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Reds leave Diamond Sports as MLB objects to broadcaster's bankruptcy plan in court



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The [Cincinnati Reds](#) are leaving Diamond Sports Group and will need a new television home for 2025, according to a court filing Friday evening.

The Reds and Diamond, which operates FanDuel branded regional sports networks, agreed to part ways after they could not reach a renegotiated deal. The Reds agreed to sell their stake in FanDuel Sports Network Ohio for \$1, per the filing. The station will continue to broadcast the Cleveland Cavaliers of the [NBA](#) and the Columbus Blue Jackets of the [NHL](#).

It wasn't immediately clear whether the Reds would join the ranks of six other teams whose games will be broadcast and produced by [Major League Baseball](#) itself in 2025, or whether the Reds will pursue other options. The Reds declined comment.

With the Reds' departure, the broadcasting future of four MLB teams that were carried by Diamond last year remains unknown, with a major court date looming in six days: the [Detroit Tigers](#), [Kansas City Royals](#), [Los Angeles Angels](#) and [Tampa Bay Rays](#). Diamond has said it intends to walk away from those clubs unless they accept revised deals.

It's unknown whether MLB and Diamond have determined the fate of some of those clubs at this point and not others, or if they're continuing to talk about all four, but conversations are ongoing — now, perhaps, with some additional leverage powering MLB.

The Reds' exit wasn't the only major development in the Diamond situation Friday. Twenty months into Diamond's bankruptcy proceeding, MLB formally objected to the broadcaster's plan to emerge from Chapter 11, criticizing its financial outlook. The league was joined in the objection by the [Atlanta Braves](#), the one baseball team whose contract Diamond has said it wants to keep without renegotiating the terms.

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A potential two-day hearing to determine Diamond's future is set to begin on Thursday. MLB's objection, which alleges that Diamond has "a substantial likelihood" of falling into bankruptcy again in the near future, would be weighed by judge Chris Lopez during that hearing. But a person briefed on the discussions who was not authorized to speak publicly said the objection could be withdrawn or modified by then if MLB and Diamond can find common ground during negotiations that are ongoing.

Diamond declined comment. Its reply is due in court by Wednesday, a day before the confirmation hearing. MLB declined comment beyond what was submitted in court.

Twice this week, MLB and Diamond agreed on a brief extension for the league to object as the parties negotiated the fate of several teams. One new agreement was announced Thursday: the [St. Louis Cardinals renegotiated their contract with Diamond](#), taking a roughly 25 percent pay cut for 2025 compared to what their old deal called for. The Cardinals joined the Braves and [Miami Marlins](#) as teams Diamond has said it plans to carry in 2025 — so long as the judge allows the company to go forward.

There is reason to doubt that MLB wants Diamond's plan to disintegrate. Were Lopez to ultimately reject Diamond's vision, and the company instead veered toward liquidation, at least some MLB teams would be faced with a double-edged sword.

The Braves appear to be in line to be paid the full freight their contract calls for if Diamond emerges, an outcome many other teams would likely be happy with. And with the Cardinals and Marlins agreeing to return to Diamond on revised deals, it's clear those clubs feel they're better off with Diamond, rather than an alternative broadcaster.

If MLB's objection is not withdrawn, it's unclear how the judge would rule, but overall, Diamond might be in a strong position in a case so high-profile and long-running.

"In a case of this size, with the sophistication of the parties and the counsel, you typically see mega-cases get through confirmation," said Zev Shechtman, a partner at the firm Saul Ewing, who is not involved in the case. "You oftentimes see mega cases, and I consider this one, get confirmed rather quickly. ... This is rather long for a case of this magnitude."

A lawyer for MLB, James Bromley, said in court last month that the parties were hopeful "that we might find a way to terminate and/or reject (contracts) as appropriate prior to the confirmation hearing."

The Cardinals' deal was announced midday Thursday. Come Thursday evening, the league and Diamond agreed to the second extension for an objection, delaying 22 hours until Friday afternoon. No other deals were announced afterward before MLB submitted its objection, and the Reds' exit was submitted to the court shortly after. Objections from all other parties were due Tuesday.

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MLB has been Diamond's most consistent and vocal critic throughout the bankruptcy process. The NBA and NHL, which have 13 and eight teams carried by Diamond respectively, have had smoother dealings. MLB consistently has said Diamond has not provided adequate financial information, and the objection played that tune once again.

"To date, the Debtors have produced only 20 documents, totaling 181 pages," MLB and the Braves wrote. "Half of these documents were publicly available reports concerning the sports media world in general, and most of the remaining substantive documents were presentation materials that had already been shared with MLB (whether directly or through its advisors)."

But for all the consternation, MLB had not formally objected until Friday.

"A typical plan objection that might have some legs would be as to the feasibility of the plan," Shechtman said. "Is there a viable business plan where the terms of the plan, the payments under the plan, would actually be likely to succeed?"

"One of the main legal frameworks for this analysis is, is it likely to be followed by another bankruptcy?"

MLB and Atlanta are arguing that's the case.

"The Debtors' inability to demonstrate plan feasibility also calls into question whether the Debtors can demonstrate adequate assurance of future performance to assume the Braves' executory contract," the objection said.

Three other objections have been filed, two from businesses claiming they're owed relatively small amounts of money, and another from the U.S. Trustee, the arm of the Department of Justice that oversees bankruptcy matters. The U.S. Trustee is arguing Diamond's plan includes legal releases that are too broad.

Not all of the four MLB teams whose fates are unknown are in the same spot legally. The Angels and Royals (and previously, the Reds) are broadcast by joint ventures — meaning the channel they are carried on is owned in part by the team in addition to Diamond.

Those joint-venture stations are not formally part of the bankruptcy proceeding, whereas the Rays' and Tigers' stations are. That's why Diamond has already said in court that it plans to technically "reject" the Rays and Tigers contracts.

But for all intents and purposes, the four clubs' positions are the same: accept a revised deal, or go elsewhere.

MLB and the Braves noted at the end of the objection that they were reserving the right "to supplement and amend this pleading."