

Clippers sale to Ballmer is completed The Deal Pipeline August 12, 2014 Tuesday

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HEADLINE: Clippers sale to Ballmer is completed

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BODY:

Five months after tapes were released revealing Los Angeles Clippers' owner Donald Sterling making racist comments to his mistress, the team officially finds itself in the hands of new ownership.

The National Basketball Association on Tuesday announced that former **Microsoft Corp.** CEO Steve Ballmer officially closed his \$2 billion purchase of the Clippers from the Sterling Family Trust, the entity that owned the team. Donald Sterling's wife, Shelly Sterling, initially announced the sale on May 30.

"I am humbled and honored to be the new owner of the Los Angeles Clippers," Ballmer said in a statement via NBA.com.

"This is an amazing new day in Clippers history," added Clippers' president of basketball operations and head coach, Doc Rivers, in the same statement. "I couldn't be more excited to work together with Steve as we continue to build a first-class, championship organization."

The NBA Board of Governors has also approved the sale, according to the statement.

The record price tag for an NBA franchise comes after a short but heated auction that included bidders such as a group led by media mogul David Geffen that offered \$1.6 billion and included Oprah Winfrey and **Oracle Corp.** CEO Larry Ellison.

Guggenheim Partners LLC, which led a group that bought Major League Baseball's Los Angeles Dodgers last year - and a group including former NBA All-Star Grant Hill also made overtures, according to reports.

Despite the plethora of interest that spans just about every deep-pocketed celebrity with loose ties to Los Angeles, and the speculation that the team could be sold as early as April 29, when Commissioner Adam Silver said he would attempt to force the team to be sold, the Clippers auction only lasted a few days.

Sterling had attempted to prolong the sale process in California probate court, but on July 28, Judge Michael Levanas of California Superior Court in Los Angeles upheld Shelly Sterling's right to oust her husband from the Sterling Family Trust after two doctors

determined he had signs of Alzheimer's disease and was unfit to oversee the business operations of a trust that includes **LAC Basketball Club Inc.**, which is the Clippers' corporate parent.

Donald Sterling did file an antitrust lawsuit against the NBA in the Central District of California seeking at least \$1 billion in damages, and that suit is still pending.

On Aug. 11, the NBA filed a counterclaim in U.S. District Court in Los Angeles alleging that Sterling must compensate the league for losses relating to his comments as well as reimburse it for any litigation costs.

No timetable has been set to resolve these claims, although neither is likely to have any bearing on Ballmer's ownership since the sale has already been completed.

Kirkland & Ellis LLP represented **Bank of America Merrill Lynch**, as financial adviser to the Sterling Family Trust. Bank of America's Anwar Zakkour led the financial advisory team. The Kirkland team included David Fox, Rick Madden, Andrew Herman and Bianca Levin-Soler.

Bob Baradaran and Pierce O'Donnell of **Greenberg Glusker Fields Claman & Machtinger LLP** provided outside counsel for the Sterling Family Trust.

Covington & Burling LLP was Ballmer's legal adviser on the deal. The Covington team included Peter Zern, Douglas Gibson, Benjamin Block, Michael Francese, Michael, Robert Heller, Doris Blazek-White, Jeffrey White, Scott Roades and Donald E. Elliott.

DEAL SIZE

\$ 1-10 Billion

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