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Dodgers' Fate Hinges on Owners' Divorce

By **JENNIFER STEINHAUER**

LOS ANGELES — For months, the dissolution of the marriage of the [Los Angeles Dodgers'](#) owners, Jamie and Frank McCourt, has riveted this town, with public revelations concerning huge hair-care budgets, lavish homes and a Russian seer hired to send the team good vibes.

But next month (or sooner, as a settlement may be in the offing), the couple will have their day in court and something far more significant to this city will be adjudicated: the fate of the team itself.

In 2004, the McCourt Broderick Limited Partnership bought the Dodgers from the News Corporation for 430 million almost totally leveraged dollars. Now, the couple are engaged in a bitter battle over whether Mrs. McCourt, who was fired as the team's chief executive during last season's playoffs, has any claim on the team.

The inauspicious doings are something that New York baseball fans, some still smarting over the Dodgers' move 3,000 miles west from Brooklyn more than a half-century ago, might perhaps enjoy.

But in Los Angeles, where residents are united over precious little across this sprawling town except their sports teams, the spectacle of a messy marital unraveling that in any way threatens their franchise has sparked ire.

"Certainly what is going on with the McCourts is something that concerns a lot of hard-core fans," said Ernest Reyes, who blogs at [Blue Heaven](#), which chronicles the Dodgers and baseball ephemera. "The last thing you want to see is money we spend on the team being spent on these kinds of things."

The case centers on a single document signed during their 31-year marriage

that delineates the team as Mr. McCourt's property and the couple's multiple homes as hers.

Mr. McCourt's legal team sees the matter as a simple contract dispute, in which they are confident they will prevail. "She has no interest in the Dodgers," said his divorce lawyer, Stephen Susman, in an interview here.

Mrs. McCourt's team, led by [David Boies](#), has framed it as one of sexual injustice, in which an angry husband is trying to deprive a woman who spent most of her adult life helping him build a successful family business of money, power and a job. After firing Mrs. McCourt, her husband also declined to provide alimony until ordered to — at a lower rate than she requested — by a judge. He believes Mrs. McCourt is entitled to half the appreciation of the Dodgers under this state's community property law.

"I think she has been treated very shabbily," Mr. Boies said, adding, "I think she deserves justice, and that is what we are in the business of doing."

In an extensive interview in her Beverly Hills office, Mrs. McCourt, who said she has dreamed of owning a baseball team since she was a child, made it clear that she would not go down without a fight. She says her ultimate goal is to be a co-owner and executive of the Dodgers.

"I love business — love, love, love," she said. "There a side of me that feels like I am fighting for women. It's a real old-boys' network in sports, and I think there's a real undercurrent here to fight for what is right."

In 2003, the McCourt Broderick Limited Partnership, its fortunes built in commercial real estate development, made a play for the [Red Sox](#) but was beaten out by John Henry, who then owned the [Florida Marlins](#). Major League Baseball courted them to buy another team, and executives pulled out a map and showed them what was available. As it turned out, at least two of the teams in California were for sale, she said, and Los Angeles instantly intrigued.

The team was losing money hand over fist under the ownership of [Rupert Murdoch](#), and its record was poor. Still, it was a leap for the McCourts, who have four grown sons. "We didn't have a single friend there," she said. "I had no memory of ever even being in Los Angeles. It was weird for a lot of reasons."

The deal was fashioned in two unusual ways: it was almost entirely financed by the News Corporation and banks, and the McCourt partnership was the sole

owner, rather than part of a syndicate, which is more common.

The early years seemed good ones — the team became worth more and was more visible in the postseason. But Mrs. McCourt claims her husband was increasingly frustrated with her high profile within the Dodgers and in Los Angeles, and hectored her constantly about it. Mr. McCourt's lawyers says she was fired for having a romantic relationship with a Dodger's security employee.

“That’s a distraction,” Mrs. McCourt said and insists that her husband wanted her out of the way.

Central to this dispute is a document the couple had drawn up in Boston that states that their homes would be in her name, and the business assets in his. (Today, the equity value of the seven residential properties — four in California — in question is estimated to be between \$75 million and \$100 million. The value of the Dodgers is estimated to be more than \$700 million.)

This agreement was created, both sides agree, to protect the homes from his creditors as he often made high-risk, highly leveraged deals, like the one to buy the team.

His lawyers contend that this document, along with one provided to Major League Baseball (whose spokesman would not comment on the case or explain team ownership practices) that certifies Mr. McCourt as the owner of the team, make the cut-and-dried case for his sole ownership.

Mr. Boies said the document may be fraudulent, because earlier copies of it kept the team as community property. “They have not established, and it is doubtful that they can establish, that the marital property agreement is an authentic document,” he said. (Mr. Susman contends there was simply a typographical error in that document that was corrected before the agreement was signed.)

Further, Mr. Boies asserts, under California’s family laws, each spouse in a divorce has an equal interest in all marital property regardless of whose name it is held in, and any agreements signed are presumptively invalid if they give one spouse a disproportionate share of the marital goods.

Finally, a [home-equity loan](#) taken out on at least one home to help finance some of Mr. McCourt’s business concerns commingles the team and homes in a way that makes it harder to prove she has no claim on the team, he said.

Marshall Grossman, the lawyer for the Dodgers, says this is all poppycock. "There was no chicanery here," he scoffed. "It's simply a case of buyer's remorse."

Experts in family law said the case was complex because it mixes business ownership with marital property.

"Even though the main agreement might have purported to solve problems regarding debt and creditors, it is without doubt intended to avoid the community-property system of California," said Anthony Miller, a professor of family law at [Pepperdine University](#). He added, "Perhaps between high-rollers like the McCourts, the marital finances are like any other business, but to my mind there are countless other marriages where one of the partners to the marriage should be protected," one of the key purposes behind California's community-property laws.

Co-ownership of a team, if history is any guide, seems unlikely. "The rule of thumb when there is a dispute," said Marc Ganis, president of SportsCorp, a sports business consulting firm based in Chicago. "You can almost take it to the bank there will be some change of ownership." He added, "These are assets that have so much visibility and lifestyle associated with them that separation among owners is messy anyway, and when you add to that an extreme with two partners getting a divorce it might be the worst possible situation."