

Statement of Mr John Marsden Loffhagen Aged 48 Years, residing at 14 Birkdale Rd London and working as Director of Legal Services at M/s. International Management Group situated at McCormack House, Burlington Lane, London- W4 3TH recorded under the provisions of Section 37 of the Foreign Exchange Management Act, 1999 on 30.09.2010 at 11.00hrs. before the Assistant Director, Directorate of Enforcement, Mumbai .

I am in receipt of your Summon No.T-3/47-B/2010 dated 15.09.2010 calling upon me to appear before you on 16.09.2010. Since I had some prior urgent business engagement, I could not appear before you on 16.09.2010 and 29.09.2010. As per adjournment granted to me by you, I am appearing before you today for giving my evidence and producing documents as mentioned in the summons. Before recording of my statement, I have been explained the provisions of Section 37 of the Foreign Exchange Management Act, 1999, I am now aware that according to the provisions of the said Sections, it is binding upon me to state the truth only. I have also understood that giving false & fabricated evidence and/or suppressing true facts is an offence, committing which, I shall be liable to be punished under the provisions of the law. I have also been cautioned that my statement can be used as evidence against me or against anybody else in any proceeding under the Foreign Exchange Management Act, 1999 or any other Law. With due understanding of the above facts, and the provisions of Law, and fully understanding my responsibility there under, I proceed to give my true, correct & voluntarily statement under oath as under:-

Devi
30-9-2010

Oath administered

J 30/09/10

Oath taken

My full name is Mr John Marsden Loffhagen. I am residing at the above mentioned address. I am Senior Vice President and Director of Legal Services in M/s International Management Group situated at the above mentioned address. I have been working with this organization since 1998. IMG is a Sports and Media Marketing company involved in

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the commercialization and creation of Sport properties. On being asked by you regarding the activities of IMG group in India, I state that we have recently formed a joint venture with Reliance Industries Ltd (Mukesh Ambani Group) under the name of IMG Reliance Pvt Ltd. Our parent company i.e International Merchandising Company, USA has a branch office in Mumbai. The activities of the said company are event management for Lakme Fashion, Chennai Open Tennis and Avantha Masters Golf. On being asked by you further I state that in respect of Indian Premier League, IMG, UK was contracted by BCCI to develop the idea of city based professional cricket league. IMG was responsible for the sporting and commercial modeling of the leagues, producing the legal structure and contracts. IMG was also responsible for implementing the league and through IMG Media Limited, producing the television coverage of the league. On 13.09.2007 IMG entered into a contract (MOU) with BCCI for providing certain services to BCCI for the IPL. Under the MOU, the services included conducting research, structure of the tournament, rules and regulations of the tournament, preparation of franchise tender documents, preparation and execution of marketing strategy and management of tender process. The Indian Branch office of IMC was providing assistance to IMG, UK in booking tickets, hotels and man power. On being asked I state that I was the Director of Legal Services of IMG for IPL since the start of IPL in 2008 and my main responsibility was for non-media related contracts etc. The other "directors" of the company for IPL are Mr. Peter Griffiths for operations and Mr. Andrew Wildblood for overall supervision and commercial aspects. Mr Paul Manning (Manager) was looking after the drafting of the Media Rights agreements. During IPL seasons, 35-40 persons including 50% of freelancers used to work under us to manage the event. On being asked I state that I have had interactions with Mr. Lalit Kumar Modi and Mr Sundar Raman and I used to take instructions from them.

Q1: What is non-media contract as stated by you above?

A1: A non media contract is one which does not principally relate to media rights of varying kinds (tv, radio etc). Examples of non media contracts would be franchise agreements, sponsorship and supply agreements.

Q2: What are the legal documents you had prepared for IPL?

D. K. Modi
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A2: I prepared a number of documents including the franchise tender documents, franchise agreements, various sponsorship contracts, the player contracts, the rules relating to the tournament itself, various documents relating to the player auctions (auction agreements, auction rules), licensing agreements. There may be others but these are the main ones I recall now.

Q3: Did you participate in the tender for the franchise in 24th January 2008?

A3: Yes I did.

Q4: In what capacity did you participate in the tender process referred to above?

A4: I drew up the relevant documents (tender, franchise agreement and accompanying schedules) in conjunction with my colleagues at IMG and with instructions from IPL. I assisted in the response to queries received from potential bidders and I attended the meeting at which the bids were opened and franchises awarded. At that meeting, I was supposed to be checking certain supporting documents delivered by bidders as part of their bids. I tried to do so to the best of my ability but there was insufficient time to do this fully. This was explained to IPL at the time.

Q5: Please narrate the sequence of events on 24/01/08 in the meeting of the Governing Council (GC) held for opening of the bids.

A5: The sequence was as follows:

bidders arrived with their bids (comprising two envelopes, A and B). These were delivered to BCCI and placed at the back of the room where the meeting took place (Cricket Centre, Mumbai). Prior to the process commencing under which the bids would be opened there was a question about the eligibility of three bids. I recall that the issue related to the time at which they had paid their performance deposit. Mr. Modi asked me to explain whether BCCI was obliged to accept such bids or whether they could be rejected. I explained that under the tender document (ITT) BCCI had the discretion to accept or reject such bids. Accordingly Mr. Modi announced that the bids were rejected. I do not recall now whose bid these were. The envelopes marked A were then opened and I tried to check all documentation but prior to my being able to do so^{re} fully (there was voluminous documentation) the envelopes B were opened and the franchises were subsequently awarded.

Q6: Please state what were the documents available in envelope A.

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A6: As far as I recall envelope A contained the Letter of Eligibility and Affidavit which had been scheduled to the ITT (duly completed by the bidders) and details of the bidding entity (shareholders, directors etc).

Q7: Were you required to examine the bid documents and certify whether the bids were proper or not?

A7: I was asked by Mr.Lalit Modi to examine the bid documents as explained above. The purpose of this examination was to seek to ensure that the bid documents complied with all relevant requirements as laid down in the ITT.

A8: What did you check up in the envelope A of the bid documents?

A8: I looked at the as many of such documents contained in envelope A referred to in Answer 6 as the time allowed.

Q9: On examination of envelope A of the bid documents did you find any bid incomplete or improper?

A9: I did not have sufficient time to thoroughly examine the documents. From the preliminary examination of the documents I did not see anything which I thought was either incomplete or improper.

Q10: How was it decided that the 11 bids which were finally opened, were complete in all respects and performance deposit was paid by them within the stipulated time?

A10: I did not check whether payment was made by the bidders within said stipulated time since the performance deposit was to be paid to BCCI. I understand this would have been checked by BCCI and they would have informed Mr Lalit Modi about receipt of the performance deposit for the tender.

Q11: What was the role of the members of the GC in the meeting for opening of the franchise bids?

A11: The entire meeting was conducted by Mr Lalit Modi. I don't recall any other member taking any active part.

Q12: Who decided the structure regarding the opening of the bids and the conduct of the tender?

A12: Mr Lalit Modi conducted the meeting and the structure and modality was decided by him.

D. Modi
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(Signature)

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Q13: Clause 7.1 of the ITT required the bidder to make payment of the performance deposit 48 hours before the submission of any bid. Did you check up whether the performance deposit was paid by the bidders?

A13: It was not my role to check whether this payment was made or not.

Q14: Who checked up whether the performance deposits were paid by all the bidders?

A14: Somebody from IPL must have done so. I did not check this.

Q15: All the bidders were required to submit the eligibility letter and affidavit in one envelope labeled as envelope A along with supporting documents. The eligibility letter as prescribed under schedule 3 of the ITT required many details to be filled up including the details of the performance deposit paid. Did you check up the correctness of the bids in respect of payment deposit?

A15: I could not read all the documents because there was insufficient time. As far as the performance deposit is concerned IPL was supposed to confirm whether the same was paid or not.

Q16: Who were all present in the meeting when the bids were opened?

A16: Andrew Wildblood, Peter Griffiths and I from IMG. The bidders were there and Mr Lalit Modi from BCCI. I don't know the identity of the other officials of BCCI who were present.

Q17: What was the role of Mr. Lalit Modi in the meeting?

A17: He was conducting the meeting.

Q18: As per the clause 3.13 and &.2 of the ITT each bidder was obliged to enter into the franchise agreement and to deliver it to IPL as part of its bid. Was the franchise agreement submitted as part of the bid by all the bidders?

A18: I believe that this was the case, yes. Certainly this was the case for the 8 successful bidders.

Q19: Were the franchise agreements signed by the BCCI with the same parties who had signed the franchise agreement submitted along with the bid?

A19: What happened was that the form of the franchise agreement submitted by the bidders (which was as per the ITT) subsequently changed slightly. I cannot recall if BCCI signed the actual franchise agreements delivered on 24th January 2008 by bidders. I do know that BCCI signed the amended franchise agreement with the franchisees. In some

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cases the franchisee was the same party as originally delivered the bids. In some cases the bidder put forward a different entity which became a party to the franchise agreement which was signed in late March/early April 2008. Bidders had been informed that, subject to certain criteria, they could use such different entities.

Q20: Please state why the franchise agreement was subsequently changed slightly.

A20: The only change I recall was an alteration to the payment provision relating to the franchise fees to be paid by franchisees. This was made under instruction of BCCI. In this amended document the payment terms were detailed.

Q21: What is your role in connection with IPL season 2, held in South Africa?

A21. My role was much the same as for season 1 (drafting of non media documents). This also included preparing a draft of the agreement between BCCI and Cricket South Africa (CSA).

Q22: What were the third party contracts signed by BCCI per season 2 (meaning not including contracts between BCCI and IMG)?

A22: I am not sure how many such third party contracts were actually signed by BCCI in season 2. I prepared a number of draft contracts including the following:

1. The above-mentioned contract with CSA.
2. A contract with the official hotel.
3. A contract with the proposed ticket company.
4. A contract with a Public Relations/advertising company of some sort.
5. A security contract.
6. A hospitality related contract (being in relation to the provision of catering at matches including associated staff, décor, signage and printed materials and other items as per Annexure A to the relevant contract.

Q23: How were the payment terms and conditions decided in respect of the above-mentioned contracts?

A23: I took instructions from BCCI.

Q24: Please give the names of the persons of BCCI who were giving such instructions to you.

A24: I recall dealing with Lalit Modi, Prasanna and Sundar Raman.

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Q25: How were the payments made in respect of the third party contracts stated above for IPL season 2?

A25: I don't know. I did not deal with actual payments/collections.

Q26: Please state whether any expense was incurred by IMG on behalf of BCCI in season 2? If so, whether IMG received back the amount from BCCI.

A26: I don't know. This was not something I was involved in.

Q27: Please state who had drafted the BCCI and player contracts.

A27: BCCI prepared the initial MOUs signed with players. I drafted some agreements which were designed to replace these MOUs.

Q28: In some agreements BCCI has guaranteed the payments to the player by the franchise. Please state on whose instructions this clause was inserted in the agreement.

A28: The request for such guarantee came from one of the players' agents. This was agreed to by Mr Modi. Accordingly as per the instructions of Mr Modi this clause was inserted in the agreement.

Q29: Please state how were you receiving instructions from Mr. Modi and others of BCCI during the drafting of the contracts/agreements?

A29: Sometimes in face to face meetings, sometimes over the phone and sometimes by email.

Q30: Please furnish copies of such emails.

A: I will furnish the same to you within 15 days.

On being asked by you I state that I was called by the Disciplinary Committee of BCCI in connection with the proceedings against Lalit Modi. I had given my written statement to the hearing. I am furnishing a copy of the same to you.

Whatever stated on pages 1-7 are true and correct. The same are stated without coming under any pressure or threat.

Before me
 Dated
 30-9-2010

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JOHN MARSDEN LOFFHAGEN