinsdorf group. That leaves the NHL as the next largest secured creditor, and the attention of the
10 NHL's senior executives – the very people from whom PSE is seeking extensive discovery – will
11 be devoted to trying to work out deals with the Reinsdorf and Ice Edge groups, as well as doing
12 everything within their power to try to facilitate negotiations with other creditors, including the
13 City of Glendale.

14 Finally, there is no need to conduct discovery on relocation issues right now because they
15 all could be mooted by any of the several motions now scheduled to be heard on September 2,
16 2009. Moreover, the NHL has offered to expedite consideration of relocation-related issues,
17 including discovery, if the Court denies the NHL's motions and determines that PSE is a Qualified
18 Bidder. As a result, there is no reason to burden the parties with relocation issues now and make
19 an already extremely difficult and frantic process even more so. Nevertheless, in the spirit of
20 cooperation and to facilitate the expeditious consideration of the issues if it ever becomes necessary,
21 the NHL is willing to produce those relocation-related documents that are readily available and
22 which would not require the attention of the NHL's senior executives to gather. Specifically, as a
23 compromise, the NHL is willing to produce documents sufficient to show the information
24 requested in PSE Request Nos. 1, 2, 3 (to the extent available), 5, and 6 (since the new Collective
25 Bargaining Agreement in 2006).

26 The other requests are irrelevant and/or unduly burdensome. In particular, Request No. 7
27 (documents concerning potential expansion into the Southern Ontario market), No. 8 (expenditures
28 on goodwill in Hamilton), No. 9 (NHL consent agreements since 1990), and No. 14 (documents

1 regarding any "veto rights"), are irrelevant and unduly burdensome. This Court has already found
2 that the relocation fee is to be determined as set forth in Raiders II (i.e., the difference in expansion
3 fee opportunity as of May 5, 2009 between Phoenix and Hamilton). This is a contested fee, not an
4 agreed-upon fee as negotiated by most existing partners in the League. Documents regarding
5 purported veto rights are irrelevant as has been made clear to the Court (and the Canadian
6 Competition Bureau); all relocations are now considered by a majority vote by the Board of
7 Governors. Further, these requests are unnecessary and would require a search akin to a needle in
8 a haystack and certainly could not be completed by the requested deadline.

9 Depositions

10 The NHL has offered to make available all four witnesses that PSE has requested on
11 transfer of ownership issues. The NHL objects, however, to PSE's request to depose Mr. Richard
12 Peddie, an owner of the Toronto Maple Leafs. Mr. Peddie is not relevant to the ownership transfer
13 issue. He is not a member of the NHL Executive Committee. He did not attend the interview of
14 Mr. Balsillie, the NHL Executive Committee meeting on July 29, 2009, or the Board of Governors
15 meeting later that same day. Moreover, the Maple Leafs abstained from the vote on Mr. Balsillie's
16 application. PSE and Debtors seek to depose Mr. Peddie solely on relocation-related issues,
17 specifically PSE's theory that the Maple Leafs have "veto rights" under the NHL Constitution
18 regarding a team potentially moving into the Maple Leafs' home territory. In sum, there is no need
19 for his deposition at all, and certainly not right now. (We also note that Mr. Peddie is not a party to
20 this action.)

21 NHL's Requested Depositions

22 The NHL proposes to depose Mr. Jim Balsillie, Mr. Richard Rodier, Mr. Jerry Moyes, Mr.
23 Earl Scudder, and Mr. Douglas Moss, who is the President and Chief Operating Officer of the
24 Phoenix Coyotes.

25 The NHL proposes to examine Mr. Balsillie and Mr. Rodier on (i) the grounds for the
26 NHL's denial of PSE's ownership application, (ii) possible collusion between PSE, Mr. Moyes, and
27 the Debtors regarding this bankruptcy action and the Debtors' attempts to market and sell the
28 Phoenix Coyotes, and (iii) the terms of his proposed APA and the contingencies set forth therein.

1 The NHL proposes to examine Mr. Moyes and Mr. Scudder regarding (i) the NHL's control
2 of the Club since November 2008, (ii) possible collusion between PSE, Mr. Moyes, and the
3 Debtors regarding this bankruptcy action, (iii) attempts both before and after the filing of the
4 bankruptcy petition to market and sell the Phoenix Coyotes, (iv) Mr. Moyes' management of the
5 Club, and (v) Mr. Moyes' financial transactions with the Club.

6 The NHL proposes to examine Mr. Douglas Moss regarding the operation of the Phoenix
7 Coyotes both before and after the filing of the bankruptcy petition.

8 **CONCLUSION**

9 WHEREFORE, for the reasons set forth herein, the NHL respectfully requests that the
10 Court deny PSE's and the Debtors' Request for relocation-related discovery.

11 DATED: August 12, 2009

12 STINSON MORRISON HECKER LLP

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