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Touchdown St. Louis: A Recap of the NFL and Rams Lawsuit

Katie Hoffecker*

Thanksgiving is a holiday filled with traditions. For some, it is enjoying grandma's staple pecan pie or watching the annual Macy's Thanksgiving Day Parade. Others associate Thanksgiving with football. This is unsurprising, as the first intercollegiate Thanksgiving game was held in 1869, just six years after Thanksgiving was declared a national holiday.¹

For St. Louisans however, the traditional Thanksgiving game is sure to be a grim reminder of the Rams' departure in 2016.² After a thirty to thirty-two vote by the National Football League (NFL), Stan Kroenke took his team to a shiny new stadium in Los Angeles.³ Even worse for St. Louisans, the Rams have found success in their new home that the team has not seen since the "Greatest Show on Turf" Rams of 1999.⁴

This past Thanksgiving may have offered a taste of vindication for former Rams fans. The day before the holiday, the Rams and the NFL agreed to a \$790 million dollar settlement with St. Louis City and County.⁵ However, the settlement only came after four years of litigation and continued losses for the defendants.

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¹ Kavitha A. Davidson, *The Ivy League Origins of Thanksgiving Football*, BLOOMBERG (Nov. 26, 2015),

<https://www.bloomberg.com/opinion/articles/2015-11-26/the-ivy-league-origins-of-thanksgiving-football>.

² *Rams Headed Back to Los Angeles, Chargers Have Option to Join*, ESPN (Jan. 12, 2016), https://www.espn.com/nfl/story/_/id/14558668/st-louis-rams-relocate-los-angeles [*hereinafter Rams Headed Back to Los Angeles*].

³ *Id.*

⁴ See Clarence Dennis, *Daily Dose: Best Rams' Season Ever?*, LA RAMS (Nov. 29, 2018), <https://www.therams.com/news/daily-dose-best-rams-season-ever>.

⁵ *Rams, NFL Settle St. Louis' Lawsuit Over Franchise's Relocation to Los Angeles for \$790 Million*, ESPN, https://www.espn.com/nfl/story/_/id/32706415/source-nfl-settles-st-louis-lawsuit-rams-relocation-los-angeles-790m.

The Rams' move out of St. Louis was not a complete surprise for the town. Prior to the move, St. Louis had taken steps to retain the team, including appointing a task force to pursue plans for the construction of a new stadium.⁶ Despite this effort, Kroenke pointed to the mediocre condition of the then Edward Jones Dome (colloquially, the "Dome") as the key reason for their departure, as well as a lack of engagement from St. Louisans.⁷

St. Louis City and County, joined by the St. Louis Regional Convention and Sports Complex Authority, filed suit in April of 2017 naming Kroenke, the NFL, and all NFL owners as defendants.⁸ According to their petition filed in the Circuit Court of St. Louis City, Defendants have been accused of breach of contract, unjust enrichment, and tortious interference with business expectancy.⁹ The petition also outlines a distinct fraudulent misrepresentation charge against Kroenke for his public statements such as "I'm going to attempt to do everything that I can to keep the Rams in St. Louis."¹⁰

The defendants had taken various measures to avoid the suit. In phase one, Kroenke and the Rams filed motions to compel arbitration pursuant to a relocation agreement between the city and the Rams. The St. Louis Circuit Court denied the motion, noting that the dispute did not arise over that particular agreement, but the Policy and Procedures for Proposed Franchise Relocations (Relocation Policy) adopted by the NFL to which St.

⁶ Tim Daniels, *Rams Approved for Relocation to Los Angeles: Latest Comments and Reaction*, BLEACHER REPORT, <https://bleacherreport.com/articles/2605293-rams-approved-for-relocation-to-los-angeles-latest-comments-and-reaction>.

⁷ Jon Wertheim, *Q&A: L.A. Rams Owner and Missouri Native Stan Kroenke Talks Relocation*, SPORTS ILLUSTRATED (Jan. 18, 2018), <https://www.si.com/nfl/2016/01/18/stan-kroenke-owner-los-angeles-rams; 2015 NFL Attendance>, ESPN, http://www.espn.com/nfl/attendance/_/year/2015/sort/homePct.

⁸ Petition at 1-18, *St. Louis Reg'l Convention and Sports Complex Auth. v. Nat'l Football League*, No. 1722-CC00976 (Mo. Cir. Ct. Apr. 12, 2017).

⁹ Petition, *supra* note 8, at 36-51.

¹⁰ Petition, *supra* note 8, at 28.

Louis City and County claim to be third-party beneficiaries.¹¹ Defendants also argued that pursuant to the relocation agreement and the court's recent decision in *Pinkerton*, the parties had agreed to turn over to an arbitrator the decision of whether or not to arbitrate.¹² The court rejected this argument as well, noting there was not "clear and unmistakable evidence" of an intent for the parties to arbitrate arbitrability.¹³

Defendants' motion for summary judgment was denied by Judge McGraugh in September of 2021.¹⁴ Once it became clear the suit would likely make it to trial, phase two involved the defendants seeking a change of venue. The move was likely an effort to avoid a jury of former Rams fans.¹⁵ Unfortunately for the defendants, this request was denied.¹⁶ While it is unclear why, it is possible defendants' assertions earlier in the suit regarding the reasons for their move—namely the lack of community support for the Rams—could have cost them this opportunity.¹⁷

Issues with discovery had also arisen under the suit. Defendants have been wary to turn over financial documents pursuant to discovery requests. Four NFL owners—Clark Hunt, Jerry Jones, Robert Kraft, and

¹¹ Order at 2–3, *St. Louis Reg'l Convention and Sports Complex Auth. v. Nat'l Football League*, No. 1722-CC00976 (Mo. Cir. Ct. Dec. 27, 2017).

¹² Order, *supra* note 11, at 5.

¹³ *Id.* The Missouri Circuit Court's order was later affirmed by the Missouri Court of Appeals. *St. Louis Reg'l Convention and Sports Complex Auth. v. Nat'l Football League*, 581 S.W.3d 608, 619 (Mo. Ct. App. 2019).

¹⁴ Chris Regnier, *Rams Relocation Lawsuit Takes a Major Step Forward After Judge Refuses to Throw Out Case*, FOX2NOW (Sept. 15, 2021), <https://fox2now.com/sports/rams-relocation-lawsuit-takes-a-major-step-forward-after-judge-refuses-to-throw-out-case>.

¹⁵ Jabari Young, *NFL and Rams Lose Court Fight to Move Relocation Trial Out of St. Louis*, CNBC (Nov. 2, 2021), <https://www.cnbc.com/2021/11/02/nfl-and-rams-lose-court-fight-to-move-relocation-trial-out-of-st-louis.html>.

¹⁶ Corey Miller, *Missouri Court of Appeals Denies NFL's Bid to Move Rams Trial Out of St. Louis*, KSDK (Nov. 2, 2021), <https://www.ksdk.com/article/sports/nfl/rams/st-louis-rams-trial-kroenke-nfl-lawsuit/63-e1097052-e294-4d26-820e-4e5116c0ad6d>.

¹⁷ *Id.*

John Mara—were sanctioned for their failure to abide by discovery requests after being compelled by the court.¹⁸

While the strength of the plaintiffs' will be forever uncertain as they were never tested at trial, their denial of Kroenke's \$100 million settlement offer is indicative of a strong legal position.¹⁹ The primary claim concerned the NFL's breach of their own Relocation Policy.²⁰ Generally, the policy was designed to promote stable team-community relationships by requiring owners to work in good faith to keep teams in their home and to promote local team support.²¹

The NFL downplayed the significance of its Relocation Policy, arguing that the policy was created for the benefit of the league and team owners, not for the communities and cities in which they are located.²² This argument attacked the plaintiff's third-party beneficiary doctrine to which their claim hinges on and, if accepted, would have made the policy unenforceable as to St. Louis City and County.²³

However, some critics argued the NFL's own treatment of the policy undercuts this assertion.²⁴ When asked at one congressional meeting how

¹⁸ *Missouri Judge Fines 4 NFL Owners for Not Turning Over Financial Information*, NEWS CHANNEL 5 (Oct. 14, 2021), <https://www.newschannel5.com/sports/missouri-judge-fines-4-nfl-owners-for-not-turning-over-financial-information>.

¹⁹ See John Breech, *Rams Owner Stan Kroenke Offered \$100 Million to Settle Relocation Lawsuit with St. Louis, Per Report*, CBS (Nov. 11, 2021), <https://www.cbssports.com/nfl/news/rams-owner-stan-kroenke-offered-100-million-to-settle-relocation-lawsuit-with-st-louis-per-report>.

²⁰ Petition, *supra* note 8, at 24–36; PDF: *NFL Relocation Guidelines*, ST. LOUIS POST DISPATCH (Apr. 12, 2017), https://www.stltoday.com/sports/football/professional/pdf-nfl-relocation-guidelines/pdf_5004ef19-dcf6-5d1d-b11a-db0874dea624.html.

²¹ *St. Louis Reg'l Convention*, 581 S.W.3d at 611.

²² Defendant's Motion for Summary Judgment at 2-3, *St. Louis Reg'l Convention and Sports Complex Auth. v. Nat'l Football League*, No. 1722-CC00976 (Mo. Cir. Ct. June 9, 2021).

²³ Defendant's Motion for Summary Judgment, *supra* note 22, at 2–3.

²⁴ Mike Florio, *Commissioner's Testimony on NFL Relocation Policy Creates Another Problem for NFL Rams Case*, NBC SPORTS (July 12, 2021),

communities can protect themselves against team relocations, then Commissioner Pete Rozelle stated, “Communities [can] look to league policies on team location in order to protect fan and community investments.”²⁵

As trial became more and more likely, tensions had grown between Kroenke and his co-defendants. Kroenke had been footing the bill for all legal fees.²⁶ However, recent news reports indicate Kroenke may have tried to get out of the indemnification agreement he signed with the NFL prior to the move.²⁷ There is also some evidence Kroenke threatened to settle with the plaintiffs individually, forcing the NFL and other owners to stand at trial alone.²⁸

Kroenke’s most recent moves did not sit well with the rest of the NFL. John Mara, owner of the New York Giants, stated the owners only agreed to the relocation because Kroenke had agreed to indemnify the league.²⁹ Whether such a statement affirmed the plaintiffs’ theory — that the NFL knew the move did not follow their own Relocation Policy — will never be known.

Trial was set for January of 2022, just one month before the Super Bowl in L.A. The timing and location was certainly not ideal for the defendants, if

<https://profootballtalk.nbcsports.com/2021/07/12/commissioners-testimony-on-nfl-relocation-policy-creates-another-problem-for-nfl-in-rams-case>.

²⁵ Daniel Wallach, @WALLACHLEGAL, TWITTER (Oct. 20, 2021, 1:34 AM), <https://twitter.com/WALLACHLEGAL/status/1450712116982435840>.

²⁶ John Breech, *Rams Owner Threatens NFL Over St. Louis Lawsuit and the League Could Be Out Billions If He Follows Through*, CBS (Nov. 19, 2021), <https://www.cbssports.com/nfl/news/rams-owner-threatens-nfl-over-st-louis-lawsuit-and-league-could-be-out-billions-if-he-follows-through>.

²⁷ Breech, *supra* note 19.

²⁸ Corey Miller, *Report Says Kroenke Could Split from NFL to Settle St. Louis Lawsuit*, KSDK (Nov. 18, 2021), <https://www.ksdk.com/article/sports/nfl/rams/stan-kroenke-nfl-st-louis-rams-lawsuit-settlement/63-4ba9abba-7cd0-4249-9483-ed0d2f46d038>.

²⁹ Joseph Salvador, *Report: NFL Owners Upset With Stan Kroenke Over Attempt to Dodge Legal Expenses*, SPORTS ILLUSTRATED (Oct. 27, 2021), <https://www.si.com/nfl/2021/10/27/nfl-owners-upset-stan-kroenke-dodge-legal-expenses>.

not ironic. This, paired with a number of legal setbacks and the validity of the plaintiffs' claim, finally produced a settlement. As of today, it is unclear how much of the settlement will be distributed amongst the City and County or the amount each defendant is liable for.³⁰

Edited by Alex Beezley

³⁰ *Rams, NFL Settle St. Louis' Lawsuit, supra* note 5.