



# San Diego City Attorney CASEY GWINN

## MEDIA ADVISORY

January 26, 2004

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### BACKGROUND & SUMMARY CITY'S LEGAL RESPONSE TO CHARGERS' LAWSUIT

News Conference:

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- March 4, 2003: Chargers send "trigger notice" to City of San Diego
- November 25, 2003: Chargers file lawsuit in Los Angeles to validate "trigger notice"
- December 5, 2003: City files motion to move case to San Diego
- December 30, 2003: Chargers agree to move case to San Diego

The following is a summary of the major components of the City of San Diego's legal response on behalf of the taxpayers and fans. The cross-complaint was filed today in San Diego Superior Court. The case has been assigned to Judge Charles Hayes.

**1. Financial Hardship:** The current Use Agreement includes a provision that requires the City and Chargers to renegotiate the Agreement under certain circumstances. The provision was intended to protect the Chargers in the event that the franchise was suffering "financial hardship". The City does not believe the Chargers have properly "triggered" this provision or are suffering financial hardship.

**2. Renegotiation Notice:** The City believes the Chargers' Renegotiation (or Trigger) Notice is invalid. The Chargers have incorrectly applied the trigger formula. The Chargers trigger calculation includes millions of dollars of salaries and expenses that should not be included under the specific language of the trigger formula.

**3. Impacts:** If the Renegotiation Notice is valid, the only issue to be negotiated under the Use Agreement is how to "offset the impact" of the Triggering Event. The City believes that an "impact" exists only if the Chargers are experiencing financial hardship, which the City does not believe to be the case.

**4. Insufficient Support:** The Chargers have not provided adequate support and documentation for their claims. Most importantly, the Chargers have not provided any support to verify financial hardship. The City has repeatedly asked, and has been denied, access to the financial records of the team.

**5. Relocation:** The City is asking the court to prevent the Chargers from negotiating with other communities because the renegotiation notice is invalid.

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