

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

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Fox Sports Net Minnesota, LLC,  
a Delaware limited liability  
company,

Case No. \_\_\_\_\_

Plaintiff,

v.

Minnesota Twins Partnership,  
a Minnesota general partnership,  
and Kevin Cattoor, its Chief  
Operating Officer,

**COMPLAINT**

**(Demand for Jury Trial)**

Defendants.  
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Plaintiff Fox Sports Net Minnesota, LLC (“Fox”), a Delaware limited liability company that recently purchased all the assets of Midwest Sports Channel, for its Complaint against Defendants Minnesota Twins Partnership, the owner of the Minnesota Twins baseball club, and Kevin Cattoor, now the Twins’ Chief Operating Officer and formerly the general manager of Midwest Sports Channel, states and alleges as follows:

**INTRODUCTION**

In 1998, the Minnesota Twins entered into a contract with Midwest Sports Channel (“MSC”), a regional sports network, for the rights to telecast Twins’ games. That telecast contract provided MSC with the right to extend the term of the parties' arrangement through the 2003 baseball season. Fox recently purchased all of MSC’s assets and contracts, including its valuable relationships with cable operators, advertisers, and others, and its television rights to various sports teams, including the Twins.

As MSC's then-general manager, Kevin Cattoor was the person at MSC responsible for negotiating and executing MSC's telecast contract with the Twins. He was also responsible for

negotiating and entering into contracts and/or arrangements on behalf of MSC with various other entities, including cable operators, advertisers, and various other sports teams. As such, he was privy to MSC's confidential information and trade secrets.

Cattoor has since “changed teams.” As the Twins' chief operating officer, Cattoor is now actively working to undermine MSC's telecast contract with the Twins and to misappropriate the network's rights, relationships, trade secrets, confidential information, and opportunities, in order to benefit his new employer, which desires to set up its own regional sports network. The Twins are actively participating in Cattoor’s efforts to violate Fox's rights, recently acquired at considerable expense.

The Twins and Cattoor have not only created a hopeless conflict of interest for themselves, but their violations (and threatened violations) of contractual obligations and statutory and common law duties entitle Fox to declaratory, injunctive and equitable relief, and damages. Fox therefore asserts seven claims against the Twins and Cattoor: (1) Count I - Declaratory Judgment (Twins); (2) Count II - Breach of Contract (Twins); (3) Count III - Breach of Duty of Good Faith and Fair Dealing (Twins); (4) Count IV - Misappropriation of Trade Secrets (Twins and Cattoor); (5) Count V - Breach of Common Law and Fiduciary Duties (Cattoor); (6) Count VI - Tortious Interference with Contract (Twins and Cattoor); and (7) Count VII - Tortious Interference with Business Relations (Twins and Cattoor).

**I.**

**PARTIES**

1. Plaintiff Fox Sports Net Minnesota, LLC (“Fox”), now doing business as Fox Sports Net North, is a Delaware limited liability company with its principal place of business at 1440 South Sepulveda Boulevard, Los Angeles, California 90025. In early 2001, Fox purchased all the assets of MSC from its then-owner, CBS, and Fox now operates the former MSC as Fox Sports Net North.

2. Upon information and belief, Defendant Minnesota Twins Partnership (“Twins”) is a Minnesota general partnership with its principal place of business at HHH Metrodome, 501 Chicago Avenue South, Minneapolis, Minnesota 55415. It owns and operates the Minnesota Twins, a Major League Baseball (“MLB”) franchise.

3. Upon information and belief, Defendant Kevin Cattoor (“Cattoor”) is a citizen of Minnesota. Cattoor held the position of Vice President and General Manager of MSC, serving as MSC's general manager from June 20, 1989, until early 2000. In his long-term managerial role at MSC, Cattoor was the person responsible for negotiating, among other things, television rights contracts with various sports teams, including the Twins.

4. While at MSC, Cattoor was on the payroll of CBS, MSC's owner at that time. Thus, in addition to common law and employment-related duties he had, Cattoor was also subject to CBS's internal policies, including policies regarding the confidentiality of business-related information.

In early January 2001, the Twins announced that Cattoor would become the Minnesota Twins' new Chief Operating Officer, giving him oversight of the team's day-to-day business operations.     **II.**

**JURISDICTION AND VENUE**

1. This Court has original jurisdiction of this action based on diversity of citizenship pursuant to 28 U.S.C. § 1332(a)(1). The matter in controversy exceeds the sum of \$75,000,

exclusive of interest and costs. Plaintiff Fox is a limited liability company organized under the laws of the State of Delaware, having its principal place of business in the State of California.

2. Upon information and belief, the Defendants are all citizens of states other than Delaware and California. Cattoor is a citizen of Minnesota. The Twins are a Minnesota general partnership with their principal place of business in Minnesota. Upon information and belief, the Twins' general partnership has three general partners: CRP Sports, Inc., a Minnesota corporation; MTI Partnership, L.L.P., a Minnesota limited liability partnership; and PRC, Inc., a South Dakota corporation.

3. This Court has personal jurisdiction over the Twins and Cattoor. Cattoor is a Minnesota citizen, and the Twins have contractually consented to jurisdiction in this forum. In addition, the Twins and Cattoor have transacted business in Minnesota and continue to transact business within Minnesota, and the conduct of the Twins and Cattoor, as set forth below, has caused harm and injury suffered in Minnesota.

4. Venue of this action lies in the District of Minnesota pursuant to 28 U.S.C. § 1391(a), in that jurisdiction is founded upon diversity of citizenship and is appropriate in this venue. The Twins have contractually designated this forum as a proper venue for litigation relating to the subject matter herein, and this district is one in which a substantial part of the events giving rise to Fox's claims against the Twins and Cattoor has occurred.

### III.

#### THE FACTS

##### The Twins threaten to leave Minnesota

1. The Twins are a member club of MLB's American League and play 162 games during a regular season. The eighty-one baseball games that the Twins play in Minnesota ("the home games"), are played at the Hubert H. Humphrey Metrodome ("Metrodome") in Minneapolis, Minnesota.
2. During 1997, the Twins repeatedly threatened to move the team out of Minnesota. The Twins also informed MSC of the possible relocation of the team, making it clear that the 1998 season might be the last time the Twins would play in Minnesota.

For example, on July 8, 1997, the Twins' president, Jerry Bell ("Bell"), wrote Cattoor, MSC's then-general manager, that "the Twins have been totally up front about the critical importance of a new stadium to the financial viability of the team and keeping us in Minnesota."

In his July 1997 letter, Bell further stated:

If there is no action on the stadium, the Twins will likely leave town and the 1997-98 [sic] season will be the last the Twins will play. . . . If the Legislature decides to move forward with the stadium, it is anticipated that the facility would be completed in 2001 – with the Twins playing four more seasons in the Metrodome (1997-98, 1998-99, 1999-2000, 2000-2001).  
(emphasis added).

On August 22, 1997, Bell wrote Cattoor another letter, saying that the "Twins stadium issue" was "still unresolved" and that "the future of the team" was "uncertain." Bell laid out as a "Worst Case" scenario the possibility that "The Team Decides to Leave."

1. A constant theme during the Twins' legislative lobbying campaign at the Minnesota Legislature in late 1997 was its not-so-veiled threat that the Twins would leave Minnesota for a non-Minnesota market. In early October 1997, Carl R. Pohlada (who, upon information and belief, is a shareholder in two of the Twins' general partners, and is commonly referred to as the Twins' owner), announced that he had signed a letter of intent to sell the Twins to Donald C.

Beaver, a North Carolina businessman, and other investors of North Carolina Major League Baseball, L.L.C. That sale was contingent on the Minnesota Legislature's refusal to authorize by November 30, 1997, public funding for a new baseball stadium. On November 14, 1997, the Minneapolis Star Tribune reported that the letter of intent with Beaver permitted the Twins to back out of the proposed sale by paying a "breakup fee" of \$100,000.

2. Within days of the announcement of the proposed sale, a delegation from Minnesota, including then-Governor Arne H. Carlson and key legislators, traveled to Milwaukee, WI to confer with MLB's then-Acting Commissioner Allan "Bud" Selig. Selig told the delegation that if a publically-funded stadium was not authorized and built, the other MLB team owners would approve the Twins' move from Minnesota.

3. On November 7, 1997, six days before a November 13, 1997, legislative vote at the Minnesota State Capitol, Bell sent another letter to MSC's Cattoor, thanking MSC for its support of the Twins, and relaying Pohlad's proposed plan to donate the Twins to a not-for-profit foundation:

On behalf of the entire Minnesota Twins organization, I would like to personally express my appreciation for your support of Twins baseball. As you are well aware, over the past three years we have focused a great deal of time and energy on efforts to secure a new state-of-the-art ballpark for the people of the Upper Midwest. This process will culminate on November 13, when the State Legislature will meet once again to determine the future of the Twins.

On Thursday, November 6, an aggressive new plan was unveiled in which Carl Pohlad has offered to donate the Twins to a not-for-profit, statewide community foundation. Under the proposal, the Pohlads will guarantee the team debt and operating losses for a period of three to five years, at which time the team may be sold. All revenue gained by the sale will accrue entirely to the foundation.

Under the new plan, the State of Minnesota will still need to build and finance the ballpark.

1. The Minnesota Legislature ultimately rejected all stadium bills which were introduced in the special legislative session called by then-Governor Carlson. See Minnesota Twins Partnership v. State of Minnesota, 592 N.W.2d 847, 849 (Minn. 1999). On November 13, 1997, members of the Minnesota House of Representatives voted 84 to 47 to reject a ballpark financing plan, adjourning sine die and ending the special legislative session.

2. The day after the vote, Beaver was quoted in the Star Tribune as saying that the legislature's action "certainly makes it a stronger possibility that we will be relocating the Twins franchise to the North Carolina market."

3. The day after the vote, Star Tribune also reported that Bell called the House vote "pretty overwhelming." Bell was quoted as saying: "When you get 47 votes for a team that's donated to the state, for a stadium paid for with user fees ... there comes a time you have to admit to one's self that it's over."

**The Twins refuse to respond to the State of Minnesota's CIDs concerning their public threats to relocate or sell the team**

1. As set forth more fully below, the Twins were privately negotiating and executing a multi-year telecast contract with MSC, even though they were publicly expressing an intention to sell or relocate the team and refusing to disclose any details concerning their public threats, even when subpoenaed for such information by the State of Minnesota. On December 17, 1997, the Minnesota Attorney General served the Twins with several civil investigative demands ("CIDs") as part of an investigation into possible violations of state antitrust laws. The CIDs requested a broad array of documents concerning, among other things, the financial viability of the Metrodome (the Twins' current stadium), the methods used by professional baseball teams to obtain new stadia, and the potential purchase of the Twins by Beaver and his group of North Carolina investors. The CIDs also included numerous interrogatories seeking information on the Twins' efforts to procure a new stadium.

2. During this time period, the Twins adamantly resisted complying with the CIDs and refused to provide the State of Minnesota with the requested information. In January 1998, the

Twins filed a motion in Ramsey County District Court for a protective order under Minn. R. Civ. P. 26.03. The Twins argued that: (a) the Attorney General's investigation was precluded by professional baseball's exemption from antitrust laws; (b) the investigation was precluded by the Commerce Clause of the United States Constitution; and (c) the CIDs were overly broad and compliance was unduly burdensome. See Minnesota Twins Partnership, 592 N.W.2d at 849-50.

3. The dispute between the State of Minnesota and the Twins continued in earnest until November of 1999. On April 29, 1999, the Minnesota Supreme Court ruled that a proposed sale and relocation of a professional baseball team was an integral part of the business of professional baseball and, as such, fell within the baseball exemption from antitrust laws. The Minnesota Supreme Court thus held that the Minnesota Attorney General could not enforce compliance with the CIDs. Id. at 856.

The Minnesota Attorney General subsequently filed a petition for certiorari with the United States Supreme Court, which denied the petition on November 15, 1999.



## The Twins enter into a multi-year Telecast Agreement with CBS

1. While publicly threatening to relocate or sell the team and refusing to make disclosures to the State of Minnesota, the Twins privately negotiated and executed (in January of 1998), a multi-year “Telecast Agreement” with CBS, d/b/a MSC. The Telecast Agreement, which is at issue in this case, granted CBS a license to telecast certain Twins MLB games on MSC and other television stations “upon the terms and conditions” set forth in the Telecast Agreement.

2. In Section 2.1 of the Telecast Agreement, the Twins granted “an exclusive license” to CBS for four years to telecast Twins games “throughout the Telecast Territory during the 1998, 1999, 2000 and 2001 Baseball Seasons.” The “Telecast Territory” is defined as Minnesota, Iowa, North Dakota, South Dakota, and the Wisconsin counties of Burnett, Polk, Barron, St. Croix, Dunn, Pierce and Pepin. See Telecast Agreement, §§ 1.1(aa), 2.5 & Ex. A.

3. Article IV of the Telecast Agreement gave CBS an option to extend its telecast rights for two more years, that is, for the 2002 and 2003 baseball seasons, “**[i]f the Twins secure an acceptable stadium solution, excluding a new stadium, during the Term of this Agreement.**” (bold-emphasis added).

4. Article IV provided that: “Exercise of such Option shall be communicated to the Twins within ten (10) business days following the completion of the Twins’ 2001 Baseball Season.”

Article IV further provided that: “If the Twins relocate outside of the Metro Area, this Agreement shall end at the conclusion of the season prior to such relocation.” (emphasis added).

1. The Telecast Agreement reflects the parties' intent that if the Twins were playing games in Minnesota's metropolitan area during the 2002 and 2003 baseball seasons, CBS would have the right, at its option, to extend the Term of the Telecast Agreement to cover those two additional seasons.

2. It now appears that the Twins will remain in Minnesota at least through the completion of the 2002 and 2003 baseball seasons. The Twins are no longer threatening to leave Minnesota, and have announced no plan to move the team away from Minnesota for the next two baseball

seasons. As a practical matter, it is not feasible for the Twins to play anywhere but the Metrodome for the 2002 or 2003 baseball seasons. Thus, under the Telecast Agreement, Fox has the right, at its option, to telecast the Twins' games for both the 2002 and 2003 baseball seasons at the fees already set forth under the terms of the Telecast Agreement.

3. In Section 5.1 of the Telecast Agreement, CBS agreed to pay the Twins "annual license fees per Baseball Season" for 1998, 1999, 2000, and 2001 seasons, in the amounts set forth in the Agreement. CBS also agreed to pay predetermined monetary amounts for the 2002 and 2003 seasons, if CBS chose to exercise its option for those two seasons (the "Option Years"). Half of the annual license fees per Baseball Season were payable on April 1 of each such Baseball Season, and half were payable ten (10) days after the completion of each such Baseball Season. The Telecast Agreement defines "Baseball Season" as "the period in a calendar year starting with the first Pre-Season Game and ending with the Last Game, whether Regular Season or Post Season, in which the Twins participate." See Telecast Agreement, § 1.1(d).

4. Section 5.1 of the Telecast Agreement also provides for adjustments to the annual license fees:

During the Term of this Agreement, **if** by December 1, 1998, and each subsequent December 1, **the Twins secure an acceptable stadium solution or new stadium solution which secures the Twins in the Metro Area for the remaining Term of this Agreement, including the Option Years, the annual license fees stated above for each Baseball Season following the acceptable solution shall be increased** by [a preset percentage set forth in the Telecast Agreement]. If the stadium solution does not subsequently occur, the Twins agree to reimburse CBS for any overpayment of such annual license fees.

CBS agrees that if by February 1, 1998, the Twins secure an acceptable stadium solution, or a new stadium solution, which keeps the Twins in the Metro Area for the entire Term of this Agreement, including Option Years, the 1998 license fee shall be adjusted to [a predetermined figure set forth in the Telecast Agreement]. If the stadium solution does not subsequently occur, the Twins agree to reimburse CBS for any overpayment of such annual license fees as applicable. (emphasis added).

1. The Telecast Agreement also contains, among others, the following provisions:  
Section 8.2(b) - “The Twins represent, warrant and covenant to and with CBS that, except as otherwise disclosed to CBS and CBS’ legal counsel prior to the execution of this Agreement” that “(b) Except as referred to herein, **it has not made nor will it make any contractual or other commitments which conflict or will or may prevent, impair or hinder its full performance hereunder or the rights granted to CBS hereunder.**” (emphasis added).

Section 9.2 - “The Twins will indemnify and hold CBS ... harmless from and against any and all claims, damages, liabilities, losses, costs and expenses (including reasonable attorneys fees) caused by and arising out of or which may result from”: “(a) The breach or nonperformance by the Twins of any of the representations, warranties or covenants contained herein” or (b) “Any actions which CBS takes in order to enforce the right of indemnification set forth in this Section.”

### **The Supplement to Telecast Agreement**

1. Contemporaneously with the execution of the Telecast Agreement, the Twins and CBS also entered into a “Supplement to Telecast Agreement.” This Supplement to Telecast Agreement recites that “[t]he Twins and CBS have agreed that CBS shall have a right of first refusal to obtain certain Telecast rights to the games played by the Twins on the terms and conditions hereinafter set forth.” CBS's right of first refusal applies to third-party offers for the telecast rights for Twins' games in seasons subsequent to the 2001 season (or the 2003 season, if the option is exercised).
2. The Supplement to Telecast Agreement states that if the Twins receive a written offer from a third party for telecast rights which the Twins desire to accept, the Twins must comply with the terms of the Supplement to Telecast Agreement and CBS (now Fox) has specific rights under that contract. See Supplement to Telecast Agreement, Article XIII, § 13.01. CBS has a specified amount of time to exercise its right of first refusal by entering into a contract with the Twins in accordance with the language of the Supplement to the Telecast Agreement and the procedures set forth therein. The Supplement to the Telecast Agreement contains an explicit confidentiality clause concerning CBS's right of first refusal.

3. Also, Section 3 of the Supplement to Telecast Agreement prohibits the Twins from negotiating with or soliciting bids from third parties for a specified period of time.

**The Twins' 1998 Baseball Use Agreement for the Metrodome**

1. Effective as of July 31, 1998, the Twins and the Metropolitan Sports Facilities Commission entered into a "1998 Baseball Use Agreement." Under that agreement, the Twins obtained the right to use the Metrodome until the term of the agreement expired on October 31, 2000, "unless extended." See 1998 Baseball Use Agreement, § 3.1.

2. The Twins also obtained "the option to extend the Term" of the agreement for three additional years:

2. The letter noted that the “initial term” of the “stadium lease extension” extends through October 31, 2000, with the Twins having “the right to exercise three one-year extension periods which will carry us through October 31, 2003.” The letter further stated that:

As defined under our current broadcast contract, **we have arrived at an acceptable stadium solution which will secure the Twins future for the term of our telecast agreement, including the option years.** Based on the terms of our agreement, it is the Twins understanding that the annual license fees will increase by [a predetermined percentage set forth in the Telecast Agreement] each year, beginning in 1999, and that the increase will be added to our contracted annual license fee amount, and paid as defined in two equal installments at the beginning and end of each season.

We also understand that if over the course of a season (2001 through 2003) the Twins do not exercise our lease extension option for the following year, the Twins would reimburse CBS for the [percentage] increase proportionate to the first installment paid at the start of that season, and MSC would not be obligated to pay [the percentage] increase to the Twins in any following year. (bold-emphasis added).

Thus, the Twins defined “acceptable stadium solution” as the continued operation of the Twins in the seven-county Minneapolis/St. Paul metro area. Fox agrees.

**On October 22, 1998, MSC's Cattoor responds to the Twins' letter**

1. By letter dated October 22, 1998, MSC’s Cattoor responded to Bell, stating MSC refused to agree to pay, at that time, the predetermined percentage increase in annual license fees set forth in the Telecast Agreement:

According to your letter, the lease extension expires October 31, 2000 and the Twins have the option to exercise three, one year extensions. Your letter asserts that this satisfies the “acceptable stadium solution” provision (Paragraph 5.1) of the agreement between the Minnesota Twins Partnership and CBS Broadcasting Inc. (“MSC/Twins Agreement”)....

Based on our views of the rationale behind, and the course of negotiations relative to, Paragraph 5.1, your discussions with other CBS entities and finally, your own public statements, MSC does not agree with your understanding that this is an “acceptable stadium solution” and will not, at this time, increase its license fee

by [the predetermined percentage set forth in the Telecast Agreement].

....

The lease extension secured by the Twins expires October 31, 2000. On its face, this does not include the Option Years, which is required under the above provision [Paragraph 5.1]. While the Twins may have options to extend through the entire term of the MSC/Twins Agreement, it has not yet exercised them. Thus, there cannot be an “acceptable stadium solution” as of the instant date. Language in the radio broadcast rights agreement between CBS Broadcasting Inc. and the Twins (‘WCCO/Twins Agreement’) further points out the speculative nature of the purported “acceptable stadium solution.” Article IV of the WCCO/Twins Agreement conditions WCCO’s right to exercise its option for the years 2001-2003 on “whether the Twins exercise one or more of its one year options to lease the Metrodome for the 2001, 2002 and/or 2003 Baseball Seasons.” Unexercised options do not a fixed term make. (emphasis added)

Cattoor’s letter also pointed out that Bell had publicly stated in reference to the stadium issue, that “[I]t’s not a permanent solution. Yes, we’ll be playing here for two years, but it’s definitely not a permanent solution. Minneapolis Star Tribune, July 23, 1998, p. A19.”

Cattoor's letter underscores his hopeless conflict of interest in regard to this matter. **The**

**Twins’ continued acceptance of payments under the Telecast Agreement**

1. After this exchange of correspondence between the Twins and CBS/MS, CBS continued to pay the Twins the annual license fees called for in the Telecast Agreement without paying the Twins the percentage increase, an increase that was to be paid if – to use the words of the Telecast Agreement – “the Twins secure an acceptable stadium solution or new stadium solution which secures the Twins in the Metro Area for the remaining Term of this Agreement, including the Option Years.” See Telecast Agreement § 5.1 (emphasis added). The Twins continued to accept these payments from MSC/CBS (and later Fox), including up to and for the 2001 season, without ever sending CBS, MSC, or Fox any notice of default regarding any

claimed non-payment of the percentage increase in annual license fees applicable under certain circumstances as set forth and described above in the Telecast Agreement.

**The First Amendment to Telecast Agreement  
and the KMSP Broadcast Agreement**

1. On January 27, 1999, the Twins and CBS entered into the First Amendment to the Telecast Agreement. On that date, the Twins, CBS and United Television, Inc., a Delaware corporation which operates KMSP-TV Channel 9 (“KMSP”), also entered into a Broadcast Agreement pursuant to which the Twins and MSC granted KMSP an exclusive license to telecast certain Twins baseball games by means of commercial over-the-air television. The Telecast Agreement and the Broadcast Agreement are sometimes collectively referred to as the “Twins Agreements.”

2. Section 2.3 of the Broadcast Agreement entered into by and among KMSP, CBS/MSC, and the Twins states as follows:

**In the event that MSC obtains the right to Telecast Twins Games for the year 2002 and 2003, pursuant to the 1998-2001 Telecast Agreement by and between Minnesota Twins Partnership and CBS Broadcasting Inc.** (“Telecast Agreement”) and in the event that KMSP averages broadcast of at least twenty (20) Games per season from 1999-2001, **KMSP in its sole discretion may exercise an option to extend this Agreement for an additional two-year period encompassing the 2002 and 2003 baseball seasons** (“Second Option Term”). This option must be exercised in a writing received by the Twins and MSC pursuant to the notice provisions of this Agreement prior to November 1, 2001. (emphasis added).

Article XIII of the Broadcast Agreement also provides that the Broadcast Agreement “shall terminate upon the happening of” the following event: “The last Twins Game is played at the Metrodome and no other Games will be played by the Twins within the Telecast Territory.”

This wording is consistent with the intent and purpose of the “acceptable stadium solution” language in the Telecast Agreement.

Article XVI of the Broadcast Agreement further provides:

**This Agreement shall inure to the benefit of and shall be binding upon, KMSP, Twins, and MSC, and their respective successors and permitted assigns.** In the event of the sale of all or substantially all of the assets of the Twins ... hereof the Twins shall require, as a condition of the sale, that this Agreement will be transferred and assigned to such purchaser; provided, however, that a sale of the Twins to a non-local interest shall be subject to the termination provisions of Article XIII(b) of this Agreement.

Broadcast Agreement, § 16.1 (underlining in original; bold-emphasis added).

Section 9.1(b) of the Broadcast Agreement states that **“Twins hereby represents and warrants that ... Twins has not made nor will it make any contractual or other commitments which conflict or may prevent, impair or hinder its full performance hereunder or the rights granted to KMSP hereunder.”** (bold-emphasis added).

1. The First Amendment to the Telecast Agreement amended Article IV of the Telecast Agreement by deleting one sentence and adding another. As amended, Article IV of the Telecast Agreement confirms that CBS (and now Fox) has an option to extend the term of Agreement for the 2002 and 2003 baseball seasons:

This Agreement shall take effect and shall remain in force and effect (unless otherwise terminated as permitted hereunder) for four (4) Baseball Seasons, commencing on January 1, 1998 and ending with the completion of the 2001 season (the “Term”). If the Twins secure an acceptable stadium solution, excluding a new stadium, during the Term of this Agreement, CBS may extend, at its option, the Term of this Agreement for two (2) additional years through the 2003 Baseball Season (the “Option Years”). **Exercise of such Option shall be communicated to Twins in writing on or before November 1, 2001.** If the Twins relocate outside of the Metro Area, this Agreement shall end at the conclusion of the season prior to such relocation. (bold-emphasis added).



The underlined and bolded sentence is the language that was not included in Article IV of the original Telecast Agreement.

1. In addition, the First Amendment to Telecast Agreement provides United Television (like CBS), with an option to extend the term of the Agreement to cover the 2002 and 2003 baseball seasons:

United Television may exercise an option to extend the Broadcast Agreement for an additional three (3) year period encompassing the 1999, 2000 and 2001 Baseball Seasons (the "First Option Term"). . . .

United Television may exercise an option to extend the Broadcast Agreement for an additional two (2) year period encompassing the 2002 and 2003 Baseball Seasons (the "Second Option Term").

(emphasis added).

#### **The Twins' and Cattoor's unlawful conduct**

1. On or about December 15, 2000, the Star Tribune published an article entitled "Sports TV-radio: Possible Twins-Wolves deal makes business sense." The article reports that the Twins and the Minnesota Timberwolves (another sports team with which MSC has a television contract) are discussing the possibility of setting up their own regional sports network, to Fox's detriment:

The Twins and Timberwolves have been talking over the past several months about either pooling their television rights or creating their own Regional Sports Network when their cable contracts expire.

....

'It's a strategy being employed, and it will be employed by more teams in the future,' said Kevin Cattoor, former vice president and general manager of MSC who has been hired as a consultant by the Twins and Wolves to evaluate the prospects of starting a network.

'I think the issue that teams need to look at is: Is this a business they want to get into not only for the purpose of maximizing TV rights, but are there other opportunities you can enjoy by operating a network that not only deal with television but extend to radio and the Internet?'

The Twins and Wolves -- who get somewhere in the range of \$5 million to \$10 million combined per season for their cable deals -- are in an especially good position because they know how much trouble FSN [Fox] has gone through to acquire MSC, a deal that probably will be approved by the Justice Department early next year.

The teams also know FSN didn't do this so it could lose two of the network's major league franchises.

When the transfer becomes official, FSN [Fox] will inherit a Twins contract that runs through 2001 and has two option years that can be exercised by the network. The Wolves contract runs through 2002-03.

....

...[T]he Twins and Wolves certainly would be in a better position to increase their cable-rights fees if they had the leverage of a competing network or could offer their rights as a package deal.

'The teams view this as an opportunity for us to build an incredible amount of equity that can be realized over the long haul,' said Dave St. Peter, Twins senior vice president of business affairs. 'If you look at the value of a [Regional Sports Network], really what its value is derived from is the teams it has on....'

On or about May 18, 2001, the Star Tribune published an article entitled "Twins, FSN headed for contract dispute." This article confirms that Cattoor has been exploring the start-up of a rival regional sports network to telecast Twins games starting in 2002:

The relationship between the Twins and Fox Sports Net is only a few months old but the sides already could be headed for a showdown.

At issue is whether the Twins' contract with their cable partner extends beyond 2001. The Twins say the deal ends at the conclusion of the season; FSN claims all it has to do is exercise an option and the contract will extend through 2003.

This has not been done yet, and the sides have not started negotiations. Twins Chief Operating Officer Kevin Cattoor said whether FSN has the option "is in dispute."

Cattoor spent the past several months exploring the potential of launching a cable network that would carry Twins games beginning as early as 2002. The Timberwolves could be involved in the project. “We need to at least be prepared for next season,” he said.

....

Cattoor said the disagreement has nothing to do with FSN taking over Midwest Sports Channel, but rather the original agreement that was worked out with MSC before the 1998 season.

Although neither side wanted to get into details, one source said the debate is caused by language that was put into the contract and involved resolution of the Twins' stadium solution.

One of the key parties in negotiating that deal for MSC was none other than Cattoor, who was vice president and general manager of MSC at the time.

“No, I'm not uncomfortable with that,” Cattoor said. “The agreement is what it is and certainly we will live up to the agreement.... We expect Fox Sports Net to do the same.” (emphasis added).

This conduct and the disclosures published in the newspapers (quoting both Cattoor and the Twins) constitute a violation of Fox's contractual, statutory, and common law rights as set forth in this Complaint. Indeed, MSC (and hence Fox) had exclusive negotiation rights with the Minnesota Timberwolves (“Timberwolves”) that ran until April of 2001, as well as a right of first refusal for a subsequent term with the Twins. Upon information and belief, those exclusive rights were violated by the Twin's negotiations with the Timberwolves, as directed and facilitated by Cattoor, who had access to MSC's confidential, proprietary, and trade secrets while employed by CBS. Moreover, it is inevitable that Cattoor, as the former Vice President and General Manager of MSC who now seeks to set up a competitive regional sports network as the chief operating officer of the Twins, will continue to disclose (as, upon information and belief, he has already disclosed) to the Twins, or has utilized on the Twins' behalf, MSC's confidential and proprietary information, and trade secrets.

**The sale of MSC's assets to Fox and the assignment  
to Fox of the telecast rights for the Twins**

1. In the fall of 2000, CBS and CBS's corporate parent, Viacom Inc. ("Viacom"), decided to sell MSC's assets and business to Fox. Pursuant to Section 12.6 of the Telecast Agreement and Section 16.1 of the Broadcast Agreement, respectively, any assignment of the Telecast Agreement and the Broadcast Agreement required the Twins' prior written consent. The Twins, CBS, and Fox then began negotiating what would become a "Consent, Assignment and Assumption Agreement."

2. In response to CBS's and Fox's efforts to obtain the Twins' consent to the assignment of the telecast and telecast rights, on January 18, 2001, Cattoor, with his Twins' hat firmly in place, sent a letter to MSC's Steve Woelfel posing the following questions: "Will CBS/Viacom and Fox Sports enter into a written understanding that the 'stadium solution' was properly obtained at the time that the Twins extended its lease, with option years, through the 2003 season?" and "In consideration for the consent, would CBS/Viacom and Fox Sports waive the option years for 2002 and 2003?" CBS and Fox promptly refused the Twins' request to waive the option years for 2002 and 2003.

**The Consent, Assignment and Assumption Agreement  
between the Twins, Fox, and CBS**

1. In February of 2001, the Twins, Fox, and CBS, entered into a "Consent, Assignment and Assumption Agreement." The Agreement states that CBS desired to sell the assets and business comprising MSC and that on the closing date of the transactions "among CBS, Viacom Inc. and Fox (i) all of the right, title and interest in ... the business and operations of MSC, including the Twins Agreements, shall be assigned to, and become the property of, Fox."

2. The "Consent, Assignment and Assumption Agreement" contains the following provisions:

Section 2(a) - "Fox acknowledges and agrees that: (a) CBS and the Twins have at least one unresolved dispute arising under the Telecast Agreement as a result of the August 31, 1998 and October 22, 1998 exchange of correspondence between the Twins and

CBS, respectively, concerning the 'stadium solution,' and that Fox assumes the Telecast Agreement without resolve of such dispute; and (b) The Twins have asserted that no option to extend the Telecast Agreement beyond the term of the Telecast Agreement ending in 2001 exists under the Telecast Agreement and therefore the Twins have asserted that CBS, and therefore its assignee, Fox, will not have the right to exercise an option to extend the Telecast Agreement for the 2002 and 2003 baseball season. CBS and Fox have disputed such assertion.”

Section 7(a): “Each of Fox and the Twins acknowledges (i) the existence of the letter dated August 31, 1998 from the Twins to MSC and the letter dated October 22, 1998 from MSC to the Twins; (ii) that the parties may have different interpretations of the provisions of the Telecast Agreement that contain the phrase ‘acceptable stadium solution’ and are reserving all rights with respect thereto; and (iii) that Fox shall treat the October 22, 1998 letter from MSC to the Twins as if sent to the Twins by Fox. None of CBS, Fox or the Twins by this Consent, Assignment and Assumption Agreement or by the consummation of any of the transactions contemplated hereby intends to waive or make any admission with respect to the question of whether or not there is an ‘acceptable stadium solution’ or any other matter with regard to the interpretation of the Twins Agreements.”

**On March 20, 2001, Fox informs the Twins of its intent to exercise its option**

1. On March 20, 2001, Fox’s president, Robert Thompson, sent a letter to Bell, stating that under Article IV of the Telecast Agreement, “if the Twins secure an ‘acceptable stadium solution’ during the term of the Agreement, Fox, at its option, may extend the term of the Agreement for two addition seasons.” Thompson indicates that Fox intends to exercise its option for the 2002 and 2003 seasons by no later than November 1, 2001, “[a]ssuming that the Twins exercise the [Metrodome] lease option for the 2002 season.”

2. Thompson's letter further states that the Twins' stadium situation had improved significantly since 1998:

While CBS took the position in 1998 that an acceptable stadium solution had not yet been reached, it did not foreclose the possibility that the situation could change or indicate that it was waiving its option to extend the term by notice “within 10 business days following the completion of the Twins 2001 MLB season” [which was the operative language of Article IV of the Agreement

at that time], and the Twins did not assert that CBS had. In fact, on January 27, 1999 (5 months after the Twins proclaimed it had an acceptable stadium solution and 3 months after CBS disagreed for its stated reasons), both the Twins and CBS executed an amendment to the Agreement that extended the date by which CBS could exercise its 2002/2003 extension option to "on or before November 1, 2001" in the event of an acceptable stadium solution.

The landscape has significantly changed since that exchange of correspondence in 1998. In 1998, there was nothing to indicate to CBS that the Twins would stay in the Minneapolis metro area throughout the term and the option years. Specifically, at that time (1) the Twins informed CBS that its then-current lease extension expired on October 31, 2000 (a full season before the expiration of the 3-year initial term); (2) the Twins did not publically announce their commitment to remain in the Minneapolis metro area beyond the 2000 season; (3) the Minnesota legislature had formally rejected efforts to fund a new stadium; and (4) statements made by the Twins to the media indicated that while the Twins would be playing in Minneapolis for two years, it was "definitely not a permanent solution." In short, at that time the situation appeared gloomy and the future was murky at best.

At the present time, the Twins have already exercised the first of its three one-year extension options for the 2001 season, and recently, events have occurred that seem to confirm that most everyone, including the Twins, are committed to having the Twins stay in Minneapolis metro area....

Given this positive shift in circumstances since 1998, as well as the Twin's [sic] position in 1998 that they had arrived at an acceptable stadium solution, Fox does not understand how the Twins can now take the position that there is no longer an acceptable stadium solution that will keep the Twins in the Metro area through the term of the Agreement, including the option years, other than in an attempt to deny Fox (successor to CBS) the extension option it had bargained for.

In any event, Fox will continue to monitor this situation and intends to be in a position in the next several months to provide formal notice of its exercise of its option to extend the Agreement for the 2002 and 2003 seasons.

Under the 1998 Baseball Use Agreement between the Twins and the Metropolitan Sports Facilities Commission, as set forth above, the Twins must exercise the extension option of their Metrodome lease for the 2002 baseball season by October 1, 2001.

**Cattoor 's March 28, 2001, letter to Fox confirms  
the Twins' intent to deny Fox's right to exercise its option for two more years**

1. A letter dated March 28, 2001, from the Twins' Cattoor to Thompson confirms that the Twins are planning to deny Fox its right to extend the term of the Telecast Agreement to cover the 2002 and 2003 baseball seasons:

As you anticipate in your letter, the Twins' position regarding the 'acceptable stadium solution,' and therefore the existence of an option Telecast to extend the initial Term of the Telecast Agreement for two additional baseball seasons, has not changed since our negotiation of the Consent Agreement. Nothing cited in your letter points to any alteration in contractual (as opposed to political) circumstances since the original exchange of correspondence in 1998 between the Twins and CBS regarding whether an 'acceptable stadium solution' has or has not occurred.

... Based on the MSC/CBS analysis [in the October 22, 1998 letter from CBS], which is not refuted in your March 20, 2001 letter, we can only reason that your position must be that the Twins have not secured an 'acceptable stadium solution' during the Term of the Telecast Agreement. As a result, it must be Fox's position that the condition creating the option has not been met and therefore there is no means by which Fox may extend the Term of the Telecast Agreement for the two additional years through the 2003 baseball season.

....

I think we are in agreement that the option for the 2001 and 2002 baseball seasons applies only if an 'acceptable stadium solution' is secured by the Twins during the Term of the Telecast Agreement. If an acceptable stadium solution is not secured during the Term (i) Fox will not have the option right and (ii) the date by which Fox must exercise the option is moot and has no meaning. The November 1, 2001 date referred to in the Telecast Agreement Amendment is only the date by which Fox must exercise the option if it is available; this date has nothing to do with whether the option exists. Based on this, I think you have attached undue importance to the 1999 Amendment to the Telecast Agreement and

your letter disregards the context in which the change to the exercise date was made. By way of background, the 1999 Amendment of the Telecast Agreement regarding the date of exercise of the option was included solely to conform to the November 1 exercise date negotiated in Section 2.3 of the OTA Agreement with United Television....

Bob, neither CBS nor Fox has stated any reason why the CBS position taken in 1998 has changed from 'no acceptable stadium solution' to an 'acceptable stadium solution.' We invite you to provide us with your interpretation as to the exact date upon which these circumstances changed and why Fox now proposes to take a position different than that taken in the October 22, 1998 letter. In other words, when, in Fox's opinion, did or does an acceptable stadium solution come into being?

**The public comments of the Executive Director  
of the Metropolitan Sports Facilities Commission**

1. In late April of 2000, it was reported in the press that Bill Lester, the Executive Director of Metropolitan Sports Facilities Commission, told reporters that Pohlad would exercise the Twins' option for three one-year leases at the Metrodome: "I'm sure they'll exercise the option because Carl's payroll is so small now, he's no longer losing any money. And besides, they don't have anyplace else to go," said Lester."

**The Twins and Cattoor's continued violations of Fox's Rights**

1. Upon information and belief, the Twins are conducting discussions and/or negotiations with various Minnesota-based cable operators concerning the Twins' telecast or broadcast rights and the viability of packaging their games directly with such cable operators, including AT&T, Time Warner, and Charter, the principle cable operators in the region. Fox learned from one cable operator executive that he had been "trading voicemails" with Cattoor.

2. Upon information and belief, the Twins have also urged the University of Minnesota to terminate early its agreement with Fox.

3. The Twins have also discussed the possibility of setting up their own regional sports network with the Minnesota Timberwolves (another sports team with which MSC has a television contract), to Fox's detriment.



4. When Fox acquired the assets of MSC, it not only acquired the Twins' telecast rights, but it also acquired (via a series of agreements with Viacom) valuable arrangements and/or contracts with various cable operators and also television agreements with various other sports teams. The latter agreements, acquired from CBS/MSB for valuable consideration, involved television rights for the Milwaukee Bucks, the Milwaukee Brewers, the Minnesota Timberwolves, the University of Minnesota's men's and women's intercollegiate athletics, and the University of Wisconsin system's intercollegiate athletics division. These agreements, all of which Cattoor had negotiated on behalf of MSC, contain confidential and proprietary information, and trade secrets. Any interference with these contracts and/or business relationships, either existing or prospective, inflicts substantial harm upon Fox and its business operations.

**While employed by CBS, Cattoor had access to MSC's (now Fox's) valuable proprietary and confidential information, and trade secrets, which Cattoor and the Twins are now misappropriating and misusing**

1. As the former Vice President and General Manager of MSC, Cattoor possesses intimate understanding and knowledge of MSC's finances, operations, and business. Cattoor's personal and intimate knowledge includes MSC's business strategies and its agreements relating to the telecast of sports teams, including agreements that contain highly sensitive and very valuable confidential information that MSC (and now Fox) would never publicly disclose.

2. While vice president and general manager of MSC, Cattoor knew that the confidential and proprietary information he possessed had to be kept confidential and, in fact, CBS, his employer, had specific policies governing business conduct, conflicts-of-interest, and confidential information which are designed to protect and prevent disclosure of company trade secrets and confidential information.

3. While Cattoor worked for CBS, CBS had a specific written policy on "Confidential Information" that reads:

In the course of work, employees have access to confidential information regarding various phases of the Company's business. All employees are responsible for respecting the confidential nature of such information. Copying documents without permission, or supplying documents to an outsider, without permission, may result in discipline, up to and including termination. When in doubt about the confidential nature of information, it is best to have all inquiries for such information referred to the next level of supervision.

1. Another CBS personnel policy states that "Company documents, including computer documents, belong to the Company," and that "[c]opying documents without permission, or supplying documents to an outsider, without permission, may result in discipline, up to and including termination." These policies were all designed to protect confidential information and trade secrets, both during a person's employment as well as after that person's departure from the company. For example, a CBS personnel policy in effect when Cattoor worked for CBS states:

“Company documents may not be given to anyone outside of the Company without permission of an appropriate person in management. Company documents may not be utilized by individual employees or former employees for their own benefit.”

2. Cattoor (and, through him, the Twins) now have the opportunity to misuse (and, upon information and belief, Cattoor and the Twins already have misused) such valuable proprietary and confidential information, and trade secrets, including, without limitation, information concerning arrangements and/or contracts with cable operators, and the terms of various television contracts, including such things as the rights relating to subsequent terms and the specific dates for termination or extension of telecast rights. It is inevitable that Cattoor, as the former Vice President and General Manager of MSC who now seeks to set up a competitive regional sports network as chief operating officer of the Twins, will continue to disclose to the Twins (as, upon information and belief, he already has disclosed) MSC’s confidential, proprietary information, and trade secrets.

3. Cattoor’s knowledge of the cable programming industry, cable operators, and MSC’s contractual rights and relationships -- information he acquired while working at MSC -- gives Cattoor, and through Cattoor, the Twins, access to valuable, confidential and highly proprietary information that neither Cattoor nor the Twins should be allowed to exploit in an unfair competitive manner to the detriment of Fox.

4. Upon information and belief, the Twins and Cattoor are using that valuable, proprietary, and confidential information to undermine, undercut, and unlawfully interfere with Fox’s business and its valuable business relationships, acquired by Fox at considerable cost, time, and expense.

#### **IV.**

#### **CAUSES OF ACTION**

#### **COUNT I**

#### **(DECLARATORY JUDGMENT - TWINS)**

1. Fox realleges the allegations of paragraphs 1 - 49.

2. The intent of the parties to the Telecast Agreement is effectuated by a declaratory judgment that, with the Twins remaining in Minnesota for the foreseeable future and not relocating outside the seven-county Minneapolis/St. Paul metro area, Fox has the right to exercise its right to telecast the Twins in the 2002 and 2003 baseball seasons.

3. Pursuant to 28 U.S.C. §§ 2201 and 2202, Rule 57 of the Federal Rules of Civil Procedure and Minn. Stat. §§ 555.01 et seq., Fox is entitled to a declaratory judgment that: (a) the Twins are in violation of the Telecast Agreement, the Supplement to Telecast Agreement, the First Amendment to Telecast Agreement, the Broadcast Agreement, and Fox's contractual rights as set forth in those contracts and as described in the Complaint; (b) that Fox is not in violation of any contract with the Twins; and (c) that Fox is entitled, under the Telecast Agreement as amended, to exercise its option at the appropriate time (i.e., before November 1, 2001) to telecast Twins' games during the 2002 and 2003 Baseball Seasons. Fox agrees that, with respect to the Twins' 2002 and 2003 Baseball Seasons, Fox will be obligated to pay the Twins the delineated percentage increase in annual license fees as set forth in the Telecast Agreement.

4. Pursuant to 28 U.S.C. §§ 2201 and 2202, Rule 57 of the Federal Rules of Civil Procedure and Minn. Stat. §§ 555.01 et seq., Fox is entitled to a determination of: (a) the amount of money Fox must pay for the rights to telecast the 2002 and 2003 Baseball Seasons; (b) when an "acceptable stadium solution" was reached; and (c) whether or not Fox is obligated to pay the Twins, under the Telecast Agreement, any additional sums of money, such as a percentage increase in annual license fees for any baseball season prior to the 2002 and 2003 Baseball Seasons.

**COUNT II**  
**(BREACH OF CONTRACT - TWINS)**

1. Fox realleges the allegations of paragraphs 1 - 53.

2. The Twins have breached the terms of the Telecast Agreement, as amended and supplemented, and other related contracts. The Twins have breached, without limitation, the following provisions: (a) Article IV of the Telecast Agreement, which gave CBS (and now gives

Fox) the option to extend the Term of the Telecast Agreement through the 2003 Baseball Season, by failing to honor CBS's (and hence Fox's) telecast rights to games played by the Twins; (b) Section 8.2(b) of the Telecast Agreement, as set forth above, by making or planning to make contractual or other commitments which conflict or will or may prevent, impair or hinder the Twins' full performance thereunder of CBS's (now Fox's) rights; (c) the Supplement to Telecast Agreement, by failing to honor CBS's (now Fox's) right of first refusal to obtain certain telecast rights to games played by the Twins in subsequent seasons; (d) the confidentiality clause in the Supplement to Telecast Agreement by disclosing confidential information; (e) the First Amendment to Telecast Agreement, which confirms that CBS/MSB (and hence Fox, as the successor to CBS/MSB's rights) has the option to obtain the rights to telecast Twins' MLB games for the 2002 and 2003 baseball seasons, by failing to honor that option; and (f) Section 2.3 and Article XVI of the Broadcast Agreement, by failing to honor CBS's (and hence Fox's) telecast rights. In addition, Section 11.2 of the Telecast Agreement specifically states that "the failure of the other party to observe or perform any of the covenants under this Agreement (except for those covenants which solely involve the payment of money) shall cause irreparable injury and damage to the other party" and that, "[a]ccordingly, upon the occurrence of such failure, the nondefaulting party shall be entitled, in addition to all other rights and remedies which may be available to it, to seek injunctive and other equitable relief to compel the defaulting parties [sic] observance or performance of its obligations hereunder."

3. As a direct and proximate result of the Twins' breaches of contract, Fox has been harmed in an amount in excess of the jurisdictional minimum of \$75,000, thereby entitling Fox to recover damages in an amount to be proven at trial, to obtain appropriate equitable or injunctive relief as set forth below, and to be indemnified by the Twins in accordance with section 9.2 of the Telecast Agreement.

**COUNT III**  
**(BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING - TWINS)**

1. Fox realleges the allegations of paragraphs 1 - 56.

2. In Minnesota, every contract includes an implied covenant of good faith and fair dealing which requires that one party not unjustifiably hinder the other party's performance of the contract.

3. The Twins have breached the covenant of good faith and fair dealing implied in the contracts between the Twins and CBS/MSNBC (the rights to which are now owned by Fox) as set forth above in taking the position that Fox has no right to exercise its option to telecast the Twins' 2002 and 2003 baseball seasons. The Twins have also breached the implied covenant of good faith and fair dealing implied in those contracts by acting in the manner set forth above and throughout this Complaint.

4. As a direct and proximate result of the Twins' breach of the implied covenant of good faith and fair dealing, Fox has been harmed in an amount in excess of the jurisdictional minimum of \$75,000, thereby entitling Fox to recover damages in an amount to be determined at trial. Fox is also entitled to obtain appropriate equitable and injunctive relief as set forth below.

**COUNT IV  
(MISAPPROPRIATION OF TRADE SECRETS - TWINS AND CATTOOR)**

1. Fox realleges the allegations of paragraphs 1 - 60.

2. Minn. Stat. § 325C.01, subd. 5, defines a "trade secret" as "information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy." Minn. Stat. § 325C.01, subd. 2, defines "improper means" as, inter alia, "theft, [or] breach or inducement of a breach of a duty to maintain secrecy."

3. Minn. Stat. § 325C.01, subd. 3, defines "misappropriation" as follows:  
(i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(ii) disclosure or use of a trade secret of another without express or implied consent by a person who

(A) used improper means to acquire knowledge of the trade secret; or

(B) at the time of disclosure or use, knew or had reason to know that the discloser's or user's knowledge of the trade secret was (I) derived from or through a person who had utilized improper means to acquire it; (II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(C) before a material change of the discloser's or user's position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

1. Minn. Stat. § 325C.02(a) provides that “[a]ctual or threatened misappropriation may be enjoined” and that an injunction may be “continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.” Minn. Stat. § 325C.02(c) further provides that “[i]n appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.”

2. Minn. Stat. § 325C.03(a) allows a party to “recover damages for misappropriation.” Under that section, “[d]amages can include both the actual loss caused by misappropriation and the unjust enrichment caused by misappropriation that is not taken into account in computing actual loss.” In addition, Minn. Stat. § 325C.03(b) allows the court to award “exemplary damages in an amount not exceeding twice any award” made under Minn. Stat. § 325C.03(a) “[i]f willful and malicious misappropriation exists.” The court may also award “reasonable attorney’s fees to the prevailing party” under Minn. Stat. § 325C.04 if “willful and malicious misappropriation exists.”

3. While serving as Vice President and General Manager of MSC, Cattoor had special access to information about MSC’s business, finances and contracts, including access to information about contracts with sports teams and collegiate athletic programs regarding broadcast or television rights, including the specific terms of such contracts such as rights with

respect to subsequent terms and the dates for termination or extension of telecast rights. Cattoor knew that this information was confidential and that its use or disclosure outside his employment with MSC could harm MSC and any successor to MSC. Information that Cattoor possessed before leaving MSC constitutes trade secrets under Minn. Stat. § 325C.01, subd. 5 because, inter alia, (a) the information is not generally known or readily ascertainable; (b) the information derives independent economic value from secrecy; and (c) reasonable efforts have been made to maintain the secrecy of the item by CBS/MSC and now Fox.

4. It is inevitable that Cattoor, as the former Vice President and General Manager of MSC who now seeks to set up a competitive regional sports network as chief operating officer of the Twins, will continue to disclose – as, upon information and belief, he has already disclosed – MSC’s trade secrets to the Twins.

5. Upon information and belief, Cattoor and the Twins are now willfully and maliciously using those trade secrets in violation of law, including, without limitation, by negotiating with other sports teams that have contracts with MSC (now Fox), encouraging other parties to either breach existing contracts and/or refuse to enter into new contracts with Fox, and negotiating with various Minnesota-based cable operators that have contracts with MSC (now Fox).

**6.** As a direct and proximate result of the Twins’ and Cattoor’s conduct, Fox is entitled to equitable and injunctive relief as set forth below and to recover damages in an amount in excess of the jurisdictional minimum of \$75,000, in an amount to be proven at trial. Fox is also entitled to recover exemplary damages, as well as Fox’s reasonable attorney’s fees incurred herein.

**COUNT V  
(BREACH OF COMMON LAW AND FIDUCIARY DUTIES - CATTOOR)**

1. Fox realleges the allegations of paragraphs 1 - 69.
2. An employee has common law and fiduciary duties to an employer and those duties include, inter alia, the duty of loyalty and the duty not to disclose or use confidential information, including trade secrets, that the employee comes into possession of while working for the employer.



3. Upon information and belief, Cattoor is unlawfully disclosing, and has and will inevitably disclose, to the Twins and improperly use for the Twins' benefit, information, including confidential information, that he acquired as Vice President and General Manager of MSC, to the detriment of Fox. Cattoor's use and disclosure of such information constitutes a breach of the common law duties that Cattoor owes to his former employer (now Fox), and is resulting in unfair competition against Fox.

4. As a direct and proximate result of Cattoor's conduct and breaches of duty, Fox has been harmed and damaged in an amount in excess of the jurisdictional minimum of \$75,000, thereby entitling Fox to recover damages in an amount to be proven at trial. Fox is also entitled to obtain appropriate equitable and injunctive relief as set forth below for the Twins' and Cattoor's unlawful conduct.

**COUNT VI  
(TORTIOUS INTERFERENCE WITH CONTRACT - TWINS AND CATTOOR)**

1. Fox realleges the allegations of paragraphs 1 - 73.

2. As set forth above, Fox has a series of contracts with sports teams and collegiate athletic programs as well as arrangements and/or contracts with cable operators. In addition, Fox purchased the rights set forth in the Telecast Agreement, as amended, which gave Fox, at its option, the right to telecast Twins' games and the option to telecast future Twins' games through the 2003 baseball season. The Twins and Cattoor are aware of the existence of these contracts.

3. As set forth above, the Twins and Cattoor are intentionally and tortiously interfering with Fox's contracts with collegiate athletic programs and various sports teams and cable operators. The Twins' and Cattoor's actions improperly seek the breach of these contracts without justification, resulting in damage to Fox.

4. In addition, Cattoor is tortiously interfering with Fox's contract rights under the Telecast Agreement, as amended, with the Twins. Cattoor's tortious interference goes specifically to: (a) Article IV of the Telecast Agreement, which gave CBS (and now gives Fox) the option to extend the Term of the Telecast Agreement through the 2003 Baseball Season; (b) Section 8.2(b) of the

Telecast Agreement as set forth above, including, without limitation, by making or planning to make contractual or other commitments which conflict or will or may prevent, impair or hinder the Twins' full performance of CBS/MSO's (now Fox's) rights; (c) the Supplement to Telecast Agreement, which gave CBS/MSO (now Fox) the right of first refusal concerning telecast rights for Twins' games for additional seasons as set forth therein; (d) the confidentiality clause in the Supplement to Telecast Agreement, by disclosing to the press the terms and conditions of the right of first refusal; (e) the First Amendment to Telecast Agreement, which confirms that CBS/MSO (and hence Fox, as the successor to CBS/MSO's rights) has the option to obtain the rights to telecast Twins' MLB games for the 2002 and 2003 baseball seasons; and (f) Section 2.3 and Article XVI of the Broadcast Agreement, by failing to honor CBS/MSO's (and hence Fox's) telecast rights.

5. As a direct and proximate result of the Twins' and Cattoor's tortious interference, Fox has been harmed in an amount in excess of the jurisdictional minimum of \$75,000. Fox's damages include the attorney's fees and expenses incurred in pursuing this action against the Twins and Cattoor. Fox is entitled recover damages from the Twins and Cattoor and to obtain appropriate equitable and injunctive relief as set forth below for the Twins' and Cattoor's unlawful conduct.

**COUNT VII  
(TORTIOUS INTERFERENCE WITH BUSINESS  
RELATIONS - TWINS AND CATTOOR)**

1. Fox realleges the allegations of paragraphs 1 - 78.
2. The Twins and Cattoor, as set forth above and throughout this Complaint, are intentionally and improperly interfering with Fox's business and prospective business relations, including, without limitation, taking actions to induce third parties like the Minnesota Timberwolves, the University of Minnesota, and the University of Wisconsin, not to enter into or continue business relationship or prospective relationship and by taking actions to prevent the continuation of such relationships.

3. As a direct and proximate result of the Twins' and Cattoor's tortious interference, Fox has been harmed and damaged in an amount in excess of \$75,000, in an amount to be proven at trial. Fox is also entitled to obtain appropriate equitable and injunctive relief as set forth below for the Twins' and Cattoor's unlawful conduct.

4. WHEREFORE, plaintiff Fox demands that judgment be entered in its favor against the Twins and Cattoor as follows:

5. Granting Fox the declaratory and equitable and injunctive relief requested herein, including, without limitation, enforcing the terms of the Telecast Agreement, as amended, by which Fox has the right to exercise the option to telecast the Twins' 2002 and 2003 MLB seasons under the terms set forth therein, prohibiting the use or disclosure of any confidential information by the Twins or Cattoor, prohibiting the Twins or Cattoor from negotiating with others or entering into any contracts for telecast rights to the Twins' 2002 and 2003 baseball seasons, and prohibiting Cattoor or the Twins from interfering with Fox's rights and business opportunities, by contacting any parties with which Fox has contracts and/or business relationships relating to cable television or television rights;

6. Granting Fox damages against the Twins and Cattoor on Fox's causes of action against the Twins and Cattoor in an amount in excess of \$75,000, to be proven at trial;

7. Awarding Fox its costs, disbursements, and reasonable attorney's fees in this action;

8. Awarding Fox exemplary damages pursuant to Minn. Stat. § 325C.03(b) for the misappropriation of trade secrets by the Twins and Cattoor; and

9. Granting Fox such other relief as the Court determines is appropriate.

Dated: May 30, 2001.

KELLY & BERENS, P.A.

By: \_\_\_\_\_

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