



GOLDEN GATE YACHT CLUB

#1 Yacht Road, San Francisco, California USA 94123

Statement

New York, NY, July 14, 2009 – At Golden Gate Yacht Club’s request, today the Supreme Court of the State of New York issued an order directing the defender, Société Nautique de Genève (SNG), to show cause why it should not be held in contempt of court for failing to comply with the America’s Cup Deed of Gift by denying GGYC its rights, as the next America’s Cup challenger of record, as detailed in the Order and Judgment.

Specifically, to date SNG has refused to affirm its sailing regulations and rules to GGYC as required by the Deed. To make matters worse, SNG said that it may change the rules in the future without GGYC’s consent, including the rules governing construction of the competing vessels. Further, it has entered into a secret agreement with the International Sailing Federation (“ISAF”), the organization which will have a central role in selecting match officials and sailing jury.

“Once again, Alinghi seems to believe the Deed and other rules do not apply to them,” said GGYC spokesman Tom Ehman. “As we said in our court brief today, the prejudice to GGYC is manifest. For example, SNG has proclaimed the intent and authority to construct its competing vessel with engines to trim sails and movable ballast, each now banned by the ISAF rules, and then announce a change in those rules that permits them. In designing its competing vessel, GGYC was compelled to rely on the ISAF rules which prohibit engines and movable ballast.”

In early April the New York State Court of Appeals, in a unanimous 6-0 ruling, held that GGYC is the rightful challenger, and that the next match would be in early February 2010.

The Deed of Gift provides that the Cup match “shall be sailed subject to [the defender’s] rules and sailing regulations so far as the same do not conflict with the provisions of this deed of gift.” The Deed also explicitly provides that the defender’s “rules and sailing regulations” for the match may only be modified through mutual consent of the defender and challenger.

At the time of GGYC’s challenge on July 11, 2007, SNG’s “rules and sailing regulations” were those of the International Sailing Federation (“ISAF”), including the ISAF Racing Rules of Sailing (“RRS”) that then and now govern major sailing events. These rules apply “so far as the same do not conflict with the provisions” of the Deed.

However, by letter to GGYC dated April 23, 2009, SNG for the first time claimed the right to change the rules for the match at anytime without mutual consent.

But SNG did not stop there. An ISAF Executive Committee member has acknowledged that on June 5, 2009, SNG (or its racing team Alinghi) paid ISAF €150,000 pursuant to a secret agreement making certain arrangements concerning ISAF's role in, and the "rules and sailing regulations" for, the next Cup match.

Neither ISAF nor SNG/Alinghi will disclose the secret agreement to GGYC. Especially in light of ISAF's central role in selecting the match officials and sailing jury, such collusive secrecy is unacceptable and violates SNG's fiduciary duty to GGYC as the challenger of record and trust beneficiary.

The court scheduled a hearing for Tuesday, July 21 at 10 a.m.

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Editor's Note: For additional background, please go to www.ggyc.com.

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