

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

Signature Event

Josh Harris and Mitchell Rales
Washington Commanders

Speakers

Josh Harris

Managing Partner, Washington Commanders
Founder and Managing General Partner, Harris Blitzer Sports &
Entertainment (HBSE)

Mitchell Rales

Limited Partner, Washington Commanders
Co-Founder & Chairman of the Executive Committee, Danaher Corporation
Co-Founder & Chairman, ESAB Corporation

Moderator

David M. Rubenstein
Chairman

The Economic Club of Washington, D.C.

Washington, D.C.

Wednesday, September 6, 2023

DAVID M. RUBENSTEIN: We are very honored tonight to have the two leading owners of the Washington Commanders here, Josh Harris and Mitch Rales. And we're going to talk about the – [applause] – talk about the team. And, as I said at a dinner we had, that our long civic nightmare is over, right? [Laughter.] OK, so let me just introduce them, for those who don't know them. And I'll start with Josh.

Josh, as you probably all know, is a native of the area. He went to Bethesda Chevy Chase High School. Then he went to Wharton, graduated summa cum laude. He worked at Drexel, went to Harvard Business School, graduated as a Baker scholar, which is top 5 percent of your class. Briefly went to Blackstone, and then went to help start Apollo. And he's been there for many years. But while he's been there, he's also had an effort to buy some sports teams. And with some partners, he bought the Philadelphia 76ers, the New Jersey Devils, the Crystal Palace team, and—

JOSH HARRIS: And Eagles, the Eagles, in London.

MR. RUBENSTEIN: In London. In London. And so he's got a lot of background in sports. He was himself an athlete, and he wrestled at Bethesda Chevy Chase, and he wrestled at University of Pennsylvania. NCAA champion, or not yet?

MR. HARRIS: [Laughs.] No.

MR. RUBENSTEIN: OK. We have another athlete here, Mitch. Mitch went to Walt Whitman High School, where he was captain of the football team and also captain of the baseball team. He didn't play college football, but he went to Miami University in Ohio, and came back afterwards and began a business with his brother Steve. That business, known as Danaher, it's not a well-publicized business because, while it's based in Washington, D.C., if you go to their offices, it doesn't even have their name on it. It's very low-key.

But just think about this, they started this company in 1984. And the market capital – the market capitalization of the company has gone up since 1984 by 159,000 percent. Hundred and fifty-nine thousand percent. [Applause.] That's at a compounded annual rate of 22 percent. So if you put your money in the stock market, the S&P 500 ever since 1984 has gone up on average about 10 percent. They've more than doubled that. And that's not bad. So, Mitch is himself also interested in art. And he's built Glenstone, which I guess is the largest privately owned art museum in the United States. And it's a spectacular facility out in Potomac. Mitch is also the president of the National Gallery of Art, among other things.

And both of them have been pretty successful. And I guess they came together to help buy this team and restore the ownership to something everybody could be proud of. So let's dig into it. You won the first three preseason games. Do you think that's a message from God that – [cheers, applause] – do you think that's a message from God that maybe he's happy with the ownership change, or not?

MR. HARRIS: Yeah, since you asked me a layup, I'll say yeah. I think he is happy.

MR. RUBENSTEIN: OK. All right. And so now, the trick is to not only win the regular season games, and is the first game which is coming up on Sunday, is it sold out?

MR. HARRIS: It is sold out.

MR. RUBENSTEIN: Wow, OK.

MR. HARRIS: Thank you, Washington. Thank you, DMV.

MR. RUBENSTEIN: And the second game, is that sold out yet?

MR. HARRIS: It's getting—it's very close. You got to get them – get them quick. Very close.

MR. RUBENSTEIN: All right. So there's tickets available, OK. So what about the stadium itself? The stadium was built many years ago. And are you thinking about a new stadium? Where would you put it? Is it going to have a dome and things like that?

MR. HARRIS: So right now – [laughs] – just dive right in. [Laughter.] Right now, we're really focused on, you know, kind of the opening game, the season, like, how do we win football games. So that's like our biggest. We need to win a bunch of football games for the city of Washington. And so getting up to speed with Ron¹ and his group. And we're also focused on the existing stadium, right, needed some work. You know, a lot of things needed work. There wasn't a good sound system. Some of the chairs were broken. The bathrooms, the ingress and egress, the food.

So what we're trying to do is welcome everyone into a changed house. Like we all view it as our house, and you're coming to visit us. You're our honored visitors. So we're working, literally daily calls, like, morning, noon, and night. Mark Ein's² sitting there, he's, you know, helping and leading the charge. And we're – and we're sitting here trying to make it better. And then we're – and then we're out in the community. We're having lots of events to get people excited. You know, because when you talk to the players they really long for a packed stadium, they want Washington to come and support them.

So those are the things we're focused on right now. And, you know, and then over time, obviously, we're not – we realize we're playing in an older stadium. There's a lot of things that newer stadiums bring that older stadiums don't bring. And so we're going to – we're looking hard at that, but that's going to take some time. So right now, we're really focused on these three things.

MR. RUBENSTEIN: OK. So you were referring to Mark Ein. Mark Ein is there, for those who don't know. Mark went to Wharton with you and Harvard Business School. Also was in the third grade –

¹ Ron Rivera is the head coach of the Washington Commanders.

² Mark Ein owns a minority stake in the Washington Commanders.

MR. HARRIS: Elementary school, yeah.

MR. RUBENSTEIN: Elementary school. And Mark is also the person who's bringing professional tennis to Washington, has done that. And he's also a limited partner in your team.

MR. HARRIS: Yes, he is.

MR. RUBENSTEIN: OK. So here's a question, Mitch, for you. You're a real – obviously, a smart businessman. The market capitalization of your company has gone up by more than any other company that's a publicly traded company since 1984. I think Apple is number two and Berkshire Hathaway is number three. You're ahead of them. So you're a very smart guy. But you've now paid the highest price in the history of civilized world for a football team. [Laughter.] Why would a smart businessman want to pay the highest price anybody's ever paid? Couldn't you pay a lower price?

MITCHELL RALES: He paid it, not me. [Laughter.] You know, so this is an iconic asset that belongs to the people of the Washington Metropolitan area, or the DMV, as we call it. [Applause.] We are the custodians and stewards of this once-iconic franchise, that we have to restore. And sometimes you have to do what you have to do to take matters into your own hands. And I think that's the way we looked at it. [Applause.]

MR. RUBENSTEIN: Well, let's talk about how the two of you came to do this. Mitch, had you ever been interested in buying a sports team before?

MR. RALES: I had zero interest in buying a sports team until I got to know this guy a little bit. And I think what Josh and I really felt down deep in our hearts, and I mean this when I say it, we are the custodians and stewards of this franchise, hopefully for the rest of our lives. And we have to build it one block at a time from the bottom up and bring it back to the life that it once was. And what's amazing about this process is the fans are already helping us figure this out. They're coming back in spades, right? And it's awesome to see.

MR. RUBENSTEIN: Now, Mitch, you've obviously been successful in business. But since you bought this team, did people from high school start calling you up and saying, hey, I knew you'll be successful? And do you hear from your old friends from grade school or something?

MR. RALES: Oh, yeah. Oh, I'm going to be out in Denver, can I have a lift out and a lift back? You know, you're getting a lot of that right now.

MR. RUBENSTEIN: So how did the two of you come together? You didn't really know each other before, did you?

MR. HARRIS: So when I left Apollo, which was several years ago, I went and talked to people that I thought would give me great advice. And, you know, my friend Mark said, why don't you talk to Mitch? I had met him, incredibly successful businessperson. And so we talked about, you know, how to spend, you know, the next years – you know, what's important in life, like, what matters? And so, you know, obviously, this matters, right? And like, how could – how can

you – when you're blessed to be successful and, you know, God has smiled at you, you know, you sort of think about what do you want to do next?

And for me, it's about impact. Like, how do you impact? So that's how we met. And we struck up a friendship. And the next thing you know, we were – you know, we read about the Commanders possibly being for sale. And I was I was starting – Mitch was busy running Danaher. I was starting an investment firm, which has been amazing and great. And it was not a great time for either of us, but both of us said: This is too important to ignore. We got to – we got to jump in and try to figure this out. So that's how we met. And since then, we've spent an awful lot of time together.

MR. RUBENSTEIN: OK. So let me ask you this, how did the sales process work? Did you – Bank of America was, I guess, representing the owner. I won't mention his name, but the owner. And suppose you paid a lower price. Suppose you say, look, no team has ever been paid – bought – I think the highest price before for NFL team was, like, close to \$5 billion. Why didn't just pay \$5.1 or \$5.2 billion?

MR. HARRIS: Look, in every transaction, you know, there's a buyer and there's a seller, right? And there's a process that you go through. And there were other people around. I mean, one individual in particular that owns a newspaper that we're really fond of here in the city – [laughter] – was rumored to be around. And so this was the price that we arrived at. And, truthfully, like, both Mitch and I are doing this to win championships, to steward this franchise, and to really engage and make the DMV proud of what we're doing.

But I also think that it's worth saying that the NFL is the biggest league in the world. Believe it or not, 92 of the top 100 shows in the NFL – you know, that America watches, are NFL football games. Washington – I mean, the mayor said it best – there is no other city like Washington. Washington is Washington. The Commanders, for many years it wasn't – Dallas was not America's team. The Commanders were America's team, it was the number-one franchise. [Cheers, applause.]

MR. RUBENSTEIN: OK.

MR. HARRIS: And so the ability to – the ability to be involved in – so I think this is a – you know, it is a labor of love. It's a – we're engaged in this community. On the other hand, you know, I think it is a really unique franchise, a really unique asset. And what I've learned in, you know, shepherding and stewarding sports franchises, is that you give back to the community, you do the right things, you win, and kind of the economics take care of themselves. And I have no reason to believe that's going to be any different for the Commanders.

MR. RUBENSTEIN: OK. So did you ever meet with the owner of the team? Or you didn't need to do that?

MR. HARRIS: No, no. So initially, you know, there was – there were rumors of this unnamed individual who owns a paper. And I had to make sure that this was going to be a fair process. So I did, you know, go to London a few times. And I did meet with the owner, and –

MR. RUBENSTEIN: Was that an uplifting experience?

MR. HARRIS: [Laughs.] It was a very cordial meeting. I got to meet...

MR. RUBENSTEIN: All right.

MR. HARRIS: I got to meet Dan. And it was a very – you know, they were – you know, I met them in the context of this transaction. And it was a totally cordial, nice meeting. I mean, they were a tough counterparty, obviously. They did what they should do, which is to try to, you know, push the price up as much as possible. And that's what sellers do, right? So –

MR. RUBENSTEIN: When the deal was over – and whenever a deal is over, you always find out who you're really competing with and whether they were really there or not. Do you think that you've now learned, was there somebody close to \$6 billion, or you don't know still?

MR. HARRIS: No. So I think that we found ourselves in a unique position, when Mitch and I came together, in terms of, you know, the ability, right? When you're – when you're – the size of the equity check for an NFL club is enormous, right? There are very few people who can do it. And so we felt that the names that were being bandied about, with the exception of the name that – you know, that I've not been mentioning – we thought we had a competitive advantage, where we could – you know, we could raise capital.

And so the fact that we had run sports franchises, we had other partners, those sports franchises had done well, we'd engaged with Philly, we engaged with Newark, we engaged with South London and the Premier League, and that there are partners that would vouch for us. Plus, Mitch's – Mitch's, you know, involvement in the city and his – the size of his commitment, and all the partners that came together, Mark's local connections, that gave us an opportunity to attract, you know, people in this room. And, you know, it's not just Mitch and I. We have 20 amazing partners, like Magic Johnson. Today I was at –

MR. RUBENSTEIN: How did Magic Johnson get into – Mitch, how did Magic Johnson get to be a part of this? You just call Magic Johnson up and say, hey, would you like to own a piece of a football team, or?

MR. HARRIS: He did.

MR. RUBENSTEIN: You did? You did?

MR. HARRIS: I had known Magic through sports. And he – you know, he wanted to own an NFL team. And he loves Washington. And, you know, he played the sport, you know, before he became a pro basketball player. And he's been successful and lucky and could – and could make a financial commitment. And so he was an ideal partner for us. And then there's all kinds of other people that are, you know, tremendously successful in business. Many of whom don't want their names out there, but who, you know, got involved. And the other groups that were competing with us, we didn't think that they had the ability to bring this kind of group together.

And I think the fact that Mitch and I were born in Washington, grew up here, knew the city, that really made a difference to everyone.

MR. RALES: There was one group from Texas that had a very real bid on the table. Can you imagine if a Texan bought this team what that would feel like right now? [Laughter.] We couldn't let that happen.

MR. RUBENSTEIN: So, Mitch, you went to the – I think Magic Johnson was with both of you today. Did he go to the practice facilities, or – was that today?

MR. HARRIS: Yeah. Today he went to the training camp. And, look, he spoke to the team. And, you know, there's not a lot of people that have won as an athlete, five NBA championships on his own, or five other world championships. And so his ability to, you know, speak uniquely to what creates a winning franchise to people that are spending their entire lives training and getting ready for Sunday, he had a unique perspective that was very appreciated in the room. And so he's a unique partner and he has a unique role to play with us that goes beyond sports. He's an incredibly successful businessperson.

MR. RUBENSTEIN: So will you guys go into the locker rooms after the games or before the games and say win one for the Gipper? You going to make those kinds of speeches, or not? You're not going to do that?

MR. HARRIS: We – you know –

MR. RALES: I'm not a locker room guy. [Laughter.]

MR. HARRIS: I think – I think that, you know, ultimately, right, I think that everyone has a role to play. And I think your role as a coach is to do that. Your role as an owner, right, is to be a responsible steward, be an example, do the right thing, engage with the city, set up the fan experience in a way that's super positive, give back to people in need, help change communities, and then ultimately win football games, right? And I should have said that first, but, like, your job is to win football games. So and if you go into a locker room and try to – it's hard for either of us to go into a locker room and say something to a 20- to 30-year-old person who's a professional player, and who's spent their whole life being the best at their sport, other than in a way that's applying it to our own lives as businesspeople. And that they get. But, you know, usually that's not an effective strategy. And so you let the coach and the other players speak in the locker room.

MR. RALES: David, Josh and I are very aligned on this concept. And one of the great secrets of Danaher is we don't run the day-to-day. We have great leaders running the day-to-day who know so much more about science and technology than we do. But our job is to hire the right people to go out there day in and day out and do the great job, and we're hoping that that team is in place.

MR. RUBENSTEIN: Now, will you guys be at every home game?

MR. HARRIS: We'll be at every home game. And, you know, look, honestly, we'll be at every home game. And you're going to see a lot of me. [Applause.]

MR. RUBENSTEIN: OK. So now, both of you guys are businesspeople. So you don't invest money just to lose money. You presume that you're going to make money on this eventually. But you're planning to hold on forever, or 10 years, or how much longer you want to hold on to this investment?

MR. HARRIS: Look, I can't speak for Mitch, but just speaking for myself, I believe that sports, the sort of globalization of media, is an intergenerational asset. I think that it's something that appreciates. It doesn't – it's not about, you know, current. It's about building an amazing franchise. An amazing franchise is something – it's sort of a business, but it's also sort of a piece of art. It's something that people can appreciate and love. And so if you do that, and if you do the right thing, it appreciates. And sports teams have appreciated historically. And I expect they will continue to do that. And so, speaking for myself, I don't expect, you know, us to sell the franchise. I expect to be here for an awfully long time. And it's so good to be back.

MR. RUBENSTEIN: So, Mitch, the NFL has had problems over the years with concussions. Now a lawsuit was settled, but still concussions can occur. Are you – you played football. I mean, how serious a problem is it today? Is equipment much better? The rule is such that you can't hit people quite as hard if you're a quarterback or something?

MR. RALES: The technology continues to evolve. If you were at training camp, you would see these incredible helmets and these guys are wearing to protect them just from the day-to-day contact during training camp itself. The technology in the helmets is better. The protocol coming off the sidelines when somebody's been whacked pretty good is much different than it used to be. In the old days, you know, you'd come out for a play and the coach would say, now get back in there and do it. And you can't do that anymore. The name of the game is safety first. You've seen what's happened with kickoffs. It's just different. And I suspect that things will continue to evolve in a way that's user friendly for concussion protocol.

MR. RUBENSTEIN: So, Mitch, for the last 20 years, the team didn't get very far in the playoffs. But do you think you can win a Super Bowl this year or next year? How many years will it – will it take another two or three years? [Laughter.]

MR. RALES: So, what I like to say is we're all Super Bowl champions at training camp. And now the real world starts. Listen, let's be realistic. Do we have a great quarterback? We just don't know right now. We have a great kid who wants to learn, and he wants to play hard, and he has great intentions. But he's had one NFL start. Let's see. I mean, I could write the script that we go to the Super Bowl this year. Or I could write the script that it's a tough season. But we're going to – we're going to get a chance to watch and learn and make adjustments over the course of time. But we hope we've got our guy.

MR. HARRIS: Yeah, let me let me say that I think that neither of us are doing this to do anything other than, like, compete for championships. And so it's easy to say that. There are 32 other teams that want to do it. It starts with, I think, the Commanders, they've had a great

training camp. Sam has showed very well. The draft picks have showed well. The team is very excited. You know, the team obviously performed – we just missed the playoffs. But predicting – and our job is to build a culture, a winning culture. And you know, ultimately, it's very hard to put a timeframe on when all that happens. And what you can do – what you can do as an owner is you can set up, you know, an opportunity to win. Ultimately, the players win, they win on the field. And you have to, you know, continue to push the organization to create edges versus 32 other – 31 other teams. And so we're totally focused on it. Like when it happens, it's hard to know.

MR. RUBENSTEIN: All right. So sometimes people say that the food at some of the stadium's games, you know, it's not the healthiest or something. They have unhealthy foods, some people say. So are you guys going to have healthier food at the stadium?

MR. HARRIS: We're focused – look, things don't change overnight. But I will tell you we're meeting every night. In fact, I have on my email – I'm looking at Jason – I have on my email a proposal of how we upgrade and invest in new ovens, new pantries, new dishes. And that's a very strategic thing. Someone's coming into your house, you don't want to serve them bad food. You want to serve them good food. So we're working with our partner to revamp all that and to invest in the fan experience.

But, you know, truthfully, when I was – when I first bought the Sixers, I put out crudités and, like, sushi, and no one ate it. Everyone ate cheeseburgers and hot dogs and hoagies. And so, like, I think you're only going to get so far in a sporting event putting out the crudités. Like, the fans are going to want to eat, like, what they eat. And so you just have to make it very high quality. There'll be a little bit of veggies here and there, for those of us that want to watch our waistline. But, by and large, you know, you'll see a lot of, hopefully, better hotdogs, hamburgers, cheeseburgers.

MR. RUBENSTEIN: So I don't want to reduce your investment, but some people – I think there was an article in the Post today or yesterday – saying maybe you should reduce some of the parking prices at the stadium. Have you thought about that yet?

MR. HARRIS: We're trying to be generous. Stay tuned. But, you know, I don't want to –

MR. RUBENSTEIN: OK. All right. Mitch, what about the name? Some people say the Commanders name is maybe not as good as you might want. Have you decided to keep the name? Or you're not decided yet?

MR. RALES: So we could take – we could take the easy way out and say, well, we're not focused on that right now. What I can tell you is we're not focused on the previous name. That that ship has sailed. And we're not going to relitigate the past. We're about the future. And we're about building the future and not having a divisive, you know, culture that we're engaged in. We're going to look at everything come the end of the year and think about a lot of different things and do a lot of testing and see what people think. And we'll learn. And the beauty is, we have the time to look at all this stuff intelligently and make fan-based decisions.

MR. RUBENSTEIN: So both of you have very big businesses you're running, and you've got a couple of sports teams, and you've got a gigantic business and art museum, and so forth. How do you have the time to focus on the football team?

MR. HARRIS: Look, I think that – I mean, obviously, whatever else we're doing, everyone's going to remember, you know, what we do here. This is bigger than – you know, Mitch has done an amazing job at Danaher. It's an incredible company. I mean, obviously, Apollo, so proud of that chapter in my life. I have a new business. So, but when we took on this responsibility, all of us, like, you know, I spoke to Marjorie and my family, I'm sure Mitch did. And we said – and I said, look, I was working about 60 hours a week. I said, I think I'm going to be working 90 hours a week.

And so, like, the other work doesn't go away. We can't shirk that either. But, you know, this has got to be – you know, we took on responsibility to everyone in this room when we did this. And so we're all in on making this successful. And it's going to be a bit of hard work for a while but ultimately, right, what you do is you set a culture, you set a team, and you, you know, ultimately can back off. But right now, we're going to be present.

MR. RUBENSTEIN: Well, your wife is here. And was she happy when you said you're going to be away more, or was she sad?

MR. HARRIS: [Laughs.] She was like, yeah! [Laughter.] No, look, like, my wife wants me to – I'm very lucky. Marjorie, please stand up. [Applause.] I couldn't have done – I wouldn't have done half the things in my life that I've done without the support of my wife. So she wanted me to be happy. And some people like golf, some people like tennis. I like working. And so she said, go for it.

MR. RUBENSTEIN: OK. So you've been married how many years?

MR. HARRIS: Married 28 wonderful years.

MR. RUBENSTEIN: OK. [Applause.] Mitch, let me ask you this. You're a former football player. So you have some knowledge of the sport. Do you think you could give any tips to any of the coaches or anything? Not really?

MR. RALES: No. I learned a lesson the hard way. I played in a Maryland State All-Star game, competing for one of the last two scholarships to the University of Maryland. There were four of us competing. And I was up against a guy blocking me. I was a linebacker. He was on a full ride to Penn State. He was 6' 6", 285 pounds, and ran a 4.7 40.³ And when I came off the field that day, my dad said to me, why is your uniform dirty on the back and white on the front? [Laughter.] I quickly learned that I better become a business builder rather than a football player.

MR. RUBENSTEIN: So have you ever thought how much better your life would be had you gotten that scholarship?

³ 40-yard dash in 4.7 seconds

MR. RALES: I was lucky that that game happened.

MR. RUBENSTEIN: Right. OK. [Laughter.] So let's talk about the – one of the teams you own, the 76ers. When you own a – you bought the team, I think, it seems like a low price today. Was a \$215 million, or –

MR. HARRIS: \$280.

MR. RUBENSTEIN: \$280, OK. So and then you've syndicated it out. And today these teams are worth billions of dollars. Did you ever anticipate the team would be worth \$2, \$3, \$4 billion when you made that investment?

MR. HARRIS: No, I did not. I mean, I literally – at that point, the Sixers were – you know, hadn't been to the playoffs since – they averaged 10 years. They had lost engagement with the city. They were losing a lot of money. And so I was, like, nervous that it would go the other way. And the NBA was in a lockout. So they weren't playing. And it was just after – the financial crisis had just occurred. So I looked at it and I said, look, this is a storied franchise. The city really loves sports. I was lucky enough to – in 1982, I was finishing up my senior year. And I went to the Field School. So I was going into BCC. I've got two friends in the audience that went to Field, so I wanted to make sure I clarified that. But I was going to Leland, which is the BCC school. And my parents were smart enough to say – I was hanging out with the wrestlers. They said you got to – you got to – you got to go. I wasn't getting good grades. So I went to the Field School.

And, ultimately, I saw the commander – this is the first Joe Gibbs season. You know, Riggins broke away, arm hanging off. [Cheers, applause.] And I got to see the ticker-tape parade. I got to see Washington unite behind the Commanders. It was very racially divided city. So then I went to my freshman year at Penn, and it was Dr. J, Moses Malone, Maurice Cheeks, Andrew Toney. And it was the "Fo' Fo' Fo,"⁴ Moses go [ph], like a sweep in the playoffs. And the Sixers won. And I got to see that parade. And it left an indelible mark on me about what sports teams can do to unite really divided cities because most cities are divided. So at the time I bought the Sixers, I was incredibly worried about losing my shirt. But I said, look, this is like a civic duty. This is like charity. And I'm going to do it. And, you know, it's worked out, obviously, you know, beyond my wildest dreams.

MR. RUBENSTEIN: When you bought the team you said you were going to go to every home game. Did you ever regret saying that?

MR. HARRIS: I don't think I said I was going to every home basketball game. [Laughter.]

MR. RUBENSTEIN: Oh, I thought you did.

MR. HARRIS: There's only eight or nine home games here. I may regret it, but I'm going to do it.

⁴ Fo' Fo' Fo' refers to when Moses Malone predicted a full sweep of 12 straight wins in three playoff series.

MR. RUBENSTEIN: No, I mean, every game – when you bought the 76ers. I thought you said you bought – you were going to every game. No? You didn't say that? OK.

MR. HARRIS: I don't think I said that. I hope not. [Laughter.]

MR. RUBENSTEIN: All right. Mitch, let me ask you, what would you like the fans of the Washington, D.C., area to do? How can they help you, other than buying tickets? Is that what they can do the most?

MR. HARRIS: Well, look, you know, both Mitch and I have been surprised, as we've talked to a lot of players, the players would say to us: Sometimes we don't feel like we're at home when we're in our stadium. We feel like we're away because there are other fans from other – I'm not – other cities, one of which I'm not going to mention. And they're invading our stadium. And they're so appreciative of Washington showing up, and they're so appreciative of all the support that everyone out there is giving them and us.

And so I think it is a little bit of, like, it takes a village. You'd be surprised. Like, it really matters. And we want to get you back in our collective house. You know, we want you cheering loud for the team. We want you supporting the team. We want you supporting the players. And that's how you all can help. Whether it's sponsorships, suites, whatever you can do. And we look forward to, you know, having a great time on Sunday and celebrating a win.

MR. RUBENSTEIN: So, Mitch, if somebody says, OK, I've listened to what you've both said. I'd like to buy a season ticket. How much does it cost to buy a season ticket?

MR. HARRIS: It depends on what season ticket you buy, but –

MR. RUBENSTEIN: Oh, but is it –

MR. HARRIS: It's 30 –

MR. RALES: It's \$35 for a game day ticket to \$350 for a club seat, something in that zip code. But you –

MR. HARRIS: You could spend more for good seats. [Laughter.]

MR. RALES: The frustrating thing – the frustrating thing to the players – let's just set the stage. Training camp, 2022. Opening Day. Twenty fans show. Jason and his team did a remarkable job getting the stadium ready, between our signing and closing of the deal. But 2023, 3,500 people showed for training camp on opening day. And the final day of training camp, correct me if I'm wrong, Jason, 16,000-plus showed up for training camp. [Cheers, applause.]

MR. HARRIS: Thank you, Washington.

MR. RALES: So it's amazing. But we need help. Now the beautiful thing about the sellout for the Arizona Cardinals game is Arizona doesn't travel. There's going to be close to 60,000 fans

that are rooting for one team. These players have never seen that. That could be worth a victory or two to us at home this year, where our home record in years past was generally worse at home than it was on the road. So we need everybody to step up and help. And our commitment in return is we'll continue to reinvest in the franchise. God knows we have incredible amount of money that has to be spent to upgrade the whole experience. You're going to come this weekend, you're going to see what Markey Mark Ein did, you know, here.

MR. RUBENSTEIN: Great. So if we like it – if we don't like it, we can blame him, or?
[Laughter.]

MR. RALES: No, well, yeah –

MR. RUBENSTEIN: So –

MR. HARRIS: Any hot dog or hamburger complaints, right there.

MR. RUBENSTEIN: So – all right, so –

MR. RALES: But you're going to see some stuff this year that's going to be very different that took place between the last preseason game and the opener on Sunday.

MR. RUBENSTEIN: When the league approved your deal, the owners – like, was three-quarters of the owners have to approve it, or something like that?

MR. HARRIS: Yeah.

MR. RUBENSTEIN: So when you get in and you meet with the owners, what was it like to meet with them the first time? Did they say thanks for paying such a high price, now my franchise is worth more, or?

MR. HARRIS: Pretty much. No, they probably were thinking it. They were kind enough not to – no. Look, obviously, we were approved 32-0. I think that it was they were excited to turn the page and, you know, welcome a new ownership group that had local roots, that had Washington roots, that was well financed, that – you know, that had diversity. That had, you know, a group of people that were committed to helping others. And so, you know, the – and some of us had sports experience. And so the owners, you know, voted 32-0.

And, you know, and obviously, you know, if you're in the NFC East, right, we're coming back, right? So in some sense, it might have been easier for some people to vote against us, but none of them did it. And I'm very appreciative of how we were treated. I mean, it's a little bit of a scary process. You go in and there's a big room and, you know, you're asked to say a few words, and they kind of, like, you know, tell you to leave, and you don't know what's going on. So that was a life experience, but.

MR. RUBENSTEIN: Tell me, what is it like to write a check for \$6 billion? I've never done that.

MR. HARRIS: It's terrible. [Laughter.]

MR. RUBENSTEIN: So when you sent the check, did somebody that received it thank you or call you?

MR. HARRIS: No, no, no one. So the day of the press conference, I'm reviewing this thing and I'm, like – and, you know, a lot of it was from me, unfortunately, my wife and my family. And I'm selling treasuries. And I'm, like, this is awful, right? [Laughter.] But, you know, obviously, it was a – it's a life experience, and I'm grateful to have the opportunity to do it, and to, you know, have been smiled on. But also – but that was not the funnest part of the day, I'll tell you that.

MR. RUBENSTEIN: So, Mitch, when you went into the locker room, after – you went to meet with the players. After you were approved as the owners, you could then legally meet with the players, right? When you two both met with the players the first time, I guess in training, what was it like? Did the players stand up and cheer, or?

MR. RALES: We had lunches. Josh and I went to lunches together. And we would meet 10 to 12 players during the course of that lunch. And we had a roundtable to get to know each other. And we wanted to learn about their lives, and who they were, and the way they were thinking, and what they were experiencing as part of this new regime, and what it was like in the old days, and what we could do to improve things for them. I mean, they all talk in the league. And, you know, you can look at the statistics and see where our training camp compared to other training camps, our stadium compared to other stadiums. And they were very candid with us about a lot of things. And we're listening and learning.

MR. RUBENSTEIN: Now, are the training camp and the stadium, they're not linked? They're separate facilities. So you could change the training camp and move it elsewhere if you wanted to? Or the same with the stadium.

MR. RALES: Yes. Yes.

MR. RUBENSTEIN: And do you have a preference for – to ask this again – D.C., Maryland, or Virginia?

MR. HARRIS: I'm going to answer this one. We're looking. [Laughter.] We're very – we're very excited to be welcomed by all three jurisdictions. And, you know, we're looking forward to engaging in the process. We actually, you know, hired – you know, we have the beginnings of a real estate team to help us with all this. We're very serious. Someone who's built stadiums in the past. And, you know, obviously, we're blessed to be, you know, welcomed by all three jurisdictions. And so we're going to engage quickly because, you know, we appreciate that the sooner we get started the sooner the team will have a new home.

MR. RUBENSTEIN: OK. So the NFL teams have gone up in value dramatically in the last 25 years or so, in part because of television contracts. I think, as you pointed out, of the, what, 50

most-watched television shows in history, something like 45 are NFL games. But can that continue really at that accelerated pace? And do you expect some leveling off or decline as people are watching less television or something, or?

MR. HARRIS: So live – I don't. I mean, I really don't. You know, live events – look at the Taylor Swift concert. Look at, you know, Barbie. Look at Beyonce. You're seeing, like, billion-dollar tours, like, live experiences where everyone comes together are unique. And, you know, the NFL is dominant. And I don't – and I think that it'll continue to be the dominant force in American television networks and cable companies, and even tech companies need the subscribers. They need the eyeballs watching it. And so it's unique.

MR. RUBENSTEIN: So sometimes I've seen some owners stand on the sidelines during the games. Are you going to be doing that? You stand on the sidelines cheering them on? Or are you going to be up in –

MR. HARRIS: Well, look, both – you know, we – like, both of us like to engage in some way. I think we're going to do it. We're going to have to sort out how do we engage in a way that's respectful to what's going on, that keeps the player – this is all – this is not about us. This is about the Commanders winning football games. And so, like, our engagement will be, you know, a function of what makes sense. I don't think necessarily that – so there'll be – we may appear on a sideline here or there, but I think that to a large extent, you know, the – you want to keep everyone focused on what they're doing. You don't want to cause a commotion. But there'll be times where we think it's appropriate.

MR. RUBENSTEIN: So in the old, old days, when I was growing up, baseball teams, I know, and football teams – their players would go on the road and they would have a roommate because they would share a room. But in recent days, I think, don't players all get their own room on the road? Or is that – do you have roommates still? How does that work?

MR. HARRIS: It varies by team. And it varies by player. Generally, you get your own room.

MR. RUBENSTEIN: And do you have a plane you charter to take them everywhere, and you go on that plane? Or you go on a separate –

MR. HARRIS: You can do whatever you want.

MR. RUBENSTEIN: When you're the owner, you can do whatever you want.

MR. HARRIS: Yeah. You can go on the plane. I mean, it sounds very glamorous. It's really not that glamorous. It's – you know, it's a packed plane. And I don't – you know, I've not been on the charter plane with the players. I know, in the NBA it's a Delta plane for the most part, or another airline. And they take out seats so that the players have legroom. But it's not – it's like being on a commercial flight with – it's packed. I mean, it's not –

MR. RUBENSTEIN: Now, in the NBA, most players in the NBA have not finished college. My impression is they basically have one or two years of college, and they go to that, and that's the

standard NBA. In the NFL, I don't really know. Do most of these people have college degrees now? Or do they get them afterwards? I just don't know.

MR. HARRIS: I believe that most people do not – finish their degrees afterwards. And that most people, it's very – it's similar. I mean, what's changing in the NCAA, obviously, is that, under certain circumstances, players now own – the colleges can pay players for their likeness, for the rights. And so you're now seeing situations where, you know, good players have more incentive to stay in college. But up until now, that hasn't been the case. And so if you're a player, right, and you get hurt in college, and the NFL or the NBA is your way of making money, what you – you're not going to take that risk. You're going to try and come out earlier and get paid. And so I think now for the very big players, some of them are staying in school. But I think for the most part, no, they don't finish college. And, like, part of what we're trying to do is figure out how to get them –

MR. RUBENSTEIN: The average NFL player plays for four years before he or she is injured –

MR. HARRIS: Less, 3.6.

MR. RUBENSTEIN: Three-point-six?

MR. HARRIS: I heard the stat today, yeah.

MR. RUBENSTEIN: OK. So some teams have programs to educate their players about how to not lose their money. And you guys can say just invest with me, invest in Danaher, they will do pretty well, or invest with your firm. You guys going to educate your players on how to invest better?

MR. HARRIS: Yeah. [Laughs.] So all the players – so obviously, look, financial literacy and helping players save for the future when they have a very short – in fact, we talked about it today with the players during Magic's talk, because Magic is an incredibly successful player that's also – and we were figuring out how to start, you know, a process of making us available to players. But to a large extent, you'd be surprised that the players have agents and other people around them. There's CBA rules. You got to be pretty careful with getting – having a player invest in your – in fact, I know in the NBA it's prohibited. So what I try to do is educate the players on – be an advisor, but not for myself. Not for myself.

MR. RUBENSTEIN: Right. So, now, when both of you were in high school it probably wasn't predicted by your parents, or maybe by you, that you'd become financially successful beyond anybody's dreams, or your own these teams. What do you think led you to be so successful? Was it hard work? Being smarter? Being a better athlete? What is it that you had that enabled you to get to where you are? What would you recommend to some young person watching this that he or she needs to do to get to where you are? And same with Mitch.

MR. HARRIS: Well, look, what I would always say is that, you know, I was never the tallest, I was never the smartest, I was never the strongest. But I left it all out there. I sort of focused – it was tenacity and grit. Like wrestling, actually, for me was an incredible learning experience.

There's nothing like when you didn't lift, when you didn't run, when you didn't train, where you weren't fully prepared, you got physically dominated by another person. And there was no one there. It was just you and that person. And so it really forced me to, like, apply sports to life, right? And so what I always say to young people is, A, like, pick what you love, because if you don't love it you're not going to do it. And then and then throw everything you have at it.

And generally, if you're – you know, obviously, you know, you're never going to – you know, achieving great levels, being an NFL player, right, you need to have some inherent talent. But I think that grit and determination and tenacity overcomes a lot. And I think that's my -- that's what I would, at least, say about it.

MR. RUBENSTEIN: What would you –

MR. RALES: So we all work hard. Everybody in this room works hard. And we all get lucky breaks along the way. And I often like to say, what's our return on luck? And you got to seize the moment when the return on luck opportunity is in front of you. And most people don't take it. They're at certain areas of their career where they're not prepared to take risk. They don't look at the big trends that are going on. I often say we grew up in a time where you could borrow money against assets. And this is our – going back to our leveraged buyout days in the early '80s. That was a secular trend that we were very lucky to be part of. But today with computing power the way it is, you can start something in your garage with an iPhone today and make a hell of a new product, and create a billion-dollar business overnight. So there are always opportunities that people have put in front of them, you just have to seize the return on luck opportunity.

MR. HARRIS: I really – I think it's dream – I would say I 100 percent agree with Mitch. Dream big. Dream big. Enter the arena. Don't be afraid.

MR. RUBENSTEIN: Now, a couple of years ago I was the chairman of the board of Duke University. And I said to Coach K, why can't you recruit a few Jewish basketball players? And he said, David, I want to win. [Laughter.] And so how many Jewish football players are there in the NFL?

MR. HARRIS: Not a lot.

MR. RALES: So I'm going to use an analogy. Did anybody ever see the movie "Airplane?"

MR. RUBENSTEIN: Yes.

MR. RALES: So the stewardess is walking down the aisle, would you like some nice light reading, famous Jewish athletes? You know, it's – there are not a lot of famous Jewish athletes. I'm not quite sure why. [Laughter.]

MR. RUBENSTEIN: OK. So let me ask about the coaching team. You inherited the coaching team that, you know, Coach Rivera, who was there – he's been there a couple years. So do you

say to him, look, I'll give you one year, give you two years? How long before you say, yes, he's the right person or, no, he's not the right person?

MR. HARRIS: Hey, look, I think, Coach Rivera – I've really enjoyed getting to know Coach Rivera. He is a good man. He's done a great job in terms of where the team is, relative to where it was when he got here, and relative to a lot of distraction that was going on. He's got a very capable front office. You know, having Eric there, I think, I'm very hopeful for. And so what I've said is that you know, we're all – we're getting up to speed. We want to hear how you think. We want to, you know, learn. We want to learn how you make decisions. And it's going really well.

You know, I don't find, like, putting tremendous pressure on someone, like – you know, everyone who coaches an NFL team or an NBA team, and us as owners, we all realize, right? I mean, we completely appreciate, you know, the support we've gotten in Washington, but we all realize that, and he realizes that, we all realize that ultimately we have to deliver wins on the field. And so that you don't really need to say anything. It's just out there. And I think that – and so I think that all this is – you know, but so far, so good.

MR. RUBENSTEIN: So are you guys going to be in the draft room when you're drafting players? Are you going to say, pick this one or that one? Or you're not going to do that?

MR. HARRIS: I think – look, I think when you – I'm in the draft room in the NBA, and I would expect to be in the draft room in the NFL. I'd say that you want to understand the process. You want to understand the key decisions. You're not – you're not picking players. You know, you're allowing for that process to operate.

In fact, when we went to 53, I specifically stayed out. I said – I asked to be briefed on some of the harder decisions, but I didn't want to be in the room because I didn't want the process to be altered. And so you pick your moments. And actually, I would say that I don't know. I mean, I think you'll have to see, you know, where you are at that point. But I think you want the professionals picking players. You don't want to be picking draft picks. I mean, if you're signing a massive deal, you know, of course, you're going to want to know about that and understand that a bit more. But you're not – you're not going to be picking players.

MR. RUBENSTEIN: Does the owner have to approve each of the major trades? Do you have to do that?

MR. HARRIS: Yes.

MR. RUBENSTEIN: And do you –

MR. RALES: I think the key thing that Josh and I are going to think about is making sure that we don't make short-term decisions that mortgage the future. We've got to build this block-by-block from the bottom up the right way. And it's going to take some time.

MR. RUBENSTEIN: So, now you have a number of investors. I think you've just said you've got 20 or so.

MR. HARRIS: Twenty, yeah.

MR. RUBENSTEIN: Twenty, OK. So do you have to call them up every week and say, here's how it's going? Or you said, I'll – let's give you an annual letter, and?

MR. HARRIS: They call you. [Laughter.]

MR. RUBENSTEIN: OK. All right.

MR. HARRIS: No, some -- listen, and we have incredible investors. I mean – and, again, I don't know whose name I'm supposed to mention, so I'm not going to mention any names. But, you know, some of the biggest business leaders and philanthropists in the whole country. And I would say that you know, when we did this the paradigm we set out was, you know, we're going to run this in a professional way, we are going to have board meetings. I expect to lean on the investor group for community engagement. I expect to lean on business acumen and support – financial support, investment. We're going to have to – like I said, we're going to attempt to, you know, build a stadium. That's going to require incremental capital.

But you don't – you don't run a sports team, you know, by committee. You don't – you know, obviously I'm accountable to the city. I'm accountable to our investors. I appreciate that. And so they have the right to know what's going on. But on a day-to-day basis, you know, they're not in the -- they're not in the mix. And the problem is the media is so immediate. It's a lot like politics. You can't have a vote. You know, when the coach wants to cut to 53, the coach needs to be able to cut to 53.

MR. RUBENSTEIN: Now, I haven't been to a football game here in probably 20 years, but I'm coming on Sunday thanks to the invitation of the ownership group. And how long is it going to take me to drive from my home in Bethesda – [laughter] – to the field? Is that like a two-hour drive, or an hour and a half? I don't know.

MR. HARRIS: Defer to Mitch.

MR. RALES: The commute isn't the best. And we would encourage you to leave early.

MR. RUBENSTEIN: Leave early? OK. [Laughter.] OK.

MR. HARRIS: There'll be some good festivities beforehand. Good tailgating. David, I expect you to be – how many beers are you going to chug in the parking lot? [Laughter.]

MR. RUBENSTEIN: [Laughs.] I don't think so, but OK. [Laughter.] So, listen, I want to just thank both of you for stepping up to the plate and, you know, rescuing the franchise. It wasn't the cheapest purchase price you could have engaged in, so obviously it's a lot of money. You both guys worked hard to make this money, and your investors did, and you've put it on the line

here and so hopefully it'll work out for you but also for the community. And so on behalf of everybody in the community, I'd say thank you for doing this. And I'll see you at the Super Bowl soon.

MR. HARRIS: Thank you, Washington. [Applause.]

MR. RUBENSTEIN: I have a gift for you. Hold on. OK, so, Josh, this is a map of the District of Columbia, an ancient map. And this, Mitch, is yours. This one is for you, one for you. There we are. Hold it up. OK.

So how many people are going to the game on Sunday? [Cheers, applause.] OK. All right. Thank you very much.

Josh Harris is the Managing Partner of the Washington Commanders and the Founder and Managing General Partner of Harris Blitzer Sports & Entertainment (HBSE). He is the Managing Partner of the Philadelphia 76ers and the Co-Managing Partner of the New Jersey Devils. Under his leadership, the HBSE platform has grown to include Top-10 venue, the Prudential Center in Newark, N.J.; the \$82 million mixed-use Training Complex in Camden, NJ; the Delaware Blue Coats; the Utica Comets; esports franchise Dignitas; and HBSEv. Additionally, Harris is a General Partner of the Crystal Palace Football Club in the Premier League.

Harris founded 26North, a next-generation alternatives platform. Prior to its establishment, Josh was a co-founder of Apollo Global Management. He serves on the Boards of Mount Sinai Medical Center, Harvard Business School, The Wharton School at the University of Pennsylvania, the NBA, and the NHL.

Mitchell Rales is a Limited Partner of the Washington Commanders and Co-Founder & Chairman of the Executive Committee of Danaher Corporation, a global science and technology innovator with more than 20 operating companies and 85,000 associates worldwide. Additionally, Rales is Co-Founder & Chairman of ESAB Corporation, a world leader in fabrication and specialty gas control technology.

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