



**For Immediate Release
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MSFA Releases Due Diligence Findings on Vikings Owners Finances MSFA Releases required and additional due diligence

September 13, 2013 (Minneapolis, MN) - The Minnesota Sports Facilities Authority (MSFA) today released results of the statutorily required due diligence and the additional due diligence triggered by the Wilf family's involvement in a New Jersey-based lawsuit.

The due diligence group, headed by Peter Carter of Dorsey & Whitney, conducted an extensive review of various aspects of the Wilf family's financial and legal status. The review included: the review of the NFL owner application due diligence; the New Jersey litigation and other litigation related to the Wilf family; and financial records. In addition, the group also performed background checks on those involved in the New Jersey lawsuit.

"It is the role of the Authority to protect the public's interest in the new stadium project," said Michele Kelm-Helgen, Chair of the MSFA. "While we are required to review the team's finances, we also wanted to ensure that the New Jersey lawsuit would not have an impact on the stadium project in Minnesota."

The stadium enabling legislation requires that the MSFA determine that all private funding sources for construction of the new stadium be committed funds that will be adequate to design and construct the stadium. "The NFL team must provide the authority access to NFL team financial or other information, which the authority deems necessary for such determination." (Minnesota Statutes Section 473.15, subd. 6)

The review group has summarized their process and findings of fact in a report that was delivered to the MSFA board on Friday, September 13.

In the report, Dorsey & Whitney outlined their procedures in the review of the New Jersey litigation:

- Reviewed the trial record including opening and closing statements
- Reviewed exhibits
- Reviewed trial pleadings and briefs

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- Reviewed expert opinions and discovery
- Reviewed deposition transcripts
- Reviewed judicial opinions
- Monitored portions of the trial when the Court provided its oral opinion
- Interviewed trial counsel
- Analyzed legal positions
- Reviewed New Jersey law with respect to claims and punitive damages
- Performed record searches to validate information provided
- Contacted investment advisors to confirm selected cash and securities available in various investment accounts and the liquidity of such assets

The due diligence uncovered one potential future issue - New Jersey Statute 2A: 15 – 5.17: “Upon the conclusion of any action in which punitive damages have been awarded, the court shall refer the record of that action to the prosecutor of that county in which the case was tried and to the Attorney General for investigation as to whether a criminal act has been committed by the defendant.”

“The review is based on what we know through today’s date. There is no way for us to know the outcome of any future investigation at this time,” said Kelm-Helgen. “It is significant however, that we have received assurances from the NFL today that they are committed to fulfill the obligations under the stadium use agreement and have a team play in Minnesota for the duration of the stadium use agreement. You can find their letter attached to the report.”

“We have reviewed all of the facts concerning the Wilfs financing and litigation, and with assurances from the NFL we have addressed the risks we have found. I feel confident moving forward with the construction of the new stadium,” Kelm-Helgen stated.

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REPORT OF INVESTIGATION

Peter W. Carter
DORSEY & WHITNEY LLP
September 13, 2013

TO: Michelle Kelm-Helgen, Chair
Ted Mondale, Chief Executive Officer/Executive Director
Minnesota Sports Facilities Authority

FROM: Peter W. Carter

DATE: September 13, 2013

INTRODUCTION AND SCOPE OF INVESTIGATION

Dorsey & Whitney LLP was retained by the Minnesota Sports Facilities Authority to conduct an investigation to ascertain the impact of the New Jersey lawsuit and any other civil litigation on the Wilfs' ability to meet their financial obligations with respect to the Vikings stadium project, as well as determine whether the New Jersey lawsuit was an anomaly or whether it reflected the Wilfs' general approach to business transactions. We were also asked to perform some additional procedures to ascertain whether there is anything with respect to the Wilfs' background that could negatively impact the stadium project in Minnesota. In connection with this investigation we commenced three different work streams identified below that included the following procedures:

REVIEW OF NEW JERSEY LITIGATION

- Reviewed the trial record including opening and closing statements.
- Reviewed exhibits.
- Reviewed trial pleadings and briefs.
- Reviewed expert opinions and discovery.
- Reviewed deposition transcripts.
- Reviewed judicial opinions.
- Monitored portions of the trial when the Court provided its oral opinion.
- Interviewed trial counsel.
- Analyzed legal positions.
- Reviewed New Jersey law with respect to claims and punitive damages.

REVIEW OF OTHER MATTERS

- Performed background checks.
- Reviewed litigation files from other matters involving the Wilfs and their business concerns.
- Interviewed counsel with respect to other lawsuits.
- Met with NFL and discussed ownership application processes and NFL procedures.
- Reviewed NFL background checks.
- Reviewed news archives relating to the Wilfs.
- Reviewed Lexis and Westlaw search results.
- Reviewed Accurant reports.
- Performed a judgment and tax lien search.
- Secured a certification from the Wilfs reflecting the absence of pending investigations, tax liens and unpaid judgments.
- Secured a certification from Garden Homes, the Wilfs' principal real estate entity, on behalf of itself and the other Wilf real estate investment property entities, reflecting the limited number of the Wilfs' real estate properties wherein the financing includes cross-collateralization or cross-default terms encumbering other Wilf real estate properties and certifying that should a default occur the default would not have a material or adverse effect on the Wilf family businesses, including the Minnesota Vikings.

FINANCIAL DUE DILIGENCE

We retained as our financial advisor FTI Consulting ("FTI"). FTI did not perform an audit as defined by the accounting literature. Instead FTI did a financial review and performed the following procedures:

- Met with representatives of the Wilfs and the Authority to gain project familiarity.
- Met with representatives of U.S. Bank and reviewed bank underwriting materials.
- Reviewed statements of net worth for Leonard, Mark and Zygi Wilf.
- Made an independent sample selection of holdings from the Wilfs' statements of net worth and evaluated financial status.
- Reviewed selected financial statements, corporate and partnership records and relevant documents.
- Performed validation of properties and Wilf ownership of said properties.
- Reviewed records from applicable Secretary of State offices.

- Reviewed records from applicable local assessors' offices and other resources.
- Evaluated individual property financial statements and property expenses for reasonableness.
- Examined capitalization rates with respect to rent rolls.
- Evaluated reasonableness of valuations used for subject properties against local market and industry information.
- Visited the real estate business office of the Wilfs and reviewed various requested documents with financial personnel.
- Performed public record searches to validate information provided.
- Contacted investment advisors to confirm selected cash and securities available in various investment accounts and the liquidity of such assets.
- Performed other procedures.

OBSERVATIONS AND CONCLUSIONS

Our conclusions are based on the procedures performed above and are only based on what is known through today's date. With respect to the New Jersey lawsuit, we assumed a worst case scenario that included a substantial damages award, punitive damages and an award of attorneys' fees. The actual result in New Jersey could be better than the worst case scenario. The observations and conclusions in the section entitled "Financial Due Diligence" are those of FTI. Based on the investigation described above, we have come to the following observations and conclusions:

NEW JERSEY LITIGATION

- The New Jersey Court has stated that the Wilfs have breached various agreements, breached the covenant of good faith and fair dealing, committed fraud, converted a partnership interest, committed civil conspiracy, and violated the New Jersey civil RICO statute.
- The New Jersey Court has stated that the violations by the Wilfs were purposeful.
- We anticipate that the New Jersey Court will award punitive damages based on the Judge's statement on the record that she will award punitive damages.
- We assumed a worst case result of a total damages award against the Wilfs (including punitive damages). We recognize that the result could be substantially lower than the worst case scenario.
- We recognize that the New Jersey Court's decision will likely be appealed by the Wilfs and that the Appellate Court could reverse some or all of the lower Court's decision.

OTHER MATTERS

- Every background check was clean and established that the Wilfs had no criminal history.
- The Wilfs were involved in numerous lawsuits over the years, but with the exception of the New Jersey matter none of them were material or resulted in determinations of the nature made by the New Jersey Court.
- The NFL owner application process is extensive. It includes financial due diligence, extensive background checks and a vote by the owners. The Wilfs' ownership application was unanimously approved.
- We found no evidence of any unsatisfied judgments or tax liens and the Wilfs confirmed this with a certification.
- The Wilfs certified that they are not subject to any ongoing criminal investigation.
- Under N.J.S.A. § 2A:15-5.17 "Upon the conclusion of any action in which punitive damages have been awarded, the court shall refer the record of that action to the prosecutor of the county in which the case was tried and to the Attorney General for investigation as to whether a criminal act has been committed by the defendant." There is no way for us to know the outcome of any such investigation at this time.
- In the event the statutory investigation created a situation that would require the NFL to exercise its authority and direct a change in ownership, in a letter from Commissioner Roger Goodell the NFL has represented to the Authority (see Exhibit 1) that the NFL is committed to require any successor controlling owner of the Vikings to assume the stadium use agreement, and any other agreements with the Authority, and have a team play in Minnesota for the duration of the stadium use agreement.

FINANCIAL DUE DILIGENCE

- The valuations assigned to the investment properties contained on the statements of net worth for the Wilfs are considered to be reasonable given the nature, size, types of properties, and market conditions for the geographies in which the properties are located.
- The mortgage amounts contained on the investment property reflected on the statements of net worth are reasonably consistent with financial support examined and/or records filed in the public domain.
- The leverage ratios for the portfolio of investment property holdings reported on the statements of net worth are not abnormally high.
- The significant holdings in cash and securities at July 31, 2013 by the Wilfs, buttressed by significant equity in investment properties also owned by the Wilfs, are considered to be reasonable and adequate to allow the Wilfs to meet their financial obligations under the planned Vikings stadium project, even if the worst case scenario occurred in the New Jersey litigation and the Wilfs were required to satisfy a judgment in that amount.

- A letter of credit of sufficient size may be necessary to secure the Wilfs' financial obligation.

It has been my pleasure representing the Authority in this matter. If you have any questions, please do not hesitate to contact me.



Peter W. Carter

Exhibit 1



NATIONAL FOOTBALL LEAGUE

September 13, 2013

ROGER GOODELL
Commissioner

Michele Kelm-Helgen
Chair
Metropolitan Sports Facilities Authority
900 South 5th Street
Minneapolis, MN 55415

Dear Chair Kelm-Helgen:

This letter responds to your request of September 12, 2013, and is intended to assist the Authority as it concludes its additional due diligence regarding the Minnesota Vikings stadium project. We were pleased to learn during our conversation yesterday that the Authority's financial due diligence has confirmed the Wilf family's ability to satisfy its financial commitments to the stadium project. As you know, the NFL strongly supports this project, and the member clubs have committed \$200 million in financial support toward the stadium. In furtherance of that commitment, our staff has been working with the Vikings, banks and other investors to ensure that this commitment will be fulfilled on a timely basis.

Once final agreements between the Authority and the Vikings have been approved by the membership, the league will, consistent with our custom and practice, require any successor controlling owner of the Vikings to assume the lease and other agreements with the Authority that are then in place at the time of the ownership change. As you know, since the construction of the Metrodome, the Vikings have had several controlling owners, each of whom has succeeded to the existing lease on the stadium. Moreover, league rules would not permit a team to relocate in violation of an existing lease, and any request by the Vikings to relocate would be expected to comply with the terms of the team's lease with the Authority.

The NFL has repeatedly demonstrated its commitment to the Twin Cities community, most recently by making a substantial financial commitment to the stadium project. We look forward to the prompt conclusion of the due diligence process, and to working with all parties to ensure that the stadium project proceeds in a timely manner.

Sincerely,

A handwritten signature in cursive script that reads "Roger Goodell".

ROGER GOODELL

cc: Zygi Wilf