

**Hearing Before the United States Senate  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs**

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Chairman Blumenthal, Ranking Member Johnson, I appreciate the opportunity to be here today. I would like to begin by expressing my respect for the United States Senate and for this Committee, and my commitment to answering your questions to the best of my ability.

My name is Michael Klein and I have worked in investment banking for more than 35 years. Throughout my entire career I have been employed by respected U.S. financial institutions. Today, I lead M. Klein & Company, which is a financial advisory and investment banking firm with approximately 40 employees based in New York City. Since its formation in 2010, M. Klein & Co. has advised on financial transactions for some of the most respected companies in the United States. I am proud of the work we do to support American companies, investors and the American economy through our investment banking services and our community commitments. Given our firm's expertise and size, we are fortunate to be able to choose the clients we work with and the transactions we participate in. We hold ourselves and our engagements to the highest professional standards.

You've invited me here today to discuss our response to a subpoena about the strategies and U.S. investments made by the Saudi Arabia Public Investment Fund (also known as "PIF"). I will endeavor to do so to the best of my ability. We have worked to comply with the Committee's request and will continue to do so. I believe there is a great deal that we agree on and I am hopeful that we can discuss that today.

One of the issues that I understand has been central to the Committee is the potential transaction between the PGA Tour and the PIF. M. Klein & Co. has worked to be a constructive participant in the path to cooperation between the PGA Tour and the PIF. As you are undoubtedly aware, there have been material developments. Importantly, the PGA Tour has announced that it has completed a transaction that establishes a new commercial entity controlled by the PGA Tour for the purposes of growing the PGA Tour and the game of golf materially. In addition, the PGA Tour has received an investment of at least \$1.5 billion from a group of American investors that are each engaged in other sports investments and interests. Finally, the PGA Tour has announced that Tour participants, existing and future players, will become owners in the new commercial enterprise directly. While I can't speak to our role in any negotiations directly at this time, representatives of the PGA Tour have stated clearly their intentions to continue to control the new commercial enterprise and to operate it in accordance with the Tour's mission and values. These statements are also consistent with the publicly disclosed initial Framework Agreement set forth by the PGA Tour and the PIF in June 2023. The PGA Tour has stated that negotiations between it and the PIF are live and continuing, and that any investment will be subject to appropriate regulatory approvals.

One of the things I believe we agree on is that markets should be fair and transparent for all participants. This is a principle that informs the advice that we give our clients to help them build sustainable businesses. Our firm, as well as my prior firms, operate in compliance with the standards of both the local markets we engage in and our home market. We support significant investment in the United States as an important driver of economic activity and value creation. We are proud to work with our clients to create economic opportunity here in the United States. The United States has robust regulatory processes. We have participated, with and for our clients, in these processes in the past, and will do so as necessary in the future.

We have also worked to be responsive to this Committee's investigation from the outset to the fullest of our ability. We have engaged with the Committee, and identified relevant documents pertaining to the Committee's requests. We have also been able to provide over 2,100 pages of documents and we are working to get approval for even more.

To provide more color on the cooperation to-date I can tell you that in connection with this matter, M. Klein & Co. has now made five direct rolling productions. The Company has produced, among other things, due diligence materials; discussions of LIV Golf, the PGA Tour, and the Asian Tour; and securities filings regarding certain of its engagements with PIF. M. Klein & Co. also provided requested information to the PSI regarding its past completed engagements with PIF and the M. Klein & Co. personnel with day-to-day responsibility for those engagements. Those documents include non-public information about PIF investment priorities, due diligence, and timelines for milestones in the contemplated transaction; player compensation; descriptions of leadership roles; marketing materials; and more, throughout the period from December 2020 to August 2023. We also understand that the Committee has over 295 additional pages of communications between and among the PGA Tour and M. Klein & Co., bringing the total amount of Company-related material in the possession of the Committee to 2,218 pages. This is a substantial collection of materials and reflects a robust and good faith effort to gather and produce responsive information.

As the Committee is aware, I am appearing under significant legal constraints that are out of our direct control. Last November, our company and others were sued by PIF in Saudi Arabia to prevent us from submitting certain information to this Committee at this time—information that I believe could be provided to the Committee or appropriate regulatory bodies prior to the finalization of the potential investment transaction that we have been engaged to help negotiate. The PIF has expressed to our firm and others that it has a right to go to court to preserve its interests and that it is entitled to certain protections under Saudi law and as a sovereign interacting with U.S. counterparties. We and others have requested that the Saudi court not restrict our ability to comply with the requests of this Committee. The matter is not yet fully adjudicated, but I am informed that it will be in the near future. The Saudi court order is serious and exposes us—myself and my employees—to not just civil penalties, but criminal penalties that include—as I understand it—potentially 20 years' imprisonment.

As I discussed with the Committee, we are committed to comply fully with the Committee's requests. Our ability to respond in full today is not a matter of lack of desire nor our participation in national security matters. We are simply limited by the ongoing litigation over our ability to

share our financial analysis and documents relating to our investment banking assignments. Exposing ourselves to a breach under the filed court case with potential criminal consequences is simply not a risk I can take or impose on my employees. And while I understand views may differ about the severity of the order, if the analysis is wrong, the consequences fall exclusively on me, my employees, and their families.

We will nonetheless work to be responsive now and in full when permissible. Despite the lawsuit, our intentions to comply remain intact and we continue to work with the PIF to allow M. Klein & Co. to provide responsive documents. In fact, we were given permission to provide additional materials to the Committee this past week and expect to produce more information as further reviews are completed.

We respect greatly the Committee and its ongoing inquiries. We are proud of the work we do on behalf of our clients and in our ability to create opportunity and value for companies, investors, and individuals in the U.S. The reality of being caught between two legal orders from two sovereign nations is a challenging position and not one that I have previously faced as an investment banker. But please know that I sit here in front of you today as a proud American. As a New Yorker. As someone who has been able to build a business, attract capital to U.S. opportunities, and to help create jobs. I have been able to do so because of what is possible in this country. I'm grateful for that opportunity, and for the opportunity to be here today. I appreciate your continued understanding and forbearance.

Thank you and I look forward to your questions.