

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 03-cv-1364-JLK

SCOT HOLLONBECK,
JOSE ANTONIO INIGUEZ,
JACOB WALTER JUNG HO HEILVEIL, and
VIE SPORTS MARKETING, INC., a Georgia corporation,

Plaintiffs,

v.

UNITED STATES OLYMPIC COMMITTEE, a federally chartered corporation, and U.S.
PARALYMPICS, INC., f/k/a UNITED STATES PARALYMPIC CORPORATION, a Colorado
non-profit corporation,

Defendants.

**DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES TO
PLAINTIFFS' AMENDED COMPLAINT AND
U.S. PARALYMPICS, INC.'S COUNTERCLAIM**

Defendants United States Olympic Committee (“USOC”) and U.S. Paralympics, Inc.
 (“USP”) f/k/a United States Paralympic Corporation (“USPC”) (collectively, “Defendants”), by
and through their counsel, Hogan & Hartson LLP by Jeffrey S. George and Anne H. Turner, file
their Answer and Affirmative Defenses to Plaintiffs’ Amended Complaint, and USP files its
Counterclaim as follows:

ANSWER

Introduction

ALLEGATION NO. 1. On July 26, 1990, President George H. W. Bush signed the
Americans with Disabilities Act (“ADA”), establishing one of the most important civil rights law
for persons with disabilities in our country’s history. One of the principal goals of the ADA was
equality of opportunity, full participation, and integration of people with disabilities in our
economic and social life.

ANSWER: The allegations contained in paragraph 1 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 2. Now, thirteen years later, the United States Olympic Committee — a federally chartered corporation responsible for United States participation in the Olympic and Paralympic Games — continues to discriminate against Paralympic athletes such as Plaintiffs Scot Hollonbeck, Jose Antonio Iniguez and Jacob Walter Jung Ho Heilveil by denying them benefits, funding, and other support provided to Olympic athletes.

ANSWER: The allegations contained in paragraph 2 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 3. The USOC admits to this discrimination, and attempts to justify it on the grounds that its primary focus is on Olympic, and not Paralympic, athletes, and that more equitable funding for Paralympic athletes would detract from its support for Olympic athletes.

ANSWER: The allegations contained in paragraph 3 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 4. At the same time that the USOC denies benefits to Paralympic athletes for these ostensibly financial reasons, however, it hinders U.S. Paralympic fund-raising efforts by, for example, failing to effectively market the rights to the U.S. Paralympic trademark — valuable rights granted to the USOC by Congress.

ANSWER: The allegations contained in paragraph 4 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 5. In July, 2001, the USOC retained Plaintiff Vie Sports Marketing to develop the Paralympic brand and to market and sell the rights to the U.S. Paralympic trademark. Although Vie put significant work into this project and although potential sponsors showed significant interest, the USOC ultimately frustrated Vie's attempts to secure the most valuable sponsorships for that mark, simultaneously breaching its contract with Vie and perpetuating its discrimination against Paralympic athletes and against Vie.

ANSWER: To the extent that the allegations contained in paragraph 5 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required. Further answering, Defendants state that the USPC retained Vie Sports Marketing, Inc. (hereinafter, "Vie") for the provision of certain sponsorship development consulting services pursuant to a Sponsorship Development Consulting Agreement ("Consulting Agreement") executed by the USPC and Vie and effective September 1, 2001, which speaks for itself. The USPC subsequently changed its name to USP, and USP and Vie modified the Consulting Agreement in December 2001 and March 2002, which modifications speak for themselves. At all times, USP fully complied with the Consulting Agreement. Defendants deny all remaining allegations contained in paragraph 5 of the Amended Complaint.

ALLEGATION NO. 6. Plaintiffs bring this case to rectify the USOC's discrimination against the Plaintiffs and to remedy the harm caused by that discrimination and by the breach of Defendants' contract with, and repudiation of their promises to, Vie Sports.

ANSWER: To the extent the allegations contained in paragraph 6 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided. Further answering, Defendants deny the allegations contained in paragraph 6 of the Amended Complaint.

Jurisdiction and Venue

ALLEGATION NO. 7. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1343 and 1367.

ANSWER: Defendants admit that this Court has subject matter jurisdiction over this action. Defendants further state that this Court has dismissed all claims upon which jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1343 may have been conferred and, therefore, denies that this Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1343. Further answering, Defendants admit that this Court has the discretion to retain jurisdiction over the state

law claims in Counts III and IV of the Amended Complaint pursuant to 28 U.S.C. § 1367.

Defendants further assert that Vie's claims for breach of contract and promissory estoppel are subject to binding arbitration pursuant to the Consulting Agreement.¹

ALLEGATION NO. 8. Venue is proper within this District pursuant to 28 U.S.C. § 1391.

ANSWER: Defendants admit the allegations contained in paragraph 8 of the Amended Complaint.

Parties

ALLEGATION NO. 9. Scot Hollonbeck is a resident of Georgia. Due to a spinal cord injury, he is paralyzed from the waist down and is substantially impaired in one or more major life activities including but not limited to walking. He uses a manual wheelchair for mobility.

ANSWER: The allegations contained in paragraph 9 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 10. Jose Antonio Iniguez is a resident of Illinois. Due to the effects of polio, he is substantially impaired in one or more major life activities including but not limited to walking. He uses a manual wheelchair for mobility.

ANSWER: The allegations contained in paragraph 10 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 11. Jacob Walter Jung Ho Heilveil is a resident of Washington. Due to the effects of polio, he is substantially impaired in one or more major life activities including but not limited to walking. He is able to walk with difficulty with the aid of crutches, and often uses a manual wheelchair for mobility.

¹ On January 4, 2007, the Court stayed this matter until June 25, 2007. If Vie's breach of contract and promissory estoppel claims are not settled prior to such time, Defendants will then file a motion to compel arbitration and to stay this case.

ANSWER: The allegations contained in paragraph 11 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 12. Plaintiff Vie Sports Marketing, Inc. is a Georgia corporation, with its principal place of business in Atlanta, Georgia.

ANSWER: Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph 12 of the Amended Complaint and, therefore, deny the same.

ALLEGATION NO. 13. Plaintiff Vie Sports Marketing, Inc., was founded and is owned and managed in part by Plaintiff Hollonbeck, an individual with a disability. Vie Sports was founded for the purpose of obtaining sponsors for the Paralympics and is closely associated with Paralympic and disabled athletes and sports. As such, Vie Sports has a known relationship or association with individuals with known disabilities.

ANSWER: To the extent the allegations contained in paragraph 13 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided. Further answering, Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph 13 of the Amended Complaint and, therefore, deny the same.

ALLEGATION NO. 14. Defendant United States Olympic Committee is a federally chartered corporation, 36 U.S.C. § 220502(a), registered to do business in the State of Colorado with its principal place of business in Colorado Springs, Colorado.

ANSWER: Defendants admit the allegations contained in paragraph 14 of the Amended Complaint.

ALLEGATION NO. 15. Defendant U.S. Paralympics, Inc., is a Colorado non-profit corporation with its principal place of business in Colorado Springs, Colorado. USP was formerly known as the Unites States Paralympic Corporation (“USPC”).

ANSWER: Defendants admit the allegations contained in paragraph 15 of the Amended Complaint.

ALLEGATION NO. 16. On information and belief, the USP is the alter ego of the USOC.

ANSWER: Defendants deny the allegations contained in paragraph 16 of the Amended Complaint.

ALLEGATION NO. 17. Because the USOC often referred to itself as the USP and/or USPC in its relationship with the Athlete Plaintiffs and Vie, the USOC and the USP will often be referred to jointly herein.

ANSWER: Defendants deny the allegations contained in paragraph 17 of the Amended Complaint.

Facts

ALLEGATION NO. 18. The Paralympic Games, held every two years immediately after the Olympic Games, are the equivalent of the Olympic Games for persons with disabilities.

ANSWER: The allegations contained in paragraph 18 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 19. The Paralympic Games are the second largest sporting event in the world, after the Olympic Games.

ANSWER: The allegations contained in paragraph 19 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 20. The United States sent approximately 600 athletes to the 2000 Summer Olympic Games and approximately 250 athletes to the 2000 Summer Paralympic Games.

ANSWER: The allegations contained in paragraph 20 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 21. Congress created the USOC through the Ted Stevens Olympic and Amateur Sports Act (“ASA”), 36 U.S.C. §§ 220501 - 220529, and gave the USOC exclusive jurisdiction over “all matters pertaining to United States participation in the Olympic Games, the Paralympic Games, and the Pan-American Games, including representation of the United States in the games,” and obtaining “the most competent amateur representation possible in each event” in Olympic, Pan-American and Paralympic Games. Id. § 220503(3)(A) & (4).

ANSWER: The allegations contained in paragraph 21 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 22. Congress empowered the USOC to act as the national Paralympic committee of the United States. Id. § 220505(c)(2).

ANSWER: The allegations contained in paragraph 22 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 23. The USOC has responsibility for the United States Paralympic Team.

ANSWER: The allegations contained in paragraph 23 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 24. The USOC controls many aspects of Olympic and Paralympic organization, administration, housing, training, and competition in the United States, including but not limited to managing, regulating and/or controlling the conditions of such organization, administration, housing, training, and competition.

ANSWER: The allegations contained in paragraph 24 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 25. The USOC selects the U.S. cities that will submit bids to host the Olympic and Paralympic Games, thereby effectively controlling all aspects of the venues in which competition will take place.

ANSWER: The allegations contained in paragraph 25 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 26. As such, the USOC operates the places of public accommodation where such organization, administration, housing, training, and competition take place.

ANSWER: The allegations contained in paragraph 26 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 27. The USOC operates and, on information and belief, owns several additional places of public accommodation.

ANSWER: The allegations contained in paragraph 27 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 28. On information and belief, the USOC owns the Colorado Springs Olympic Training Center in Colorado Springs, Colorado.

ANSWER: The allegations contained in paragraph 28 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 29. On information and belief, the USOC operates the Colorado Springs Olympic Training Center.

ANSWER: The allegations contained in paragraph 29 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 30. On information and belief, the USOC owns the Lake Placid Olympic Training Center in Lake Placid, New York.

ANSWER: The allegations contained in paragraph 30 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 31. On information and belief, the USOC operates the Lake Placid Olympic Training Center.

ANSWER: The allegations contained in paragraph 31 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 32. On information and belief, the USOC owns the ARCO Olympic Training Center, in Chula Vista, California.

ANSWER: The allegations contained in paragraph 32 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 33. On information and belief, the USOC operates the ARCO Olympic Training Center.

ANSWER: The allegations contained in paragraph 33 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 34. Plaintiff Hollonbeck is an elite wheelchair racer.

ANSWER: The allegations contained in paragraph 34 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 35. Plaintiff Hollonbeck has competed in three Paralympic Games, winning two gold medals and a silver medal in Barcelona in 1992, two silver medals in Atlanta in 1996 and competing as a finalist in three events in Sydney in 2000. He also competed in an exhibition wheelchair racing event — the 1500 meter race — in the corresponding Olympic Games, winning a silver medal in 1996.

ANSWER: The allegations contained in paragraph 35 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 36. Plaintiff Hollonbeck has held the United States records in the 800, 1500 and 5000 meter races, and world records in the former two events.

ANSWER: The allegations contained in paragraph 36 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 37. Plaintiff Hollonbeck has won 15 marathons and twice won the United States 10,000 meter championship.

ANSWER: The allegations contained in paragraph 37 the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 38. Plaintiff Hollonbeck was the Wheelchair Sports USA Athlete of the Year in 1992.

ANSWER: The allegations contained in paragraph 38 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 39. Plaintiff Hollonbeck is currently in training for the 2004 Olympic and Paralympic games in Athens.

ANSWER: The allegations contained in paragraph 39 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 40. Plaintiff Iniguez is an elite wheelchair racer. He competed in the 1992 Paralympic Games, in the 100 and 800 meter races and the marathon.

ANSWER: The allegations contained in paragraph 40 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 41. Because he had to work full time, Plaintiff Iniguez was not able to afford the time to train and qualify for the 1996 Paralympic Games.

ANSWER: The allegations contained in paragraph 41 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 42. Plaintiff Iniguez qualified for the 2000 Paralympic Games in several distances and for the quarterfinal preliminary race for the 2000 Olympic 1500 meter wheelchair exhibition race. However, he was not able to afford to leave his job for the time required to attend the Paralympic Games.

ANSWER: The allegations contained in paragraph 42 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 43. Plaintiff Iniguez is currently in training for the 2004 Olympic and Paralympic games in Athens.

ANSWER: The allegations contained in paragraph 43 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 44. Plaintiff Heilveil is an elite wheelchair racer.

ANSWER: The allegations contained in paragraph 44 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 45. Plaintiff Heilveil has competed in two Paralympic Games. In the 1996 Paralympic Games in Atlanta, he competed in the 800 meter, the 1500 meter, the 5000 meter, the 10,000 meter, and the marathon. He placed fourth in the 10,000 meter race. He also competed in the 1996 Olympic exhibition 1500 meter competition in Atlanta.

ANSWER: The allegations contained in paragraph 45 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 46. In 2000, Plaintiff Heilveil competed in the Paralympic Games in Sydney, racing in the 800 meter, the 1500 meter, the 5000 meter, the 10,000 meter, and the marathon. He did not win any medals.

ANSWER: The allegations contained in paragraph 46 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 47. Plaintiff Heilveil is currently in training for the 2004 Olympic and Paralympic games in Athens.

ANSWER: The allegations contained in paragraph 47 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 48. Defendants provide certain goods, services, facilities, privileges, advantages, and accommodations to elite non-disabled athletes that they either do not provide to elite athletes with disabilities, including the Athlete Plaintiffs, or provide to such athletes in inferior quantities, manners and/or forms.

ANSWER: The allegations contained in paragraph 48 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 49. Defendants' discrimination includes but is not limited to discrimination in grants, and other financial support for individual athletes, programs and organizations as well as insurance, eligibility for the Resident Athlete Program, use of training facilities, representation in governance, marketing, and other goods, services, facilities, privileges, advantages, and accommodations.

ANSWER: The allegations contained in paragraph 49 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 50. Defendants' discrimination against Paralympic athletes, including the Athlete Plaintiffs, includes but is not limited to that described in this Amended Complaint.

ANSWER: The allegations contained in paragraph 50 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 51. Prior to 2002, the USOC awarded money to Olympic athletes for gold, silver, and bronze medals as well as fourth place finishes, but did not award any money to Paralympic athletes for gold, silver, or bronze medal or fourth place finish.

ANSWER: The allegations contained in paragraph 51 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 52. In 2002, the USOC awarded an athlete \$25,000 for an Olympic gold medal, \$15,000 for an Olympic silver medal, and \$10,000 for an Olympic bronze medal.

ANSWER: The allegations contained in paragraph 52 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 53. In 2002, the USOC awarded an athlete \$2,500 for a Paralympic gold medal, \$1,500 for a Paralympic silver medal, and \$1,000 for a Paralympic bronze medal.

ANSWER: The allegations contained in paragraph 53 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 54. To determine usage of its training facilities, the USOC prioritizes athletes by class. Olympic athletes are allocated an A (or first) priority level; Paralympic athletes are allocated a C (or third) priority level.

ANSWER: The allegations contained in paragraph 54 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 55. The USOC makes Basic Grants available to Olympic athletes but not Paralympic athletes.

ANSWER: The allegations contained in paragraph 55 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 56. The USOC makes Tuition Assistance Grants available to Olympic athletes but not Paralympic athletes.

ANSWER: The allegations contained in paragraph 56 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 57. The USOC makes Elite Athlete Health Insurance available to Olympic athletes but not Paralympic athletes.

ANSWER: The allegations contained in paragraph 57 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 58. During the 1997 to 2000 quadrennium, the USOC directed grants to some 2,300 individual Olympic athletes (with awards ranging from \$200 to \$100,000) for a total of \$26 million.

ANSWER: The allegations contained in paragraph 58 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 59. Under USOC rules, Paralympic athletes, including the Athlete Plaintiffs, are not eligible to receive basic grants, tuition assistance grants or health insurance from the USOC.

ANSWER: The allegations contained in paragraph 59 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 60. As a result, the Athlete Plaintiffs have had to pay significant training expenses out of their own pockets and Plaintiff Iniguez has had to work a full-time job both to earn enough to cover expenses and to secure health insurance. This has impaired their ability to train for Paralympic and Olympic competition.

ANSWER: The allegations contained in paragraph 60 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 61. Plaintiff Hollonbeck competed in the 1992, 1996 and 2000 Olympic Games in the 1500 meter wheelchair exhibition race.

ANSWER: The allegations contained in paragraph 61 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 62. He was denied many benefits that, on information and belief, non-disabled athletes participating in exhibition events enjoyed.

ANSWER: The allegations contained in paragraph 62 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 63. For example, Plaintiff Hollonbeck was not permitted to march in the opening ceremonies of the Olympic Games.

ANSWER: The allegations contained in paragraph 63 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 64. On information and belief, non-disabled U.S. Olympic athletes participating in exhibition events in the 1992 Olympics marched in the opening ceremonies.

ANSWER: The allegations contained in paragraph 64 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 65. On information and belief, non-disabled U.S. Olympic athletes participating in exhibition events in the 1996 Olympics marched in the opening ceremonies.

ANSWER: The allegations contained in paragraph 65 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 66. On information and belief, non-disabled U.S. Olympic athletes participating in exhibition events in the 2000 Olympics marched in the opening ceremonies.

ANSWER: The allegations contained in paragraph 66 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 67. Although he won several medals — including an Olympic silver medal and silver and gold Paralympic medals — Plaintiff Hollonbeck received no compensation, while Olympic athletes received monetary compensation for winning gold, silver and bronze medals in those same years.

ANSWER: The allegations contained in paragraph 67 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 68. The governance structure of the USOC discriminates against Paralympic athletes. This discrimination includes but is not limited to that described in this Amended Complaint.

ANSWER: The allegations contained in paragraph 68 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 69. The USOC Constitution calls for the creation of an Athlete Advisory Committee (“AAC”), which plays a central role in USOC governance. *See, e.g.*, USOC Constitution arts. XII, XIII, XIX. Despite the fact that the definition of “amateur athlete” in the ASA includes Paralympic athletes, *see* 36 U.S.C. § 220501(b)(1), until recently, Paralympic athletes were excluded from the AAC. Even in the most recent version of the USOC Constitution, which includes Paralympic athletes in the AAC for the first time, each Olympic sport has a representative on the AAC, while a total of two Paralympic representatives are permitted. USOC Constitution art. XIX, sec. 1.

ANSWER: The allegations contained in paragraph 69 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 70. Congress granted the USOC the exclusive right to use, market and sell rights to the Olympic and Paralympic names, emblems and symbols. 36 U.S.C. § 220506(a).

ANSWER: The USOC admits the allegations contained in paragraph 70 of the Amended Complaint.

ALLEGATION NO. 71. The USOC relies on the sale of rights to the Olympic mark to generate revenue.

ANSWER: The allegations contained in paragraph 71 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 72. The USOC obtains most of its funding through sponsorship fees, suppliership agreements and fees obtained through licensing of media properties and merchandise.

ANSWER: The allegations contained in paragraph 72 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 73. These fees are used to house, feed, train and otherwise support U.S. Olympic athletes and to finance the United States' participation the Olympic Games.

ANSWER: The allegations contained in paragraph 73 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 74. On information and belief, the USOC used the Olympic mark to generate over \$300 million in corporate sponsor and other income during the 1997 to 2000 quadrennium.

ANSWER: The allegations contained in paragraph 74 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 75. The USOC discriminates against elite athletes with disabilities, including the Athlete Plaintiffs, by limiting the promotion, marketing and sale of rights to the Paralympic trademark to a level far below the level at which it promotes, markets and sells rights to the Olympic mark. This has the effect, among others, of limiting funds available for Paralympic programs and athletes, limiting public understanding, exposure and profile of the Paralympics and of individual Paralympic athletes, and generally suppressing the role of the Paralympics in public life.

ANSWER: The allegations contained in paragraph 75 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 76. In the spring and summer of 2000, the USOC convened a United States Paralympic Sport Corporation Working Group (“Working Group”) to address issues of Paralympic governance and structure.

ANSWER: The allegations contained in paragraph 76 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 77. The Working Group consisted of three representatives of Disabled Sport Organizations, one representative of a National Governing Body (an organization administering an Olympic sport), four representatives from the USOC, two at-large members and an athlete representative of the Paralympic Athletes Committee (“PAC”).

ANSWER: The allegations contained in paragraph 77 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 78. Plaintiff Hollonbeck was a member of the Working Group; he was the athlete representative of the PAC.

ANSWER: The allegations contained in paragraph 78 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 79. One of the tasks of the Working Group was to explore whether a separate entity should be created to administer U.S. participation in the Paralympic Games.

ANSWER: The allegations contained in paragraph 79 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 80. Among the early goals of the Working Group such a separate entity was that it would “[e]stablish value for Paralympic team rights.”

ANSWER: The allegations contained in paragraph 80 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 81. Ultimately, the USOC proposed to spin off the administration of United States participation in the Paralympic Games into a separate entity, with the goal that it become self-sustaining.

ANSWER: The allegations contained in paragraph 81 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 82. The PAC declined to endorse the USOC’s proposal. Among other reasons, the PAC believed that the new structure would be “separate but unequal” and expressed concern that the USOC had not allocated sufficient funds to permit a successful startup or continuation of the separate entity.

ANSWER: The allegations contained in paragraph 82 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 83. Nevertheless, in August, 2000, the USOC Executive Committee resolved to create a separate corporation named the United States Paralympic Corporation (“USPC”).

ANSWER: To the extent that the allegations contained in paragraph 83 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided. Further answering, Defendants state that the USPC was incorporated in August 2000. Defendants deny all remaining allegations contained in paragraph 83 of the Amended Complaint.

ALLEGATION NO. 84. The USPC was to be created with the stated purpose of providing Paralympic athletes access to funds, services and supports more comparable to those afforded Olympic athletes.

ANSWER: To the extent that the allegations contained in paragraph 84 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided. Defendants deny the allegations contained in paragraph 84 of the Amended Complaint.

ALLEGATION NO. 85. The USOC represented that it endorsed those objectives for Paralympic athletes but could not fund them in light of the fact that it believed its principal mission to be Olympic sport.

ANSWER: The allegations contained in paragraph 85 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 86. The USPC was to have authority over commercial use of Paralympic marks, images and terminology, and to market those marks, images and terminology to raise funds for the Paralympics.

ANSWER: Defendants deny the allegations contained in paragraph 86 of the Amended Complaint.

ALLEGATION NO. 87. The USOC made clear, in establishing the USPC, that only those sponsors who had explicit rights to the U.S. Paralympic trademark would be able to exercise such rights, and that those contracts ran, at most, through 2004. Sponsors without such rights would be given a right of first negotiation.

ANSWER: Defendants deny the allegations contained in paragraph 87 of the Amended Complaint.

ALLEGATION NO. 88. In August, 2000, USOC officials Norman P. Blake and William J. Hybl incorporated the USPC as a Colorado non-profit corporation.

ANSWER: Defendants admit the allegations contained in paragraph 88 of the Amended Complaint.

ALLEGATION NO. 89. In or about November, 2002, the name of the USPC was changed to “U.S. Paralympics, Inc.”

ANSWER: Defendants deny the allegations contained in paragraph 89 of the Amended Complaint.

ALLEGATION NO. 90. The USOC never ultimately transferred authority for United States participation in the Paralympics to the USP or USPC.

ANSWER: The allegations contained in paragraph 90 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 91. Rather, the USOC administered and continues to administer United States participation in the Paralympics through a division of the USOC known as “U.S. Paralympics.”

ANSWER: Defendants deny the allegations contained in paragraph 91 of the Amended Complaint.

ALLEGATION NO. 92. In or about the fall of 2000, representatives of the USOC promised to representatives for Paralympic athletes that, whether United States participation in the Paralympics was administered within the USOC or through a separate corporation, the entity in question would have full authority over U.S. Paralympic trademarks.

ANSWER: Defendants deny the allegations contained in paragraph 92 of the Amended Complaint.

ALLEGATION NO. 93. Plaintiff Hollonbeck began taking steps to form Plaintiff Vie Sports Marketing during the year 2000. One of the primary purposes of Vie Sports Marketing was to provide marketing services to the USOC for the U.S. Paralympic trademark.

ANSWER: Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph 93 of the Amended Complaint and, therefore, deny the same.

ALLEGATION NO. 94. In early 2001, Mr. Hollonbeck started working with Daniel Dooley, a successful businessman and father of a child with a disability, on a plan to provide marketing services to the USPC for the rights to the U.S. Paralympic trademark.

ANSWER: Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph 94 of the Amended Complaint and, therefore, deny the same.

ALLEGATION NO. 95. Mr. Hollonbeck also recruited Svein Romstad, who at that time was with Meridian Management, the marketing agency for the IOC. Mr. Romstad provided consulting services to Vie Sports in 2001 and joined the company in the spring of 2002.

ANSWER: Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegations contained in paragraph 95 of the Amended Complaint and, therefore, deny the same.

ALLEGATION NO. 96. On or about April 18, 2001, Mr. Hollonbeck and Mr. Dooley made a presentation to the USOC concerning services they could provide in marketing and selling rights to the U.S. Paralympic trademark.

ANSWER: Defendants admit that on or about April 18, 2001, Mr. Hollonbeck and Mr. Dooley made a presentation to the USPC concerning services they alleged they could provide in marketing and selling rights to the U.S. Paralympic trademark. Defendants deny all remaining allegations contained in paragraph 96 of the Amended Complaint.

ALLEGATION NO. 97. In the spring of 2001, the USPC issued a “Reason for Proposal” (“RFP”) for a marketing agency for the U.S. Paralympic trademark.

ANSWER: Defendants admit the allegations contained in paragraph 97 of the Amended Complaint.

ALLEGATION NO. 98. In June, 2001, Vie submitted a bid to become the exclusive marketing agency for the U.S. Paralympic trademark.

ANSWER: Defendants admit that in June 2001, Vie submitted to the USPC a bid to become a marketing agency for the U.S. Paralympic trademark. Defendants deny all remaining allegations contained in paragraph 98 of the Amended Complaint.

ALLEGATION NO. 99. In July, 2001, Defendants selected Vie to be the exclusive marketing agency for the U.S. Paralympic trademark.

ANSWER: Defendants admit that in July 2001, the USPC communicated to Vie that the USPC had selected Vie to become a marketing agency for the U.S. Paralympic trademark. Defendants deny all remaining allegations contained in paragraph 99 of the Amended Complaint.

ALLEGATION NO. 100. Among the terms of the agreement between Defendants and Vie were that Vie would be the exclusive marketing agency for U.S. Paralympics and that it would receive a base fee of \$20,000 per month for the first 12 months of the contract and \$12,500 per month for the remainder of the term as well as 15% of total gross revenues on all sponsor and supplier sales. The parties agreed that the contract would extend from 2001 through the 2005-2008 quadrennium.

ANSWER: Defendants deny the allegations contained in paragraph 100 of the Amended Complaint.

ALLEGATION NO. 101. Both before and after the Vie proposal, representatives of Defendants stated to representatives of Vie that Vie would be able to sell rights to the U.S. Paralympic mark to companies that had existing sponsorship contracts with the USOC or the IOC provided that the sponsor did not have explicit rights to that mark.

ANSWER: Defendants deny the allegations contained in paragraph 101 of the Amended Complaint.

ALLEGATION NO. 102. Defendants stated that those USOC and IOC sponsors who did not have such rights were to be provided a right of first negotiation for the rights to the U.S. Paralympic mark.

ANSWER: Defendants deny the allegations contained in paragraph 102 of the Amended Complaint.

ALLEGATION NO. 103. Finally, Defendants stated that even those sponsors with rights to the U.S. Paralympic mark only owned those rights through 2004, so that Vie would immediately be able to sell the U.S. Paralympic rights for use starting in 2005.

ANSWER: Defendants deny the allegations contained in paragraph 103 of the Amended Complaint.

ALLEGATION NO. 104. The parties referred to this access to USOC and IOC sponsors as the “open market.”

ANSWER: Defendants deny the allegations contained in paragraph 104 of the Amended Complaint.

ALLEGATION NO. 105. Starting in August, 2001, through January, 2003, Vie did a substantial amount of work pursuant to its contract with Defendants.

ANSWER: Defendants admit that Vie performed some work pursuant to the Consulting Agreement. Defendants deny all remaining allegations contained in paragraph 105 of the Amended Complaint.

ALLEGATION NO. 106. For example, Vie developed a strategic plan to market the rights to the U.S. Paralympic trademark, conducted market research and brand analysis, and developed the products through which the brand would be marketed.

ANSWER: Defendants deny the allegations contained in paragraph 106 of the Amended Complaint.

ALLEGATION NO. 107. Vie kept Defendants informed of its substantial efforts by sending Defendants drafts of Vie’s products and presentations, meeting with representatives of Defendants on several occasions, holding weekly conference calls with Defendants, and exchanging numerous emails with Defendants’ representatives concerning Vie’s activities.

ANSWER: Defendants admit that Vie sent the USPC and USP drafts of Vie’s work product, met with the USPC and USP, held conference calls with the USPC and USP, and exchanged emails with the USPC and USP concerning Vie’s activities. Defendants deny all remaining allegations in paragraph 107 of the Amended Complaint.

ALLEGATION NO. 108. Defendants approved of and encouraged Vie to continue its work pursuant to the parties’ contract.

ANSWER: Defendants deny the allegations contained in paragraph 108 of the Amended Complaint.

ALLEGATION NO. 109. Throughout this time, Vie repeatedly sought reassurance from Defendants of the open market principle.

ANSWER: Defendants deny the allegations contained in paragraph 109 of the Amended Complaint.

ALLEGATION NO. 110. Defendants repeatedly provided these reassurances.

ANSWER: Defendants deny the allegations contained in paragraph 110 of the Amended Complaint.

ALLEGATION NO. 111. Specifically, Defendants assured Vie that a certain category of IOC sponsors — known as “The Olympic Programme” or “TOP” sponsors — did not own rights to the U.S. Paralympic trademark, and that Vie could sell rights to the Paralympic trademark to them or (if they declined) to their competitors.

ANSWER: Defendants deny the allegations contained in paragraph 111 of the Amended Complaint.

ALLEGATION NO. 112. As of June, 2001, it was the USOC’s view that TOP sponsors did not have rights to the U.S. Paralympic trademark.

ANSWER: Defendants deny the allegations contained in paragraph 112 of the Amended Complaint.

ALLEGATION NO. 113. Plaintiff Hollonbeck would not have taken the steps he took to form Vie, Messrs. Dooley and Romstad would not have joined Vie, and Vie would not have bid on Defendants’ RFP if not for the promise of an open market.

ANSWER: Defendants deny the allegations contained in paragraph 113 of the Amended Complaint.

ALLEGATION NO. 114. When Vie met with USOC and IOC sponsors to sell the U.S. Paralympic brand, a number of sponsors showed significant interest.

ANSWER: Defendants deny the allegations contained in paragraph 114 of the Amended Complaint.

ALLEGATION NO. 115. However, Defendants undermined, discouraged and deterred Vie's attempts to secure sponsorships.

ANSWER: Defendants deny the allegations contained in paragraph 115 of the Amended Complaint.

ALLEGATION NO. 116. Among other things, several sponsors took the position that they already owned rights to the U.S. Paralympic brand.

ANSWER: Defendants admit that certain sponsors interpreted their sponsorship contracts to include ownership rights to the U.S. Paralympic brand. Defendants deny all remaining allegations in paragraph 116 of the Amended Complaint.

ALLEGATION NO. 117. Despite the fact that this was contrary to Defendants' own view of the sponsors' contracts, Defendants discouraged further meetings with those sponsors and their competitors, and prohibited Vie from attempting to sell them rights to the U.S. Paralympic brand.

ANSWER: Defendants deny the allegations contained in paragraph 117 of the Amended Complaint.

ALLEGATION NO. 118. In September, 2002, representatives of the U.S. Paralympics division of the USOC submitted a memorandum to the USOC Executive Committee raising the question whether or not the USOC should "yield to TOP sponsors" and recognize "implied" rights to the U.S. Paralympic brand.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants admit that the September 9, 2002 memorandum discusses possible results of yielding to TOP sponsors and that TOP sponsors believe they have rights to the U.S. Paralympic brand. To the extent

Vie's allegations are inconsistent with the September 9, 2002 memorandum, Defendants deny the remaining allegations contained in paragraph 118 of the Amended Complaint.

ALLEGATION NO. 119. In this memorandum, the U.S. Paralympics division asserted that these sponsors had “[n]o contractual rights.”

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 119 of the Amended Complaint.

ALLEGATION NO. 120. The effect of “yield[ing] to TOP sponsors” would be to close the major sponsor categories to sale of the rights to the U.S. Paralympic mark.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 120 of the Amended Complaint.

ALLEGATION NO. 121. That is, not only would sponsors who had purchased rights to the Olympic mark from the USOC receive “implied” rights to the U.S. Paralympic mark, but the category in which each such sponsor fell would be completely closed to the sale of the U.S. Paralympic mark.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 121 of the Amended Complaint.

ALLEGATION NO. 122. This would radically curtail the ability to raise funds to support the U.S. Paralympics.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 122 of the Amended Complaint.

ALLEGATION NO. 123. That is, if the USOC had permitted Vie Sports Marketing to sell rights to the Paralympic mark as originally promised, there would be significantly more money available to fund Paralympic programs.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 123 of the Amended Complaint.

ALLEGATION NO. 124. The USOC's September 2002 submission to its Executive Committee estimated the loss of revenue from a decision to “yield to TOP sponsors” at \$18-24 million.

ANSWER: The September 9, 2002 memorandum speaks for itself. Defendants deny the allegations contained in paragraph 124 of the Amended Complaint.

ALLEGATION NO. 125. Nevertheless, the U.S. Paralympics division of the USOC submitted to the Executive Committee of the USOC a question that Defendants had represented to Paralympic athletes and Vie as having been resolved long ago, the USOC's long-standing position on which had formed the basis both for Vie's acceptance of the role of exclusive marketing agency and for a over a year of its hard work in building and promoting the U.S. Paralympic mark.

ANSWER: Defendants deny the allegations contained in paragraph 125 of the Amended Complaint.

ALLEGATION NO. 126. On information and belief, the determination was made to close access to major sponsor categories to the independent sale of rights to the U.S. Paralympic mark.

ANSWER: Defendants deny the allegations contained in paragraph 126 of the Amended Complaint.

ALLEGATION NO. 127. During the period around the September Executive Committee meeting, Defendants urged Vie to try to sell the rights to the U.S. Paralympics mark to more disability-oriented sponsors, for example, durable medical equipment companies.

ANSWER: Defendants deny the allegations contained in paragraph 127 of the Amended Complaint.

ALLEGATION NO. 128. By blocking Vie's attempts to market and sell the rights to the U.S. Paralympics trademark to current major sponsor categories and asking Vie to obtain sponsorships from smaller, disability-oriented sponsors, Defendants blocked access to millions of dollars of revenue that could have been devoted to supporting Paralympic athletes and sports.

ANSWER: To the extent that the allegations contained in paragraph 128 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided. Defendants deny all remaining allegations contained in paragraph 128 of the Amended Complaint.

ALLEGATION NO. 129. Defendants continue to market and promote the Olympics in more ways -- and more effective ways -- than they promote the Paralympics.

ANSWER: The allegations contained in paragraph 129 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 130. This has the effect of denying funding to Paralympic athletes and programs.

ANSWER: The allegations contained in paragraph 130 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 131. This has the further effect of significantly reducing the public profile of the Paralympics, Paralympic sports and Paralympic athletes, suppressing public awareness of the Paralympics, Paralympic athletes and sports, and generally frustrating the ability of athletes with disabilities to achieve competitive success, public understanding and integration.

ANSWER: The allegations contained in paragraph 131 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 132. Defendants also denied Vie the amounts it would have earned had it been permitted access to the open market as originally promised.

ANSWER: Defendants deny the allegations contained in paragraph 132 of the Amended Complaint.

ALLEGATION NO. 133. In January, 2003, Defendants attempted unilaterally to renegotiate the terms of their contract with Vie to far less advantageous terms.

ANSWER: Defendants deny the allegations contained in paragraph 133 of the Amended Complaint.

ALLEGATION NO. 134. At least two sponsors were obtained for the U.S. Paralympics through Vie's efforts and/or during the period of its exclusive agency. Defendants have not paid Vie the amounts it is owed for those sponsorships.

ANSWER: Defendants deny the allegations contained in paragraph 134 of the Amended Complaint.

ALLEGATION NO. 135. All of the work Vie did for Defendants was required by the contract between the parties, and would not have been performed but for that contract. Vie's work is referable to no other theory than that of the contract between the parties.

ANSWER: Defendants admit that Vie performed some work pursuant to the Consulting Agreement. Defendants deny all remaining allegations contained in paragraph 135 of the Amended Complaint.

ALLEGATION NO. 136. All of the work Vie did for Defendants was done in reliance on the Defendants' representations, including that it would be able to market the U.S. Paralympic brand on the open market and that it would receive a 15% commission on all sponsor and supplier sales for the U.S. Paralympics.

ANSWER: Defendants deny the allegations contained in paragraph 136 of the Amended Complaint.

ALLEGATION NO. 137. Defendants should reasonably have expected their promises to have induced substantial action and/or forbearance on the part of Vie.

ANSWER: Defendants deny the allegations contained in paragraph 137 of the Amended Complaint.

ALLEGATION NO. 138. Based on (among other things) Defendants' representations to the public concerning the marketing of the U.S. Paralympics brand and the purposes of the USPC, this reliance was reasonable.

ANSWER: Defendants deny the allegations contained in paragraph 138 of the Amended Complaint.

ALLEGATION NO. 139. Defendants' actions in breaching its contract with, and/or reneging on its promise to, Vie Sports were part of its overall policy and practice of discriminating against athletes with disabilities. Vie was harmed by Defendants' discrimination against Paralympic athletes.

ANSWER: To the extent that the allegations contained in paragraph 139 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and

January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided.

Defendants deny all remaining allegations contained in paragraph 139 of the Amended

Complaint.

ALLEGATION NO. 140. Paralympic athletes were harmed by the fact that the USOC discriminated against, breached its contract with, and/or reneged on its promise to, Vie Sports.

ANSWER: To the extent that the allegations contained in paragraph 140 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided.

Defendants deny all remaining allegations contained in paragraph 140 of the Amended

Complaint.

ALLEGATION NO. 141. Paralympic athletes will benefit — through the increased funding available for their support — if the contract and/or promise between the USOC and Vie Sports is enforced as originally agreed.

ANSWER: To the extent that the allegations contained in paragraph 141 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided.

Defendants deny all remaining allegations contained in paragraph 141 of the Amended

Complaint.

ALLEGATION NO. 142. Defendants discriminated against Vie Sports based on the fact that its primary purpose was to obtain sponsorships for the Paralympics, based on the fact that it was closely associated with Paralympic and disabled athletes and sports, and/or based on the fact that one of its principals was an individual with a disability.

ANSWER: To the extent that the allegations contained in paragraph 142 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, no answer is required and the allegations are deemed to be denied or avoided.

Defendants deny all remaining allegations contained in paragraph 142 of the Amended

Complaint.

Claim I: Violation of Title III of the Americans with Disabilities Act

(All Plaintiffs against both Defendants)

ALLEGATION NO. 143. Plaintiffs reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ANSWER: Defendants reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ALLEGATION NO. 144. The USOC owns, operates, leases and/or leases to one or more places of public accommodation as that term is defined in 42 U.S.C. § 12181(7).

ANSWER: The allegations contained in paragraph 144 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 145. The USP owns, operates, leases and/or leases to one or more places of public accommodation as that term is defined in 42 U.S.C. § 12181(7).

ANSWER: The allegations contained in paragraph 145 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 146. Defendants have discriminated and continue to discriminate against Plaintiffs on the basis of disability in the full and equal enjoyment of their goods, services, facilities, privileges, advantages, or accommodations in violation of Title in of the Americans with Disabilities Act, 42 U.S.C. § 12181 et seq.

ANSWER: The allegations contained in paragraph 146 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 147. Plaintiffs have been and continue to be harmed by Defendants' violations of Title III of the Americans with Disabilities Act.

ANSWER: The allegations contained in paragraph 147 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

Claim II: Violation of the Rehabilitation Act

(All Plaintiffs against both Defendants)

ALLEGATION NO. 148. Plaintiffs reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ANSWER: Defendants reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ALLEGATION NO. 149. The USOC receives federal financial assistance as that term is used in 29 U.S.C. §794.

ANSWER: The allegations contained in paragraph 149 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 150. The USP receives federal financial assistance as that term is used in 29 U.S.C. §794.

ANSWER: The allegations contained in paragraph 150 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 151. Defendants have discriminated and continue to discriminate against Plaintiffs on the basis of disability in violation of section 504 of the Rehabilitation Act of 1973. 29 U.S.C. §794.

ANSWER: The allegations contained in paragraph 151 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 152. In violating the Rehabilitation Act, Defendants acted intentionally, maliciously, and/or with reckless, callous and/or deliberate indifference to Plaintiffs' federally protected rights.

ANSWER: The allegations contained in paragraph 152 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

ALLEGATION NO. 153. Plaintiffs have been and continue to be harmed by Defendants' violations of section 504 of the Rehabilitation Act of 1973.

ANSWER: The allegations contained in paragraph 153 of the Amended Complaint relate to claims that this Court dismissed on November 16, 2006 and January 4, 2007, and, therefore, no answer is required and the allegations are deemed to be denied or avoided.

Claim III: Breach of Contract
(Plaintiff Vie Sports Marketing against both Defendants)

ALLEGATION NO. 154. Plaintiffs reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ANSWER: Defendants reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ALLEGATION NO. 155. Defendant USOC, either on its own or acting through its alter ego, Defendant USP, entered into a contract with Plaintiff Vie Sports Marketing pursuant to which Vie was to be the exclusive marketing agency for the U.S. Paralympic brand and was to be able to sell rights to that trademark in the open market, as more fully described above, in return for an agreed-upon compensation.

ANSWER: Defendants deny the allegations contained in paragraph 155 of the Amended Complaint.

ALLEGATION NO. 156. Plaintiff Vie Sports Marketing performed substantial work pursuant to the contract.

ANSWER: Defendants admit that Vie performed some work pursuant to the Consulting Agreement. Defendants deny all remaining allegations contained in paragraph 156 of the Amended Complaint.

ALLEGATION NO. 157. Defendant USOC, either on its own or acting through its alter ego, Defendant USP, prevented Vie Sports from selling the rights to the Paralympic mark in the open market and otherwise fully performing under the contract.

ANSWER: Defendants deny the allegations contained in paragraph 157 of the Amended Complaint.

ALLEGATION NO. 158. Defendant USOC, either on its own or acting through its alter ego, Defendant USP, failed to compensate Plaintiff Vie Sports as required under the contract.

ANSWER: Defendants deny the allegations contained in paragraph 158 of the Amended Complaint.

ALLEGATION NO. 159. Plaintiff Vie Sports has been damaged by Defendants' breach of contract.

ANSWER: Defendants deny the allegations contained in paragraph 159 of the Amended Complaint.

Claim IV: Promissory Estoppel
(Plaintiff Vie Sports Marketing against both Defendants)

ALLEGATION NO. 16. Plaintiffs reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ANSWER: Defendants reallege and incorporate by reference the allegations set forth in this Amended Complaint as if fully set forth herein.

ALLEGATION NO. 161. Defendant USOC, either on its own or acting through its alter ego, Defendant USP, made promises to Plaintiff Vie Sports Marketing, including but not limited to promises that the latter would be the exclusive marketing agency for the U.S. Paralympics, that it would have access to the open market, and that it would be compensated as described above.

ANSWER: Defendants deny the allegations contained in paragraph 161 of the Amended Complaint.

ALLEGATION NO. 162. It was reasonable for Defendant USOC, either on its own or acting through its alter ego, Defendant USP, to expect its promises to induce action and/or forbearance of a definite and substantial character on behalf of Vie Sports Marketing. For example, it was reasonable for Defendants to expect that its promises would induce Vie Sports to undertake substantial work to market and sell the U.S. Paralympic trademark and to forego other opportunities so it could perform that work.

ANSWER: Defendants deny the allegations contained in paragraph 161 of the Amended Complaint.

ALLEGATION NO. 163. Plaintiff Vie Sports Marketing performed substantial work in reliance on Defendants' promises, and passed up other business opportunities to perform that work.

ANSWER: Defendants are without knowledge and information sufficient to form a belief as to the truth of the allegation that Vie passed up other business opportunities to perform work for USP contained in paragraph 163 of the Amended Complaint and, therefore, deny the same. Defendants admit that Vie performed some work pursuant to the Consulting Agreement. Defendants deny all remaining allegations contained in paragraph 163 of the Amended Complaint.

ALLEGATION NO. 164. Defendants broke their promises to Vie Sports. For example, Defendants did not permit Vie Sports to have access to the open market and did not compensate Vie Sports as promised.

ANSWER: Defendants deny the allegations contained in paragraph 164 of the Amended Complaint.

ALLEGATION NO. 165. Injustice can only be avoided by the enforcement of Defendants' promises.

ANSWER: Defendants deny the allegations contained in paragraph 165 of the Amended Complaint.

Defendants deny all allegations contained in the Amended Complaint unless specifically admitted herein.

AFFIRMATIVE DEFENSES

1. Vie's Amended Complaint fails to state a claim upon which relief may be granted.
2. Vie's claims are barred by the Statute of Frauds.
3. Vie's claims are barred by a mutual mistake of fact.
4. The parties did not form the contract Vie alleges.
5. USP has fully performed any and all contractual, statutory and other duties to Vie, and therefore Vie is estopped to assert any cause of action against Defendants.

6. Vie's promissory estoppel claim is barred by the existence of the Consulting Agreement between Vie and USP.

7. USP has fully complied with the Consulting Agreement.

8. Vie's alleged damages are barred by the damage limitation provisions in the Consulting Agreement.

9. Vie has failed to mitigate its damages, if any.

10. Vie's claims are subject to binding arbitration pursuant to the Consulting Agreement.

11. Vie's claims are barred because at all times Defendants were acting in good faith and with legal justification for their actions.

12. Vie's claims are barred by a failure of consideration.

13. Vie's claims are barred by full payment pursuant to the Consulting Agreement.

COUNTERCLAIM

Counterclaimant, U.S. Paralympics, Inc. ("USP"), files its counterclaim as follows:

1. In this action, USP seeks enforcement of the parties' contract and its rights thereunder to arbitrate the dispute between the parties and to recover all of its costs and expenses, including its reasonable attorneys' fees incurred in defending against Counter-defendant, Vie Sports Marketing, Inc.'s ("Vie"), claims and in asserting this Counterclaim.

Jurisdiction and Venue

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1367.

3. Venue is proper within this District pursuant to 28 U.S.C. § 1391.

Parties

4. USP is a Colorado non-profit corporation with its principal place of business in Colorado Springs, Colorado. Prior to December 2001, USP was known as the United States Paralympic Corporation (“USPC”).

5. Vie is a Georgia corporation, with its principal place of business in Atlanta, Georgia.

Facts

6. Congress granted the United States Olympic Committee (“USOC”) the exclusive right to use, market and sell rights to the Olympic and Paralympic names, emblems and symbols. 36 U.S.C. § 220506(a).

7. In August 2000, the USPC was incorporated with the stated purpose of working with the USOC to ensure that the USOC’s responsibilities to Paralympic and disabled athletes under the Ted Stevens Olympic and Amateur Sports Act (36 U.S.C. § 220501 *et seq.*) were met.

8. Thereafter, the USOC considered transferring its right to use, market, and sell rights to the Paralympic names, emblems, and symbols to the USPC n/k/a USP.

9. On or about April 18, 2001, representatives of Vie made a presentation to the USPC concerning services they alleged Vie could provide in marketing and selling rights to the Paralympic trademark to sponsors.

10. In the Spring of 2001, the USPC issued a “Reason for Proposal” (“RFP”). The RFP requested the submission of proposals for an external marketing agency for the Paralympic trademark.

11. In early June 2001, Vie submitted a written proposal to become a marketing agency for the Paralympic trademark in response to the RFP. Representatives of Vie made a presentation of their proposal to the USPC in late June 2001.

12. In July 2001, the USPC communicated to Vie that it had selected Vie to become a marketing agency for the Paralympic trademark.

13. In July and August 2001, the parties discussed the terms of their relationship. The parties agreed to enter a short-term consulting agreement so that Vie could begin work for the USPC; they agreed to continue negotiating the terms of a longer-term sales agency and fulfillment agreement.

14. Effective September 1, 2001, the USPC and Vie executed a Sponsorship Development Consulting Agreement (“Consulting Agreement”).

15. The Consulting Agreement generally obligated Vie to provide Paralympic sponsorship development consulting services to the USPC.

16. In return, the USPC was to pay Vie an escalating monthly fee: \$20,000 for September 2001; \$25,000 for October 2001; \$30,000 for November 2001; \$35,000 for December 2001; and \$40,000 for January 2002. The USPC also agreed to pay Vie for its direct out-of-pocket expenses incurred in connection with Vie’s performance of the Consulting Agreement.

17. The Consulting Agreement further provided, in part, that any dispute between the parties relating to the Consulting Agreement was to be resolved by binding arbitration in Denver, Colorado, and that the prevailing party in any proceeding to enforce the agreement was entitled to its costs and expenses, including but not limited to its reasonable attorneys’ fees, court costs and expert witness fees.

18. The Consulting Agreement initially was to terminate on February 1, 2002.

19. Vie performed some work pursuant to the Consulting Agreement and the USPC fully performed its obligations under the Consulting Agreement.

20. In December 2001, because the parties were still negotiating a longer-term sales agency and fulfillment agreement, the parties agreed to modify the payment and term provisions of the Consulting Agreement. By this time, the USPC was operating under the USP name. Effective January 1, 2002, Vie agreed to perform its obligations under the Consulting Agreement for a flat fee of \$20,000 per month. The parties also agreed to extend the term of the Consulting Agreement beyond February 1, 2002.

21. Vie performed additional work pursuant to the modified Consulting Agreement and USP fully performed its obligations under the modified Consulting Agreement.

22. In early 2002, the USOC ultimately decided that it would not transfer to USP the right to use, market, and sell rights to the Paralympic names, emblems, and symbols. Instead, a division of the USOC called U.S. Paralympics (“the Division”) would manage for the USOC all rights pertaining to Paralympic marks, logos and sponsorships. As a result, USP ceased, and the USOC began, negotiating the longer-term sales agency and fulfillment agreement with Vie.

23. USP and Vie nonetheless continued to operate pursuant to the modified Consulting Agreement. In March 2002, Vie and USP again agreed to modify the Consulting Agreement, by changing the expenses provision to provide that USP would pay Vie a flat \$5,000 per month for its expenses incurred in connection with its performance of the Consulting Agreement.

24. In early May 2002, the Division sent Vie a draft USOC/Vie Sports Sales Agency and Fulfillment Agreement (the “Draft Sales Agency Agreement”) between the USOC and Vie.

Vie returned the Draft Sales Agency Agreement to the Division with edits in late May 2002. Vie sent another Draft Sales Agency Agreement to the Division in early June 2002.

25. Throughout the negotiation of the Draft Sales Agency Agreement in 2002, Vie performed some work pursuant to, and USP fully performed its obligations under, the Consulting Agreement as modified in March 2002.

26. In January 2003, as part of continued negotiations of the Draft Sales Agency Agreement, the Division presented Vie with a proposed summary term sheet. In response, Vie indicated it would not agree to the proposed terms, and negotiations between the Division and Vie relating to a sales agency and fulfillment agreement ended at that time. In addition, Vie terminated the Consulting Agreement with USP.

27. Prior to its termination of the Consulting Agreement, Vie had been paid at least \$438,233.76 pursuant to the Consulting Agreement with USP.

28. Vie filed its lawsuit against the USOC and USP in July 2003 for breach of contract and promissory estoppel.

Count I: Enforcement of the Consulting Agreement
(Against Vie Sports Marketing, Inc.)

29. USP realleges and incorporates by reference the allegations set forth in this Counterclaim as if fully set forth herein.

30. From September 1, 2001 through the date of Vie's termination of the parties' relationship in January 2003, the parties operated pursuant to the Consulting Agreement. The Consulting Agreement was the only contract between the parties.

31. USP fully performed all of its obligations under the Consulting Agreement.

32. Pursuant to the Consulting Agreement, USP is entitled to the arbitration in Denver, Colorado, of Vie's breach of contract and promissory estoppel claims against it.²

33. USP has incurred reasonable attorneys' fees, costs and expenses in defending against Vie's lawsuit and in asserting this Counterclaim to enforce the contract between the parties.

34. Pursuant to the Consulting Agreement, USP is entitled to recover all of its costs and expenses, including but not limited to reasonable attorneys' fees, court costs and expert witness fees, incurred in defending against Vie's breach of contract and promissory estoppel claims and in asserting this Counterclaim.

Prayer for Relief

WHEREFORE, USP respectfully prays:

1. That this Court order binding arbitration of Vie's claims and USP's Counterclaim and stay the case;
2. That this Court award USP all of its costs and expenses, including but not limited to its reasonable attorneys' fees, court costs and expert witness fees incurred in defending against Vie's claim and in asserting this Counterclaim;
3. That this Court enter judgment that Vie take nothing, dismiss Vie's suit with prejudice, and assess costs against Vie; and
4. That this Court award such additional or alternative relief as may be just, proper and equitable.

² This matter is currently stayed until June 25, 2007. If Vie's breach of contract and promissory estoppel claims are not resolved prior to such time, USP will file a motion to compel arbitration and to stay this case.

Respectfully submitted this 2nd day of February, 2007.

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United States Paralympic Corporation***

CERTIFICATE OF SERVICE

I hereby certify that on February 2, 2007, I electronically filed the foregoing **Defendants' Answer And Affirmative Defenses To Plaintiffs' Amended Complaint And U.S. Paralympics, Inc.'s Counterclaim** with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following:

Amy Farr Robertson
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Kevin William Williams
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s/ Sandra J. Kaus