

## Similar Offer For Bolts Unlikely

By RUSSELL RAY, The Tampa Tribune

Published: November 28, 2007

TAMPA - It was a sweet deal that will be hard to duplicate, experts say, although hope remains that the warring parties might resolve their differences.

The \$200 million sale of the Tampa Bay Lightning fell through because of a dispute between the buyers that surfaced in court records this week.

Finding another suitor won't be difficult, but the likelihood of getting a similar offer for a team in the struggling National Hockey League is slim, said Andrew Zimbalist, a professor of sports business at Smith College in Northampton, Mass.

"That's a hefty price," Zimbalist said. "If that's what they're losing, I would certainly hope the potential buyers got their act together."

That's exactly the hope of Palace Sports & Entertainment, the Detroit-based owners of the Lightning that terminated the purchase agreement Nov. 14. Palace Sports still wants to complete a deal with the original suitor.

"PS&E remains focused on working to sell the team to Absolute Hockey" Enterprises, Bill Wickett, the Lightning spokesman, said Tuesday.

But if it can't, a new buyer will surely emerge, said Don Hinchey of the Bonham Group, a Denver-based sports entertainment and marketing firm.

"If they are inclined to sell, they will certainly be able to attract interest," Hinchey said. "It's one of only 30 NHL franchises out there, and there's only a limited number of professional franchises that are available for sale at any one time."

But the average attendance at Lightning games is down about 5 percent compared with last year, and the fan base for hockey in Central Florida, where the sport isn't widely played, is low.

"It's not a sport that commands any real television presence or revenue," Zimbalist said. "They will always be able to sell the team. The question is at what price."

Absolute Hockey investors Jeff Sherrin and Doug MacLean are suing Hollywood producer and investor Oren Koules for failing to make a \$4.2 million payment that was due Palace Sports by Nov. 13 and for trying to buy the Lightning on his own behind their backs.

The deal could be resurrected if the buyers resolve their dispute, said Thomas Scarritt Jr., an attorney for Sherrin and MacLean. One scenario could involve Koules in a buyout of the other partners. Another scenario might involve a union of the original partners.

Scarritt said the warring sides were close to coming to a resolution as early as last week.

"There is a possibility it can work out," he said.

Sherrin and MacLean blame Koules for the deal's termination and are seeking more than \$50 million in damages.

"The partners are extremely upset," Scarritt said. "This was their dream. To have it unravel for reasons that are beyond all of us makes it even more frustrating."

Sherrin and MacLean accommodated Koules when he demanded a bigger stake in the team and increased his ownership from 30 percent to 70 percent. In exchange, Koules was supposed to pay \$50 million cash of the \$60 million the group agreed to pay toward the purchase of the team.

But the lawsuit shouldn't deter potential new buyers, Zimbalist said.

"It's not a dispute among the owners and it's not a factor that affects the operation of the team," he said.

The lawsuit, which alleges breach of contract, also describes "civil conspiracy" and "deceptive trade practices" that led to the deal's termination.

Under the contract to buy the team, Koules was supposed to front \$40 million toward the purchase of the team.

Koules, a former minor-league hockey player, made his fortune from producing the "Saw" horror movie franchise. The fourth installment of the movie series was recently released.

The Lightning announced the sale to Absolute Hockey on Aug. 5. The Lightning has said that it has lost more than \$60 million since Palace Sports bought the team eight years ago.

The deal with Absolute Hockey had been scheduled to close Dec. 31.

Reporter Russell Ray can be reached at (813) 259-7870 or rray@tampatrib.com.

**Find this article at:**

<http://www2.tbo.com/content/2007/nov/28/bz-similar-offer-for-bolts-unlikely>

Check the box to include the list of links referenced in the article.

©2008 Media General Inc. All Rights Reserved.