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Coyote ugly

By Ben Fidler

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The Detroit Red Wings were in position to win the Stanley Cup against the Pittsburgh Penguins last June 9, but the man who would crown the National Hockey League champion and present Lord Stanley's Cup to them wasn't even in the Steel City. Instead, NHL commissioner Gary Bettman was thousands of miles away in an Arizona courtroom, which is what happens when the future of your league is hanging in the balance.



After his day in court, Bettman did make it to Mellon Arena that night. Pittsburgh won, tying the series at three games apiece, and then ambushed Detroit a few nights later in the deciding game. Bettman presented the once-bankrupt Penguins the Stanley Cup. But an even bigger surprise awaited Bettman, the NHL and the professional sports world.

As the summer wore on, the bankruptcy of the Phoenix Coyotes proved not to be just a local story involving a struggling franchise coached by a Hall of Fame player. Instead, it morphed into a situation that would shake the foundations of professional sports. The NHL found itself a bidder for the Coyotes even though it was in position to control the auction. Jim Balsillie, the co-founder of **Research In Motion Ltd.** of BlackBerry fame, who has wanted for years to put a team in Hamilton, Ontario, kept bidding higher, agitating for relocation of the Coyotes and deepening the rift between himself and the NHL.

In the middle of the Coyotes case was Chief Judge Redfield T. Baum Sr. of the U.S. Bankruptcy Court for the District of Arizona in Phoenix. Baum had to weigh whether NHL bylaws could be superseded by Section 363 of the federal Bankruptcy Code, which governs the auction and sale by debtors and, ultimately, a debtor's duty to its creditors.

"We're in uncharted territory," says Thomas Salerno, debtor counsel for the Coyotes' bankrupt owner, **Dewey Ranch Hockey LLC**, at **Squire, Sanders & Dempsey LLP**. "That's both a blessing and a curse."

On Sept. 20, Baum struck down offers from both Balsillie and the NHL, arguing that the NHL could not be adequately protected from the loss of power it would suffer if Balsillie was awarded the franchise. But the debacle in the desert isn't over. Talks continue to keep the Coyotes in the Phoenix suburb of Glendale -- even though the team has lost nearly \$400 million since 2004. And while Balsillie rode into the sunset, the NHL can't forget the hockey-crazy entrepreneur, especially with so many of its franchises facing financial woes.

When Dewey Ranch filed for Chapter 11 on May 5, it wasn't the first NHL franchise to do so, and it likely won't be the last. The Pens, for example, filed for Chapter 11 in 1999, followed by the Ottawa Senators and Buffalo Sabres in 2003. According to one source, Balsillie sniffed around the Pens while the team languished in bankruptcy, but ultimately a group of investors led by star player Mario Lemieux bought the franchise.

By 2006, however, the Pens were sprawled on the ice again. Rejuvenated talent-wise with the drafting of

wunderkind Sidney Crosby, the team nonetheless played in Mellon Arena, one of the oldest and smallest facilities in the NHL. In January 2006, Lemieux officially announced that he was taking offers for the team, with the auction hinging on whether the Pens would get a new home in Pittsburgh. Several bidding groups stepped forward: one led by **Kenyon Investments LLC**'s Sam Fingold; another by **Medallion Financial Corp.**'s Andrew Murstein; and one mysterious group, initially unnamed but apparently controlled by Balsillie, which offered the most money.

By fall, two arena financing proposals had emerged. One was backed by **Isle of Capri Casinos Inc.**, which wanted a slots license in Pittsburgh in return for providing \$290 million for a new arena. The other was a proposal based on public and private funding. The Pens backed the Isle of Capri offer.

Then there was Balsillie. According to court documents, he met with Bettman and deputy NHL commissioner Bill Daly regarding the Pens on Aug. 29, 2006, and assured the two executives that regardless of which arena proposal the Pens selected, he was committed to keeping the team in Pittsburgh. A declaration filed by Daly insisted that Balsillie repeated three times at the meeting that he "would not, under any circumstances, seek to relocate the franchise to another market."

Balsillie officially signed an asset purchase agreement to buy the Penguins on Oct. 4, 2006, for \$175 million and was even on hand for the team's home opener a day later. "I look forward to owning this team for a long time in Pittsburgh," he said in a statement at the time.

Still unsettled was the matter of the new arena. And the NHL had not given its official approval. Over the next two months, Balsillie and NHL officials battled. The NHL revealed in court documents that it was told by Richard Rodier, Balsillie's lawyer, on Oct. 30, 2006, that if both arena deals fell through, Balsillie was committed to following the NHL's guidelines with respect to any relocation. For example, the league contended that Balsillie had agreed to give it the first option to buy the Pens at the price he paid and had consented to a standard seven-year nonrelocation provision. Based on those representations, the league's other owners indicated that they would approve the deal.

Negotiations on relocation, meanwhile, lingered into early December, with the league fashioning a "side letter" that documented Balsillie's verbal commitments at the meeting with the league's board of governors. To the NHL's surprise, Balsillie responded with a redacted letter that struck the provisions committing him to keep the team in Pittsburgh, including the option to sell the franchise back to the NHL. He then abruptly terminated the deal on Dec. 15, 2006, noting: "[W]e are not prepared to be bound by a seven-year non-relocation clause, nor does the purchase agreement require us to agree to such a provision. The proposed side letter is insulting and unnecessary."

"He got approved, and then he tried to do a bait and switch," says one source with knowledge of the Pens auction, which was canceled after the Balsillie fiasco. The team, which was able to cut a new arena deal, is expected to move into the Consol Energy Center for the 2010-'11 NHL season. "At the last minute, he basically said the reason he was buying the team was to move it to Hamilton."

What's the infatuation with Hamilton? Balsillie declined an interview through a spokesman, but the city is not far from Waterloo, where Research In Motion is based. And though southern Ontario is bordered by the area dominated by the **Toronto Maple Leafs** (which Forbes valued at \$448 million in late 2008, by far the highest in the NHL) on the north and the Buffalo Sabres on the south, one investment banking source acknowledges that it is the second-largest market for hockey in the world. "You have real fans in Hamilton," the source says, noting that any franchise that moved there would immediately boost its worth to a total of at least \$300 million. "After Toronto, the best place to be is southern Ontario."

Undaunted by the Penguins fiasco, Balsillie soon set his sights on another struggling franchise, the Nashville Predators. A team with few roots in its host city, the Predators and then-owner Craig Leipold were bleeding cash and posting some of the league's worst attendance figures. The two men negotiated through spring 2007, and one source at the time placed a potential price tag on the deal at \$200 million, a considerable bid for a struggling franchise. This time Balsillie wasn't coy about his intentions.

A draft letter Rodier wrote to Leipold on March 13, 2007, said that a closing condition to the transaction was NHL consent to the relocation of the franchise to southern Ontario, filings show. Though Leipold planned to exercise a provision in the Predators' agreement with the city of Nashville allowing him to terminate the team's lease at the Sommet Center if average attendance figures didn't increase during the 2007-'08 season, he wanted things to work in Nashville. While negotiating with Balsillie, he made clear

that he would sell the team on a "where is, as is" basis.

While the Predators could have been relocated if a default involving the lease was triggered and not cured, the term sheet the two sides signed on May 15, 2007, outlined nothing more than an ownership transfer under the existing lease. There was nothing to account for the risk that Balsillie might not be able to move the team, even though his lawyers would later argue that Leipold said in a public deposition that the Predators were being sold as a "mobile franchise."

Balsillie in May 2007 asked the NHL to consider conditional relocation, but the league felt it was premature and worried that such talks could hurt season-ticket sales for the Predators. Balsillie backpedaled, saying he'd make a good-faith effort in Nashville. A term sheet was signed, though the lawyers for Balsillie's acquisition vehicle, **PSE Sports & Entertainment LP**, asserted it was nonbinding.

Again, Balsillie proved difficult when closing the deal, according to court documents filed by the NHL in the Coyotes case. Balsillie refused to deposit a \$10 million fee that would have made the agreement binding. Rodier then sent Leipold a new asset purchase agreement that contradicted the terms of their signed term sheet. Specifically, the APA once again included the NHL's consent to a Hamilton move as a closing condition, and Rodier even allegedly threatened that the Canadian Competition Bureau would investigate the league if the deal wasn't closed on those terms. Then, in a move that angered Leipold and league executives, Balsillie began soliciting refundable deposits for season tickets for a hockey franchise in Hamilton and even used the Predators' trademarked logo in the effort.

The deal collapsed in June 2007. PSE's lawyers at **Lewis and Roca LLP** argued in court documents, however, that the deal fell apart when Bettman "relayed doubts about whether ... Balsillie would be permitted to move the team to Hamilton."

But the NHL saw it much differently. "Mr. Balsillie appears to be doing his best to destabilize the Predators," the league claimed in court documents. "Mr. Balsillie should keep in mind that his actions, including his failures to honor numerous commitments and representations he has made over the past year to the commissioner and the executive committee, as well as his apparent unwillingness to comply with league rules and act in the best interests of the league as a whole, will be evaluated by the member clubs in determining whether to accept Mr. Balsillie as one of their partners."

While this was going on in the eastern part of North America, the Coyotes were dealing with issues of their own out West.

The Winnipeg Jets had played in Manitoba for 24 years when in 1995, businessmen Steven Gluckstern and Richard Burke led a group that acquired the franchise with the NHL's full blessing and moved it to ice-unfriendly Phoenix. "You get off the plane, and it's like opening a pizza oven," quips one lawyer involved in the Coyotes' bankruptcy.

Still, Phoenix was a growing sports market. It already had pro football's Cardinals and pro basketball's Suns. In 1998, pro baseball's Diamondbacks arrived. A hockey team would make Phoenix one of the few cities with four teams.

In its inaugural season of 1996, the Coyotes played in the home of the Phoenix Suns, America West Arena. And even though the team enjoyed its best on-ice success there, making the playoffs in its first six seasons in the desert, the America West Arena was clearly not built to support hockey. "Several hundred seats were blocked for hockey," says Craig Tindall, city attorney for Glendale, Ariz. "It wasn't the right venue."

Plans were introduced for a mixed-use development that would go hand in hand with a new arena. "This would allow the community to make an investment into the arena and get a return on the mixed-use development and the revenues created because of that," Tindall says.

The \$220 million Jobing.com Arena was built roughly 15 miles away from Phoenix in the midst of the Westgate City Center, a sprawling 223-acre locale ultimately designed to contain shopping, condominiums and office space. The city poured \$180 million into the arena and struck a 30-year lease with the Coyotes, with the vast majority of the financing coming from public bonds.

The lawyer representing Glendale, William Baldiga of **Brown Rudnick LLP**, says the city's investment was based on the arena anchoring development around it and an eventual flow of sales taxes. "The rent is fairly nominal," Baldiga says, estimating a figure of roughly \$2 million per year. "It doesn't even start to pay for the cost of the arena. It doesn't even pay for the debt service."

By the time the arena opened for the 2003-'04 season, the Coyotes had a new owner. Steve Ellman bought the team from Burke in 2001, with hockey legend Wayne Gretzky as a minority partner. Just four years later, he flipped the team to Jerry Moyes, the founder of **Swift Transportation Co.**, a trucking company.

The only constants with the Coyotes were poor finances and losing. The team hasn't played in the postseason since 2002. Attendance figures drifted near the bottom of the league for several years. In 2004, the Coyotes lost \$75.35 million, and losses kept coming -- \$50.68 million in 2005, \$75.34 million in 2006, \$117.18 million in 2007 and \$72.13 million in 2008.

By the end of last year, Moyes wanted out. He had met with league officials in August 2008 and claimed that he could no longer fund the team's losses. The NHL stepped in and began advancing money to keep the team afloat. By May, some \$38 million had been funneled to the team via advanced revenue-sharing payments, with the solution already decided. The team would be sold again.

Instead of hiring an investment bank to market the Coyotes, Moyes used Earl Scudder, his personal attorney. Scudder routinely reported back to Bettman and Daly as the search advanced, with Glendale also involved. But things took a fateful turn when Scudder fielded a call from Rodier, who was once again representing Balsillie and PSE. Rodier floated the idea of PSE purchasing the team and moving it to Hamilton.

According to documents, when Scudder revealed the inquiry to Bettman, the commissioner balked, telling him that the team was staying in Arizona and not to pursue the deal. From there, the NHL claims in court papers, Rodier and Balsillie pressed Moyes to keep their talks, which included the idea of a bankruptcy filing, a secret from the league despite the fact that it violated NHL policy. Concomitantly, the NHL continued its efforts to find a buyer, eventually arguing that Jerry Reinsdorf, a part-time Arizona resident and owner of baseball's Chicago White Sox and basketball's Chicago Bulls, was interested.

Squires Sanders' Salerno is still dubious about the Reinsdorf interest. "We were not shown the so-called Reinsdorf offer," he says. "In fact, to this day I've never seen the original, pre-bankruptcy Reinsdorf offer."

It all blew up on the afternoon of May 5. With Bettman on his way to Phoenix to meet with Moyes to discuss the particulars of the Reinsdorf bid, Glendale's Tindall says the commissioner got a phone call from Coyotes management. "They said, 'Don't go,' " he recalls. " 'We filed for bankruptcy.' "

Dewey Ranch, which made the filing, submitted typical first-day motions. But filings entered for the company's debtor-in-possession financing and its stalking-horse bidder were particularly interesting, because Balsillie was named in both. It was a clever move. Balsillie in his forays for the Penguins and the Predators was an outsider. By moving quickly, he became an insider in the Coyotes battle. Bankruptcy gave Moyes and Balsillie an opportunity to circumvent the NHL's constitution regarding ownership transfer.

Bankruptcy itself wasn't new to the NHL; the Penguins, Senators and Sabres all had entered bankruptcy. What was unique was how Balsillie would try to use it to grab the Coyotes for Hamilton, despite NHL opposition and without consent. His lawyers would pit bankruptcy law against the league's constitution, challenging the NHL's power to choose who owns its teams and where they play.

"You can't sell something that you don't own," says one source with knowledge of the league's thinking. "The only thing the league argued that [Dewey] owned was the right to play in [Glendale] if they observed the rules of NHL membership. If they wanted to move someplace else, or didn't follow the rules, they didn't have anything to sell."

Dewey backed the PSE bid by taking a shot directly at the league, filing an antitrust lawsuit with the Phoenix bankruptcy court comparing the NHL to an "illegal cartel." Dewey asked the court to provide injunctive relief by overruling the league's likely move to block the relocation, accusing the NHL of

resisting because it was afraid to encroach on the territory of the mighty Maple Leafs.

The antitrust issue was really window dressing. Attorneys involved in the bankruptcy say the complicating factor is that there isn't any case law regarding the commingling of bankruptcy law and sports constitutions. Dewey's lawyers were essentially arguing that Section 363 of the Bankruptcy Code, which allows a debtor to transfer assets free and clear of all liens and encumbrances, could be used in an entirely new way. "You would be able to transfer membership in an organization without complying with the rules of that organization," the source says. "It was a novel and creative interpretation of the Bankruptcy Code."

Another string Balsillie yanked is a debtor's fundamental responsibility to its creditors. PSE's \$212.5 million cash bid was later boosted to \$242.5 million, far exceeding the \$142 million at which Forbes magazine valued the team before the 2008 season. PSE was also going to pay a number of the team's major creditors in full, including \$80 million owed SOF Investments LP, an affiliate of private equity firm **MSD Capital LP**, and about \$100 million claimed by Moyes. "The duty of the debtor and the court is to maximize value of assets," Salerno says. "So when you have that fundamental premise going against the NHL, which simply says no, then something's got to give."

The league, meanwhile, made its position clear, announcing that it had stripped Moyes of his position as owner. The NHL said that under no circumstances would it support relocation and it would appeal any ruling in Balsillie's favor as vigorously as it could.

"In every case I've been involved with, it's about the economics. It's about getting the most money," Salerno says. "This case has nothing to do with that for the NHL. They don't care how much this thing sells for. It's about protecting the NHL, even if that means they don't get the most value."

Whichever way Baum ruled would set precedent, which is why the National Football League, the National Basketball Association and Major League Baseball all filed amicus curiae briefs on behalf of the NHL, warning that any ruling favoring Balsillie would allow any owner to use bankruptcy to sell a team and move it against a league's will.

A more practical matter Baum would have to consider was whether the Coyotes could break their lease with the Jobing.com Arena and whether Glendale had to be compensated if that occurred. Leases are rejected all the time in bankruptcy; that's one of its benefits. But there are formulas that govern the claims a landlord can submit -- usually amounting to three years' rent -- so that such claims don't drown the rest of the creditor pool. In the Coyotes' case, that formula would yield a claim of some \$6 million or \$7 million, nowhere near the hundreds of millions of dollars Glendale raised in bonds. Glendale went further, raising a clause in the 30-year lease that gave it the right to "specific performance," which would be difficult to quantify.

"The team agrees that if it fails to honor the promise to stay, the team itself would pay the city an amount that would, in effect, reimburse the city for the lost revenue that the city would have realized from patrons, and not from the team," says Brown & Rudnick's Baldiga. "That is a very unusual situation."

Indeed, how can something such as the potential amount that Glendale would have brought back for the next 20 years be quantified? Baldiga says the undisputed figure became roughly \$570 million -- an imposing if not a prohibitive figure. He asserts that there are simply no legal remedies that would adequately compensate Glendale if Baum were to uphold the clause. And if he rejected the provision, there was again the risk of precedent: If a city's investment in a stadium held no standing, then why would any city ever make such an investment?

But some lawyers felt the matter was overblown. "Everybody called it a lease," says one lawyer in the case. "If it's a lease, [then] the Bankruptcy Code says here's what the remedy is."

PSE had originally asked Baum to begin an auction in June, which would allow Balsillie ample time to move the franchise to Hamilton for the following NHL season if he won. But Baum declined to hear any of Dewey's first-day motions until the more pressing issues of whether the Coyotes could relocate, and who could bid, were decided.

A summer-long drama unfolded, with the history of the NHL-Balsillie rivalry laid bare in court documents. What was going to be two auctions -- one for buyers who wanted to keep the Coyotes in

Glendale, another for those who wanted to move the team -- was eventually changed by Baum to one, on Sept. 10. One rival bidder was Reinsdorf, the horse the NHL was betting on, who made his first bid on June 29. (His lawyers at **Katten Muchin Rosenman LLP** didn't return calls.) Another was **Ice Edge Holdings LLC**, a group headed by Daryl Jones and Keith McCullough, the latter of whom runs New Haven, Conn., research and investment firm **Research Edge LLC**. (Jones didn't respond to calls.) Ice Edge filed a term sheet for a \$150 million bid. Common to both bids was that they were at least \$62.5 million less than Balsillie's offer, and neither made it to the Sept. 10 auction. Reinsdorf dropped out of the bidding on Aug. 25. Ice Edge withdrew on the auction's eve.

According to Glendale's Tindall, Ice Edge backed out more because of time constraints involved in getting a deal done before the auction. "The things we needed to do in their deal just would have taken more time than what we had," he says.

In Reinsdorf's case, one source with knowledge of the proceedings, who requested anonymity, claimed that Reinsdorf was asking for \$25 million in subsidies from Glendale to get the deal done. But a second source explains that it was merely the circumstances of the situation itself that frustrated Reinsdorf. For example, Moyes' lawyer violated a court order by filing the terms of a proposed deal between Reinsdorf and Glendale in August. The documents were removed from the court's docket in a matter of hours, but the damage was done. "[Reinsdorf] said he thought the bankruptcy case was being terribly handled and was costing way too much money," the source says. "He couldn't have negotiations when someone was leaking them to the press and violating confidentiality orders, and it was way more expensive than he was prepared to deal with."

Meanwhile, only more bad will divided the NHL and Balsillie, who on July 29 met with the league's executive committee, consisting of 11 team owners who included the Predators' Leipold. "Mr. Balsillie had the gall to say that by selling tickets for the Predators in Hamilton, he had helped me by leading to a resurgence of fan interest for the franchise in Nashville," Leipold wrote in a declaration with the court, recounting their exchange during the meeting. "After Mr. Balsillie's answer, I felt that there was a palpable feeling of stunned disbelief throughout the room."

Soon after, the league's board of governors unanimously rejected Balsillie as an owner, but with a twist: For the first time in NHL history, the owners based their denial on Bylaw 35 of the league's constitution, which involves a business partner's character and integrity.

As a result, with Balsillie still the only one left standing on Sept. 10, Bettman on his radio show admitted that, "as a last resort to get control of the situation," the NHL would make a \$140 million offer with the intent of immediately flipping the franchise once again after its offer was victorious. But even that bid had strings attached. The NHL, having no intention of running or owning a franchise long term, conceded that if no Glendale buyer could be found by year's end, it would begin the process of relocation on its own.

Accusations of conflicts of interest came quickly. "They [were] a competing bidder, and they were claiming the unfettered ability to determine if any winning bidder in the bankruptcy court will pass muster in the league," says Peter Kaufman of **Gordian Group LLC**, who is not involved in the proceedings.

Salerno, meanwhile, was already skeptical of the NHL's move, given the league's inability to deliver on its promise of owning a substantial interest in the franchise. "The NHL in June said they had four different buyers that would keep the team here. Not a single one panned out. The market has spoken."

Despite being persona non grata with NHL owners, Balsillie tried to ingratiate himself with another vital constituency -- Glendale. Tindall says the city council has never budged from its only acceptable scenario: The Coyotes stay in Arizona. But Balsillie didn't relent, offering Glendale \$50 million, with \$25 million of it a nonrefundable deposit even if Balsillie lost. (Upon closer inspection, Baldiga says, the gesture looked substantial, but it didn't give Glendale any more than PSE's original offer.)

Sensing how badly the situation had deteriorated, Baum canceled the auction after hearings on Sept. 10 and Sept. 11 and took the matter under advisement.

A little more than a week later, Baum found that there was no way the league could be adequately protected for the loss of power it would suffer if Balsillie won the franchise and moved it. "The very

nature of professional sports requires some territorial restrictions in order both to encourage participation in the venture and to secure each venturer the legitimate fruits of that participation," the judge wrote. "This court struggles with how it can adequately protect the NHL's membership selection right and control over home team location rights if the court were to allow PSE to move the Coyotes to Hamilton."

Baum denied the PSE bid with prejudice, but he rejected the NHL's \$140 million offer conditionally, allowing the league to submit an amended bid. (Baum said the NHL's bid was unfair because it wiped out claims of both Moyes and Gretzky without a proper claims trial.)

Numerous lawyers in the case believe that what Baum really did was decide the sports constitution versus bankruptcy law question by using a law partnership or country club membership as an analogy. "Say you have partners in a law firm going bankrupt, and the most valuable asset they have is their membership in the firm," one lawyer involved in the proceedings says. "They cannot transfer that to somebody without the consent of their partners."

At the same time, Salerno believes Baum didn't give too much credence to the paranoia of the sports leagues about the "slippery slope argument." "His reaction to that was [essentially] 'Sports teams have moved, and guess what? The sun rose the next morning, and things didn't really change,' " he notes.

In fact, Baum's ruling as to adequate protection allowed him to skirt the issues surrounding the Glendale lease, since the lease itself isn't a problem if there's no threat of a move.

And that's the case right now. But what happens if the league can't sign a deal with a Glendale buyer?

Sources with both the city and the NHL contend that they are confident things won't get to that point. "In its 80-year history, the NHL has never helped a team move in violation of its deal to stay, and we don't think this will be the first," Baldiga says.

Tindall says dialogue is continuing. "We have never stopped talking to those who are interested in doing this locally, and those conversations have already now resumed in full force," he says. "We expect a sale to a buyer to keep it in place will happen very quickly."

A second source contends that Ice Edge is very much involved: "I think you may see more of them," he says.

The key question is whether buyers such as Ice Edge believe the Coyotes are viable as a long-term investment in Glendale. One sports industry source, for example, believes there is "zero" chance of a deal without major subsidies from the city. "Look at the numbers. The losses are dreadful," the source says. "There is no plan I can think of without a huge subsidy that makes this work. If you run it really, really great, you may lose \$30 million per year."

Glendale is confident that if the Coyotes can get past its on- and off-ice problems so that development of Westgate City Center can continue, financial success will follow. "If we have the team on the ice, we get there," Tindall rhapsodizes. "Development of the area will continue and will make revenues that will make this pay off in the long term."

For his part, Balsillie bowed out of the Coyotes derby immediately after Baum ruled against him, issuing a statement promising there would be no appeal. "Now he's pretty much in a position where he's been blackballed by the league," says one source. "I'm never going to say never, but I think he dug himself about the deepest hole you can dig."

"That's something of a tragedy," one attorney involved in the case says. "But there's something to be said for playing by the rules, and he doesn't seem inclined to do that."

That may be, but don't discount a comeback. The NHL has plenty of troubled franchises -- one source names the **New York Islanders** and the **Atlanta Thrashers**, among others. Saviors will be needed. "Who you want is a guy with deep pockets and an even bigger love of the game," Salerno says.

Are there other Balsillies out there? One team in a sweltering Southwest city with a small fan base and

massive losses certainly hopes so.

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