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SPORTS BUSINESS

What's in a Name? A Mets-Citi Bond

By [RICHARD SANDOMIR](#)

When [Citigroup](#) bought the rights to put its name on the [Mets](#)' new ballpark two years ago, the global financial giant and some of its top executives were quite familiar to [Fred Wilpon](#), the principal owner of the Mets and a real estate developer.

Lewis B. Kaden, a Citi vice chairman, was in private legal practice when he counseled the Mets during the 1994-95 players' strike. He later represented Wilpon in his contentious buyout of the team from his former partner, [Nelson Doubleday](#). Citi was also a banker for the team and eventually the lead underwriter of the bonds for the new ballpark.

Wilpon's friends also include [Sanford I. Weill](#), who created Citigroup as a financial services supermarket, and [Charles O. Prince III](#), who resigned under pressure as chairman last year as the economy started to crater and Citi's profits began to erode.

The Mets turned to Citi, not [Bank of America](#) or [JPMorgan Chase](#), reasoning that as a New York-based company with global scope, it would covet the 20-year, \$400-million deal, which could be extended by 15 years, and be able to keep a competitor out.

For a company with \$89 billion in revenue in 2006, what was \$20 million a year?

"We are convinced that Citigroup has just won the World Series of sports sponsorships," Kaden said at the November 2006 news conference to announce the agreement — a day when the company's stock closed at \$50.69 a share (it traded below \$8 last week). "We love the Mets."

Only a month earlier, Citi announced quarterly net profits of \$5.5 billion.

Two years later, Citi has lost tens of billions of dollars and laid off tens of thousands of its employees because of systemic problems that were lurking as Citi celebrated its deal with the Mets. Kaden — a friend of [Robert E. Rubin](#), a Citi director and a former Treasury secretary — oversaw the work of the company's former senior risk officer. And The New York Times reported that the risk officer did not properly police trading and lending excesses.

Last week, the government came to Citi's rescue with a stabilization plan that includes backing

\$306 billion in mostly real estate assets, agreeing to absorb potential losses on that portfolio, as well as buying \$20 billion in Citi preferred stock.

Banks are well represented in the universe of naming rights — from Bank of America and [Wachovia](#) to Chase, Citizens Bank and TD Banknorth — but those deals did not go into effect during a dire economy or cost nearly as much as the record sum that Citi is paying (which was matched by [Barclays](#) in its deal for [the Nets](#)' arena in Brooklyn).

Without falling into bankruptcy, Citi could not seek to abrogate its deal. It was only in federal bankruptcy court that the [Houston Astros](#) got the name of the felonious energy company [Enron](#) off its stadium, but it cost them a \$2.1 million buyout fee.

The Mets are standing by Citi, and Citi is standing by the Mets.

“It’s a binding agreement,” Kaden said in a brief interview, “and a good deal” that still fits Citi’s local and global marketing and philanthropic goals.

The Mets want Citi to stay alive and healthy. Given the economy, it is unlikely that another company would pay close to Citi’s \$20 million. The team would not be so charitable as to let Citi walk if Citi pleads that it needs to conserve cash. The Mets and Citi do not want the stadium to be known as The Ballpark Formerly Called Citi Field.

During a tour of Citi Field on Tuesday, Jeff Wilpon, the Mets’ chief operating officer, said it was “good business and the morally right thing for both of our companies to be together and for us to help Citi and for Citi to help us.” He defended Citi’s need to continue to sell itself. “The day they stop advertising,” Wilpon said by telephone. “It’s like [McDonald’s](#) stops and Burger King passes you buy.”

Last year, Citi spent \$2.9 billion on advertising and marketing.

The propriety of Citi’s record naming rights deal starting just as it needs a huge federal safety net poses a serious public relations challenge, especially if it is perceived that taxpayers are financing the naming rights.

“The public has its nose in the air about this kind of stuff,” said Charles Geisst, a financial historian and professor at [Manhattan College](#). “Whether or not the naming rights money is coming from taxpayers or not, it looks like it does.”

Robert Passikoff, the president of the research firm Brand Keys, said its study of customer loyalty to banks, surveyed in September, showed Citi last among the seven assessed.

“It’s bad karma,” he said of the deal between Citi and the Mets. “What can the Mets do about it?”

More to the point, it's what Citi needs to do. I see a lot of free tickets in customers' futures.”

If the economic crisis eases and Citi does not need more propping up, the naming rights flap might fade. Citi should help that along by educating fans and expanding the community relations programs that are part of the naming rights deal.

Steve Greenberg, a managing director at Allen & Company, who brokered the deal for the Mets, said the deal had generated considerable attention for Citi.

“It's probably overdelivered on what the naming deal would do for marketing and exposure,” he said. “And that's before [ESPN](#) ever says, ‘Now to the action at Citi Field.’ ”

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