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VIPs No More, Utah Jazz Club Says

By SUZANNE ASHE

SALT LAKE CITY (CN) - A private club of Utah Jazz fans sued the team's corporate parent, claiming things have changed for the worse since the basketball team's owner, Larry Miller, died last year. U J 100 Club LLC claims that discounts on VIP seats and other perks have devalued club membership under a new seating policy at EnergySolutions Arena.

Larry H. Miller established the club in 1987, and that over the years, club memberships have sold for hundreds of thousands of dollars, according to the complaint in Salt Lake County Court.

Like a country club, benefits included equity in the club and ownership rights to some of the best seats in the house, according to the complaint. The seats could be sold or bequeathed.

Miller died on Feb. 20, 2009, and club members say policy changes have devalued their membership. Among other things, they say that all season ticket-holders now can transfer ownership rights to their seats.

The plaintiff claim that in October 2009, for example, full membership in Row A courtside seating (four seats) sold for \$800,000. The price did not include annual season tickets and dues, which are paid directly to the Jazz parent company, Jazz Basketball Investors Inc.

The plaintiffs say that nonclub members recently were sold Row-A seats for \$20,000 a seat. The club claims that that \$800,000 investment now is worth as little as \$80,000 - a loss of 90 percent.

(That is what the complaint states in paragraph 38. Doing the somewhat confusing math, an \$800,000 divided by 4 seats = \$200,000 a seat; selling one seat for \$20,000 would be a 90 percent loss per seat.)

The club seeks \$19 million in damages, alleging breach of fiduciary duty, conversion/trespass to chattel, and breach of contract.

The Utah Jazz 100 Club is represented by Peggy Tomsic with Magleby & Greenwood.