

A BUSINESS FIELD OF DREAMS

Michael Savit had a great job – the kind you don't leave. He spent 17 years at International Management Group – the world's largest sports and entertainment agency – where he became a Senior Vice President in charge of sporting events management. But as he approached age 40, his father's advice was ringing in his ears, "Nothing will make you happier than doing your own thing."

So after his father passed away, Savit asked himself, "If not now, when?" He approached his brother Jeffrey (a lawyer with a J.D. from Boston College) and said, "Let's do something together." That led to the creation of HWS Group (named after father Herbert W. Savit) and a venture into purchasing and managing minor league baseball teams.

"I really got the idea when I was asked to speak at the 1996 Winter Baseball Meetings," he recalls, noting that convention participants were buzzing about the growing public interest in minor league teams.

Since then, Westwood, Massachusetts based HWS has purchased four major league affiliated teams: the Augusta Greenjackets; the Michigan Battle Cats; the Mobile Bay Bears; and the Modesto Nuts. The Savits also run a team in the Coastal Plain League of the Carolinas, a kind of Cape Cod League with stadiums and concessions, and they keep their eyes out for other available teams a little closer to home.

HWS has already sold two of the clubs – Michigan and Augusta – and turned a profit for their investors. The Augusta club – now run by the famous Ripken brothers – also retained Savit as a management consultant. Savit says it is not just "good management" that makes this business profitable, but the appreciation in franchises derived from growing public interest. Clubs that sold for little more

than \$100,000 in 1990 can sell for millions of dollars now.

The major league club supplies all players and coaches, paying their contracts as well, so the key to making money is maximizing revenue from use of the stadium, according to Savit. His franchises do much more than just selling tickets, concessions, souvenirs and advertising (ads appear in programs, broadcasts and on outfield walls).

"When you have a stadium, you can [theoretically] do 365 events a year, and most of your extra revenue comes from extra events," he asserts. "For us, each night is a chance to do a promotion," Savit adds, noting that the current crowd favorite is a "Snow Magic" night for fans in Mobile, Alabama. On those nights, a New Hampshire company makes enough snow for families living in a Gulf-coast town to go sledding or snowboarding, throw snowballs and ride mini-chairlifts across the park.

The HWS managing partner says it helps to create a "hospitality area" for weddings, bar mitzvahs, special occasions and corporate events. "You have to remember – in a place like Mobile – where there are no major league teams anywhere close to them, this [franchise] is a really big deal," he observes.

From a legal point of view, Savit says "there is a lot more than meets the eye" to buying, operating and selling teams. "Copyrights, trademarks, equipment [and assets] and even concession agreements are important," he explains. Savit's relationship with Burns & Levinson evolved from a single environmental matter affecting his father's textile business over a decade ago. "Now there is a level of trust where I can pick up the phone and just say, 'Do it,' when we have [all kinds of things] and that's great," he asserts.

That allows Savit to focus on the real mission of his business – "doing well and having fun." He says a lot of the fun in his

FEATURED CLIENT



Michael Savit

HWS Group

business derives from the major league affiliations. "We go to spring training each year, and . . . get to see a lot of kids who will be stars but none of them are spoiled yet," he exclaims.

The former sports editor for the Harvard Crimson points, for example, to his Modesto Nuts (an A-league affiliate of the Colorado Rockies) and his old Augusta team (now an A-league affiliate of the San Francisco Giants, but formerly a Red Sox farm club) which have produced a number of rising stars, such as Lew Ford (now playing outfield for the Minnesota Twins) and Justin Duchscherer (now pitching for the Oakland Athletics). Savit has also seen talented kids playing for his Mobile Bay Bears, the AA affiliate of the San Diego Padres. The Bears have sent infielders Josh Barfield and Khalil Greene to the parent club, along with star pitcher Jake Peavy, who led the National League in earned run average in 2004.

There is another psychic benefit for Savit – the idea of bringing "affordable family entertainment" to people in small towns that rarely get to see professional athletic events. "I just knew we could do this," says Savit. "What I didn't know is that I would love it so much."

This article was contributed by John Cunningham, freelance writer/editor.

Josef Volman, and several other attorneys at Burns & Levinson LLP, have experience in sports-oriented legal work. Mr. Volman has represented Mr. Savit and HWS Group in buying and selling several minor league teams and related agreements.