

Sports Properties Acquisition Corp.
Form PRER14A
December 15, 2009
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(AMENDMENT NO. 1)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

SPORTS PROPERTIES ACQUISITION CORP.

(Name of Registrant as Specified In Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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(2) Aggregate number of securities to which transaction applies:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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SPORTS PROPERTIES ACQUISITION CORP.

437 MADISON AVENUE

NEW YORK, NY 10022

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

OF SPORTS PROPERTIES ACQUISITION CORP.

TO BE HELD ON _____, 20__

To the Stockholders of Sports Properties Acquisition Corp.:

NOTICE IS HEREBY GIVEN that the special meeting of the stockholders of Sports Properties Acquisition Corp., a Delaware corporation (Sports Properties), will be held at _____ Eastern time, on _____, 20 _____, at _____. At the special meeting, stockholders will consider and vote on the following proposals (each sub-proposal will be voted upon separately and independently):

- (1) To approve amendments to Sports Properties amended and restated certificate of incorporation (the charter) to allow for Sports Properties to consummate the transactions contemplated by the Framework Agreement, dated as of November 18, 2009 (the Framework Agreement), by and between Sports Properties and Medallion Financial Corp., a Delaware corporation (Medallion Financial), consisting of the following sub-proposals (the Initial Charter Proposals):
 - (1A) to revise the definition of Business Combination under Article Sixth of the charter so that the consummation of substantially all of the transactions contemplated by the Framework Agreement (the Framework Transactions) will also constitute a Business Combination even though the Framework Transactions do not involve the acquisition by us of one or more assets or operating businesses in the sports, leisure and entertainment industries whose fair market value is at least equal to 80% of our net assets held in trust (calculated as provided in the charter) at the time of such acquisition;
 - (1B) to delete the provision that prohibits us from consummating a Business Combination (as defined in the charter) with any entity affiliated with any person who was a stockholder prior to our initial public offering or our officers or directors;
 - (1C) to increase the threshold regarding the maximum amount of the shares we issued in our initial public offering (IPO Shares) that may vote against a Business Combination and seek conversion prior to Sports Properties consummating a Business Combination from less than 30% to less than 50%; and
 - (1D) to remove the requirement that only holders of IPO Shares that vote against a Business Combination may convert their IPO Shares into cash;
- (2) To approve the Framework Transactions and provide for our perpetual existence, consisting of the following sub-proposals (the Framework Transactions Proposals):

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- (2A) to approve the transactions contemplated by the Framework Agreement which, among other things, sets forth the steps to be taken by us to continue our business as a corporation that acquires and actively manages transferable licenses that permit the operation of taxicabs in major metropolitan cities in the United States, or medallions, leases the medallions to fleet taxi operators, operates, on a selective basis, the taxicab fleets associated with those medallions and provides a range of services to and otherwise participates in the taxi industry (and to approve a related amendment to the agreement that governs our trust account to allow for the release of funds from our trust account once the Framework Transactions are consummated) (the Framework Transactions Sub-Proposal 1); and

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- (2B) to approve an amendment to our charter to provide that our corporate existence will be perpetual instead of terminating on January 17, 2010 (the Framework Transactions Sub-Proposal 2);

- (3) To approve amendments to our charter which (i) eliminate certain provisions applicable only to special purpose acquisition corporations and (ii) revise certain other provisions in anticipation of our existence as an operating company, consisting of the following three sub-proposals (the Secondary Charter Proposals):
 - (3A) to eliminate the provisions only applicable to us as a special purpose acquisition corporation prior to the completion of a Business Combination, as defined in our charter after giving effect to the Initial Charter Proposals;

 - (3B) to change our name from Sports Properties Acquisition Corp. to Medallion Management, Inc. ; and

 - (3C) to increase the number of authorized shares of our capital stock from 101,000,000 to 550,000,000;

- (4) To adopt a proposed equity incentive plan, to be effective upon completion of the transactions contemplated by the Framework Agreement (the Equity Incentive Plan Proposal); and

- (5) To adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, at the time of the special meeting, it appears we cannot consummate the transactions contemplated by the Framework Agreement.

These items of business are described in the accompanying proxy statement, which you are encouraged to read in its entirety before voting. Only holders of record of Sports Properties common stock at the close of business on _____, 2009 are entitled to notice of the special meeting and to vote and have their votes counted at the special meeting and any adjournments or postponements of the special meeting.

The approval of the Initial Charter Proposals (including each related sub-proposal) and the Framework Transactions Proposals (including each related sub-proposal) is a condition to the consummation of Framework Transactions discussed above. The approval of the Secondary Charter Proposals (including each sub-proposal) and the approval of the Equity Incentive Plan Proposal are not conditions to the consummation of Framework Transactions and will not impact whether the Framework Transactions are consummated. The approval of proposals to amend the terms of our warrants that will be considered at a special meeting of our warrant holders that will be held at the same time as the special meeting of our stockholders is also a condition to the consummation of the Framework Transactions.

Our charter requires that we obtain a fairness opinion in certain circumstances and accordingly, we disclosed in the prospectus for our initial public offering that we would seek a fairness opinion with respect to a Business Combination (as defined in our charter) in certain circumstances. After our stockholders approve the Initial Charter Proposals, those circumstances would not apply with respect to the Framework Transactions. Therefore, we did not obtain a fairness opinion with respect to the Framework Transactions. We also disclosed in the prospectus for our initial public offering that we would seek a fairness opinion with respect to a Business Combination (as defined in our charter) if a conflict of interest existed with respect to the transaction. Medallion Financial, an entity affiliated with certain of our directors and officers, is the other party to the Framework Agreement and will continue to be a stockholder and warrant holder of Sports Properties. Medallion Financial will also provide us with transitional services following the consummation of the Framework Transactions. Andrew M. Murstein, our Secretary and Vice Chairman, will become our Chief Executive Officer and Vice Chairman following consummation of the Framework Transactions. Mr. Murstein is Medallion Financial's President and a director and a stockholder of Medallion Financial and Larry D. Hall, our Chief Financial Officer, is the Chief Financial Officer of Medallion Financial. Although we recognize that a conflict may exist with respect to the Framework Transactions, we did not obtain a fairness opinion because the Framework Transactions do not involve the acquisition of assets or an existing business and therefore the use of customary analyses on which fairness opinions are typically based is precluded.

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After careful consideration, our board of directors has unanimously determined that the proposals are fair to us and in our best interests and the best interests of our stockholders and recommends that you vote or give instruction to vote **FOR** the approval of each of the proposals (including all related sub-proposals).

All Sports Properties stockholders are cordially invited to attend the special meeting in person. To ensure your representation at the special meeting, however, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. If you are a stockholder of record of shares of our common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares or, if you wish to attend the meeting and vote in person, obtain a proxy from your broker or bank. If you do not vote or do not instruct your broker or bank how to vote, it will have the same effect as voting against the Initial Charter Proposals, the Framework Transactions Sub-Proposal 2 and the Secondary Charter Proposals.

A complete list of our stockholders of record entitled to vote at the special meeting will be available for ten days before the special meeting at our principal executive offices for inspection by our stockholders during ordinary business hours for any purpose germane to the special meeting.

Your vote is important regardless of the number of shares you own. Whether you plan to attend the special meeting or not, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided. If your shares are held in street name or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted.

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors

[Scanned signature]
Tony Tavares

Chief Executive Officer

New York, NY

Dated: _____, 2009

IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS (INCLUDING ALL OF THE SUB-PROPOSALS) AND YOU WILL NOT BE ELIGIBLE TO HAVE YOUR SHARES CONVERTED INTO A PRO RATA PORTION OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE NET PROCEEDS OF OUR INITIAL PUBLIC OFFERING ARE HELD.

IF YOU WISH TO EXERCISE CONVERSION RIGHTS YOU MUST (1) AFFIRMATIVELY VOTE EITHER FOR OR AGAINST THE FRAMEWORK TRANSACTIONS SUB-PROPOSAL 1, (2) CHECK THE BOX ON THE PROXY CARD INDICATING YOU ARE EXERCISING CONVERSION RIGHTS WITH RESPECT TO YOUR IPO SHARES AND (3) DELIVER YOUR IPO SHARES TO OUR TRANSFER AGENT BY 5:00 P.M. EASTERN TIME ON THE BUSINESS DAY PRIOR TO THE VOTE AT THE SPECIAL MEETING OF STOCKHOLDERS. IF YOU HOLD YOUR IPO SHARES IN STREET NAME, YOU WILL NEED TO INSTRUCT THE ACCOUNT EXECUTIVE AT YOUR BANK OR BROKER TO WITHDRAW THE SHARES FROM YOUR ACCOUNT AND DELIVER THE SHARES ELECTRONICALLY USING THE DEPOSITORY TRUST COMPANY'S DWAC (DEPOSIT WITHDRAWAL AT CUSTODIAN) SYSTEM TO OUR TRANSFER AGENT. IF THE CLOSING CONTEMPLATED BY THE FRAMEWORK AGREEMENT DOES NOT OCCUR, THEN THESE SHARES WILL NOT BE CONVERTED INTO CASH. SEE THE SECTION ENTITLED **THE FRAMEWORK TRANSACTIONS PROPOSALS THE FRAMEWORK TRANSACTIONS SUB-PROPOSAL 1 CONVERSION RIGHTS** FOR MORE SPECIFIC INSTRUCTIONS.

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SPORTS PROPERTIES ACQUISITION CORP.

437 MADISON AVENUE

NEW YORK, NY 10022

NOTICE OF SPECIAL MEETING OF WARRANTHOLDERS

OF SPORTS PROPERTIES ACQUISITION CORP.

TO BE HELD ON _____, 20__

NOTICE IS HEREBY GIVEN that the special meeting of the warrant holders of Sports Properties Acquisition Corp., a Delaware corporation (Sports Properties), will be held at _____, on _____, 20__, at _____. At the special meeting, warrant holders will consider and vote on the following proposals (each sub-proposal will be voted upon separately and independently):

- (1) To approve amendments to the Warrant Agreement, dated as of January 17, 2008, between Sports Properties and Continental Stock Transfer & Trust Company, which governs the terms of our outstanding warrants, in connection with the consummation of the transactions contemplated by the Framework Agreement, dated as of November 18, 2009 (the Framework Agreement), by and between Sports Properties and Medallion Financial Corp., a Delaware corporation, which, among other things, sets forth the steps to be taken by us to continue our business as a corporation that acquires and actively manages transferable licenses that permit the operation of taxicabs in major metropolitan cities in the United States, or medallions, leases the medallions to fleet taxicab operators, operates, on a selective basis, the taxicab fleets associated with those medallions and provides a range of services to and otherwise participates in the taxi industry, consisting of the following sub-proposals (the Warrant Amendment Proposals):
 - (1A) to provide that the exercise price of our warrants will be increased from \$7.00 to \$12.00 per share;
 - (1B) to provide that the expiration date of the warrants will be extended from January 17, 2012 to January 17, 2015;
 - (1C) to provide that the price at which our common stock must trade before we are able to redeem the warrants we issued in our initial public offering will be increased from \$14.25 to \$18.75; and
 - (1D) to eliminate the cashless exercise feature of the warrants we issued in our initial public offering; and
- (2) To adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, at the time of the special meeting, Sports Properties is not authorized to consummate any of the Warrant Amendment Proposals or it otherwise appears that we cannot consummate the transactions contemplated by the Framework Agreement.

These items of business are described in the accompanying proxy statement, which you are encouraged to read in its entirety before voting. Only holders of record of our warrants at the close of business on ____ are entitled to notice of the special meeting and to vote and have their votes counted at the special meeting and any adjournments or postponements of the special meeting.

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The approval of the Warrant Amendment Proposals (including each related sub-proposal) is a condition to the consummation of the transactions contemplated by the Framework Agreement discussed above.

After careful consideration, our board of directors has unanimously determined that the proposals are fair to us and in our best interests and the best interests of our warrantholders and recommends that you vote or give instruction to vote **FOR** the approval of each of the proposals (including all related sub-proposals).

All Sports Properties warrantholders are cordially invited to attend the special meeting in person. To ensure your representation at the special meeting, however, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. If you are a warrantholder of record of Sports Properties, you may also cast your vote in person at the special meeting. If your warrants are held in an account at a brokerage firm or bank, you must instruct

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your broker or bank on how to vote your warrants or, if you wish to attend the meeting and vote in person, obtain a proxy from your broker or bank. If you do not vote or do not instruct your broker or bank how to vote, it will have the same effect as voting against the Warrant Amendment Proposals.

A complete list of our warrantholders of record entitled to vote at the special meeting will be available for ten days before the special meeting at our principal executive offices for inspection by our warrantholders during ordinary business hours for any purpose germane to the special meeting.

Your vote is important regardless of the number of warrants you own. Whether you plan to attend the special meeting or not, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided. If your warrants are held in street name or are in a margin or similar account, you should contact your broker to ensure that votes related to the warrants you beneficially own are properly counted.

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors

[Scanned signature]
Tony Tavares

Chief Executive Officer

New York, NY

Dated:

IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR WARRANTS WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS (INCLUDING ALL OF THE SUB-PROPOSALS). IF THE TRANSACTIONS CONTEMPLATED BY THE FRAMEWORK AGREEMENT ARE NOT COMPLETED AND WE DO NOT COMPLETE AN INITIAL BUSINESS COMBINATION PRIOR TO JANUARY 17, 2010, THEN THE WARRANTS WILL EXPIRE WORTHLESS.

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SPORTS PROPERTIES ACQUISITION CORP.

437 MADISON AVENUE

NEW YORK, NY 10022

PROXY STATEMENT

For the Special Meetings of Stockholders and Warrantheolders of

Sports Properties Acquisition Corp.

Sports Properties Acquisition Corp., a Delaware corporation (Sports Properties), is pleased to report that our board of directors has approved the Framework Agreement, dated as of November 18, 2009, (the Framework Agreement), by and between Sports Properties and Medallion Financial Corp., a Delaware corporation (Medallion Financial), which, among other things, provides for the continuation of Sports Properties business as a corporation that acquires and actively manages transferable licenses that permit the operation of taxicabs in major metropolitan cities in the United States, or medallions, leases the medallions to fleet taxi operators, operates, on a selective basis, the taxicab fleets associated with those medallions and provides a range of services to and otherwise participates in the taxi industry.

Following the consummation of the transactions contemplated by the Framework Agreement (the Framework Transactions), we plan to acquire and actively manage medallions primarily with a view to leasing them to fleet operators in our target markets and on a selective basis to operate the taxicabs associated with these medallions. We also intend to provide a range of services to our fleet operators and to seek new business opportunities in taxi-related operating businesses.

Proposals to amend our amended and restated certificate of incorporation (the charter) to allow for the consummation of the Framework Transactions, and to revise certain conditions to complete a Business Combination and to approve the Framework Transactions (and a related amendment to the agreement that governs our trust account to allow for the release of funds once the Framework Transactions are consummated) and the other matters discussed in this proxy statement will be presented at the special meetings of our stockholders and warrantheolders scheduled to be held on _____.

We have also proposed amendments to our charter that provide for (i) our perpetual existence; (ii) our name change to Medallion Management, Inc. ; (iii) the removal of the provisions only applicable to us as a special purpose acquisition corporation prior to a Business Combination (as defined in our charter after giving effect to the Initial Charter Proposals); and (iv) the increase in the number of authorized shares of our capital stock from 101,000,000 to 550,000,000. In addition, our stockholders will consider and vote upon a proposal to adopt an equity incentive plan and our warrantheolders will consider and vote upon proposals to amend the terms of our warrants as described further in this proxy statement.

We are providing this proxy statement and the accompanying proxy cards to our stockholders and warrantheolders in connection with the solicitation of proxies to be voted at the special meetings of our stockholders and warrantheolders and at any adjournments or postponements of the special meetings. Unless the context requires otherwise, references to you are references to Sports Properties stockholders and warrantheolders, as the case may be, and references to we, us and our and the Company are to Sports Properties.

This proxy statement provides you with detailed information about the transactions contemplated by the Framework Agreement and other matters to be considered by our stockholders and warrantheolders. You are encouraged to carefully read the entire document and the documents incorporated by reference.

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Your vote is very important. Whether or not you plan to attend the special meetings, the details of which are described on the following pages, please complete, date, sign and promptly return the accompanying proxy in the enclosed envelope.

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We consummated our initial public offering (IPO) on January 24, 2008. Banc of America Securities LLC (BofA) acted as the sole manager and representative of the underwriters in the IPO. We expect that BofA and the other underwriters in our IPO will agree to reduce, the deferred underwriting commissions they are entitled to receive in the aggregate upon consummation of the Framework Transactions from approximately \$9.3 million to approximately \$1.5 million to \$2.15 million, in the aggregate. It is a condition to the consummation of the Framework Transactions that the underwriters in our IPO agree to such reduction. If the transactions contemplated by the Framework Agreement are not consummated and we are required to be liquidated, the underwriters will not receive any deferred underwriting commissions and those funds will be returned to our public stockholders upon our liquidation.

This proxy statement is dated _____, and is first being mailed to our stockholders and warrant holders on or
about _____.

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ANNEX I:	Form of Letter Agreements

Table of Contents**SUMMARY**

*The following summary highlights selected information from this proxy statement. It does not contain all of the information that you should consider before deciding how to vote on any of the proposals described herein. You should read carefully the entire proxy statement, including the information set forth under **Risk Factors** in this proxy statement, and the other documents to which we have referred you.*

Background

In the prospectus included in the registration statement for our IPO, we undertook to consummate an initial Business Combination in which we would acquire, by merger, capital stock exchange, asset or stock acquisition, exchangeable share transaction, joint venture or other similar type of transaction or a combination of the foregoing, the assets of one or more domestic or international operating businesses or one or more domestic or international operating businesses in the sports, leisure and entertainment industries having, collectively, a fair market value (as determined in accordance with the requirements of our charter) of at least 80% of our net assets at the time of the acquisition by January 17, 2010 or liquidate. These requirements were set forth in our charter. In the proposed transactions set forth in the Framework Agreement, dated as of November 18, 2009 between us and Medallion Financial, we are not acquiring one or more assets or control of one or more operating businesses in the sports, leisure and entertainment industries. Rather, the Framework Agreement, among other things, sets forth the steps to be taken by us to continue our business as a corporation that acquires and actively manages taxicab medallions, leases the medallions to fleet taxi operators, operates, on a selective basis, the taxicab fleets associated with those medallions and provides a range of services to and otherwise participates in the taxi industry. See the section entitled **The Framework Agreement**. **Accordingly, the proposed transactions contemplated by the Framework Agreement do not satisfy the above requirements as originally contemplated by our IPO prospectus.** Since our IPO, our management team and our other representatives have diligently considered over 100 acquisition opportunities in our search for an attractive business combination candidate. The initial potential target companies operated in a variety of different industries and included professional sports teams, concession operators, sports leagues, sports and talent agencies, restaurants, hotel and leisure companies and other target industries as described in our IPO prospectus. We analyzed approximately a dozen sports franchises and approximately 30 acquisition targets in the target industries described in our IPO prospectus. We were able to reach the level of an executed term sheet or letter of intent with one sports franchise, a restaurant chain and a cleaning supply company. We also considered a transaction in which we would become a blind pool real estate investment trust and a transaction in which we would become a land bank. However, none of the companies and structures we analyzed were believed to be as attractive to our public stockholders as the opportunity described in this proxy statement which will position us to become what we believe will be the only publicly traded company in the United States focused exclusively on the ownership, operation and active management of taxicab medallions and the delivery of services to, the taxi industry. Our objective will be to capitalize on what we perceive to be significant opportunities to achieve both current cash flow and growth in the value of our business through appreciation of taxicab medallions, which have historically demonstrated strong price appreciation over time, and through the services we will provide to the taxi industry. We believe that a number of factors support the case for additional appreciation in the value of the medallions and increases in lease rates for such medallions in our target markets over time, including the following: financial and political motivation of local regulators to limit the supply of medallions and to promote a stable, if not rising, medallion price in order to maximize revenue generation from new medallion issuances and to maintain an interest in medallions; medallion taxis are the exclusive street hail option in medallion-based cities, which provides competitive advantages to the medallion owner over other land transport alternatives; in the last 60 years taxi fares have only increased and local regulatory authorities have not approved a fare decrease in New York City, Chicago or Boston; taxi operations can be counter-cyclical economic performers as illustrated by the recent recession which has increased driver availability and led to higher medallion utilization rates; debt capital to support medallion purchase is available in most major taxi medallion markets which we believe has expanded the potential demand for, and the values associated with, medallions. See **Our Business Following the Consummation of the Framework Transactions Factors Supporting Taxi Medallion Valuations**. In addition, based on historical sales volume, turnover rates and discussions Medallion Financial has had with large taxicab medallion operators in our target markets, we believe there is a sufficient supply of sellers that would allow us to acquire taxicab medallions consistent with our business plan and generate the revenue required to meet the costs of operating as a public company.

We disclosed in our IPO prospectus that in connection with seeking stockholder approval of an initial business combination we would try to furnish our stockholders with audited financial statements of the target business in the proxy statement. We also disclosed that if our initial business combination were structured as an asset acquisition, the proxy statement we would send to stockholders to approve a business combination may not contain audited or unaudited historical financial information with respect to the assets being acquired. In such case, if we determined that such audited historical financial information was not required, instead of audited or unaudited historical financial statements, the proxy statement we would send to our stockholders would contain the same information that would typically be provided in the business section of the prospectus for an initial public offering of a start-up company without historical financial statements, such as: (i) historical and prevailing market rates for assets of that type; (ii) our expectations of future market trends and proposed strategy for employment of the assets; (iii) our anticipated operational (overhead) expenses; and (iv) the valuation of the assets generally. Although the Framework Transactions do not involve the acquisition of assets, we have provided the information set forth in clauses (i), (ii), (iii) and (iv) of the preceding sentence in the section entitled **Our Business Following the Consummation of the Framework Transactions**. In addition, because we have not yet identified specific taxicab medallions to acquire and actively manage, we are not including in this proxy statement financial statements relating to any of our target assets.

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Our charter requires that we obtain a fairness opinion in certain circumstances and accordingly, we disclosed in the prospectus for our IPO that we would seek a fairness opinion with respect to a Business Combination (as defined in our charter) in certain circumstances. After our stockholders approve the Initial Charter Proposals, those circumstances would not apply with respect to the Framework Transactions. Therefore, we did not obtain a fairness opinion with respect to the Framework Transactions. We also disclosed in the prospectus for our IPO that we would seek a fairness opinion with respect to a Business Combination (as defined in our charter) if a conflict of interest

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existed with respect to the transaction. Medallion Financial, an entity affiliated with certain of our directors and officers, is the other party to the Framework Agreement and will continue to be a stockholder and warrant holder of Sports Properties. Medallion Financial will also provide us with transitional services following the consummation of the Framework Transactions. Andrew M. Murstein, our Secretary and Vice Chairman, will become our Chief Executive Officer and Vice Chairman following consummation of the Framework Transactions. Mr. Murstein is Medallion Financial's President and a director and a stockholder of Medallion Financial and Larry D. Hall, our Chief Financial Officer, is the Chief Financial Officer of Medallion Financial. Although we recognize that a conflict may exist with respect to the Framework Transactions, we did not obtain a fairness opinion because the Framework Transactions do not involve the acquisition of assets or an existing business and therefore the use of customary analyses on which fairness opinions are typically based is precluded. See the section entitled **The Initial Charter Proposals**.

Proposals to be Considered at the Special Meetings of Sports Properties Stockholders

We are proposing to amend the terms of our charter to (i) provide that the consummation of substantially all of the transactions contemplated by the Framework Agreement will also constitute a Business Combination under Article Sixth of our charter, (ii) remove the prohibition against consummating a Business Combination (as defined in the charter) with any entity affiliated with our pre-IPO stockholders or our directors and officers, (iii) revise the threshold regarding the limit on the amount of IPO Shares (as defined herein) that may vote against a Business Combination and seek conversion in order for us to consummate a Business Combination from less than 30% to less than 50% of the IPO Shares and (iv) remove the requirement that only holders of the IPO Shares who vote against a Business Combination may convert their IPO Shares into cash (the Initial Charter Proposals). See the section entitled **The Initial Charter Proposals**.

If the Initial Charter Proposals are approved, our stockholders will be asked to (i) approve the Framework Transactions and a related amendment to the agreement that governs our trust account to allow for the release of funds from our trust account once the Framework Transactions are consummated (the Framework Transactions Sub-Proposal 1) and (ii) amend our charter to provide for our perpetual existence (the Framework Transactions Sub-Proposal 2) and, together with the Framework Transactions Sub-Proposal 1, the Framework Transactions Proposals). See the section entitled **The Framework Transactions Proposals**.

In addition to voting on the Initial Charter Proposals and the Framework Transactions Proposals, if the Initial Charter Proposals and the Framework Transactions Proposals are approved, our stockholders will be asked to vote on proposals to approve amendments to our charter which (i) eliminate certain provisions applicable only to special purpose acquisition corporations and (ii) revise certain other provisions in anticipation of our existence as an operating company, consisting of the following three sub-proposals (the Secondary Charter Proposals):

to eliminate the provisions only applicable to us as a special purpose acquisition corporation prior to the completion of a Business Combination, as defined in our charter after giving effect to the Initial Charter Proposals;

to change our name from Sports Properties Acquisition Corp. to Medallion Management, Inc.; and

to increase the number of authorized shares of our capital stock from 101,000,000 to 550,000,000.

The approval of the Secondary Charter Proposals (including each related sub-proposal) is not a condition to the consummation of the Framework Transactions and will not impact whether the Framework Transactions are consummated. See the section entitled **The Secondary Charter Proposals**.

If the Initial Charter Proposals and the Framework Transactions Proposals are approved, our stockholders will be asked to vote on a proposal to adopt a proposed 2010 equity incentive plan (the 2010 Equity Incentive Plan), to be effective upon consummation of the transactions contemplated by the Framework Agreement (the Equity Incentive Plan Proposal). The 2010 Equity Incentive Plan will provide for grants of restricted common stock and other equity-based awards from time to time up to an aggregate of 7.5% of the issued and outstanding shares of our common stock at the time of the award, subject to a ceiling of 4,000,000 shares available for issuance under the 2010 Equity Incentive Plan. We are proposing the 2010 Equity Incentive Plan as a means of securing and retaining key employees and others of outstanding ability and to motivate such individuals to exert their best efforts on behalf of us

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and our affiliates by providing incentives through the grant of options to acquire shares of our common stock and, if so determined by a committee of our board of directors, other equity-based awards. We believe that we will benefit from the added interest that these individuals will have in our welfare as a result of their proprietary interest in our success. The approval of the Equity Incentive Plan Proposal is not a condition to the consummation of the transactions contemplated by the Framework Agreement and will not impact whether the transactions contemplated by the Framework Agreement are consummated. See the section entitled **The Equity Incentive Plan Proposal**.

Our stockholders will also be asked to vote on a proposal to adjourn the special meeting of stockholders to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, at the time of the special meeting, it appears we cannot consummate the transactions contemplated by the Framework Agreement (the **Stockholders Adjournment Proposal**). See the section entitled **The Stockholders Adjournment Proposal**.

Proposals to be Considered at the Special Meeting of Sports Properties Warrantholders

We are also seeking the approval from the holders of our warrants of a proposal to amend the terms of our warrants, consisting of the following sub-proposals (the **Warrant Amendment Proposals**):

to provide that the exercise price of our warrants will be increased from \$7.00 to \$12.00 per share;

