American rules football; Suddenly, it's a trend for Yankee billionaires to buy top British clubs

by Mark Zeigler

Enos Stanley Kroenke grew up in Mora, a speck of a town in the farmlands of central Missouri. He was named after two St. Louis Cardinals baseball stars from the 1940s and '50s, Enos Slaughter and Stan Musial, but he goes by the less pretentious Stan. His father was in the lumber business. He played high school basketball.

This is the guy who wants to buy Arsenal, among Englad's most hallowed soccer clubs.

This is the guy who has the Arsenal boardroom, in the words of Chairman Peter Hill-Wood, "horrified."

Kroenke is hardly a pioneer, though, leading a wagon train full of cash through the uncharted frontier of European soccer. He would merely become the fifth American to buy a team in the English Premier League, following Malcolm Glazer at Manchester United, Tom Hicks and George Gillett at Liverpool and Randy Lerner at Aston Villa.

But Kroenke's expected takeover bid for Arsenal has turned what was considered a passing fancy into a full-blown trend, with the prospect that half the Premiership's 20 teams could be owned by Americans by the end of the decade. Two years ago, a Premiership club had never been owned by an American. Now there are reports that an American consortium is interested in Manchester City. Upper-echelon clubs such as Tottenham, Everton and Newcastle are seen as lucrative business opportunities primed for foreign takeovers. And just last week came the news that Microsoft co-founder Paul Allen wants to buy Southampton, a club of modest means currently in the first division that is a candidate for promotion to the Premier League next season.

"Ten years ago these people wouldn't have given football a second thought," Richard Scudamore, the Premier League's CEO, told The Sunday Telegraph of London. "But I think that has changed because we've become so popular. One of the consequences of becoming of interest globally is that you're going to attract global interest not just in a fan sense, but in an owner sense."

The key word in that sentence: global.

The two booming sports entities in the U.S. marketplace, the NFL and NASCAR, have limited appeal outside the country's borders in a business climate bent on maximizing profits through globalization. That isn't a problem for soccer, still the world's most popular sport with no close second. Or put another way: Arsenal has a far better chance of penetrating the 1.2 billion-person Chinese market than the Tennessee Titans.

There also is the attraction of a Premier League television deal that now guarantees $60 million per team per year, along with soaring ticket prices and nine-figure sponsorship contracts.

Glazer, Hicks, Gillett and Lerner probably couldn't tell you when to raise an offside flag. To which they say: So what? If they were solely interested in soccer, they would have bought MLS teams.

"What you're starting to see is that this isn't about a love for soccer," says David Carter, the executive director of USC's Sports Business Institute. "It's about the love of money. These guys understand that sports is a global opportunity for them, and they see an opportunity for growth."

So Glazer paid $1.6 billion for Manchester United and Old Trafford in 2005. Hicks and Gillett shelled out $900 million-plus for Liverpool, including a plan to build a new stadium. Allen could get Southampton for a mere $100 million, but he'd need several times that to upgrade its roster and build a new home field.

Not impressed with what is estimated to be a $1.4 billion bid by Kroenke is an Arsenal board stocked with bluebloods.

"We don't need his money and don't need his sort," said Hill-Wood, whose family has run Arsenal for three generations. "He knows sweet FA about our football."

Kroenke, 59, quietly bought 9.9 percent of Arsenal stock last month from British television network ITV and since upped that to 12.19 percent. A boardroom battle ensued, with longtime Vice Chairman David Dein being pushed out for reportedly backing a takeover bid by Kroenke.

But it might not be long before Dein, who was responsible for hiring popular coach Arsene Wenger, is back in. He owns 14.6 percent of the club's stock and could sell that to Kroenke to increase the Missourian's stake to nearly 27 percent. Get to 30 percent, and London Stock Exchange rules allow for a corporate takeover bid.

And the kid from Mora is loaded. Kroenke owns four pro sports franchises, but his big money comes as a real estate developer, building shopping malls that Wal-Marts sit on. His wife, Ann, conveniently, is an heiress to the Wal-Mart fortune. Forbes estimates Kroenke's net worth at $2.1 billion; it puts Ann at $2.6 billion.

The Arsenal board is digging in. It announced a pact not to sell its shares, which amount to 45 percent, for at least a year.

"We also have friends that take us over 50 percent," says Danny Fiszman, the largest current shareholder at 24.11 percent. "They can mount a hostile (takeover) bid, but they're never going to get control of the club."

American rules football; Suddenly, it's a trend for Yankee billionaires to buy top British clubs by Mark Zeigler