

California. The club is known as the California Angels.

Q Would you describe your educational background, Mr. Reynolds?

A I am a graduate of Stanford University, Class of 1936, with a degree in economics and a minor in geology.

Q During your career at Stanford, did you participate in any athletics, Mr. Reynolds?

A I did, particularly in football.

Q Would you describe what your experience in football at Stanford was?

A I played as a freshman there and three years as a varsity ballplayer. Our club went to the Rose Bowl three years. I then signed later, after graduation, a contract with the Detroit Lions, a contract for two years. I fulfilled that contract.

Q In connection with your activities as a football player, Mr. Reynolds, were you the recipient of any particular honors?

A Well, yes.

Q Tell the Court what they were.

A One, as the only player to have played three 60-minute games in the Rose Bowl; I am a member of the Pacific Alltime, Allcoast Football Team and a member of the National Football Hall of Fame as a collegiate player.

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2 Q Following the completion of your service as a foot-
3 ball player with the Detroit Lions, what activity did you
4 next undertake?

5 A At the time of playing with the Lions in the late
6 fall of 1937, I went into the broadcasting business in
7 California and Los Angeles, and remained in that business for
8 31 years until August, 1968.

9 Q And in the broadcasting business were you associated
10 in any way with Mr. Gene Autry?

11 A Yes. Mr. Autry and I had been friends some five or
12 six years prior to the time in 1952 when we joined together
13 in the formation of a corporation that began a broadcasting
14 business on the Pacific Coast.

15 Q When and how did you become affiliated with the
16 California Angeles?

17 A It was in the early fall of 1960 that it became
18 known that the American League was seriously considering
19 expansion, and this was confirmed to Mr. Autry and me by a
20 mutual acquaintance, Mr. Del E. Webb, who, as I recall it,
21 headed up the expansion committee. He in effect confirmed that
22 the league was seriously considering expansion and that Los
23 Angeles might be a logical place and that if a so-called
24 representative group there made known its desires in the
25 matter, wishes in the matter, of locating a franchise, that

it might succeed, and in a matter of some weeks we did in fact appear in New York and subsequently in St. Louis and we were one of I think five groups that were seeking the franchise and we were awarded the franchise in St. Louis in late November, around the 1st of December, 1960.

Q Would you tell the Court, please, a little bit more about the background and interests of Mr. Autry and particularly in relation to the baseball business?

A Well, Mr. Autry has long been a great fan of baseball, extending back into some of the earlier years in baseball, the old Gashouse Gang, so-called, in St. Louis, and numbers among his personal friends a number of people in baseball, both in ownership and players.

Q Is Mr. Autry the popular movie personality?

A Yes, he is or was the western movie star of that name.

Q What was the total investment of you and your associates in the Angels when they were first organized?

A 3-1/2 million dollars.

Q And of that total sum, what portion, if any, was allocated to the purchase of player contracts?

A 28 players, major league players, at \$75,000 each, a total of two million one.

Q Was there also a sum included in the overall total

for the purchase of the franchise?

A Yes, that was included, and the balance in operating capital.

Q When you entered into the transaction, were you personally aware of what was known then as the reserve system and is still so-called?

A I was generally aware of it, yes.

Q As you understood it at that time when you made your investment in the Angels, was it substantially similar, so far as you knew, to the reserve system under which you had played as a National Football League player?

A At the time I played in professional football, they were one and the same.

Q And can you tell the Court, please, what your understanding was as to what the reserve system consisted of?

A Well, it was my understanding then, as it is now, that under the provisions of the Uniform Player's Contract and the rules of the major leagues, major league baseball, organized baseball, that the clubs having players or drafting them had the rights under this reserve system.

Q And would that right of reservation of players' contracts continue during their continuance of playing in organized baseball?

A Yes.

Q When you were with the National Football League back in the '30's, did the National Football League have what has been described here as the 1-year option rule?

A No, it did not then have it.

Q When you acquired your interest in the California Angels, were you aware in a general way of the legal status of organized baseball under the Federal antitrust laws?

A Yes, generally.

Q What was your understanding of that status?

A It was my understanding that the Supreme Court of the United States had exempted baseball under the antitrust laws and that unless Congress should enact legislation to the contrary, that the exemption would remain.

Q Were the Angels or was your group before you acquired the Angels represented by counsel?

A Yes, we were represented by counsel.

Q And was the status of baseball with regard to the antitrust laws a matter of discussion between you and your counsel?

A We did discuss it in general terms, yes.

Q Did you and your associates rely on the understanding which you have just described in making the investment which you did make in the California club?

MR. TOPKIS: Objection, your Honor, on the same

grounds we have previously covered.

THE COURT: Sustained. I will take his individual position on that, counsel.

Q Would you answer the question, please, Mr. Reynolds, limiting yourself to what your own personal motives were?

A My own --

Q Your own motives. Would you like to have the question read?

A Yes.

THE COURT: Would you mind repeating it, Mr. Hadden?

Q At the time you made your investment in the California Angels, did you rely to an extent on the understanding which you have described that you had as to what baseball's status was under the antitrust laws?

A It was my understanding that --

MR. TOPKIS: Objection, your Honor.

THE COURT: Yes. Did you rely, yes or no.

THE WITNESS: Yes.

THE COURT: It was a fact you considered?

THE WITNESS: Yes.

THE COURT: You gave it a great deal of thought?

THE WITNESS: Yes, sir.

THE COURT: All right.

Q Would you have proceeded to make the same investment if you had understood that baseball did not have the exemption under the antitrust laws?

A No.

Q Did you consider that Congress might remove the exemption?

A I think that --

THE COURT: Did you consider -- at that time did you consider the possibility that Congress might remove the exemption?

THE WITNESS: May I answer --

THE COURT: This is rather ticklish ground. If you can possibly answer yes or no, I wish you would.

A Yes.

Q What were your expectations in that connection?

A Our assumption was that if Congress would at any time deem it a matter to go into or go back into, that baseball would have opportunity to present its position, and we relied further on the fact that the House, in 1958, did pass a bill that was not enacted, reserving to baseball this exemption.

Q Did your understanding with reference to baseball's status under the antitrust laws play any part in the financing of the purchase and initial operation of your club?

MR. TOPKIS: Could we have a yes or no answer to that, your Honor, because this again is ticklish ground?

THE COURT: Yes, I think so, too. I think it is capable of a yes or no answer.

Would you like to hear the question repeated?

THE WITNESS: Yes, I think I should.

THE COURT: Would you do so, please.

(Question read.)

MR. TOPKIS: If your Honor please, might I object to that question as to form. I find it difficult to understand how his understanding could have played any role in the financing, and since we are on such ticklish ground --

MR. HADDEN: I will be happy to rephrase the question, your Honor.

THE COURT: Very good, Mr. Hadden.

Q Did baseball's status under the antitrust laws play any role in the initial financing of your baseball club?

A Yes.

Q In what way?

MR. TOPKIS: If your Honor please, I am really rather at a loss to understand what is being sought to be brought out that is not hearsay.

THE COURT: Mr. Hadden, what do you say?

MR. HADDEN: Well, your Honor, if the witness were

permitted to testify, I believe it would be his testimony that in the acquisition of a baseball club, that which is acquired is a player contract essentially, or a group of them, and that that is the asset which financing institutions look to in making loans.

MR. TOPKIS: I don't know how this witness can testify what financing institutions look to unless he simultaneously can testify that he was a financing institution.

MR. HADDEN: I can't hear what Mr. Topkis has said.

MR. TOPKIS: I beg your pardon. I said that I can't understand how this witness can testify as to what financing institutions look to unless he first testifies that he is a financing institution, which I rather doubt that he will do.

THE COURT: I think there is merit in the objection so far. Objection sustained. Try again.

Q Mr. Reynolds, did you have any dealings with any financial institutions in reference to the initial financing of the California Angels?

A Yes, we did.

THE COURT: Next question.

Q And in the discussions which you had with those financial institutions, was any interest expressed by the financial institutions in the nature of the assets which

would be financed through any credit allowed?

MR. TOPKIS: Objection, your Honor.

THE COURT: Sustained.

Q Did you have any discussions with any financial institutions with reference to the financing of the Angels?

THE COURT: Yes or no.

A Yes.

Q And what discussions, what statements did you make to the financing institutions with reference to the assets which you were about to acquire or proposed to acquire?

MR. TOPKIS: May I express my problem at a little length, your Honor?

THE COURT: Surely.

MR. TOPKIS: If it be sought by this line of inquiry to have the witness testify that he told the financing institutions that the terms of their acquiring the franchise were that they were going to get 28 player contracts at a cost of 75,000 each, and a franchise at a cost of 50,000, I have no objection to it. Beyond that I think it both incompetent and irrelevant.

THE COURT: Well, I gather that you are trying to elicit testimony that will fall within the area that Mr. Topkis suggests.

MR. HADDEN: Essentially, your Honor. It goes some-

what further than that, but --

THE COURT: Let's hear it and whatever is beyond that I will either stop or I will strike.

Go on. Give us your answer, Mr. Reynolds.

A Yes.

Q Will you tell us what the substance of those discussions was?

MR. TOPKIS: Your Honor wants him to answer. I will note my objection.

THE COURT: Yes, surely.

A The discussion had to do with what this financing was for, what it would bring, what rights, if any, would accrue to the club and those individuals who were founding the franchise. It was in that area that this matter was discussed and the --

THE COURT: By you?

THE WITNESS: By me, because I was with those who went to the bank in Los Angeles and --

THE COURT: Mr. Reynolds, I hate to interrupt you. I want to know what it was that you said, not what the others said, because under law I cannot receive what they said. You are here.

THE WITNESS: Yes, sir.

THE COURT: You are the living person, and you can be

cross examined.

THE WITNESS: Yes.

THE COURT: The others are not here, you see?

THE WITNESS: Yes, yes.

THE COURT: So you cannot tell us what they said.

Now, tell us what you said.

THE WITNESS: I reported that we were, as we understood it from the American League, to purchase the contracts of 28 ballplayers.

Q And was it your understanding at that time, Mr. Reynolds, that the 28 contracts which you were about to purchase could be terminated through the unilateral action of a player at any particular time?

MR. TOPKIS: Excuse me, could I have that question read back?

THE COURT: Would you read it, please, Mr. Court Reporter.

(Question read.)

A No.

Q Mr. Reynolds, what is your opinion as to the reasonableness of and the necessity for the reserve system in organized baseball?

MR. TOPKIS: I will note my objection, your Honor.

THE COURT: To this question?

1 A Going back to 1966, with a player development as
2 reflected on our books as a figure of something over a
3 million to something less than a million and a half in
4 '69, a rough average I would judge to be a million three,
5 so I am coming up with a figure of around 6-1/2 million.
6

7 Q Is the reserve system, in your opinion, an incentive,
8 a necessary incentive to the continuation of expenditures of
9 that magnitude?

10 A Yes.

11 Q And why is that so?

12 A Because of the structure of baseball we are, as base-
13 ball clubs, bringing players through the minor leagues for
14 four to five years, I would judge as an average, from young-
15 sters commencing at ages as early as 17, going up through 18,
16 19 and so forth. There is a conditioning process, a training
17 process, learning procedures that certain clubs like to see
18 followed in training, a way of doing things, a way to play
19 second base, and to baseball's view, certainly among these
20 clubs, in no other way has there been brought about the de-
21 gree of quality and perfection that we now see played in
22 24 baseball diamonds in major leagues of the United States
23 and one in Canada.

24 Q Mr. Reynolds, when you graduated from Standford, you
25 went directly or nearly so from college on to professional

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2 football gridiron, did you not?

3 A Yes.

4 Q And if I understand your testimony, that is distinct-
5 ly different from the practice that is followed in baseball
6 where you have said it requires from four to five years to
7 develop a player. Would you explain why that distinction
8 exists?

9 A Well, the distinction is that the colleges of the
10 United States are, or in sum total is the ground --

11 THE COURT: Proving ground.

12 A -- from whence the players go into professional
13 football. In baseball there is an entirely different situ-
14 ation, entirely different.

15 THE COURT: You sort of start at scratch, is that what
16 you mean?

17 THE WITNESS: You start at scratch. You are talking
18 about youngsters that are 17, 18 years old, youngsters that
19 elect not to go to college. Those that do can go on through
20 rules that exist now, but there are a great number of these
21 youngsters that determine at an early age that their lot and
22 forte is with baseball, and they come into it.

23 Now, they have not had training beyond perhaps
24 American Legion or the sandlots or similar pro ball. Some
25 go further, but they have to establish themselves and their

2 abilities and speed and being able to throw and being able to
3 bat and hit the ball and so forth.

4 Q Is it usually possible, even in the case of an amateur
5 baseball player who has played baseball as much as possible in
6 a college or university to step from that college diamond onto
7 a major league diamond?

8 A It happens very, very seldom.

9 Q And why is that?

10 A That again is because the average baseball, college
11 baseball team would not be judged very high in classifications.
12 They are not finished ballplayers. Many of them are not, don't
13 have the capability of going on, and those that have such must
14 be trained and go through the background of the farm systems,
15 et cetera. This is the history of it.

16 Q In your opinion, does it require a higher or sharper
17 degree of skill to become a major league baseball player than
18 to become a professional football player in the major leagues?

19 A In my judgment it does.

20 Q Have you had any relationships with professional
21 football subsequent to your activities as a football player?

22 A Yes.

23 Q Would you describe your activities in that con-
24 nection?

25 A In 1963 a group of us -- I was one of the group --

1
2 acquired the minority interest, 49 per cent interest in the
3 Los Angeles Rams. I became at that time an officer of the
4 Rams, vice-president, member of the executive committee and
5 a Board member. I still hold the latter three positions, even
6 though about three years ago I sold my interest in the Rams.

7 Q In connection with your memberships on the Board of
8 Directors and the executive committee of the Los Angeles Rams,
9 did you have occasion in the regular course of business to
10 attend such meetings as were held of those two Boards?

11 A Yes.

12 Q And as a result of your participation in the affairs
13 of the Rams are you generally familiar with the affairs of
14 the Rams and the National Football League?

15 A Generally so.

16 Q I think I omitted to ask you a moment ago, Mr. Reynolds,
17 to what extent percentagewise do you now participate in the
18 ownership of the California Angels?

19 A 18 per cent.

20 Q You have described what the football reserve system
21 was as you knew it when you were a player. Is it the
22 fact that certain changes have taken place in the football
23 reserve system since that time?

24 A Yes.

25 Q Approximately when was the first such change made,

if you know?

A I believe in the late 1940's there came into existence the one-year contract player option feature which still exists.

Q As initially adopted in 1947 did the rule or the amendment in the football rules encompass a feature under which the Commissioner of Football was entitled to award compensation in the form of players to a club from which a player had played out his option?

MR. TOPKIS: Objection, your Honor. This witness, according to his testimony, as I understand it, was not involved in professional football from 1947, I believe, when he stopped playing for the Lions until 1963 when he bought into the Rams.

THE COURT: Can you answer the question, Mr. Reynolds? If I gave you permission to answer it, could you answer it?

THE WITNESS: I believe I could.

Would you repeat it?

THE COURT: All right, repeat the question.

(Question read.)

THE COURT: Can you answer that question?

THE WITNESS: Yes.

THE COURT: I will overrule the objection and take your answer.

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2 A In the early '60's, I believe it was, this compen-
3 sation rule came into being.

4 Q So that as originally adopted, the compensation
5 feature did not attach to the rule, was not part of it?

6 A Yes.
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Q Now, if you know, Mr. Reynolds, during the approximately 10-year period following the adoption of the rule in its initial form in the late 1940's, did any players in the National Football League play out their option?

A None that I know of.

MR. HADDEN: May I have a moment, your Honor, please?

THE COURT: Certainly. Take your time.

(Pause.)

Q In the years following the decade after the adoption of the first football option rule, did any players, to your knowledge, play out their option?

MR. TOPKIS: Objection. That question has just been asked and answered.

THE COURT: I thought so.

MR. HADDEN: I asked him about the decade following. That would bring it up to the late fifties, your Honor. Now I am asking if subsequent to that period did any players play out their option.

THE COURT: I will let him answer it.

A Yes.

Q And who was that player or players, if you can tell the Court.

A R. C. Owens of the San Francisco 49ers played out

1 moment only when Mr. Owens played out his option. If the
2 witness knows that fact with precision, I have no objection
3 to his answering that question.
4

5 THE COURT: What do you say to that, Mr. Hadden?

6 MR. HADDEN: Well, your Honor, Point No. 1 would
7 be that I think Mr. Rozelle's testimony was that the
8 compensation aspect of the rule was adopted in 1961 or 1962.

9 Let me rephrase the question.

10 Q Do you know whether R. C. Owens played out his
11 option before or after the adoption of the compensation
12 clause of the National Football League Rule?

13 THE COURT: Do you know?

14 MR. TOPKIS: May I add a further objection,
15 your Honor?

16 THE COURT: Yes.

17 MR. TOPKIS: I would submit that this witness
18 can know only as the result of hearsay and since he wasn't
19 even in the game at the time, in consequence I would object
20 on that ground as well. I think Commissioner Rozelle was
21 here, he was the man who knew this information, and this
22 witness is being asked to give answers, and I don't, of course,
23 challenge his credibility, he is doing the best he can, but
24 he wasn't in the game at the time and can only --

25 THE COURT: I will take his answer and allow

1 you to develop it and strike the answer if you show me
2 good and sufficient reason to warrant doing so.
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4 What is your answer, yes or no; do you know?

5 THE WITNESS: As to a precise date?

6 THE COURT: Listen to the question. Will you
7 read it, please, Mr. Court Reporter?

8 (Question read.)

9 THE COURT: Do you know; yes or no.

10 THE WITNESS: I absolutely don't know.

11 THE COURT: All right. That is a fair answer.

12 Next question.

13 Q Based upon your experience in professional foot-
14 ball, Mr. Reynolds, what is the effect on a player's relation-
15 ship with his club when he announces a decision to play
16 out his option?

17 MR. TOPKIS: Well, if the witness will first testify
18 that he has ever had experience with a player playing out
19 his option when he was in an executive capacity, I would
20 have no objection.

21 THE COURT: I think there is merit to Mr.
22 Topkis' reaction to this type of question. I am going to
23 sustain the objection. You may attempt to lay a foundation
24 and renew your question.

25 MR. HADDEN: Very well, your Honor.

Q Are you familiar with what the experience has been in the National Football League so far as the awarding of compensation by the Commissioner is concerned to the former club of a player when he has played out his option?

MR. TOPKIS: Objection, your Honor. Again this is hearsay.

THE COURT: Sustained.

Q Mr. Reynolds, as a member of the executive committee, and of the board of directors and as a vice-president of the National Football League Club, the Los Angeles Rams, have you made it your business to maintain a familiarity with the rule changes in football as regards football's reserve system during the time that you have been with the Rams?

A I am generally familiar with it.

Q And are you generally aware, sir, of -- you have already testified, I believe, to the transaction involving Dave Parks. I think your answer was perhaps cut off in that regard. Would you say what you know about that transaction?

MR. TOPKIS: Objection, your Honor. Again it is hearsay and I think all of this is hearsay, and he can't --

THE COURT: If you were to answer it, would it be predicated on what someone else told you or would it

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Reynolds direct

be based on what you yourself know to be the fact from your own participation?

THE WITNESS: I read it in the papers.

THE COURT: All right, objection sustained.

Q Mr. Reynolds, in the course of your activities, in your official capacities with the Rams, did you become familiar with the Parks transaction and with the official action of the president of the league, Mr. Rozelle, in relation to it?

MR. TOPKIS: Objection, your Honor. May I ask a question or two on the voir dire?

THE COURT: Yes.

MR. TOPKIS: I think I can clarify this. If I am wrong, I apologize.

VOIR DIRE EXAMINATION BY MR. TOPKIS:

Q Mr. Reynolds, as an executive of the Rams, did you receive reports in any official form when a player played out his option or advised his club that he was playing out his option?

A No, sir.

THE COURT: In other words, we appreciate the extent of your interest and concern, but you couldn't be everywhere, and you may not have been able to devote time to this particular feature.

1 On the other hand, you may very well have,
2
3 you know. We are trying to find out which it was in your
4 case. We don't want what someone else told you. We want
5 to know what you saw with your own eyes and heard with your
6 own ears.

7 All right, objection sustained.

8 BY MR. HADDEN:

9 Q In your official capacity with the Rams, Mr.
10 Reynolds, were you familiar with the rule change under which
11 the Commissioner of Football was authorized to award
12 compensation to the former club of a club from which a player
13 had departed on playing out of his option?

14 MR. TOPKIS: Objection, your Honor. The witness
15 has testified that he joined the Rams in 1963, and the
16 Commissioner of Football testified that the rule change was
17 made in '61 or, as Mr. Hadden would have it, '61 or '62.

18 THE COURT: Let's hear from Mr. Hadden. What do
19 you say?

20 MR. HADDEN: Your Honor, I think that Mr. Topkis'
21 objection is somewhat captious. This man, as his testimony
22 indicates, has been in an official capacity and a responsible
23 one, with a member of the National Football League. To
24 cavil over whether he heard this from somebody else's lips
25 or read it in a newspaper, to me seems an utter futility.

1 THE COURT: No, not when it comes to your
2 attempting to establish a point which you regard as of suf-
3 ficient significance to your client to warrant the persistency
4 in which you have engaged.
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6 Objection sustained.

7 MR. KRAMER: May I have a moment to confer with
8 my associate counsel?

9 THE COURT: Certainly.

10 (Pause.)

11 MR. HADDEN: Your Honor, in view of the Court's
12 rulings on these questions, I should like to make an offer
13 of proof.

14 THE COURT: Certainly.

15 MR. HADDEN: Under Rule 43(c) of the Federal Rules
16 of Civil Procedure, my offer of proof is this: That if the
17 witness were permitted to answer this question and the suc-
18 ceeding questions, he would testify that he is familiar with
19 the fact that the rules of football were amended in about
20 1961 or 1962, so that the one-year option clause carried
21 with it a requirement that compensation be awarded by the
22 Commissioner from the club which a player left on playing
23 out of his option -- rather to that club by the club to which
24 the player went;

25 Further, that the effect of that amendment, and

as it has been administered by the Commissioner of Football, has been to award generous compensation to the club which the player has left;

That the generosity of that compensation has had the effect of inhibiting trades between clubs of the National Football League, and -- I may have misspoken. Can I have the last part of my offer of proof read?

THE COURT: Sure. Please read it, Mr. Court Reporter.

(Record read.)

MR. HADDEN: If I may take it up from the word "inhibiting" -- has had the effect of inhibiting players from playing out their options because the clubs of the National Football League are reluctant to contract with players who have done so because of the risk of excessive or generous compensation by the Commissioner of the National Football League.

THE COURT: I have no quarrel with your offer of proof. In fact, I say I shall receive proof that supports that offer.

But it must be proof recognizable as admissible. In other words, your offer of proof is pertinent to the issues.

MR. HADDEN: I understand, your Honor.

THE COURT: And I have no quarrel with it at all.

BY MR. HADDEN:

Q Mr. Reynolds, what in your opinion would be the effect on organized baseball if the football option system, including the compensation feature, were adopted by baseball as a modification of its reserve system?

A It would be detrimental. That is my judgment.

Q Why do you say so, sir?

A From my view, to have that kind of arrangement in baseball, with the structure that baseball has, with the problems of your player development, and bringing players along, the investment that the clubs have in major league players, by the time they are on the field and a part of the 25 player limit during the championship season or until September 1, this whole structure, to my view, would be jeopardized if the player option, as it is known in football, obtained in baseball.

Q Would the Angels be interested in bidding for the contracts of players who had played out their options with another club if compensation were to be awarded by a third party to the former team of that player?

A I don't believe that the Angels would want to be bidding under the circumstances described in that question,

1 not knowing what the compensation might be exacted in the
2 form of a player, another player. I don't see it as a
3 desirable mechanism or procedure.
4

5 Q Turning the situation around, would it be your
6 belief that if a player left your team after playing out
7 his option, that an award of compensation by such a third
8 party to your club would be likely to adequately compensate
9 it for a player which it had lost through his playing out of
10 the option, particularly a star player?

11 A As a practical matter, if the player involved,
12 say, with the Angels, who happened to be its shortstop,
13 or in another instance, in a key position, and compensation
14 from another club was in the form of a catcher that we might
15 not want, I just don't know how workable it would be.

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2 Q Would it be satisfactory compensation to the
3 Angels in a situation of that sort to receive a draft
4 choice or several draft choices in return for a star player?

5 A Well, the draft choice in baseball might mean a
6 player of unproven ability, maybe 17 or 18 years old. I
7 think that it is vastly different from a draft choice in
8 professional football because you are in nearly all instances
9 talking about players of some national acclaim, reputation,
10 as being very, very good in college ranks. You are talking
11 about two different things.

12 Q What, in your opinion, are the differences between
13 major league football and major league baseball which
14 make the one-year option system, including the compensation
15 feature, inappropriate for baseball?

16 A Again, to me, to my judgment, you are talking
17 about a structure that exists in baseball of these minor
18 leagues, bringing them up through the ranks, and I just
19 don't think that they can be compared.

20 Q Would the Angels be in a position to actively
21 compete in the market for player contracts if significant
22 numbers of players became free agents every year?

23 A It would be, under those conditions, a bidding
24 contest. We are not structured to compete on such a
25 basis, no, we could not.

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2 Q Mr. Reynolds, there has been testimony here with
3 regard to the so-called free agent draft or Rule 4 draft.
4 You are familiar with that, I take it?

5 A Yes.

6 Q Has the functioning of the free agent draft
7 since its enactment in 1965 been of material help to the
8 California Angels?

9 A Yes, it has, because via this means or drafting
10 we have acquired, have under contract, some players that
11 are among our stars now, Messersmith, our pitcher, starting
12 pitcher, Tatum, who is probably our best reliefer, best
13 relief pitcher, and -- those two anyway, and Spencer, who
14 is our first baseman. There may be others but those three
15 I recall.

16 Q What position in the order of rank of the American
17 League are the Angels in currently, sir?

18 A We are in second position in the American League,
19 Western Division.

20 Q Where did your club finish in the race last year?

21 A Eighth -- no. Strike that.

22 THE COURT: The only one who can say "strike that"
23 is the Judge. Out there where you operate, that is
24 another proposition. I don't belong and I am not
25 recognized, but here, the only striking is done by me.

1 THE WITNESS: I am sorry. I understand.

2 A I would like to answer that question differently.
3 You asked last year where we finished?
4

5 Q Yes.

6 A We finished third in our division.

7 Q And the year before that?

8 A The year before that I believe it was eighth before
9 the expansion.

10 MR. HADDEN: I have no further questions.

11 THE COURT: Very good. Now, Mr. Kramer, anything
12 come to your mind?

13 MR. KRAMER: Could I have just a moment?

14 THE COURT: You may have more than a moment.

15 (Pause.)

16 MR. KRAMER: No questions, your Honor.

17 THE COURT: Mr. Topkis, I think you are going to
18 like what I am going to say since I am going to say it in the
19 presence of your client. You worked very hard today, Mr.
20 Topkis, and I am going to let you start fresh tomorrow
21 morning. What is the matter? There is a revolt here.

22 MR. KRAMER: The witness --

23 THE COURT: He wants to go back to Anaheim?

24 MR. KRAMER: Yes.

25 THE COURT: I am not going to cut him down to

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Reynolds-

ten or fifteen minutes cross-examination -- unless you can do it. I may have spoken too fast. I have an appointment.

MR. TOPKIS: Your Honor, I could not understand to do it in thirteen minutes. I would be glad to try because I don't want to inconvenience Mr. Reynolds.

THE COURT: Mr. Reynolds has been on the stand close to an hour, and he has covered a lot of territory. I am sorry. We have got a lot here in New York that is worth-while looking at.

Are you going to be terribly indisposed?

THE WITNESS: I could do whatever in your judgment we should do.

THE COURT: You are kind about it, but I am always solicitous of a witness. Would you meet after dinner?

THE WITNESS: This evening?

THE COURT: Yes.

THE WITNESS: Yes, I would.

THE COURT: Look at the glum faces on counsel. I was hoping he would say no. I am afraid we will have to start tomorrow. Start fresh, gentlemen. That is the way it is. It is hard, but we can't please everybody. We would like to, but it is difficult.

Is there anything that will take just a few

minutes before we call it a day?

Having given you a reasonable time to respond and there being no response, Mr. Clerk, be good enough to announce an adjournment until tomorrow morning at ten o'clock promptly.

THE CLERK: Recess to ten o'clock, June 4, 1970.

All rise.

(Adjourned to Thursday, June 4, 1970, at 10:00 A.M.)

I (We) hereby certify that the foregoing is a true and accurate transcript, to the best of my (our) skill and ability from my (our) stenographic notes of this proceeding.

George Wall

Official Court Reporter
U. S. District Court

John H. Knapp

NAMEDIRECT CROSS RE-DIRECT RE-CROSS

Francis L. Dale

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John J. McHale

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