



GOLDEN GATE YACHT CLUB

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LACK OF RESPONSE FROM SWISS AMERICA'S CUP DEFENDER FORCES GGYC TO SEEK LEGAL REDRESS IN THE NEW YORK COURTS

**While ignoring the valid GGYC challenge, SNG accepts a second challenger
under the invalid AC 33 Protocol**

New York, NY, 20 July 2007 -- Golden Gate Yacht Club (GGYC) filed a lawsuit today against the Société Nautique de Genève (SNG) in the Supreme Court of the State of New York, which has jurisdiction over the America's Cup Deed of Gift.

The San Francisco club is asking the Court to:

- void the purported challenge of the Club Náutico Español de Vela (CNEV) because CNEV does not qualify under the Deed of Gift as a challenger;
- declare the "Protocol Governing the 33rd America's Cup" agreed between SNG and CNEV null and void because (i) CNEV was an invalid challenger, and (ii) SNG is engaging in self-dealing by accepting CNEV's purported challenge and entering into a protocol which eliminates Challenger rights and omits basic information regarding match rules and conditions.
- declare that GGYC's challenge filed on 11 July 2007 for the 33rd America's Cup is valid; and
- require SNG to accept GGYC's challenge, and implement the terms of the Deed of Gift by participating with GGYC in the establishment of a proper protocol through a consensual process; or, failing that, to proceed with a match with GGYC under the rules expressly set forth in the Deed of Gift.

Key excerpts from the lawsuit filed today:

The action arises out of defendant SNG's violation of the clear, express terms of the Deed of Gift, a trust instrument executed under the laws of New York, on October 24, 1887. SNG is the present holder and successor trustee of the trophy known world-wide as the America's Cup. The Deed of Gift ("Deed") provides that the America's Cup is a "perpetual Challenge Cup for friendly competition between foreign countries." By failing to enforce the terms of the Deed, SNG has turned the Deed of Gift on its head and transformed it into a "Defender's Cup," dominated by SNG, in breach of SNG's fiduciary duties.

SNG has accepted a challenge that is invalid under the Deed of Gift from Club Náutico Español de Vela (“CNEV”), a brand new yacht club... specifically created to collaborate with SNG.

SNG used CNEV... to engineer a match Protocol in which virtually all Challenger rights are eliminated and total control of the event and its rules are granted to SNG, altering the very nature of the competition and giving unprecedented and unfair advantages to SNG.

By refusing to disclose...the basic elements of regatta venue, date and boat design rules, there is no opportunity for a fair and equitable competition.

Moreover, while SNG’s Team Alinghi can begin to plan its campaign and design its yachts, all other competitors are stalled.

The Deed of Gift, a document dating from 1857, defines the rules for the America’s Cup, the oldest trophy in international sport.

The Deed states that the Defender and first-in Challenger (known as the “Challenger of Record”) “may, by mutual consent, make any arrangement satisfactory to both as to the dates, courses, number of trials, rules and sailing regulations, and any and all other conditions of the match.” Since the 1992 Cup, such mutual consent has been called the “Protocol.”

If the defending and challenging clubs cannot reach mutual agreement, then the Deed prescribes particular match rules. In all but one of the previous 32 editions of the Cup – in 1988 – the Defender and Challenger have adopted a Protocol, or “Conditions” as the document was known prior to 1988.

“Yesterday SNG left us no choice other than to go to court when ACM [America’s Cup Management – SNG’s company formed to manage Cup events] announced that SNG had accepted on Wednesday a second challenger under the invalid Protocol. This is a clear signal that SNG intends to ignore our challenge under the Deed and proceed with its efforts to dictate unilaterally the terms of the competition,” said GGYC Commodore Marcus Young.

“The recently completed 32nd America’s Cup, in which Alinghi raced Team New Zealand, delivered what many said was the closest and most exciting in the history of the Cup. The fact that the racing was so close brought the Cup to more people world-wide than ever before. It’s a real shame that SNG is trying to change the rules to create an unfair advantage.

“We still hope SNG will accept GGYC as Challenger of Record even before the court has to rule on our lawsuit. If not, we hope the courts will swiftly resolve this matter so we can get back on the water for a fair and exciting 33rd America’s Cup.”

For more information, including a copy of the lawsuit (when available), please visit www.ggyc.com.

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