



GARY GALYEAN'S GOLF LETTER®

THE INSIDE REPORT ON WORLD GOLF

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Dear Subscriber:

Discovery

Agreement Between Professional Tours Permits Them to Avoid What They All Want Least

WHY NOW? Why so fast? Why so secret?

The June 6 signing of an agreement between a few of professional golf's tour insiders proposing a merger of the P.G.A. Tour, the DP World Tour [European Tour], and LIV Golf is not the product of sound, strategic corporate planning. It is a farrago of three years of stupid money, lawsuits, censorship, trash talking, disappointing television streaming contracts, self-righteous aggrandizement, slapstick hypocrisy, and consorting with two less-than-desirable governments — one of which is preparing its military for a “major test of high winds, choppy waters, and even dangerous storms” against the U.S. as these columns are being written.

As Howie Carr, the Boston radio personality, offers when observing sanctimonious political situations, “If we didn't have double standards, we wouldn't have any standards at all.”

His Excellency Yasir bin Othman Al-Rumayyan, age 53, [King Faisal Univ; Harvard Bus.] governor of the Saudi Public Investment Fund (PIF), was moved to the merger agreement by the fear of legal discovery if deposed in federal court, on U.S. soil, and the possibility of such a deposition going in uncontrollable directions that would reveal details about things he would rather not have discovered.

P.G.A. Tour Commissioner Joseph William “Jay” Mo-nahan, age 53, [Trinity; Amherst] was moved to the agreement by the same fear of discovery while being deposed

in federal court and having to produce details of failed or questionable tour business, staff, and player dealings.

On April 4, 2023, U.S. District Judge Beth Labson Freeman issued two sealed orders from her bench in the Northern District of California:

- The first order granted the P.G.A. Tour's request to depose the Kingdom of Saudi Arabia's PIF, as well as PIF's governor, Mr. Al-Rumayyan, in the U.S. instead of Saudi Arabia. A lower court decision had allowed the depositions of the Saudis to take place in Saudi Arabia.

- The second order denied PIF and its governor's motion objection to a lower court's authorizing the P.G.A. Tour to subpoena PIF and Mr. Al-Rumayyan under any circumstances. The judge required the Saudi parties to testify at depositions, and share e-mails and other sensitive materials.

Prior to Judge Freeman's orders, the P.G.A. Tour made the argument that the tour and its counsel would be endangered if forced to take discovery from PIF officials, specifically Mr. Al-Rumayyan, in Saudi Arabia where perceived criticism of the government can be punished by prison time.

Additionally, the P.G.A. Tour argued that Mr. Al-Rumayyan “regularly transacts business in New York”. The Saudi Arabian side insisted that to force him to testify or be deposed in the U.S. would be a violation of the Foreign Sovereign Immunities Act, as Mr. Al-Rumayyan holds the rank of Saudi minister and is called by the honorary title “His Excellency”. Judge Freeman's counter argument was that Mr. Al-Rumayyan's relationship to LIV is commercial not governmental.

You may remember Judge Freeman from last Au-

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Pondering the Tours' Proposed Merger

123rd U.S. Open

gust when she denied three LIV players' requests for a restraining order that would allow them to play in the 2022 FedEx Cup playoffs. Their argument was that not appearing in the play-offs would cause them to suffer financial and reputational losses. In her decision then, quoted by THE LONDON DAILY MAIL, Judge Freeman wrote:

Plaintiffs contention that they will irreparably lose future sponsorship opportunities and career status is undermined by Plaintiffs' evidence that LIV Golf offers a refreshing new extremely fan-friendly business model that will lead to an improved broadcast output and entertainment experience compared to the staid old golf world built by the P.G.A. Tour. If LIV Golf is elite golf's future, what do Plaintiffs care about dust-collecting trophies of a bygone era?

In November 2022, as reported by Bloomberg, Mr. Al-Rumayyan maintained that "there is no court in the United States with jurisdiction" over him and or the PIF.

Between the lower court's order and Judge Freeman's April 2023 orders, Mr. Al-Rumayyan's attorneys, in an amicus brief, stated that the lower court judge's order was "an extraordinary infringement on the sovereignty of a foreign state".

Judge Freeman disagreed and supported the idea that Mr. Al-Rumayyan regularly does business in New York. By his own admission and appearances, Mr. Al-Rumayyan has transacted business in New York City, Bedminster, N.J., various places in Florida, and San Francisco.

Should Mr. Al-Rumayyan choose not to appear, testify or comply with Judge Freeman's order it would raise considerable difficulties for Mr. Al-Rumayyan and LIV when attempting to transact business in the U.S. and may hinder his ability to enter the U.S. in the future.

So, the proposed merger would end all contested litigation between PIF and the P.G.A. Tour — as both parties have touted in the announcement of their agreement — and removes their mutual fear of depositions, ensuing discovery, and embarrassing complications.

In his masterpiece BLEAK HOUSE, Charles Dickens presents the lawsuit of Jarndyce and Jarndyce. Mr. Dickens proceeds to the following advice for his readers:

Suffer any wrong that can be done to you, rather than come here.

Money

For his part, Mr. Monahan has the added motivation to make this deal because of the tour's rising expenses, falling revenues, and a long-term indication that this

trend is not going to change. This past January, the tour and the Discovery Channel (now part of Warner Bros.) agreed to re-negotiate their 2018 20-year agreement giving Discovery the international rights to stream P.G.A. Tour tournaments in exchange for \$2 billion. GolfTV was created by Discovery for this purpose but was shut-down last December and all content presumably moved to other platforms. The comment was made that the 2018 agreement no longer made sense. The streaming market has apparently become increasingly competitive.

However, in March of last year, the tour entered into a nine-year agreement for *domestic* U.S. streaming rights with Disney and ESPN+.

The overall decrease in world-wide streaming revenue coupled with rising purses, player bonuses, the loss of some leading players to LIV, tournament sponsors disgruntled by rising production costs, and the breathtaking expense of continued legal action against the PIF put Mr. Monahan into a financial corner that gave him this second reason to merge (settle).

The question has been asked, however, why the PIF is considered the only party with whom the P.G.A. Tour could make this deal? Certainly the PIF would be the fastest because of their liquidity and their desire for golf ownership and control. But there are others in this country who might be interested. By example, the N.F.L.'s Washington Commanders just reportedly sold for a record \$6 billion to "a group that includes Wall Street billionaires and N.B.A. legend Magic Johnson".

It was Mr. Monahan a year ago who said that P.G.A. Tour golf fans and partners "are surely tired of all this talk of money, money and more money". When they say it isn't the money—it's the money.

So the proposed merger makes legal discovery go away and money flows. Pragmatically, each party assumes the role they have criticized in the other over the past two years. We are reminded (again) of Groucho Marx's insightful comment, "Those are my principles, and if you don't like them ... well, I have others."

Antitrust

Three days after the announcement of the proposed merger, writing for THE WALL STREET JOURNAL, Louise Radnofsky and Andrew Beaton made the point that the P.G.A. Tour's antitrust problem will not go away with the LIV merger. Indeed, the arguments made by LIV "left a trail of antitrust landmines that they now have to defuse".

For the past year, LIV's argument has been that the P.G.A. Tour is a monopoly and that LIV's tournaments

dilute the tour's monopoly to the betterment of golf business. Continuing that line of thinking, would not joining LIV and the P.G.A. Tour make the resulting organization an even stronger monopoly?

Last July (2022), judicious observers offered the opinion that the Department of Justice's antitrust inquiry of the tour came so close to the events of the P.G.A. Tour and LIV struggle and President Biden's August trip to Saudi Arabia that the Biden administration may have sought to curry favor with the Saudis by invoking the D.O.J. investigation of the P.G.A. Tour's actions.

If that were the case and the merger were to be approved by the respective players and policy boards, the Saudis might have the sway with the President to move the D.O.J. to now hold off.

Damage

For the past century—certainly since the advent of television—the professional golf tours have ridden the coattails of more than 500 years of amateur golf traditions that produce mannered sportsmanship, propriety, and self-regulation.

The qualities that most golfers worldwide respect about the game were the result of the behavior of amateurs who created, extended, and protected them.

To ascribe them to the tour professionals we watch on television and in person is a fallacy. The tour players we watch are simply professional athletes who strike golf balls for money. The mantra(s) of growing the game, pace of play, distance control, etc. are just so much public relations tripe, as we can now see clearly. Tour golf professionals do not care about those things. For decades it has only been about the money. Once again, when they say it is not just about the money—it is about the money.

Perhaps it is easier to understand the behavior signaled by the proposed merger if we think of tour golf professionals as professional wrestlers. Then the appeal and importance of the traditions and integrity the tour players feign fall away, and the money and bad behavior stand alone stripped of the obstruction created by valuable traditions they have had nothing to do with.

Survivors

Which of the panjandrums of the proposed merger will ultimately survive? Of the inner circle we know to have been involved in the seven-week negotiation that moved between both U.S. coasts, London and Venice - Mr. Al-Rumayyan, Mr. Monahan, Edward J. Herlihy (P.G.A. Tour Policy Board Chairman), and James J.

Dunne (P.G.A. Tour Board Director) - only Mr. Al-Rumayyan is certain to hold his position. The other shadchens will be measured by what comes next—all the details of operation, branding, money, authority, and regulation that no one has a clue about as yet.

The proposed merger will have to be supported by the players and sponsors, and approved by the policy boards of the various tours and entities including, among others, the P.G.A. Tour Series-China which has a 20-year agreement with Beijing-based Shankai Sports, which is supported by the Chinese Communist Party.

None of these things affect the game millions of us play or what emanates from the 30,000 club professionals who teach and accommodate us in the U.S. alone. The tour professionals have nothing to do with us except that we pay for what they do by watching television and buying equipment.

Golf for the very few chosen millionaire professional tour golfers and their administrators may be their *Golf in the Kingdom*. However, theirs will not be the Kingdom of Fife, rather the Kingdom of Saudi Arabia. 🇸🇦



Royal Liverpool Golf Club 151st Open Championship - July 20-23

Year	Winner	Score				Total	Winner's share (£)
		R1	R2	R3	R4		
1897	Harold Hilton (a) ^{2nd}	80	75	84	75	314	Am (30)
1902	Sandy Herd	77	76	73	81	307	30
1907	Arnaud Massy	76	81	78	77	312	30
1913	J.H. Taylor ^{5th}	73	75	77	79	304	50
1924	Walter Hagen ^{2nd}	77	73	74	77	301	75
1930	Bobby Jones (a) ^{3rd}	70	72	74	75	291	Am (100)
1936	Alf Padgham	73	72	71	71	287 (-9)	100
1947	Fred Daly	73	70	78	72	293 (+21)	150
1956	Peter Thomson ^{3rd}	70	70	72	74	286 (+2)	1,000
1967	Roberto De Vincenzo	70	71	67	70	278 (-10)	2,100
2006	Tiger Woods ^{3rd}	67	65	71	67	270 (-18)	720,000
2014	Rory McIlroy	66	66	68	71	271 (-17)	975,000

P.G.A. Tour, DP World Tour & LIV Golf Timeline of Important Events

- 1968 P.G.A. of America (Players Division) splits away from club pros to form the P.G.A. Tour
- 1984 P.G.A. European Tour organized
- 1989 Dubai Desert Classic first played
- 2001 September 11th attacks; 19 Al-Qaeda Saudi terrorists, 4 planes, 2,996 dead
- 2009 P.G.A. European Tour “Order of Merit” replaced by “Race to Dubai”
- 2012 until 2015 Al-Rumayyan chairs Saudi Aramco - world’s most valuable company - \$1.7 trillion
- 2015 Al-Rumayyan leaves Aramco, made governor of Saudi Public Investment Fund \$600 billion value
- 2017 Jan - Monahan becomes P.G.A. Tour’s fourth commissioner
Dec - P.G.A. Tour enters 20-year agreement for China Series endorsed by Chinese Communist Party
- 2018 P.G.A. Tour and Discovery contract 12-yr \$2 billion international streaming agreement
- 2020 Jan - Premier Golf League (LIV) format is set by Saudi interests
Monahan informs P.G.A. Tour players they cannot play for both LIV and the P.G.A. Tour
Nov - P.G.A. Tour and P.G.A. European Tour enter strategic alliance
- 2021 Oct - Greg Norman named LIV Golf CEO
Nov - P.G.A. European Tour retitled DP World Tour
Nov - “Race to Dubai” re-branded “DP World Tour Rankings”
- 2022 Mar - LIV 8-event, \$225 million series unveiled
Mar - P.G.A. Tour and CBS enter 9-yr domestic streaming agreement with Disney and ESPN+
Jun - LIV first event. P.G.A. Tour members playing are suspended from P.G.A. Tour
Jul - Henrik Stenson removed as European Ryder Cup captain after joining LIV
Aug - 11 LIV players file antitrust suit against P.G.A. Tour
Judge Freeman denies players demand to play in FedEx Cup playoffs
Oct - P.G.A. Tour files suit against PIF and its governor, Al-Rumayyan
Nov - Al-Rumayyan states his refusal to testify or appear in US court
“DP World Tour Rankings” reverts to “Race to Dubai” (to begin in 2023)
Dec - GolfTV (Discovery’s streaming product) shut down.
- 2023 Jan - P.G.A. Tour adds PIF to its suit against LIV for interfering with its player contracts
Jan - P.G.A. Tour and Discovery [now part of Warner Bros.] re-negotiate their 2018 agreement
Mar - Al-Rumayyan sites “infringement of sovereignty” as to why no U.S. court has authority over him
Apr - Judge Freeman upholds lower court ruling the P.G.A. Tour can depose Al-Rumayyan and can do so in the U.S. rather than Saudi Arabia
Arbiter upholds DP World Tour fines for LIV players in violation of the tour’s rules of conduct
Jun - P.G.A. Tour, European Tour, and LIV sign agreement to propose a merger of the three
Jun - Congress to investigate P.G.A. Tour/LIV proposed merger
Jun - Xi Jinping instructs military to prepare for “dangerous storms”
Jun - Senators press D.O. J. to investigate P.G.A. Tour/LIV proposal to merge
Jun - Monahan with a medical condition steps away from P.G.A. Tour operations

IN LIGHT OF WHAT was written immediately before this piece, is it ironic but hardly surprising that the prominent pre-U.S. Open statement read by U.S.G.A. C.E.O. Mike Whan announced an increase in the championship purse to \$20 million — the largest in major championship golf?

The next disappointing action by the U.S.G.A. was the course set up that allowed for more birdies and two players reaching the U.S. Open low round total of 62 (8 under).

These two developments were too methodical to be considered coincidental or unintentional. They seem more likely to reflect a new approach by the C.E.O., who began his business career at Proctor & Gamble, where he rose to the position of director of marketing for oral care products. Give the U.S. Open money and birdies, like Commodus' servants flinging loaves of bread to the mob before gladiator contests in Rome's Colosseum.

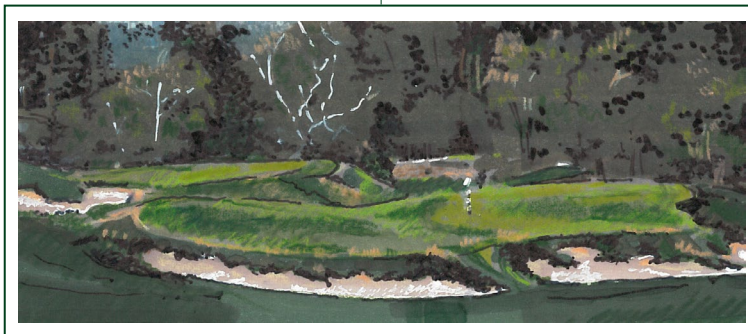
Los Angeles C.C.—chosen well before Mr. Whan arrived on station—illustrated as well as any of golf's early 20th century designs just how devastating equipment and ball development has been to the courses of that era. For example, the opening hole, a 585 yard par-5, demanded only a driver and an 8-iron from Rory McIlroy. Other holes presented blind tee shots, generous fairway widths, or adjacent teeing grounds of other holes that made driving less difficult than most U.S. Open venues.

For round one the hole locations were cut in easily reached places, thus the low scoring. For the following rounds, in which the U.S.G.A. attempted to regain its dignity, the hole locations offered confused lines of play.

The back nine of the fourth round—450 yards longer than the front—produced great competitive moments between Wyndham Clark and Mr. McIlroy. Both men took 36 strokes on the final nine, which turned out to be one too many for Mr. McIlroy. Both showed the tenacity and talent necessary to contend at this highest level.

In hindsight it can be seen that the 14th hole (a 612 yard, par-5) can be credited with making the one stroke difference. It was only the second green missed in regulation on Sunday by Mr. McIlroy. He drove to the left rough, pitched out, and then his third shot fell short of the green and embedded in the grassy face of the front,

greenside bunker. Fortunately it was not in the bunker, and he could take free relief for an embedded ball. He chipped well but two-putted from 10 feet for his only bogey on the back nine.



TAG GALYEAN. LOS ANGELES C.C. [NORTH] No. 11

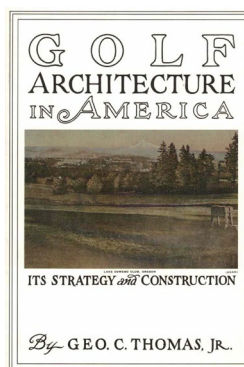
Playing in the last pairing just behind Mr. McIlroy, Mr. Clark's drive found the fairway from where he played a truly magnificent 282 yard second onto the green, 21 feet from the hole. He two-putted for birdie and took a three

stroke lead over Mr. McIlroy to the 15th tee.

Mr. Clark burned two of his three lead strokes with bogeys at the 15th and 16th holes. With *torschlusspanik* - the fear that the time to act is running out - closing in, he pulled himself together for pars at the final two holes to win the 123rd U.S. Open by one over Mr. McIlroy. ♣

GEORGE C. THOMAS, JR. (1873 - 1932), the rose-growing Philadelphian and architectural genius behind Bel-Air, Los Angeles-North, Riviera, and Ojai, if he were watching the 2023 U.S. Open, would have been politely appreciative of the extravaganza.

Perhaps, after it ended, he would tame his astonishment at the distances, heights, and control today's players maintain over their golf balls. He might muse to himself that, under such advantageous circumstances, another of his designs—Riviera C.C.—would have been a better test for players of this extraordinary talent.



IN GOLF ARCHITECTURE IN AMERICA - ITS STRATEGY AND CONSTRUCTION, Mr. Thomas wrote:

Golf is a game of balance. A thinker who gauges the true value of his shots, and is able to play them well, nearly always defeats an opponent who neglects to consider and properly discount his shortcomings.

Mr. Thomas' observation of human behavior as it pertains to sport remains as steadfast today as it was the day that he wrote it. He might think to himself that as astonishing as the advancement of golf's equipment has been, it was more demanding and pleasing in his day. ♣

2023 U.S. Open Championship Top Three Finishers

72 HOLES

	EAGLES	BIRDIES	BOGEYS	DOUBLE BOGEYS+	FAIRWAYS HIT	GREENS IN REG.	SAND SAVES	PUTTS PER HOLE
Clark	1	19	11	0	71% ²⁴	69% ^{T9}	75% ³	1.66 ^{T3}
McIlroy	0	17	8	0	75% ^{T14}	81% ¹	33% ^{T39}	1.81 ^{T42}
Scheffler	1	16	11	0	69% ^{T25}	68% ^{T4}	33% ^{T39}	1.75 ^{T21}

Thursday Start, Odds

PT		
8:13	Scheffler	+700
8:24*	Rahm	+1100
1:54	Keopka	+1200
3:37*	McIlroy	+1400
3:48*	Cantlay	+1800

* 10th tee start



Friday Start, Odds & Results

Rd 1	PT			36 holes
-8	1:32	Fowler	+650	-10
-8	1:54	Schauffele	+300	-8
-6	8:02	D. Johnson	+800	-6
-5	8:29*	McIlroy	+500	-8
-3	1:43*	Scheffler	+650	-5

* 10th tee start

Par 3s ALL ROUNDS

	4 th	7 th	9 th	11 th	15 th	TOTAL
Clark	E	E	E	+1	+1	+2
McIlroy	+2	-1	-1	+1	-1	E
Scheffler	E	+1	-1	+1	E	+1

Par 5s ALL ROUNDS

	1 st	8 th	14 th	TOTAL
Clark	-4	-1	-3	-8
McIlroy	-4	-2	E	-6
Scheffler	-1	-2	-1	-4

Saturday Start, Odds & Results

36 holes	PT			54 holes
-10	3:40	Fowler	+333	-10
-9	3:40	Clark	+650	-10
-8	3:29	McIlroy	+300	-9
-5	2:56	Scheffler	+650	-7

Sunday Start, Odds & Results

54 holes	PT			Final
-10	2:30	Fowler	+275	-5
-10	2:30	Clark	+300	-10
-9	2:19	McIlroy	+225	-9
-7	2:19	Scheffler	+400	-7



For Y.O.R., J.W.M, E.J.H., J.J.D.:

"It is our choices, gentlemen, that show what we really are far more than our abilities."

TED LASSO quoting "the great U.C.L.A. basketball coach John Obi-Wan Gandalf [Wooden]" who was quoting J.K. Rowling

Yours vy truly,

Gary A. Galyean
Editor & Publisher

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