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Fox Sports Cos., Execs Duck Some Of TV Rights Bribery Suit

By Matthew Guarnaccia

Law360, New York (January 29, 2018, 8:32 PM EST) -- A Florida federal judge on Friday nixed antitrust and deceptive practices claim from a bribery lawsuit against Fox Sports units and executives over broadcast rights for South American soccer tournaments, but said they could not shake allegations of corruption.

U.S. District Judge Cecilia M. Altonaga said U.S.-based sports channel GolTV Inc. and coplaintiff Global Sports Partners LLP failed to show how Fox entities including Fox Sports Latin America Ltd., Fox International Channels Inc. and T&T Sports Marketing Ltd., as well as certain Fox executives, used the alleged bribery scheme to harm consumers and affect competition.

The judge rejected assertions by GoITV and GSP that there was a connection between the scheme and the quality and diversity of broadcasts for South American soccer fans and said the pair could not demonstrate that the alleged scheme decreased revenues for the South American soccer federation, CONMEBOL.

"The amended complaint is vague as to this alleged harm, as plaintiffs do not spell out whether less revenue for CONMEBOL necessarily leads to less revenue for the soccer clubs; and whether less revenue for the soccer clubs necessarily leads to spending less on players, facilities, or events," Judge Altonaga wrote.

In addition, this failure, found by the judge to demonstrate harm led, her to throw out GolTV and GSP's claim under the Florida's deceptive practices act. In addition to the fox companies, Judge Altonaga's decisions Monday also applied to Fox-owned company T&T Sports Marketing Ltd., T&T co-owner Torneos y Competencias SA, Pan American Sports Enterprises Co., and Fox Networks Group Inc, as well as Fox executives Hernan Lopez, Carlos Martinez and James Ganley.

Despite her decision to throw out parts of the lawsuit, Judge Altonaga determined that the companies and executives could not slip past racketeer-induced corrupt practices act claims, finding that an alleged loss of profits and revenue from their failure to obtain the contrats is an adequate to demonstrate proximate cause. GoITV and GSP's complaint also details instances where the defendants sought to do harm, such as an increase in bribe payments to make sure T&T received contracts for certain tournaments instead of the plaintiffs, the judge said.

In addition, Judge Altonaga determined that the companies and executives must also face tortious interference claims under Florida state law by GoITV and GSP, noting the plaintiffs interactions with CONMEBOL went beyond simply submitting bids to the organization, and that the alleged bribery by the defendants could be construed as damaging to a business

relationship.

The judge also rejected separate arguments by Alejandro Burzaco, a T&T principal and Torneos officer, and former CONMEBOL official Juan Angel Napout, that the RICO claims are time-barred.

GolTV and GSP lobbed their suit in **October 2016**, accusing the Fox units of taking part in a bribery scheme to gain exclusive television rights to South American soccer games and alleging a conspiracy involving others indicted in the corruption case over international soccer governing body FIFA.

According to the suit, between 2000 and 2015 directors of CONMEBOL, accepted tens of millions of dollars in bribes from T&T - a Cayman Islands shell company which was 75 percent owned by Fox Sports Latin America — in exchange for the exclusive television rights to the confederation's soccer tournaments.

In addition to Napout, Burzaco and the Fox entities, GolTV named Torneos, Lopez, Martinez and Ganley, along with CONMEBOL and Argentine media rights company Full Play SA.

In September, Judge Altonaga **freed** CONMEBOL from the case after finding that the confederation could not be held accountable for the alleged misconduct of its officers and that its alleged actions lacked sufficient connections to Florida for the court to have jurisdiction.

In the same order, the judge also dismissed claims that Full Play laundered money to further the bribery and kickback scheme after determining that the allegedly fraudulent activity that GoITV cited from the superseding indictment in the FIFA case bore no connection to the activities alleged in GoITV's complaint. Judge Altonaga in November **declined to reverse** the dismissal, calling the allegations of the company's participation "extremely vague."

Counsel for the parties did not immediately respond Monday to requests for comment.

GolTV and Global Sports are represented by Seth Farber, Julissa Reynoso, George Mastoris, Marcelo Blackburn, Cristina I. Calvar, Michael A. Fernández and Lauren Duxstad of Winston & Strawn LLP and Peter H. Levitt and Stephen Bernard Gillman of Shutts & Bowen LLP.

The Fox units are represented by Jay B. Shapiro and Morgan Mcdonough of Stearns Weaver Miller Weissler Alhadeff & Sitterson PA and Tobin J. Romero, Jonathan B. Pitt, Craig D. Singer, Curtis J. Mahoney, William J. Vigen and Carol Joan Pruski of Williams & Connolly LLP.

Torneos is represented by H. Rowan Gaither IV, David Massey, Maria Lapetina and T. Jakob Sebrow of Richards Kibbe & Orbe LLP and Adam Michael Schachter, Freddy Funes and Gerald Edward Greenberg of Gelber Schachter & Greenberg PA.

T&T is represented by Roberto Martinez and Stephanie Anne Casey of Colson Hicks Eidson.

Lopez is represented by Jennifer E. LaGrange, Matthew Donald Umhofer and Samuel Josephs of Spertus Landes & Umhofer LLP and Ryan K. Stumphauzer and Christopher Ellis Gottfried of Stumphauzer & Sloman PLLC.

Martinez is represented by James E. Sharp and Stephen W. Grafman of Sharp & Associates PLLC.

Ganley is represented by Benedict P. Kuehne and Michael T. Davis of Kuehne Davis Law PA.

Burzaco is represented by John Daniel Couriel, Laura Maria Gonzalez-Marques and Stephanie Hauser of Kobre & Kim LLP.

Napout is represented by Francisco Oscar Sanchez and Jacqueline Becerra of Greenberg Traurig PA.

The case is GolTV Inc., et al. v. Fox Sports Latin America Ltd., et al., case number 1:16cv-24431, in the U.S. District Court for the Southern District of Florida.

--Additional reporting by Nathan Hale and Adam Rhodes. Editing by Joe Phalon.

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