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12 Attorneys for Defendants and Counterclaimants  
 National Basketball Association  
 13 and Adam Silver

14 UNITED STATES DISTRICT COURT  
 15 CENTRAL DISTRICT OF CALIFORNIA  
 16 WESTERN DIVISION

17 DONALD T. STERLING, an  
 18 individual, and THE STERLING  
 FAMILY TRUST,  
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 Plaintiffs,  
 20  
 v.  
 21 NATIONAL BASKETBALL  
 22 ASSOCIATION, a New York  
 professional association; ADAM  
 23 SILVER, an individual; and DOES 1  
 through 10,  
 24  
 Defendants.

Case No. 2:14-CV-4192-FMO-SHx

**ANSWER AND COUNTERCLAIM  
 OF NATIONAL BASKETBALL  
 ASSOCIATION AND ADAM  
 SILVER TO COMPLAINT FOR  
 DAMAGES**

26 *Caption continued on the next page*

1 NATIONAL BASKETBALL  
2 ASSOCIATION, a New York  
3 professional association; and ADAM  
4 SILVER, an individual,  
5 Counterclaimants,  
6 v.  
7 DONALD T. STERLING, an  
8 individual, and THE STERLING  
9 FAMILY TRUST,  
10 Counterdefendants.

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**INTRODUCTION**

Defendants National Basketball Association (the "NBA") and Adam Silver (collectively, "Defendants"), by and through their undersigned counsel, file this answer to the Complaint for Damages (the "Complaint") of plaintiffs Donald T. Sterling and The Sterling Family Trust (collectively, "Plaintiffs").

Plaintiffs challenge a June 3, 2014 hearing and vote of the NBA Board of Governors that had been scheduled to consider termination of the Membership in the NBA of LAC Basketball, Inc. ("LAC"), which is owned by The Sterling Family Trust (the "Trust") and operates the Los Angeles Clippers (the "Team" or the "Clippers"). However, prior to the filing of the Complaint, that hearing and vote were cancelled after Mr. Sterling's wife, Rochelle, as the sole trustee of the Trust and with Mr. Sterling's express agreement to the sale of his interest in the Team: (i) executed a binding term sheet to sell LAC for a record \$2 billion; and (ii) signed an agreement releasing any claims that she, LAC, or the Trust may have against the NBA and indemnifying the NBA against any claims asserted by herself, LAC, the Trust, Mr. Sterling, or any third party.

Plaintiffs' Complaint is legally deficient and purposeless for several fundamental reasons. *First*, because its factual predicate—that the NBA has terminated Mr. Sterling's ownership of the Team and thereby caused damage under various legal theories—does not exist. *Second*, because Mr. Sterling was properly removed as a Trustee of the Trust on May 29, 2014—as Judge Levanas of the Superior Court for the State of California has found—he therefore lacks authority to assert claims in the name of the Trust. And *third*, because even if his claims had any merit, Mr. Sterling has separately agreed to reimburse any resulting damages (and attorneys' fees) incurred by the NBA or the Commissioner.

1 Defendants, upon personal knowledge with respect to themselves and their  
2 own acts, and upon information and belief with respect to all other matters, respond  
3 to the allegations made by Plaintiffs in the Complaint as follows:

4 **PARTIES**

5 1. Defendants lack knowledge or information sufficient to form a belief  
6 about the truth of the allegations contained in Paragraph 1 of the Complaint.

7 2. Defendants lack knowledge or information sufficient to form a belief  
8 about the truth of the allegations contained in Paragraph 2 of the Complaint, except  
9 admit that, at the time the Complaint was filed, The Sterling Family Trust was the  
10 sole shareholder of LAC Basketball Club, Inc., and that Mr. Sterling's wife, Rochelle  
11 ("Shelly") Sterling, was the sole trustee of the Trust. Defendants aver that, Mr.  
12 Sterling lacks authority to act on behalf of the Trust because—as determined by the  
13 Superior Court of the State of California—on May 29, 2014, Mr. Sterling was  
14 properly deemed incapacitated by two physicians and thereafter ceased to serve as a  
15 trustee of the Trust in accordance with the terms of the Trust.

16 3. Defendants deny the allegations contained in Paragraph 3 of the  
17 Complaint and aver as follows: the NBA is a voluntary membership association that  
18 operates a professional basketball league consisting of thirty Members and their  
19 Member Teams, including the Los Angeles Clippers. The NBA Member Teams are  
20 located in a diverse group of cities throughout the United States and Canada. The  
21 NBA League Office is located at 645 Fifth Avenue, New York, New York.

22 4. Defendants deny the allegations contained in Paragraph 4 of the  
23 Complaint. Defendants aver as follows: Adam Silver has been the Commissioner of  
24 the NBA since February 1, 2014. Commissioner Silver has an office in the NBA  
25 League Office in New York, New York.

26 5. Defendants lack knowledge or information sufficient to form a belief  
27 about the truth of the allegations contained in Paragraph 5 of the Complaint.

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1 organization or the NBA; (ii) stated that the \$2.5 million was "the maximum amount  
2 allowed under the NBA Constitution;" and (iii) urged the Board of Governors to  
3 terminate Mr. Sterling's ownership of the team. Defendants aver as follows:  
4 immediately after Mr. Sterling's views and conduct as reflected on the Recording  
5 were made known, Commissioner Silver commenced an investigation into the  
6 Recording and its authenticity. The investigation, which was conducted by David  
7 Anders, a partner at the law firm Wachtell, Lipton, Rosen & Katz, included, among  
8 other things, telephonic and in-person interviews of Ms. Stiviano, Los Angeles  
9 Clippers President Andy Roeser, Shelly Sterling, Ms. Stiviano's sister Lucy Vasquez,  
10 and Mr. Sterling himself. The investigation confirmed conclusively—and it was  
11 subsequently admitted by Mr. Sterling—that the male whose voice is heard on the  
12 Recording is Mr. Sterling and that the Recording had not been altered. These  
13 findings were reported to the Commissioner prior to his imposition of the fine and  
14 lifetime ban. Despite being informed by the NBA that he would be afforded every  
15 opportunity to be heard, that the NBA would consider any evidence or other  
16 materials he wished to submit, and that he could speak directly to the Commissioner  
17 about the matter, Mr. Sterling cancelled an in-person interview that had been  
18 scheduled with the NBA's investigator, chose not to submit any evidence or other  
19 materials, and elected not to speak with the Commissioner.

20       12. Defendants deny the allegations contained in Paragraph 12 of the  
21 Complaint, except admit that, on May 19, 2014, Commissioner Silver served a  
22 formal written charge (the "Charge") on Mr. Sterling that contained six Counts.  
23 Defendants refer to the Charge for its true and accurate content.

24       13. Paragraph 13 of the Complaint includes legal assertions and conclusions  
25 to which no response by Defendants is necessary. Defendants deny the remaining  
26 factual allegations in Paragraph 13 of the Complaint and refer to the Charge for its  
27 true and accurate content.

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1 14. Defendants admit the allegations contained in Paragraph 14 of the  
2 Complaint.

3 15. Defendants deny the allegations contained in Paragraph 15 of the  
4 Complaint, except admit that Mr. Sterling's counsel wrote a letter to the NBA on  
5 May 22, 2014. Defendants refer to the letter, which is attached as Exhibit 2 to the  
6 Complaint, for its true and accurate content.

7 16. Defendants deny the allegations contained in Paragraph 16 of the  
8 Complaint, except admit that, with Mr. Sterling's knowledge and consent, Shelly  
9 Sterling retained Bank of America, and, after meeting with prospective buyers and  
10 buyer groups, including Steven Ballmer, former Chief Executive Officer of  
11 Microsoft Corporation, entered into a binding agreement on behalf of the Trust to  
12 sell the Los Angeles Clippers to Mr. Ballmer for \$2 billion. Defendants aver as  
13 follows: following a bench trial in a lawsuit between Mr. and Mrs. Sterling, Judge  
14 Levanas of the Superior Court of the State of California: (i) found that Mrs.  
15 Sterling's removal of Mr. Sterling as trustee was lawful and proper, and that Mrs.  
16 Sterling had authority to sell the Los Angeles Clippers to Mr. Ballmer; and (ii)  
17 approved Mrs. Sterling's sale of the Los Angeles Clippers to Mr. Ballmer.

18 17. Defendants admit the allegations contained in Paragraph 17 of the  
19 Complaint.

20 18. Defendants admit the allegations contained in Paragraph 18 of the  
21 Complaint.

22 19. Defendants deny the allegations contained in Paragraph 19 of the  
23 Complaint, and refer to the NBA's May 27, 2014 statement for its true and accurate  
24 content.

25 20. Defendants deny the allegations contained in Paragraph 20 of the  
26 Complaint, and aver as follows: on May 29, 2014, Shelly Sterling removed Mr.  
27 Sterling as trustee of the Trust and publicly announced that the Trust reached a  
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1 binding agreement to sell the Los Angeles Clippers to Steve Ballmer for an NBA-  
2 record \$2 billion. The following afternoon, May 30, Shelly Sterling signed an  
3 agreement with the NBA releasing any claims that she, the Trust, or LAC may have  
4 against the NBA and agreeing to indemnify the NBA against any claims asserted by  
5 herself, the Trust, LAC, Mr. Sterling, or any third party. The NBA then withdrew  
6 the Charge, cancelled the June 3 termination hearing, and notified Mr. Sterling's  
7 counsel of such withdrawal and cancellation. Following a bench trial in a lawsuit  
8 between Mr. and Mrs. Sterling, Judge Levanas of the Superior Court of the State of  
9 California: (i) found that Mrs. Sterling's removal of Mr. Sterling as trustee was  
10 lawful and proper, and that Mrs. Sterling had authority to sell the Los Angeles  
11 Clippers to Mr. Ballmer; and (ii) approved Mrs. Sterling's sale of the Los Angeles  
12 Clippers to Mr. Ballmer.

13       21. Defendants deny the allegations contained in Paragraph 21 of the  
14 Complaint and repeat the averments contained in Paragraph 20 of this Answer.

15       22. Defendants deny the allegations contained in Paragraph 22 of the  
16 Complaint, except admit that, on May 28, 2014, the NBA's General Counsel  
17 informed Mr. Sterling's counsel that, as of that time, the June 3 termination hearing  
18 was still scheduled to take place, and repeat the averments contained in paragraph 20  
19 of the Answer.

20       23. Defendants admit the allegations contained in Paragraph 23 of the  
21 Complaint.

22       24. Defendants lack knowledge or information sufficient to form a belief  
23 about the truth of the allegations contained in Paragraph 24 of the Complaint, except  
24 admit that, on May 30, Mr. Sterling's counsel contacted the NBA regarding the status  
25 of the June 3, 2014 hearing. Defendants aver that, in the afternoon of May 30, the  
26 NBA emailed a letter to Mr. Sterling's counsel stating that "the Commissioner is  
27 hereby withdrawing the Charge dated May 19, 2014 . . . without prejudice and the  
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1 NBA reserves all of its rights, including the right to renew the Charge or file a new  
2 or amended charge at a later date. Consistent with the foregoing, the Board of  
3 Governors hearing that was scheduled for June 3, 2014 is hereby cancelled."

4 **JURISDICTION AND VENUE**

5 25. Paragraph 25 of the Complaint constitutes legal assertions and  
6 conclusions to which no response by Defendants is necessary.

7 **FIRST CLAIM FOR RELIEF**

8 **Violation of Plaintiff's Rights Under California Constitution**

9 (against all Defendants)

10 26. Defendants incorporate by reference their responses to Paragraphs 1-25  
11 of the Complaint as if set forth herein.

12 27. Paragraph 27 of the Complaint constitutes legal assertions and  
13 conclusions to which no response by Defendants is necessary. Defendants aver that  
14 all of Defendants' actions challenged in the Complaint, including the bringing of the  
15 Charge and any reliance on the Recording, were entirely lawful and fully consistent  
16 with the NBA Constitution and By-Laws (the "NBA Constitution"), and rules,  
17 regulations, resolutions, and agreements of the League.

18 28. Defendants deny the allegations contained in Paragraph 28 and refer to  
19 the Charge and the May 19, 2014 letter for their true and accurate contents.  
20 Defendants aver that all of Defendants' actions challenged in the Complaint,  
21 including the bringing of the Charge and any reliance on the Recording, were  
22 entirely lawful and fully consistent with the NBA Constitution, and rules,  
23 regulations, resolutions, and agreements of the League.

24 **SECOND CLAIM FOR RELIEF**

25 **Breach of Contract**

26 (against all Defendants)

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**PRAYER FOR RELIEF**

Defendants National Basketball Association and Adam Silver deny that Plaintiffs are entitled to any of the relief requested or to any other relief based on the allegations in the Complaint.

**AFFIRMATIVE DEFENSES**

Pursuant to Rule 8(c) of the Federal Rules of Civil Procedure, Defendants National Basketball Association and Adam Silver assert the following affirmative defenses to the Complaint:

**First Affirmative Defense**

47. Plaintiffs fail to state a claim upon which relief can be granted.

**Second Affirmative Defense**

48. Plaintiffs' Complaint violates Rule 11 of the Federal Rules of Civil Procedure.

**Third Affirmative Defense**

49. Plaintiffs lack standing to assert some or all of the claims alleged in the Complaint.

**Fourth Affirmative Defense**

50. Plaintiffs' claims are barred in whole or in part by the doctrine of unclean hands.

**Fifth Affirmative Defense**

51. Plaintiffs' claims are barred in whole or in part by the doctrine of laches.

**Sixth Affirmative Defense**

52. Plaintiffs' claims are barred in whole or in part by the doctrine of waiver.

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**Seventh Affirmative Defense**

53. Plaintiffs' claims are barred in whole or in part because Mr. Sterling lacks the legal capacity to bring them.

**Eighth Affirmative Defense**

54. Plaintiffs' claims are barred in whole or in part for failure to join a required party pursuant to Rule 19 of the Federal Rules of Civil Procedure.

**Ninth Affirmative Defense**

55. To the extent that any liability exists on the part of Defendants, such liability is to be indemnified by Plaintiffs.

**Tenth Affirmative Defense**

56. Plaintiffs' claims have been released in whole or in part.

**Eleventh Affirmative Defense**

57. Plaintiffs' claims are moot.

**Twelfth Affirmative Defense**

58. Plaintiffs' claims are not ripe.

**COUNTERCLAIM**

Defendants NBA and Adam Silver, by and through their undersigned counsel, file this Counterclaim against Donald T. Sterling and The Sterling Family Trust, and allege as follows:

**NATURE OF ACTION**

1. This counterclaim for indemnification arises from losses incurred by the NBA as a result of the deeply offensive, demeaning, and discriminatory words, actions, and views of Counterdefendant Mr. Sterling, made while he was the controlling owner of the Clippers, which came to light in the well-publicized Recording. Mr. Sterling's discriminatory views toward African Americans and "minorities" in general, as well as his demands of a female acquaintance that she not

1 associate publicly with African Americans or "minorities," or bring them to Clippers'  
2 games, are antithetical to the most basic values, principles, and purposes of  
3 Counterclaimant NBA. This matter has caused devastating and incalculable harm to  
4 the NBA and its teams, as well as sparked an intensely adverse public reaction.

5       2. Accordingly, the NBA took reasonable actions to attempt to stem and  
6 repair the damage, at all times comporting fully with the League's governing rules  
7 and procedures by which all team owners (including Mr. Sterling) agree to be bound.  
8 Following a thorough investigation into the matter, and in accordance with the NBA  
9 Constitution, NBA Commissioner Adam Silver banned Mr. Sterling for life from any  
10 further association with the NBA or the Clippers and fined him \$2.5 million. The  
11 Commissioner also announced that he would urge the Board of Governors to  
12 consider the termination of Mr. Sterling's ownership of the Clippers.

13       3. The Commissioner determined LAC to be in violation of NBA  
14 agreements to which Mr. Sterling, Mrs. Sterling, and LAC agreed to be bound.  
15 Specifically, the Commissioner determined that LAC: (a) failed to fulfill contractual  
16 obligations to the NBA under a 2005 Agreement and Undertaking, a 1989 Joint  
17 Venture Agreement, and at law in such a way as to adversely affect the NBA and its  
18 Members; (b) engaged in conduct disloyal, injurious, and disruptive to the NBA, in  
19 violation of its contractual duties and the duty of loyalty owed to the Association;  
20 (c) willfully violated the NBA Constitution by, among other things, destroying  
21 relevant evidence, providing false and misleading information in connection with the  
22 NBA's investigation into the Recording, and issuing a false and misleading public  
23 statement about this matter; and (d) failed to pay an indebtedness owed to the  
24 Association through a refusal to pay the \$2.5 million fine that was imposed on him.  
25 Accordingly, on May 19, 2014, the Commissioner initiated a Charge to terminate  
26 LAC's Membership in the NBA.

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1 transacted business in, or have engaged in conduct that has caused injury in this  
2 District.

3 **THE PARTIES**

4 8. Counterclaimant NBA is a voluntary membership association that  
5 operates a professional basketball league consisting of thirty Members and their  
6 Member Teams, including the Clippers. The NBA Member Teams are located in a  
7 diverse group of cities throughout the United States and Canada. The NBA League  
8 Office is located at 645 Fifth Avenue, New York, New York.

9 9. Counterclaimant Adam Silver is the Commissioner of the NBA and  
10 resides in New York, New York.

11 10. Counterdefendant Donald Sterling (along with his wife Shelly Sterling)  
12 was, at the time this action was commenced, a beneficiary and settlor of The Sterling  
13 Family Trust.

14 11. Counterdefendant The Sterling Family Trust is the sole shareholder of  
15 LAC Basketball Club, Inc., a California corporation with its principal place of  
16 business in Los Angeles, California. LAC Basketball Club, Inc. is the corporate  
17 entity that owns the Los Angeles Clippers and is a Member of the NBA.

18 **THE RELEVANT OBLIGATIONS OF**  
19 **DONALD STERLING AND THE STERLING FAMILY TRUST**

20 12. Pursuant to a 2005 Agreement and Undertaking, the NBA Constitution,  
21 and a 2014 Settlement and Release, Counterdefendants have an obligation to  
22 indemnify the NBA and Commissioner Silver for "Losses," including, but not  
23 limited to, damages, fees, and costs arising out of the statements and actions  
24 reflected on the Recording, the NBA's investigation of his statements and actions  
25 related to the Recording, the NBA's efforts to prepare the Charge against LAC and  
26 Mr. Sterling, and the defense of this lawsuit.

27 13. In connection with their ownership of the Clippers and Membership in  
28 the NBA, The Sterling Family Trust and Mr. Sterling have undertaken contractual

1 obligations to the NBA, including in a July 26, 2005 Agreement and Undertaking  
2 with the NBA made in favor of the NBA and its Member Teams (the "A&U").

3 14. In Paragraph 7(a) of the A&U, each of the signatories, including Mr.  
4 Sterling, agrees that they "jointly and severally shall indemnify, defend and hold  
5 harmless each of the Affiliated NBA Parties from and against all actions, causes of  
6 action, suits, debts, obligations, losses, damages, amounts paid in settlement,  
7 liabilities, costs and expenses (including, without limitation, interest, penalties and  
8 reasonable attorneys' fees and expenses) (collectively, 'Losses') resulting to, imposed  
9 upon, asserted against or incurred by any Affiliated NBA Party (including, but not  
10 limited to, in any action between any of the Owners and any Affiliated NBA Party)  
11 in connection with or arising out of . . . (ii) any breach or misrepresentation by any of  
12 the Owners under this Agreement, or (iii) any act or omission (or alleged act or  
13 omission) . . . ." Paragraph 6(a) of the A&U defines "Affiliated NBA Parties" so as  
14 to include both Counterclaimants.

15 15. In addition to the A&U, in 2005, as a condition of the Board of  
16 Governors' approval of Mr. Sterling's transfer of ownership of the Clippers to The  
17 Sterling Family Trust, Mr. and Mrs. Sterling each acknowledged in a signed writing  
18 that they would agree to "abide by the Constitution and By-Laws."

19 16. As set forth in Article 2 of the NBA Constitution, which is governed by  
20 the laws of the State of New York, as a condition of Membership in the NBA, each  
21 NBA Member agrees, among other things, that it (i) "shall be subject to the oversight  
22 and control of the Board of Governors of the Association," and (ii) "shall be  
23 governed by the Constitution and By-Laws, rules, regulations, resolutions, and  
24 agreements of the Association, as they may be modified or amended from time to  
25 time."

26 17. Article 46 of the NBA Constitution sets forth a Member's or Owner's  
27 indemnification obligations to the League. Article 46 provides, in relevant part, that:

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1 "(a) In any action in which a claim or counterclaim is brought by one or more  
2 Members or their Owners (each a 'Claiming Party') against any of (i) the  
3 Association, . . . or (iv) the Commissioner or any other executive or employee of the  
4 Association (clauses (i) – (iv) collectively, the 'Association Parties'), the following  
5 shall apply: (i) unless the Claiming Parties shall fully prevail on the merits of each  
6 and every claim or counterclaim brought against the Association Parties, the  
7 Claiming Parties shall jointly and severally indemnify and hold harmless the  
8 Association Parties against all costs, fees and expenses of every kind and description  
9 that the Association Parties may incur in connection with the action (including, but  
10 not limited to, all reasonable attorneys' fees incurred in such action between the  
11 Claiming Party and the Association Parties) (collectively, 'Litigation Costs')."

12 18. Additionally, on May 30, 2014, Mrs. Sterling, as sole trustee of The  
13 Sterling Family Trust, on behalf of LAC, and in her individual capacity (collectively,  
14 the "Sterling Parties"), entered into a Settlement and Release Agreement with the  
15 NBA. The Settlement and Release Agreement relates to the NBA's penalties and  
16 Charge against Mr. Sterling for the views and conduct expressed in the Recording.

17 19. Pursuant to Paragraph 8 of the Settlement and Release Agreement, the  
18 Sterling Parties, including Counterdefendant The Sterling Family Trust, agree to  
19 indemnify the NBA and Commissioner Silver for any costs incurred due to litigation  
20 brought by Mr. Sterling related to the Charge or the sale of the Team: "Without  
21 limiting their obligations under NBA Rules, including the Constitution and Bylaws  
22 of the NBA and the Agreement and Undertaking dated as of July 26, 2005 from the  
23 Sterling Parties (the '2005 A&U'), the Sterling Parties, jointly and severally, hereby  
24 agree to indemnify, defend and hold harmless, to the fullest extent permitted by law  
25 and with counsel selected by the NBA, each of the Affiliated NBA Parties from and  
26 against any and all losses, liabilities, obligations, claims, damages, settlements,  
27 injunctions, suits, actions, proceedings, demands, charges, fines, penalties, costs and

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1 expenses of every kind and nature, including reasonable fees, expenses and  
2 disbursements of attorneys, accountants and other professionals (collectively,  
3 'Losses'), imposed upon, asserted against or incurred by any of the Affiliated NBA  
4 Parties . . . in connection with, arising out of or relating to . . . any Claims by or on  
5 behalf of [Mr. Sterling] or any of his personal representatives, conservators or  
6 agents."

7 **FIRST COUNTERCLAIM FOR RELIEF**  
8 **(As Against Donald T. Sterling)**

9 20. The foregoing paragraphs of this Counterclaim are hereby incorporated  
10 by reference.

11 21. As described above, the A&U and the NBA Constitution constitute  
12 binding contracts between Counterclaimants and Counterdefendant Mr. Sterling.

13 22. The NBA and Commissioner Silver have suffered Losses in connection  
14 with Mr. Sterling's acts, omissions, and other conduct, including, but not limited to,  
15 damages and legal and other fees relating to: (a) Mr. Sterling's statements and  
16 conduct; (b) the NBA's investigation of the Recording and Mr. Sterling's statements  
17 and conduct; (c) the imposition of discipline upon Mr. Sterling; (d) the proceedings  
18 to terminate Mr. Sterling's ownership of the Clippers; and (e) this lawsuit.

19 23. Pursuant to binding agreements with the NBA, Mr. Sterling must  
20 indemnify the NBA and Commissioner Silver for the foregoing Losses.

21 **SECOND COUNTERCLAIM FOR RELIEF**  
22 **(As Against The Sterling Family Trust)**

23 24. The foregoing paragraphs of these Counterclaims are hereby  
24 incorporated by reference.

25 25. On May 29, 2014, one day before this lawsuit was filed, Rochelle  
26 Sterling removed Donald Sterling as trustee of The Sterling Family Trust.  
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1           26.    Following a bench trial in a lawsuit between Mr. and Mrs. Sterling,  
2 Judge Levanas of the Superior Court of the State of California found that Mrs.  
3 Sterling's removal of Mr. Sterling as trustee on May 29 was lawful and proper.

4           27.    As a result of his removal as Trustee, Mr. Sterling lacked authority and  
5 standing to commence this lawsuit on behalf of The Sterling Family Trust.

6           28.    In the event it is nonetheless determined that The Sterling Family Trust  
7 is a proper plaintiff in this lawsuit, then the NBA hereby asserts this claim for  
8 indemnification against The Sterling Family Trust.

9           29.    As described above, the A&U, the NBA Constitution, and the  
10 Settlement and Release Agreement constitute binding contracts between  
11 Counterclaimants and Counterdefendant The Sterling Family Trust.

12           30.    The NBA and Commissioner Silver have suffered Losses in connection  
13 with Mr. Sterling's acts, omissions, and other conduct, including, but not limited to,  
14 damages and legal and other fees relating to: (a) Mr. Sterling's statements and  
15 conduct; (b) the NBA's investigation of the Recording and Mr. Sterling's statements  
16 and conduct; (c) the imposition of discipline upon Mr. Sterling; (d) the proceedings  
17 to terminate Mr. Sterling's ownership of the Clippers; and (e) this lawsuit.

18           31.    Pursuant to binding agreements with the NBA, The Sterling Family  
19 Trust must indemnify the NBA and Commissioner Silver for the foregoing Losses.

20                   **WHEREFORE**, Counterclaimants NBA and Commissioner Silver pray  
21 for judgment as follows:

22                   (1) That the NBA and Commissioner Silver recover damages, costs and  
23 attorneys' fees related to (a) Mr. Sterling's statements and conduct, (b) the NBA's  
24 investigation of the Recording and Mr. Sterling's statements and conduct, (c) the  
25 imposition of discipline upon Mr. Sterling, (d) the proceedings to terminate Mr.  
26 Sterling's ownership of the Clippers, and (e) this lawsuit; and

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1 (2) Such other and further relief in favor of Counterclaimants as the  
2 Court may deem just and proper.

3  
4 DATED: August 11, 2014

5 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
6 RICHARD MARMARO (SBN 91387)  
7 JASON D. RUSSELL (SBN 169219)  
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By: /s/ Richard Marmaro  
RICHARD MARMARO  
Attorneys for Defendants and Counterclaimants  
National Basketball Association and Adam Silver