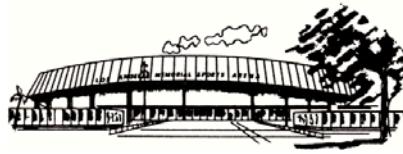


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April 12, 2012

The Honorable Wendy Greuel
City Controller
City of Los Angeles
200 N. Main Street, Suite 300
Los Angeles, CA 90012

Dear Controller Greuel:

This letter provides comments on the draft report regarding the Coliseum Commission and its internal financial controls that your staff shared yesterday with John Sandbrook, interim General Manager, and Greg Hellmold, interim Director of Finance.

As you know, John and Greg worked diligently on a weekly basis with the City Controller team since last October, sharing with them the Commission's findings and discoveries, and providing your staff with regular updates about the various corrective steps being implemented.

We regret very much that you declined our offer to join you in a public announcement of this report. As you well know, many of your findings were based on information the Coliseum Commission has been assiduously collecting since July 2010. Many of the statements in your report also refer to the corrective strategies that have been underway for many months under the aegis of the Commission's ad hoc committee on audit and policy compliance, which was created and appointed by us.

The Coliseum Commission fully acknowledges that, in the past, insufficient oversight was applied to the former managers of the Coliseum. The Commission accepts its responsibility and embraces its role in instituting change and preserving the Coliseum for generations to come.

In July 2010, when the first allegations of impropriety were brought to our attention, the Coliseum initiated a full and complete investigation. That work was conducted and supervised by our in-house counsel, the Los Angeles City Attorney and the Los Angeles County Counsel.

Within months, the Commission forced the resignation of its senior managers and developed a thorough report that was turned over to the Los Angeles County District Attorney. As you know, criminal charges have now been brought by the District Attorney, following the Coliseum Commission's own civil complaint against former employees for fraud and other improper conduct.

While the Commission has long been aggressively pursuing those who violated the public trust, some are now laying claim to being the impetus for our efforts. In fact, as we are pleased to note is evident in your report, we have been readily providing information to the District Attorney so justice may follow its due course.

It is also important to note the failures that have existed in the Office of the Controller.

The Joint Powers Authority agreement that set forth the responsibilities of the Coliseum Commission in 1956 specifically states that the Office of the Controller of the City of Los Angeles has the responsibility to serve as the Controller of the Commission. Yet it was not until 2011 that the Controller's office expressed any interest in its responsibilities in the financial management of the Coliseum and Sports Arena.

Had the City Controller's office been as engaged the last six decades as it has been the last year, it is entirely possible that the illegal activity the Commission uncovered would never have occurred.

There is plenty of blame to go around. The failure to provide proper oversight is a shared failure. We look forward to your stated commitment to have your office engage fully in its responsibilities for the Coliseum and Sports Arena in the future.

And it is the future upon which we are now focused. There is no doubt the operations of the Coliseum and Sports Arena are much different and better than they were in the dozen years before we started to institute significant and important changes in February 2011. John Sandbrook and Greg Hellmold have been instrumental in working with the Commission to rebuild the recognition of our responsibilities as a public agency. You and the public can be assured that the errors of the past are, indeed, in the past.

We will detail in a separate announcement the specific actions that have already been taken or are in progress to address your more than four dozen recommendations. Your report correctly acknowledges many of these actions have been underway for the past 12 months, and such recognition is appreciated.

At the same time, your report also emphasizes the significant financial challenges that confront us at the Coliseum and Sports Arena. Those issues include having a sufficient number of events to cover operating costs, as well as adequate revenue to address long overdue capital improvements. As we discuss with the University of Southern California, our sole major tenant, the best way to address those challenges, we are sure we can count on your office to support us in that effort.

Sincerely,



David Israel
President



Don Knabe
Vice President

cc: Members of the Coliseum Commission

Mr. John Sandbrook
Mr. Greg Hellmold