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Union President Fisher: Premature to Say NBA Salaries Too High

Mar 1, 2010 – 4:45 PM

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LOS ANGELES -- Derek Fisher doesn't dispute NBA teams will lose \$400 million this season. But he

isn't sure it's fair to fully blame the losses on player salaries being too high.

The president of the National Basketball Players
Association was asked his impressions of NBA
Commissioner David Stern's <u>state-of-the-league address</u>
during All-Star Weekend last month. It was then that
Stern revealed how much money the NBA is projected to

I TES

NBA / Getty Images

lose this season in a tough economy, and said the "level of revenue devoted to players' salaries (is) too high" in the NBA's current collective bargaining agreement.

"I think the discussion also is about, 'Are things just related to the economy,"
Fisher, a Lakers guard, said in an interview with FanHouse. "What other variables go into why teams are losing money? That's the conversations that we (the union) want to have.

"Let's discuss all of the reasons why (teams are losing money). Some of it is you have some teams in bad arena (situations) that are in tough markets. You have situations where teams aren't as competitive where you know that's going to impact the fan base. You have another batch of teams this year that have dumped guys to clear salary-cap room for the summer, and that's not something that's necessarily going to raise fan support or increase season-ticket sales for next year. ... We don't necessarily agree the only fix is impacting players' salaries."

The union and NBA owners are negotiating a new CBA to replace the one expiring June 30, 2011. With owners seeking to significantly cut salaries, many observers believe there is a good chance of a lockout after next season.

Fisher said the union is cognizant about the impact of the sagging economy and of there being a perception NBA players are overpaid. But he said it's the owners who have made decisions about handing out lucrative contracts.

"I guess all of our salaries are too high in a relative sense of what hard-working Americans or people around the world and what their income is," Fisher said.
"We're not insensitive to that reality. At the same time, we feel like this system is as well as systems in the past. ... There isn't any reason why, if a team doesn't want to pay guys five- or six-year contracts, they don't have to.

"When league revenues go down, player salaries go down. The league already is reporting a salary-cap number that is lower next year than it is this year. That will impact players' salaries. ... Each time we have gone around the block with (NBA owners) with a collective bargaining agreement, that one has always not been good enough four or five years later. ... We do feel there is much more conversation to have than just player salaries are way out of control."

The union and the owners had what union executive director Billy Hunter called a "contentious" bargaining session Feb. 12 during All-Star Weekend in Dallas.

Afterward, the union had a press conference in which the initial proposal by the owners, designed to drastically cut player salaries, was called unacceptable.

Often, Hunter has shared the podium at the state-of-the-league address with Stern. But Fisher said Hunter opted not to last month because the union wanted to get out its own opinion and was "opposed to joining with commissioner Stern and painting a picture that maybe he wanted painted."

Fisher watched much of Stern's address on a television monitor. He shrugged off Stern saying that, with the owners' initial proposal, the union "can denounce it, tear it up ... burn it ... jump up and down on it, as long as you understand that it affects the financial realities."

"It was clear when we left the room, we're not using (the owners' proposal) to get this conversation started," said Fisher of the proposal in which Hunter said NBA owners wanted to eliminate the mid-level exception, scale back guaranteed contracts, reduce the length of deals and significantly cut basketball-related income from the 57-percent cut players now get.

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Stern did bring up at his session something the union did not. He said a union lawyer "was brought in to threaten us as a tactic to say ... the union is going to go away."

FANHOUSE on Follow NBA

Fisher identifying the lawyer as Jeffrey Kessler, called that a standard negotiating tactic.

"That's not uncommon in those type of sessions," Fisher said of Kessler's threatening to dissolve the union. "That wasn't the plan going in to create fear. ... (That) was just something that Jeffrey felt that he wanted to say. He's a very experienced attorney. ... I don't think it was as a scare tactic. It was a much as to express to us what the potential realities are."

The realities now are NBA owners and players remain at a stalemate. The union said during All-Star Weekend it would come back with a proposal of its own, but Fisher did not say anything is close.

Chris Tomasson can be reached at tomasson@fanhouse.com or on Twitter @christomasson

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SportsBusiness DAILY

SBD/Issue 175/Law & Politics

U.S. Supreme Court Overturns Ruling In American Needle Case

Published May 24, 2010

The U.S. Supreme Court unanimously overturned a lower court ruling against cap manufacturer American Needle this morning, rejecting the NFL's contention that the league and its teams are a single entity and clearing the way for the company to proceed with an antitrust suit in federal court. American Needle Inc., a sporting goods manufacturer based in Buffalo Grove, III., sued the NFL in '04, charging that the teams conspired in violation of antitrust laws when they signed an exclusive 10-year contract with Reebok in '01. For all the debate about the impact the case could have on varied aspects of the sports business -- licensing, labor, franchise sales and media rights among them -- the court made its decision based on a narrow question: Whether the league and its teams were capable of conspiring in violation of antitrust laws, or whether they should be exempt from such scrutiny because they operate as a single enterprise. The court found that the fact that the teams joined together to issue licenses does not make them a single entity, as the NFL argued when it asked that the case be dismissed. "The NFL teams do not possess either the unitary decisionmaking quality or the single aggregation of economic power characteristic of independent action," wrote Justice John Paul Stevens. "Each of them is a substantial, independently owned, independently managed business." The Supreme Court sent the matter back to the lower court, which now will review it to determine whether the league's contract with Reebok broke the law. "The fact that the teams share an interest in making the entire league successful and profitable, and that they must cooperate to produce games, provides a perfectly sensible justification for making a host of collective decisions," Stevens wrote. "Because some of these restraints on competition are necessary to produce the NFL's product ... teams' cooperation is likely to be permissible" (Bill King, SportsBusiness Journal).

REAX FROM UNION TO RULING: NFLPA Exec Dir DeMaurice Smith said, "Today's Supreme Court ruling is not only a win for the players past, present and future, but a win for the fans. While the NFLPA and the players of the National Football League are pleased with the ruling, we remain focused on reaching a fair and equitable collective bargaining agreement. We hope that today also marks a renewed effort by the NFL to bargain in good faith and avoid a lockout." NFLPA outside counsel Jeffrey Kessler, whose law firm wrote the brief for all four major sports unions in the American Needle case, said, "The fact that it is unanimous means the single entity argument for sports leagues is basically dead. It means that the option to decertify and assert anti-trust rights is as strong as it has ever been" (Liz Mullen, SportsBusiness Journal).



Kessler Feels Time Is Right For Player Unions To Decertify And Assert Antitrust Rights

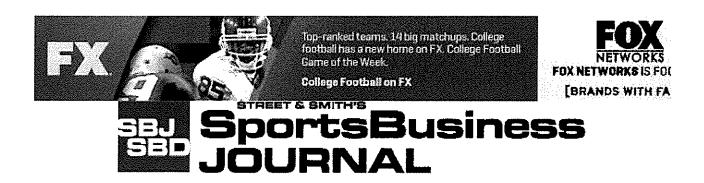
WHAT DOES THIS MEAN? ESPN's John Clayton said the

decision is "huge," because even though it is a "licensing agreement on caps, this impacts the labor negotiations in the National Football League." Clayton: "Let's say for example the NFL won this case. They would be one entity. They could then come to its employees – the players, even the coaches – and start implementing salaries. What the thought on this is now going to be that this could start to kick-start some negotiations to try to prevent a lockout because the hammer was there if the NFL won this case. They still have significant leverage in negotiations, but with this loss to American Needle, this now gives a little bit of a chance that they could start to seriously think about getting some kind of a deal done before 2011" ("SportsCenter," ESPN, 5/24).

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Law and Politics



SBJ/20101004/Labor & Agents

With NFL players taking decertification vote, will NBPA be next?

Published October 4, 2010



LABOR & AGENTS LIZ MULLEN NFL players have begun the process to authorize the decertification of their union, and there is speculation that NBA players may start the very same voting process when National Basketball Players Association Executive Director **Billy Hunter** begins his fall tour of teams in November.

"It is absolutely an option," said **Jeffrey Kessler**, outside attorney to the NBPA. Kessler, however, would not say whether the union had made a decision to pursue that option.

Speculation about NBA players voting to decertify is based on many facts, including that Kessler, a partner at **Dewey & LeBoeuf**, also serves as outside counsel to the NFL Players Association. Additionally, Kessler raised the issue of NBPA decertification after a particularly contentious bargaining session at this year's NBA All-Star Game that was attended by many owners as well as many star players.

After the bargaining session, the NBA held a news conference, and Commissioner **David Stern** told reporters, "The lawyer was brought in to threaten us as a tactic to say ... the union is going to go away; that's going to make you bargain harder."

The lawyer Stem was referring to was Kessler. NBA officials declined to comment for this story, although the league provided the following quote in response to questions of the possibility of the NBPA decertifying: "All of our efforts are focused on reaching a new agreement with our players."

Kessler would not discuss recent negotiations the NBPA has had with the league but said during the All-Star session that the league raised the specter of a lockout and that the union said it would respond with decertification.

"During the negotiation, there was a discussion of a lockout and it was discussed, if there was a lockout, one of the options we had was decertifying, which would make a lockout illegal," Kessler said.

If the NBPA or the NFLPA were to decertify, it would mean that they were no longer unions that could collectively bargain for their members. Players then would have the option to file lawsuits against the leagues, challenging any lockout and any rules the leagues might try to unilaterally impose on the players.

Legal experts believe that the leagues would challenge any decertification effort in court.

"The thought of decertification is thought to be an arrow in the quiver of the players," said NBA agent **David Falk**. "As a matter of law, most of the restrictions in professional sports, drafts, restricted free agency, etc., are generally considered to be illegal under the antitrust laws."

Once a union decertifies, there is no longer a labor antitrust exemption, and the new entities, which operate as trade associations for the players, can sue the leagues under antitrust laws. The NFLPA did this in 1989 and won a lawsuit, which led to free agency for players and the current collective-bargaining agreement.

"As football proved, it is a very powerful weapon," Falk said.

Falk advocated that the NBA players decertify their union in the mid-1990s and during the 1998-99 lockout.

"Because of the lack of the sophistication of the people running the union in the '90s, it was viewed as an anti-union move," Falk said. "It was not well-received; it was not well-understood."

Falk added that he would not be leading a charge to decertify the union this time. "My days as a rabble-rouser in labor are over," he said.

The first time decertification was discussed as an option was in the mid-1980s during an NBA labor negotiation. Kessler and labor lawyer **James Quin**n at law firm **Weil Gotshal** and the late NBPA Executive Director **Larry Fleisher** were the first to come up with it as a strategy. Kessler and Quinn were later hired by the NFLPA.

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NHLPA VOTE: While Hunter will embark on his fall tour of all NBA clubs in November, former MLB Players Association Executive Director **Don Fehr**, whom the NHL Players' Association executive board has voted to recommend as the next NHLPA chief, will meet with all 30 hockey teams this month.

Players are slated to vote on whether Fehr should be the executive director and on changes to the union's constitution. The leadership of the union, which has fired three executive directors since 2005, has recommended changes to the constitution, the union's governing document, that would give more power to the executive director.

Among the proposed changes, a source said, are measures that would allow the union to appoint an advisory board and an ombudsman, but such appointments would not be mandatory.

Fehr has an aggressive schedule to try to get to all 30 teams in a month's time, a source said.

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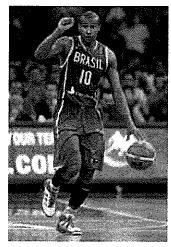
> ICM SIGNS OLBERMANN, BROUSSARD: Hollywood talent firm ICM has signed MSNBC's Keith Olbermann and Chris Broussard of ESPN for representation. ICM agent NIck Khan will represent them. Olbermann was represented by agent Jean Sage, and Broussard was without representation.

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➤ EXCEL SIGNS BARBOSA: Excel Sports Management has signed Toronto Raptors guard Leandro Barbosa for representation. Excel agency head Jeff Schwartz and agent Sam Goldfeder will represent him. He was represented by BDA Sports.

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➤ CAM ADDS BENGAL: Corporate Athletic Management has signed Cincinnati Bengals defensive end Michael Johnson for representation. AlvIn Keels will represent him. Johnson was represented by agent Richard Kopelman.



NBAE/GETTY MAGES

Leandro Barbosa, who played for Brazil at this year's World Championships, has signed with Excel Sports Management.

Liz Mullen can be reached at Imullen@sportsbusinessjournal.com. Follow her on Twitter @SBJLizMullen.

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DECEMBER 14, 2010, 3:00 PM

Union Chief Pays a Visit to the Knicks

By JONATHAN ABRAMS

GREENBURGH, N.Y. — With N.B.A. players taking the preliminary step of voting for the dissolution of their union to combat a lockout, Billy Hunter, the executive director of the National Basketball Players Association, visited the Knicks on Tuesday and called the likelihood of decertification "pretty far off."

"Decertification is just one of the options that the union would have in the event of a protracted lockout, that's all," Hunter said. "When you look at what your options are, you've got to look at everything. It's just one of the things we may have to contemplate, but it's pretty far off. It's nothing immediate. If you anticipate that there is going to be a lockout, then it's appropriate as far as timing, to discuss it now so that the players understand it so they begin to incorporate that with their thinking, as well as everything else."

Teams started voting on the issue this week. The Knicks were scheduled to vote after Tuesday's practice. Voting is the first step in a process that is far off, and the actual decertifying of the union may never gain additional traction.

Decertification would be a step in circumventing an owner-imposed lockout, but would come with risks. Players would be able to sue the owners and be granted more leverage in bargaining, but they would work without the privileges obtained in previous negotiations.

Hunter said the next time the association and league would meet was early next month. Afterward, the next meeting will probably arrive at the All-Star Game. In the past, Hunter said he would know by that date whether or not a lockout was imminent. On Tuesday Hunter said that with more players and owners in attendance at the game in Los Angeles, it may be difficult to negotiate in the All-Star Game's environment.

"That's why I'm saying it may not be a realistic marker in whether we can or cannot," Hunter said. "What I'm saying is, in my discussions with Commissioner Stern and others, we'll be able to make a determination whether they're serious or not about making a deal or whether they're going to stand pat, and if they stand pat, it's just a slow march to a lockout."

The league's current labor agreement expires after the season. Owners have pushed for drastic changes in the next agreement, including slashes to salary and the

implementation of a hard salary cap. Players have discussed modest modifications to the current agreement.

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Decertification looming for NBA players union?

"The bargaining dispute ... (is over) a salary cap, and the crux is the percentage of the revenue the players are going to get. As revenue has been increasing, player salaries have been increasing. Has it reached a point where the cap is working to the benefit of the union, as opposed to what it was originally intended to do?"

Updated 12/15/2010 2:04 AM

By Michael McCarthy, J. Michael Falgoust and Jeff Zillgitt, USA TODAY

The NBA Players Association is considering decertifying before the collective bargaining agreement expires after the season, a move the NFL Players Association made in 1989. That enabled NFL players to sue the owners and win unrestricted free agency rights for the first time in 1992.

"Decertification is a way to make available to players antitrust lawsuits," said Geoffrey Rapp, a specialist in sports and antitrust law at the University of Toledo. "Antitrust lawsuits (become) viable, and collusions among teams can be challenged."

But a move to decertify also would deprive players of their guaranteed salaries, minimum contracts and pensions.

Miami Heat player representative James Jones said, "It's one of the options for us. This is a very serious time for us in these negotiations. You have to be prepared to use all available means to get something done."

Rapp said the hope from the union was to "get signs that management is willing to deal, at which point they would recertify ... and sit down at the bargaining table to hammer out the CBA. ... I would be surprised to see them actually decertify."

The NBA declined to comment on the SportsBusiness Journal report that teams were voting to gauge player support.

How much of a threat is this?

Rick Karcher, director of the Center for Law and Sports at Florida Coastal School of Law, said, "If what the league is saying is true — that they're losing money and the current economical model is unsustainable — then they may not view decertification as a threat.



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December 13, 2010

N.B.A. Players Voting on Step Toward Dissolving Union

By HOWARD BECK

<u>N.B.A.</u> players are considering dissolution of their union as another means to combat sweeping changes to their labor agreement. The effort may ultimately prove to be more theatrical than substantive.

A vote is under way to authorize decertification of the National Basketball Players Association, according to agents and others involved in the process.

At least two teams have voted unanimously to authorize decertification, according to the Sports Business Journal, which first reported the story on Monday, citing anonymous sources.

More teams will be voting in the coming weeks. If a majority of players agree, it will give union leaders added leverage in collective bargaining talks with the N.B.A.

Spokesmen for the union and the N.B.A. declined to comment.

The authorization vote is only a preliminary step. The actual vote to disband the union probably would not happen until late June, just before the collective bargaining agreement expires, and before the owners can impose a lockout.

Gabriel Feldman, a law professor at Tulane and director of the school's sports law program, called decertification a "doomsday scenario." The real value of the vote is the threat it represents.

"It's their nuclear weapon," Feldman said. "If you have to use the nuclear weapon, then you've really reached a bad spot."

He added: "The goal here would not be to use the weapon. The goal is just to be prepared in case you need it down the road."

Decertifying the union would prevent a lockout, but at great risk. The league would be able to impose work rules, and the players would be surrendering all their union protections, as well as the benefits they have won in the past, such as minimum contracts, guaranteed salaries and their pension.

Once the union was disbanded, the players would be able to sue the owners under antitrust laws and challenge the league's restrictions on salaries and player movement. Without a collectively bargained contract, those rules would be considered illegal restraints of trade.

The real value of the decertification vote is to provide players more leverage at the bargaining table, where talks have been stalled for months.

Owners are pushing for drastic changes, including a potential 38 percent rollback in player salaries, a hard salary cap and the elimination of fully guaranteed contracts. The players have rejected the league's proposal and are advocating more modest changes. N.B.A. owners have similarly dismissed the players' ideas.

Mark Bartelstein of Priority Sports and Entertainment, which represents more than 40 N.B.A. players, said he was advising his clients to vote in favor of decertification. He expected a unanimous vote.

"It's not something anybody really wants to do," Bartelstein said, "but you've got to keep the option available to you."

By abandoning their union, the players would effectively be choosing the protections provided by antitrust law over those provided by labor law. Legally, they cannot claim both, according to Feldman.

The owners would probably challenge the move in court by arguing that the decertification "is a sham" and "that the union still exists, that it's still representing the players and that the players are trying to get the benefits of labor law and antitrust law at the same time," Feldman said.

That is why the union must tread carefully now and avoid the appearance that decertification is intended only as a bargaining strategy.

Decertification was discussed but never pursued during the 1998 N.B.A. lockout, which lasted more than six months and nearly wiped out the season. The players voted against decertification during their 1995 labor talks with the league.

The tactic was most effectively used by the N.F.L. Players Association, which decertified in November 1989. The players successfully sued the league under antitrust laws and in 1992 gained unrestricted free-agency rights for the first time.

It took more than three years to resolve the lawsuit. That is why it is considered unlikely that N.B.A. players will pursue the strategy.

"I think the endgame here is to use this as a bargaining chip and just get a deal done at the table," Feldman said. Pursuing an antitrust suit is "a long, expensive process," he said. "It's also a risky process, because if you lose the lawsuit, you've wasted a lot of time and money, and you've gotten nowhere."

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Derek Fisher says NBA players won't rule out decertification

Fisher, president of the union, wants to get a deal done, but he doesn't want to throw out any options.

December 16, 2010 | By Broderick Turner

Reporting from Washington

It seems as if the NBA players are now the ones seeking leverage in labor talks with the owners for a new collective bargaining agreement.

Lakers guard Derek Fisher, the president of the Players Assn., admitted Tuesday night that the rank and file will look at decertification as an option for the union to deal with the changes ownership is seeking.

Fisher wouldn't say whether a vote is underway by the players to dissolve the union as another means to bargain with the owners, who seem intent on locking the players out.

"I've kind of resigned to really staying focused on what we're trying to get accomplished in terms of a collective bargaining agreement and still recognizing that decertification is something is real and it's tangible," Fisher said. "But right now our focus is not that.

"But we cannot not discuss it, not give the information that's involved to our players so that everyone understands what it is and what would take place if that was our choice."

A New York Times story said a vote is underway to authorize decertification. The newspaper said the Sports Business Journal mentioned that two teams have unanimously voted to authorize decertification.

"As far as I'm concerned, we're still focused on getting a fair deal done and that's primary what our focus is," Fisher said. "But we have a responsibility to cover all available options with our players.

"So it's more so about preparing ourselves for what may come. There hasn't been any final decision made on our part as far as that being something we are definitely going to do. We're preparing ourselves for whatever happens as this process unfolds."

The Lakers as a team haven't voted to decertify. Fisher said the Lakers haven't had their meeting yet.

He said they may have to delay a planned meeting for Thursday in Philadelphia until the Lakers return home next week,

"There's a lot involved with the process," Fisher said. "It's huge in terms of what the legal ramifications would be. So it limits me in terms of really being able to fully discuss how it would happen, what would take place and the impact it would have on our union and our group."

The New York Times said the authorization is only a preliminary step and the actual vote to disband the union probably wouldn't occur until late June, just before the collective bargaining agreement is set to expire.

"It's going to be interesting to see how we react as individuals and as a group," Lakers forward Lamar Odom said. "Money won't be a problem, but we want to play. We don't want to lose money. No one wants to lose money. You want to be able to play. The fans still love the game. We love the league. We don't want them [the fans] having mixed emotions."

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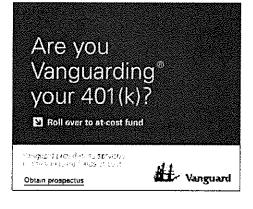
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Sixers Notes: Report: Union ponders decertification

December 16, 2010

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76ers Notes

With little progress in negotiations between the National Basketball Players Association and NBA owners, there have been reports that the union is considering decertification. The collective bargaining agreement expires after the season.

The players would decertify the union in an attempt to avert a lockout.

The Sports Business Journal reported that two NBA teams have unanimously voted to decertify. The collective bargaining agreement expires June 30.

Sixers center Spencer Hawes, a former player representative for the Sacramento Kings who assists player rep Jason Kapono, said no vote had been taken by the team.

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"There has been no vote, but it's something we talked about," Hawes said before Wednesday's game against the Los Angeles Clippers at the Wells Fargo Center. "It is an option that is being weighed heavily."

Hawes said it was a little early to take that course of action.

"I don't think there is any reason now to play any hands," he said. "I don't think either side will concede until a lot doser to the deadline."

Griffin dominating

Clippers rookie Blake Griffin has enjoyed a remarkable beginning to his NBA career after missing all of last season with a broken kneecap. The 6-foot-10 Griffin entered the game averaging 20.3 points and 11.9 rebounds and has been a YouTube sensation with some earth-shaking dunks.

Kobe's up next

The Sixers host the two-time defending NBA champion Los Angeles Lakers on Friday before playing their next eight games on the road. A Sixers official said Wednesday that tickets were still available.

On Thursday, Kobe Bryant's alma mater, Lower Merion High, will dedicate a gym in his name. Entering Wednesday, Bryant was averaging 26.6 points per game. - Marc Narducci

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BYLINE: Ira Winderman COMMENTARY {TOPIC} NBA EXTRA

BODY:

Melo could reshape East So who controls the Eastern Conference race?

Rajon Rondo and his bum ankle?

Mike Miller and his ability to eventually make the Heat's Big Three even better?

Dwight Howard and his iffy free-throw stroke.

Perhaps. But it is just as likely that the player who could have the greatest impact in the East isn't even playing in the East.

Carmelo Anthony very much could be the nugget that changes the equation.

No, the Denver Nuggets forward is not going to the Boston Celtics; Doc Rivers did not return for anything but one more shot with his two-time-finalist core.

And the Miami Heat have all the perimeter scoring any team could possibly need.

But the New York Knicks and Chicago Bulls are one wing from taking flight in the same rarified air as the Celtics and Heat. And the Orlando Magic certainly had the pieces to enter the equation.

Of course, the New Jersey Nets could short-circuit the entire matter by dealing for Anthony, extension unsigned. A core of Brook Lopez, Devin Harris (if he's retained) and Anthony certainly could lift the Nets into the playoffs, but that's about where such a core would max out.

Across the river, Carmelo could do far greater damage alongside Amare Stoudemire, Raymond Felton and

whatever is left from the Knicks' perimeter rotation of Danilo Gallinari (almost certainly gone in an Anthony deal), Wilson Chandler (quite possibly gone) and Landry Fields (who the Knicks insist isn't going anywhere).

Would a Big (Apple) Three of Stoudemire, Anthony and Felton be better than the Heat's Big Three? Probably not, considering LeBron James is considered significantly better than Anthony, Dwyane Wade certainly is a far superior talent to Felton, and Chris Bosh at least presents a fair fight with Stoudemire.

But it would be a heck of a playoff series, one that could create enough emotion to leave a coach hanging off the foot of Erick Dampier or Zydrunas Ilgauskas.

Then there are the Bulls, Joakim Noah's contract extension makes him particularly difficult to move in the short term. But what if Chicago thrives in his extended injury absence? What if the Bulls come to learn he is not essential? Or what, for that matter, if Taj Gibson makes himself into a commodity in the interim, perhaps reviving talk of a Bulls package that includes Luol Deng (who also could be moved to a third party)?

Carmelo. Carlos Boozer. Derrick Rose. That certainly could get you to the Eastern Conference finals.

As for the Magic, Anthony would have made sense on so many levels.

Yet instead of taking a patient approach, Orlando appears to be panic mode, looking to the likes of Jason Richardson, Hedo Turkoglu and Gilbert Arenas, players who used to be somebody. Past tense.

For Orlando, that's a shame, because a package of quality supporting pieces such as Marcin Gortat, Brandon Bass and J.J. Redick could have fast tracked a rebuild for the Nuggets, who otherwise could lose Anthony for nothing in return during next summer's free agency.

Howard, Anthony and Jameer Nelson could have worked out just fine for the Magic, made the Heat sweat, provided legitimate counters to the Celtics. Instead, it remains a Magic mishmash.

For those already at the top of the Eastern Conference playoff race, Carmelo to the Nets would probably be the best news. It's as good as the Celtics and Heat could hope for, short of Carmelo committing long term to Denver.

Put him in New York or Chicago (or the remaining long shot of Orlando), and it could be time to reassess exactly where the Lakers will be flying to for the NBA Finals.

In the lane

DESPERATE MEASURE: NBA players do have one doomsday card to play should the league impose a lockout upon the June 30 expiration of the current collective-bargaining agreement, the decertification of the union. That would prevent the league from keeping the players from working, but also would leave every player to negotiate his own benefits and pay scale. Forward James Jones, the Heat's union representative, said the team has been briefed on the option. "Guys understand what it means," he said of a world that would have no minimum salary or mandatory benefits. "If it comes to it, that's what we'll do. This is a very serious time. You have to be prepared and willing to do whatever it takes."

THE SLOW GO: Da'Sean Butler's rehab from his Final Four knee injury allowed him time to take in West Virginia's game last weekend against Duquesne. And that allowed for a halftime interview on CBS College Sports. Asked if he hoped to be in the NBA this season, the Heat 2010 second-round pick said, "That's my plan. As of right now, I'm still thinking about it. I want to come back 100 percent and not 80." Butler said he gained a lot just being around the Heat during training camp before he was cut. "I've become, I would say, a smarter player," the former West Virginia forward said. Although a free agent, Butler has been rehabbing at the Heat's facilities and still is collecting on the two-year partially guaranteed contract extended by Pat Riley.

ANTOINE ERUPTS: Former Heat forward Antoine Walker finally had his breakthrough this past week amid his comeback in the NBA Development League. After three pedestrian efforts for the Idaho Stampede, with no more than 13 points, Walker erupted for 25 Thursday night against the Maine Red Claws.

RIVAL? WHAT RIVAL? Not only did Boston forward Paul Pierce downplay last week's epic against the New York Knicks as a rivalry game, but he said too much is made of any type of rivalry, including the lingering antipathy between him and journeyman forward Quentin Richardson that flared in last season's playoff series against the Heat. "Like in Miami last year in the playoffs, nothing gets under my skin," Pierce told the Boston Herald. "I guess it's more me getting under his skin. But it's not like I look on the schedule, see Quentin Richardson, and then tell myself I have to get 10 hours of sleep to get ready for him."

NOT BUYING IT: Cleveland coach Byron Scott would have none of it when it was suggested in advance of this past week's rematch that the Heat's 118-90 Dec. 2 victory in Cleveland had drained the spirit of his team. "I don't know if it took anything out of us or anything else," he said. "I know from day one we knew it was going to be a process of getting this team understanding of what we had to do and change as a basketball team. So I wouldn't sit here and say that one game changed everything."

HISTORY REVISITED: When he departed the Heat for Phoenix, Shaquille O'Neal offered some pointed commentary about how the Suns treated his injuries in ways the Heat overlooked. Now with the Celtics, Shaq is citing the Suns as pushing him too hard, unlike Boston, which is giving him extended time off. "A couple of times it could have cost me," O'Neal said of not being afforded proper recovery time. "I have four [rings] and in my mind I could have had seven, so a couple of times it could have cost me." 4

Active players with at least 4,000 assists, 4,000 rebounds and 15,000 career points, with LeBron James reaching the assists threshold Wednesday to join Jason Kidd, Kobe Bryant and Kevin Garnett among active players at all three levels. In all, 26 players have reached the combined thresholds.

GRAPHIC: Photo(s)

Denver's Carmelo Anthony could change the pecking order in the East. Seth Wenig/AP

LOAD-DATE: December 19, 2010

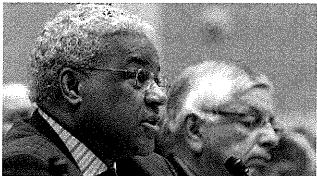
'Nuclear option' not currently in play, but may be in the future

PUBLISHED Saturday, Feb 19, 2011 at 12:29 am EST

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LOS ANGELES — Back in December, NBA commissioner David Stern called the possibility of decertifying the NBA's players union a "nuclear option." On Friday, union chief Billy Hunter let it be known that, though it is not something he'd like to employ, he is preparing for an arms race.

"It's not currently in play," Hunter said of decertification. "What we've been doing is, during the team meetings over the first half of the season, we have gone around and collected decert forms. Because if it becomes an issue, we want to make sure have done the preliminary steps that we would have to do in order to present the matter to the National Labor Relations Board."



Billy Hunter wouldn't rule out taking steps to decertify the union,

if labor negotiations do not eventually improve. (AP Photo)

Those preliminary efforts have been fruitful. At least two teams have voted unanimously to decertify in the event of an extended lockout. That would effectively kill the union's relationship with the NBA, but it would also give the union a chance to challenge the NBA on anti-trust laws rather than labor laws.

The NBA acts as a single business and thus is able to control the rules of player contracts and player movement. If it was found to be in violation of anti-trust laws, the NBA would effectively become 30 separate businesses operating in an entirely free market.

It would be a very risky play by the union, because it would negate the nearly \$4 billion in existing player contracts. Still, Hunter and the union have been getting themselves ready for a possible decertification move. Hunter emphasized he hopes it does not become a consideration.

"Before we even get to that, there's a whole lot of negotiations to do," Hunter said. "That would only be sort of a last ditch effort, if it came to that. We are going to do everything we can to avoid that."

Even if the bulk of the players agreed with decertification, it is not certain that, legally, such a move would stand up in court.

"I don't know. I really can't answer that," Hunter said. "All we're doing is trying to keep up with some of the housekeeping matters with regard to that—this is just one of many things we've been doing."

Comments

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HoopsHype.com NBA Blogs - Etan Thomas

My new 21 questions

March 11, 2011 @ 11:20 am by Etan Thomas · Filed under <u>Bobby Kniight</u>, <u>Brandon Davies</u>, <u>CBA</u>, <u>Chris Bosh</u>, <u>David Stern</u>, <u>Donald Sterling</u>, <u>Kareem Abdul-Jabbar</u>, <u>Los Angeles Lakers</u>, <u>Mark Jackson</u>, <u>NBPA</u>, <u>Stan Van Gundy</u>, <u>Wes Leonard</u>

1. Did BYU really suspend their starting forward Brandon Davles for the entire season after it was discovered that he committed the crime of having sex with his girlfriend? BYU has an honor code that forbids students from engaging in premarital sex.

This act, while being a violation of the University's code of conduct, is not against the law.

Doesn't this become somewhat of a slippery slope? Where do we draw the line in what "private standards" are allowed to be enforced? I could understand it if he was caught smoking weed, or under age drinking or doing something that is actually illegal, but how can a University legislate the law?

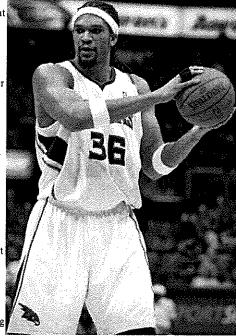
- 2. Wes Leonard, a high school basketball player in a small town near Lake Michigan, collapsed on the court after hitting the game-winning shot. His enlarged heart caused him to go into coronary arrest. My condolences to his family. As someone closely connected to this topic, isn't this yet another tragic example that testing should be done on all high school athletes the same way they now test us in the pros?
- 3. This is usually more of an issue with the NFL, but after seeing Chris Paul being carried off on a stretcher after a collision, shouldn't the NBA have some type of protocol implemented in handling concussions?
- 4. What are the chances of Blake Griffin staying with the Clippers? Should he get as far away from Donald Sterling as possible as soon as he can and go back home to the Oklahoma City Thunder? Just a thought.
- 5. Did Donald Sterling really have a Black History Month event scheduled in March?
- 6. Bobby Knight cursed on live national TV on College Gameday on ESPN. Me personally, I found more offensive what he said a few weeks before about how Governor Rick Perry of Texas was doing a great job and was an excellent Governor. But my question is, if you choose to hire someone who is notorious for his uncontrollable curse-laden tirades, shouldn't you at least have the censor button hand

notorious for his uncontrollable curse-laden tirades, shouldn't you at least have the censor button handy just in case he slips and lives up to his reputation?

- 7. Why did everyone automatically assume that it was Chris Bosh who was crying after they lost their fourth straight game?
- 8. Am I the only one who thinks the show "The Game" on BET needs to be an hour long?
- 9. When is Mark Jackson going to get a head coaching job somewhere?
- 10. Why would it be an issue if the Big East got 11 teams in the tournament? If the system is set up for the best teams to get in and the Big East has nine ranked teams, then what exactly is the problem?
- 11. In the Morning Tip on NBA.com, David Aldridge explained how successful Oklahoma City has been in building a lucrative powerhouse despite being in a small market. Doesn't their success negate the claims by certain teams that they "can't afford" to pay the players the current salaries because they are at such a disadvantage being in a smaller market? Isn't proper management more of a factor than the size of the market?
- 12. Stan Van Gundy's comments regarding David Stern were interesting. After being asked by a reporter his opinion on Dwight Howard being excessively fouled he said, "This is the system David Stern and his minions like... I certainly can't have an opinion because David Stern like a lot of leaders we've seen in this world lately don't really tolerate other people's opinion or free speech. So I'm really not allowed to have an opinion."

Did he raise a very good point regarding freedom of speech? Why isn't anyone allowed to criticize a referee or David Stern? Interesting

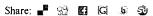
13. Kareem Abdul-Jabbar made a wonderful documentary about the <u>Harlem Rens</u>. The documentary shows the struggles these couragous men faced in a very racially segregated, dehumanizing and hate-filled time in America. I was personally told that white people don't want to hear about that struggle and are offended if it is presented. That can't be true, can it?



- 14. To anyone who has seen this documentary Kareem Abdul-Jabbar created called "On The Shoulders Of Giants," lask... Shouldn't this be required viewing for all rookies entering the NBA to ensure that history is not forgotten?
- 15. I was granted permission by Billy Hunter to speak for the union, so I wanted to say that the NBPA is in full support of our NFL brothers and their stance against the NFL. We are convinced that an NFLPA decision to litigate will help our cause since any decision will be applicable to our situation, and we thank them for setting a precedent.
- 16. How seriously should the NBPA consider decertifying the union in order to keep the NBA from legally locking out the players?
- 17. Should the NBPA and NBA follow the decision of the NFLPA and NFL by hiring a mediator to facilitate discussions and postponing a lockout deadline? If the NBA truly wants to avoid a lockout, shouldn't it get serious and begin laying the framework for serious negotiations?
- 18. How would the NBA react to this proposal?

No salary cap. Bringing split for BRI to 50/50 but we have no salary cap. Teams spend what they wish, the NBA is guaranteed a revenue certainty of 50 percent and everyone is happy. This would eliminate the overspending or teams being "held hostage" because they could sign anyone for as little (should please Donald Sterling) or as much (should please Mark Cuban) as they choose.

- 19. MLB has no salary cap and has virtually none of the restrictions on player contracts that the NBA has. For instance, there are no limits on the length of player contracts and no limits on the amount of annual increases in multi-year player deals. Yet MLB has had nine different World Series winners in the past 10 years. (Boston is the only repeat champ in 2004 and 2007). During this year's Texas-San Francisco World Series commissioner Bud Selig was quoted repeatedly stating that "competitive balance has never been as strong in MLB as it is right now." Wouldn't a similar system be successful for both players and the NBA?
- 20. How vital is revenue sharing amongst teams? Wouldn't that keep teams who are not doing well in a tough market, smaller market, etcetera afloat and be better overall for the entire league?
- 21. The other night we played a home game against the Lakers and once again there were more fans for the away team than for the home team. Why is that? I've never seen anything like this before. There were more Laker jerseys and colors than Hawk jerseys and colors. MVP chants for Kobe, the whole nine. I thought I was going to hear <u>Purp and Yellow</u> next.



<u>Permalink</u>

73 Comments

1. The truth Said,

March 11, 2011 @ 12:58 pm

Excellent post Mr. Thomas. You have posed some serious questions I would truly enjoy seeing those in positions of influence have to answe. Too bad about your teams lack of quality fans. Atlanta seems like it could be a really good team if you guys get over the hump.

2. Jay LaFountaine Said,

March 11, 2011 @ 10:20 pm

For more black history in professional basketball, visit blackfives.com. Claude Johnson has a great site. The Renaissance were an amazing team that many could look up to. I agree with your point with league players knowing some history of the game.

3. Mario Said,

March 12, 2011 @ 7:29 am

Great questions... BYU has an honor code not all that different from a contract. So I'd ask you this, if you violate the terms of your contract shouldn't you be willing to accept the consequence? I don't agree with their honor code but I also don't have a problem with them holding the player to it. Not all that log ago the career leading rusher for the BYU football team was also let go for a violation of the honor code.

And tell you didn't think it was bosh?

4 Phil Said,

March 12, 2011 @ 7:54 am

13.1 want to watch the Rens documentary just because it sounds interesting, not because I'm white or they're black or anything else race related. So it'd be nice if you said 'some white people' instead of just 'white people'. For someone who likes to play the race card as much as you do, I'm surprised that you don't see when you make generalizations based on race yourself.

Other than that, it was the least ignorant set of questions you've presented thus far! Kudos to you!

5. KD Said,

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3/12/11 St. Paul Pioneer Press (Minn.) B5 2011 WLNR 5066666

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March 12, 2011

Section: Sports

Union following NFL brethren

Ray Richardson rrichardson@pioneerpress.com

Friday's decision by the NFL Players Association to decertify as a union during collective bargaining talks with NFL owners did not go unnoticed by Timberwolves forward Anthony Tolliver, the team's player representative.

The NBA's collective bargaining agreement expires after the season and Tolliver indicated that the NBA players union would consider a similar move if talks break down this summer.

"It's something that's looming as an option," he said of possible decertification before the Wolves' 122-101 victory over Utah on Friday night at Target Center. "It's been talked about, but we're not sure we're going to do it. We're just keeping our options open."

Decertification gives NFL and NBA players the right to file independent lawsuits against their respective leagues in an attempt to reach a labor agreement. Tolliver said he intends to pay close attention to labor developments in the NFL, which is heading toward a lockout. Two deadlines have passed without the sides resolving their issues.

"I want to follow the NFL's situation as much as possible and see how their players handle things," Tolliver said. "Hopefully, our talks go much smoother."

Tolliver said he's expecting an update in the next few days from Milwaukee guard Keyon Dooling, first vice president of the NBA players association, on the status of negotiations with NBA owners. Los Angeles Lakers guard Derek Fisher is president of the players association.

Jefferson coping with change: Utah was among the top teams in the Western Conference with a 31-21 record before Jerry Sloan's sudden resignation Feb. 10 ended his 23-year coaching reign with the Jazz.

3/12/11 STPLPP B5 Page 2

Two weeks later, the Jazz traded all-star point guard Deron Williams to New Jersey, turning what had been a stable situation for former Wolves forward Al Jefferson into another transition period for the seven-year veteran.

"I've been around long enough to see a little bit of everything in this league," said Jefferson, who had nine points, nine rebounds and four blocked shots against his former team. "It was shocking to see coach (Sloan) go, but I'm glad he's happy. He did a lot of great things in this league. The time I spent with him was some of the best time in my career."

Utah is 3-11 since Sloan resigned, including 3-5 since Williams was traded for point guard Devin Harris and forward Derrick Favors, the No. 3 pick in the 2010 NBA draft, and two future first-round picks. The Jazz (34-32) are battling Phoenix and Memphis for the eighth and final playoff spot in the Western Conference.

"Things are starting to settle down for us," Jefferson said. "We got a good point guard (Harris) in return and a young player (Favors) with all the upside in the world. We'll be OK."

Briefly: The Wolves leave town today for the start of a three-game West Coast trip to play Golden State, Utah and the Los Angeles Lakers.

--- INDEX REFERENCES ---

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2 of 2 DOCUMENTS

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LENGTH: 716 words

HEADLINE: NBA UNION MAY TACKLE NFL PLAYERS' STRATEGY

BYLINE: BY MITCH LAWRENCE

BODY:

WE INTERRUPT the Knicks' push for sixth place, which continues tonight in Philadelphia, to alert you to what most NBA owners and players will be watching very closely today.

Out in Minneapolis, United States District Judge Susan Richard Nelson will hear arguments on the NFL players' request for an injunction to halt the lockout. If Nelson rules in favor of the players and grants an injunction that would restart the NFL offseason, NBA players might be looking to employ the same strategy when they face padlocked basketball arenas after the current CBA expires June 30.

True, the Knicks don't want to be thinking about a lockout, not with their first playoff game less than two weeks away. It was hardly on their minds last night, as they dominated a disinterested Raptors team, 131-118. But the grim reality is that once the NBA completes its marathon playoff run in June, the lockout will be front and center.

"I think the owners are waiting to see what happens with the NFL case, just as we are," union chief Billy Hunter said the other night in Newark, before visiting with LeBron James and Dwyane Wade after the Heat defeated the Nets. "We've talked about decertifying, like the NFL players have. We might want to go that route, too, but let's see what happens in Minneapolis first."

The NBA owners and players have been getting nowhere in negotiations since they last met formally in mid-February at the All-Star Game. The union says there have been no talks. The league says there has been nothing formal. So the sides can't even agree on that.

But the issue is still the same: The players don't want to have the current economic system blown up, much as the Knicks were gutted when Jim Dolan traded off half his team for Carmelo Anthony. The players say the system works

fine. Citing league-wide losses, David Stern and the owners are hell-bent on implementing a new economic model that means a lot less money for the players and more for the owners.

The numbers aren't quite as dizzying as in the NFL, but NBA players would see about \$750 million less per year in salaries and benefits than they do now via a deal that guarantees 57% of all basketball-related income. Instead of the marquee superstars making upwards of \$20 million per season, they might have to settle for \$14 million per.

Hey, life's not fair.

Because of the wide gulf between the two sides, everyone is bracing for a lockout starting July 1. Usually, by now, there'd be talk about the summer league in Las Vegas that annually starts in early July. But there's been no talk about Vegas. No planning. No notices from the league to its teams about making preparations. That's the latest sign that the lockout is coming soon to an NBA arena near you. Instead, you hear more talk about owners trying to implement a new system with an NFL-style franchise tag to help some of the smaller/less popular NBA cities keep their top players. Would such a system work? If one were now in place, Chris Bosh would have been playing last night at the Garden, still plugging along with the Raptors. Chances are, they would have come in with better than a 21-55 record, too.

The Knicks would probably look vastly different, as well, if a franchise tag was already in existence because the Nuggets would have slapped the tag on Anthony at the first opportunity.

The union is dead set against the franchise tag, but several small-market owners feel they must be able to have a better system in place that prevents them from losing their stars to the Knicks and other major-market teams. As of now, when stars such as Anthony decide it's time to leave, there's little his team can do, other than try to get the best deal possible.

As it turns out, the Nuggets did about as well as anyone could have expected, getting Danilo Gallinari, Wilson Chandler, Raymond Felton and Timofey Mozgov. While the Knicks lost their chemistry, depth and ball movement and have struggled with Anthony adapting to Mike D'Antoni's system, and vice versa, the Nuggets had won 15 of 19 going into last night's game against the Thunder.

Of course, check back when the playoffs start. As deep as they are, and as hard as they compete with the four ex-Knicks, the Nuggets don't have a star.

It's a law: Only teams with stars find success in the playoffs.

mlawrence@nydailynews.com

LOAD-DATE: April 6, 2011



[PRINT] ESPN.com: TrueHoop



Monday, April 25, 2011

Fisher reaction to NFL lockout ruling

By J.A. Adande

The court-ordered end to the NFL lockout by a U.S. district judge Monday will certainly resonate with the National Basketball Players Association as it considers whether to follow a similar strategy of decertification and litigation if the NBA owners impose a lockout as is widely expected this summer.

"I have to get a look at more information in terms of how the decision was made, what factors, what criteria it was based on," said Lakers guard Derek Fisher, the player president of the NBPA. "But I don't think there's any question that how some of the things on the NFL side are playing out are going to impact the way our NBA labor situation plays out. They're not exactly the same, there are a lot of differences. But there are also some similarities that I think will give us as players as well as our owners a little bit of an indication of how things would play out if we went down certain paths. So I'm sure both sides will continue to watch the NFL situation closely."

So will this encourage the National Basketball Players Association to force the issue with a lawsuit rather than collective bargaining negotiations?

"It depends," Fisher said. "It's never your first option. It's never something that you truly want to have to do. And I anticipate a lot happening between now and July 1 [when the current collective bargaining agreement expires] on our side. And because of what's playing out on the NFL side, I think you'll see both sides in the NBA watching it closely, making some adjustments and adapting some things based on what's going on.

"Our goal is to get a deal done and not to have to decertify and go into court situations to drag the process out. NBA basketball has never been better. There's no reason for us to consciously do anything to take that away from the most important group of people, which is our fans. They're the ones that are investing their time and their resources, their money, in the most troubling economic times of just about all of our lifetimes. This game is still growing in that environment. We have a responsibility to them to try to get something figured out."

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Post-Ups: NBPA looks to learn from NFLPA's decertification tactics

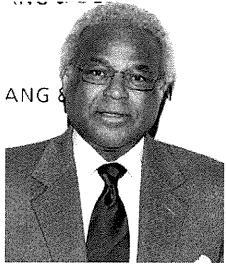
By Ken Berger CBSSports.com Senior Writer Merch 29, 2011

Tell Ken your opinioni

As the two major pro sports lebor disputes trudge forward, participents on both sides of NBA bargaining ere keeping a close eye on developments in the NFL talks. And in view of the NFL pleyers' success at scoring a key piece of leverage by challenging the deferrel of TV revenue as illegal lockout insurance, the NBA union is taking a fresh look et whether it can make a similar claim.

Lawyers for the Netionel Besketbeil Pleyers Association previously looked into challenging the NBA's broadcest rights agreement in the event of a work stoppage, a maneuver that resulted in legal momentum for the NFL players in their efforts to fight the owners' lockout. Initially, the NBPA attorneys "did not think there was a basis for a challenge," the union's executive director, Billy Hunter, told CBSSports.com. But the lawyers are reviewing whether the NFL case left them any openings for a similar lawsuit.

"What we've done is, we're now reviewing it in view of the decision that happened with footbail," Hunter said.



The union's executive director, Bill Hunter, is reviewing his position in light of what happened in the NFL. (Getty Images)

effect on player spending, sources say.

For the NBA and its players union, all eyes are on an April 6 hearing in federal court in Minneapolis, where erguments will be made for end egainst the NFLPA's tactic of decertification. If the NFLPA's decertification is struck down as a sham in court, sources said the NBPA would be highly unlikely to follow a similar path in its effort to combet owners' intentions to lock them out in an attempt to echieve a more owner-friendly collective bergaining agreement. A ruling egainst the NFL players would be a significant blow to their NBA counterparts, and vice versa.

"Positions could be affected either way based on how the court rules in the NFL," Hunter seid.

While the NBA's broadcast rights agreements call for the networks to pay the league during a lockout and recoup the money, with interest, for any games lost, there is a key difference that makes an NBA legal victory less likely. When the NFL renegotiated its TV deals, it decided to forego potential revenues during the past two seasons in return for essurances that it would be able to keep a portion of rights payments during a work stoppage. There is no such provision in the NBA's broadcast contracts, sources say.

"But under our agreement, the league also has an obligation to maximize revenue," Hunter said. "And so we're just going to have to have a little greater expectation in view of their decision and review it."

Another legel challenge NBPA lawyers have considered is a collusion case based on doomsday predictions from the league two yeers ago that the economic recession was going to wreek havoc on revenues, possibly resulting in a dramatically lower salary cap. Union officiels were rankled when revenues and the cap went up for the 2010-11 season, leaving an opening to make a case that the dire predictions from the league were made in bad faith and had a chilling

Hunter also told CBSSports.com that the possibility of a collusion case has been examined and essentially dismissed as an option, though it hasn't been 100 percent ruled out.

"After further review and analysis, we decided thet it was ineffective," Hunter said. "We didn't think it was viable."

The caveat is that NBA officials still have not furnished complete financial data from the 2009-10 season to the NBPA – though Hunter said the union hes been informed that the finencials will be turned over eventually. Besed on the increased salery cap for the 2010-11 season – which is besed on the previous season's revenues – coupled with a decline in the average player selary, the NBPA fully expects those figures to further bolster its case that the league isn't struggling as much as the owners contend it is.

"Things aren't as dire as they predict or es they want us to believe," Hunter said. "I can only be hopeful that revenue generation continues to grow. I think the league, from my perception anyway, is performing quite well. They may disegree."

With three months to go before the CBA expires, it isn't clear when the two sides will meet next. There have been no formal bargaining sessions since All-Star weekend, and even that session was more for show then for negotietion. Sources say there hes been discussion of a possible face-to-face meeting involving Hunter, his top legal deputies, commissioner David Stem, and deputy commissioner Adam Silver sometime around the next scheduled Board of Governors meeting in mid-April In New York. A league spokesman, however, said no such meeting has been scheduled.

Though the owners' labor relations committee, chaired by Spurs owner Peter Hoit, met last week in New York, there are no indications as to

when -- or even if -- the owners will ever submit a second formal proposal before the current deal expires June 30. The only offer on the table from the NBA came in January 2010, when owners proposed a \$45 million hard cap and \$750 million to \$800 million in salary rollbacks for the players. The union countered July 1 by offering to negotiate a reduction in the players' 57 percent share of basketball-related income (BRI), But Hunter said if owners don't submit another proposal, they shouldn't hold their breath for him to counter his own.

"We're not inclined to negotiate against ourselves," Hunter said.

On that grim note, and with all eyes on a Minnesota courtroom April 6, on to the rest of this week's Post-Ups:

- The way the Knicks have struggled with Chauncey Billups running Mike D'Antoni's offense has rival executives wondering whether one of them -- or both -- won't be back next season. D'Antoni's situation is far more complicated, having to do with the uncertain future of another member of the Knicks' hierarchy, team president Donnie Walsh. As unrealistic expectations for D'Antoni continue to mount, the more pressing matter is whether Billups, 34, will be able to pilot D'Antoni's offense -- or any offense involving Carmelo Anthony and Amar'e Stoudemire -- beyond this season. Internally, the Knicks have given serious consideration to renegotiating Billups' contract, which is due to pay him \$14.2 million next season. Since only \$3.7 million is guaranteed, this would be preferable to Billups, who would make the difference up on the back end by extending the deal. The dilemma for the Knicks is that a renegotiation -- rare under the current CBA -- would reduce the amount of cap space devoted to Billups next season but eat up valuable space in 2012-13, when the Knicks are planning to once again be major players in free agency. What makes the decision even more difficult is that Walsh -- whose own contract expires June 30 -- will in all likelihood need to make this decision A) before he knows what the new CBA holds, and B) before he knows whether he will be back next season.
- Dwight Howard, perhaps the most coveted 2012 free agent, is taking great pains to avoid the kind of endless speculation and distractions that shadowed LeBron James and Anthony during their "decision" extravaganzas. (The mere potential for such distractions prompted Utah to trade Williams to the Nets at the deadline, thus ending the D-Will-a-thon before it began.) Though Howard has publicly stated he is only focused on staying in Orlando, it has become widely known in NBA circles that he has his eyes on the bright lights of Los Angeles (as in the Lakers) and New York if he decides that the Magic's championship window has closed. But on a trip to Madison Square Garden last week, Howard swatted away free-agent questions as though he were blocking a shot into the fifth row. "I'm not focused on that," Howard said. "I have a whole other season left before I can decide what to do, so there's no reason for me to be talking about it right now. ... It's not fun for me, it's not fun for my teammates and it's not fun for the fans in Orlando who have to hear about what my decision's going to be in two years." Coach Stan Van Gundy said Howard has "handled it great, and because of that, it hasn't been an issue for our team."
- It remains to be seen whether the Cavaliers will revisit their attempt to take on Rip Hamilton's contract for a first-round pick around the draft, though multiple sources are skeptical such an arrangement would be palatable to the Pistons given the lockout concerns. Through a combination of games lost to a work stoppage and possible salary rollbacks, Detroit may wind up owing Hamilton far less than the \$21.5 million Hamilton is guaranteed over the next two seasons. This is why, perhaps, Hamilton shouldn't have been so averse to accepting a low-percentage buyout from the Cavs; his refusal ultimately killed the trade that would've sent him to Cleveland for a future first-rounder. For the record, the Bulls would've had interest in exploring a Hamilton signing after he was bought out by Cleveland, though the scenario never got to the point of conversations between Chicago, Cleveland, and Hamilton's agent, Leon Rose.
- The NBA plans to investigate contact between Nets part-owner Jay-Z and members of the Kentucky basketball team after the Wildcats beat North Carolina Sunday to advance to the Final Four, a person with knowledge of the situation told CBSSports.com. The hip-hop mogul's visit was documented in photos and video showing him congratulating players in the Kentucky locker room, which happened to have been occupied by two potential lottery picks -- Brandon Knight and Terrance Jones. As noted here, this offense would seem to be comparable to Celtics GM Danny Ainge sitting with Kevin Durant's mother during the 2007 Big 12 tournament. Ainge was fined \$30,000, a slap on the wrist in exchange for the opportunity to schmooze a top prospect's mom. But given that standard, Jay-Z should be docked \$30K for each college player who was in the locker room.
- Word in league circles is that negotiations to sell the Pistons to billionaire Tom Gores are far enough along to expect the matter to come to a vote by the Board of Governors April 14-15 in New York. League approval will be a welcome development for the organization, whose basketball operations department was paralyzed by the proposed sale. The Pistons are one of a handful of teams not to complete a single roster transaction this season.
- Stan Van Gundy offers muted opinions, if any, these day after commissioner David Stern came down on him for likening Stern's iron-fisted rule to that of a brutal dictator. But the Orlando coach did have his usual interesting take on the obsession with the Knicks' struggles. "You guys think that's our overwhelming focus, what's going on in Miami and New York," Van Gundy said. "Quite honestly, we don't give a damn. It's not all Miami and New York. I know it is to ESPN, but the rest of us think some of the other teams matter, too."
- With Deron Williams eyeing a return to the Nets' lineup Wednesday night against the Knicks, it will frame the trade-deadline fortunes of both New York-area teams in an interesting light. On some level, Madison Square Garden chairman James Dolan was so obsessed with acquiring Carmelo Anthony that he may have missed out on the even better opportunity of getting Williams -- a natural point guard capable of dominating offensively but who would've been a better fit with Stoudemire. Knowing Williams was angling for New York as a free agent in 2012, Jazz GM Kevin O'Connor hatched a plan to get quality assets for him well in advance -- and that plan centered on enticing whichever team lost out on Anthony. But what if the Knicks hadn't been so hellbent on getting Anthony at all costs? To some degree, the Knicks should be "kicking themselves in the head," a rival executive said. It's not clear whether team president Donnie Walsh was presented with the choice of Melo or D-Will, but it may not have mattered anyway. "The owner would've taken Carmelo," the executive said, "and the rest of the universe would've taken Deron Williams."
- The Celtics' late-season slide has raised concerns about whether trading Kendrick Perkins at the deadline may come back to bite them in the playoffs. After a five-game winning streak ended March 9, the Celtics are 5-7 including losses to the Clippers, Nets, Bobcats, and Pacers.

2 of 3 9/29/2011 8:08 PM

Though the addition of Jeff Green and Nenad Krstic has made Boston more versatile, the team defensive concepts that made the Celtics so impenetrable have suffered since the trade. "Most of the guys we got are willing defenders," coach Doc Rivers said. "But they're used to defending their guy. We try to preach that you defend all five."

MVP Watch

- 1. Derrick Rose, Bulls: Something else to think about with regard to Rose's candidacy: Of the top five candidates, Rose and Howard are the only ones without an All-Star teammate. (Last week: 1)
- 2. Kobe Bryant, Lakers: It might be too late to catch the Spurs, but Bryant has the Lakers peaking at the right time. They're 15-1 since the All-Star break. (Last week: 2)
- 3. Dwight Howard, Magic: If you're accusing me of being influenced by Van Gundy, guilty as charged. Van Gundy isn't weighing in on much these days after his run-in with Stern, but his annual spring endorsement of Howard holds water. Whatever his faults, Howard still affects the game at both ends more than any player in the league. (Last week: 4)
- **4.** Kevin Durant, Thunder: It's tough not to have Dirk Nowitzki in the top five, but it's even more difficult to ignore the fact that Durant has the Thunder ready for a deep playoff run with the youngest starting lineup in the NBA. (Last week: 3)
- 5. LeBron James, Heat: Statistically, James remains the most impactful player in the game. Also, don't look now, but the Heat may be starting to figure this thing out. They've won seven of eight after their much publicized five-game losing streak. (Last week: 5)

Quote of the week: "That's what happens in life, man. The second guy always gets caught." -- Knicks forward Carmelo Anthony, on Jason Richardson getting whistled for a foul for tripping Anthony in retaliation for Anthony tripping him. The call nullified a tying 3-pointer by Hedo Turkoglu in overtime of the Knicks' 113-106 victory over Orlando on Monday night.

Tweet of the week: "As effective as anyone the Knicks have to guard Dwight Howard." — @CardboardGerald, in response to my tweet that the Queen of Soul, Aretha Franklin, was sitting courtside at the Magic-Knicks game on March 23.

Email of the week: "An anniversary is the annual recurrence of a date marking a notable event. Note the word annual. Thus, it makes no sense to say the one-month anniversary as you did in writing about Carmelo Anthony today. He's probably too arrogant to feel humbled. But you should." — Debtor Dave

This entry has been added to the CBSSports.com style guide, and Debtor Dave to the reader feedback Hall of Fame.

@KBergCB\$

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SportsWire * Wolves * NBPA, owners are 'way further apart' than NFL, Tolliver says

Updated: March 11th, 2011 9:24pm

NBPA, owners are 'way further apart' than NFL, Tolliver says

by Dana Wessel 1500ESPN.com Email | Twitter

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On a day where the NFL players' union decertified, sending the labor dispute to the court room, Minnesota Timberwolves' player representative **Anthony Tolliv**er didn't have encouraging words for NBA fans regarding a potential lockout.

(The NFL) aren't that far apart compared to us, "Tolliver said before Friday's 122-101 victory over hie Utah Jazz. "So I was really surprised that they didn't figure something out by now but we will see how the next steps go and hopefully we'll learn from what they're doing."

The NBA collective bargaining agreement is set to expire June 30th 2011 and a work stoppage is almost a foregone conclusion at this point.

"We are way farther apart (than the NFL). So it's not very encouraging. At the end of the day I think that we'll make some sacrifices as long as they are willing to make some sacrifices."

The dispute between NBA owners and the NBPA -- much like the NFL -- is allocation of money. The owners believe the current CBA is severely flawed and needs to a massive overhaul. The players, on the other hand, think the current system just needs to bet tweaked.

The owners and players association are said to be far apart on a myriad of issues, including a hard salary cap, revenue sharing, adopting an NFL-like franchise tag etc.



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6 days ago | 2,164 reads Random Reusse: Boston? 1 at Winter Park Tolliver says he plans on getting an update from NBPA vice president and Milwaukee Buck Keyon Dooling soon but says the option of decertifying has already been talked about.

"It's something that is looming," he said. "It's something that's been talked about. But it's not like we are for sure doing it, it's just something that is an option. We've taken the necessary steps to make it to where if it does come down to that, it's a quick transition. We don't have to do too much but make it happen."

Tolliver says the players association has been prepping players as if a lockout is a certainty. A handbook has been distributed to players about how to be smart with their money in the event that the checks stop coming in. Essentially, it is advising players to avoid the lavish lifestyle that comes to mind when people think of the NBA.

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"As players, we just assume there is going to be a lockout," Tolliver said. "That's just what you kind of have to do. That's what we I there is going to be a lockout because, if there isn't, great, you still get a paycheck and everything else. But just assume there is go be prepared for it."

A potential silver lining for the impending labor dispute is that June is still a ways off and the players will have the benefit of watchi out for the NFLPA.

"That's why I am trying to follow (the NFL situation) and learn from it as much as I can personally. Just see kind of how things go a they resolve things and maybe it will give us an idea of how ours idea is going to go. Hopefully ours is smoother, that'd be nice," To

"Just hard to tell from this far out."



Dana Wessel is a contributor to 1500ESPN.com, Email Dana | @danawessel | Reusse and Mackey

In this story: Anthony Tolliver

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May 7, 2011

When a Players Union Doesn't Help the Players

By ARN TELLEM

Having grown up during the New Deal, my parents made me keenly aware that unions gave workers what they lacked individually — a voice. My childhood hero was Marvin Miller, the labor economist who in 1968 negotiated the Major League Baseball Players Association's first collective bargaining agreement with team owners. Miller's own new deal raised the minimum salary to \$10,000 from \$6,000, the first increase since the 1940s. (It's now \$414,000.)

Miller introduced the concept of salary arbitration, fought for stronger pensions and encouraged ballplayers to challenge the owners who, wielding the reserve clause, routinely treated players like chattel. The clause effectively bound players to one team in perpetuity at that team's discretion. With Miller at the helm, the reserve clause was abolished in 1975, paving the way for free agency.

Thirty-six years later, I wonder if unions in professional sports other than baseball have outlived their purpose. Pro football players voted to decertify their union in March immediately before the owners imposed a long-expected lockout. Faced with a similar situation, pro basketball players will almost certainly follow suit. As a player agent who represents 45 N.B.A. players, I think they should the moment the current season ends.

In the N.F.L. and the N.B.A., the noble ideal of solidarity has played itself out. Collective bargaining has proved ineffectual in protecting the rights of football and basketball players. The most that their union leaders can hope for is to minimize concessions. Enhancements to wages, benefits and working conditions are no longer even discussed. Meanwhile, team owners have set bargaining goals well beyond their needs and then demanded more than they could ever hope to achieve.

When the union inevitably balks, the owners feign indignation, complaining that the players won't compromise even though compromising would play into the owners' hands. Inevitably, the leagues' overreach achieves its desired effect, preventing the unions from advancing the players' legitimate concerns. The N.F.L. and N.B.A. players consistently allow the owners to define the issues. More often than not, management gets the concessions it seeks.

Pro football, the most profitable sport in the world, cries hard times and demands a longer schedule, a shrinking salary cap and a rookie scale that would include limits on length of contracts and guaranteed money. Team owners — who slice \$1 billion out of the N.F.L.'s annual \$9 billion pie before the remaining revenue is divided with the players — kicked off negotiations by insisting on an additional \$1.3 billion a year for the next decade. The union countered by offering \$550 million over four years without asking for financial verification. Today, the sides remain hundreds of millions of dollars a year apart.

Miller believed that a union should set minimum standards, not maximum salaries. Of the four major unions in pro sports, baseball's is the only one that has successfully pushed back management on this issue. (In 1999, the N.B.A.'s union agreed to a salary cap for individual players.) Interestingly, no commissioner, team executive or coach has a compensation cap. Nor have they been asked to take pay cuts despite the league's supposed financial troubles. Perhaps most tellingly, no owners have limits on the amount their clubs can appreciate in value.

Despite unparalleled revenue, the salaries of N.F.L. players are significantly lower than that of their counterparts in baseball and basketball. Football is the team sport with the shortest careers, averaging 3.5 years, and without the guaranteed contracts common in the other two.

Rather than address this reality, the N.F.L. wants to expand its schedule, which will no doubt result in more injuries, possibly more serious ones. Even more unconscionably, after an N.F.L. player leaves the game, he's entitled to only five years of health insurance. In such a brutal sport, adequate and permanent health care should be a given.

For years, the N.F.L. and the N.B.A. have found their players associations to be unwitting partners. Rather than compete in a free market, management has exploited the weaknesses of unions to inhibit competition. By shielding owners from the scrutiny of antitrust laws, the unions have effectively allowed collusion. More often than not, the result has been union retreat — on salary caps, salary scales and taxes.

Decertification has allowed N.F.L. players to sue the league on antitrust grounds, and could eventually force owners to open their books to scrutiny if the case proceeds. At the very least decertification allowed the players to get an injunction from a federal judge to stop the lockout, pending an appeal. Sure, the N.F.L. could attempt to impose whatever salary and free-agency restrictions it wishes, but it will have to tread carefully. If the league loses an antitrust suit, it will have to pay each player affected three times his actual economic loss.

Is it any wonder that N.F.L. and N.B.A. executives bewail decertification, and insist that agreements be reached through negotiation? The sad irony is that without a union, the courts and antitrust laws will level the playing field so that the risk is not borne solely by the players. Given the considerable risk of going to trial, the league commissioners will probably get what they want: a settlement negotiated by lawyers.

Something is fundamentally wrong when the only effective weapon in a union's arsenal is dissolution. The hard-won early victories — health benefits, minimum wage — have been overshadowed by the sacrifices that players are now not just asked, but also expected to make.

Arn Tellem is an agent representing professional basketball and baseball players.

- 1 [MUSIC]
- 2 ANNOUNCER: Live from Morton's The
- 3 Steakhouse in DC, this is ESPN 980's Lunch With a
- 4 Legend, presented by Comcast Business Class,
- 5 brought to you by Yuengling. Our honorary quest
- 6 is super agent David Falk as he joins ESPN 980
- 7 for a special broadcast of the Sports Fix.
- Now here's Kevin Sheehan and Thom
- 9 Loverro with David Falk.
- 10 KEVIN SHEENAN [?]: Alright the Maryland
- 11 job's still open, the Lakers went out meekly and
- 12 without much class. We'll get to some of that
- 13 with our Lunch with a legend honoree a big later
- on this. This is the Sports Fix, it's a Lunch
- 15 With a Legend Monday. We're live at Morton's on
- 16 Connecticut Avenue.
- 17 Super agent David Falk is our legend
- 18 today and that mean stories about some of the
- 19 biggest names and deals every negotiated, uh, in
- 20 sports. Simply put David Falk has been one of the
- 21 most influential men in sports over the last 30
- 22 years as one of the most successful sports agents
- 23 n the history of sports. He's been responsible
- 24 for some of the biggest deals ever negotiated
- 25 while representing the likes of Michael Jordan,

- 1 Patrick Ewing, Mike Shashefski and John Thompson,
- 2 to name a scant few 'cause there's many more.
- 3 He's from Long Island, he's lived in
- 4 Washington since coming here to George Washington
- 5 for law school back in 1972 that around here
- 6 by the way 40 some years makes you a
- 7 Washingtonian.
- 8 DAVID FALK: How about 10 years probably
- 9 does that?
- 10 MAN: Right.
- 11 DAVID FALK: [LAUGHS]
- 12 KEVIN SHEENAN [?]: Um, let's start with
- 13 this. Let's start with some of the real good
- 14 stuff, which is Michael Jordan. Michael Jordan's
- 15 worth right now is estimated about a half billion
- 16 dollars. I'm sure you know exactly what it is.
- 17 Um, probably worth more than any
- 18 athlete or former athlete on the planet. You
- 19 ne-, you negotiated all of the deals that led to
- 20 his personal fortune. You played a huge part in
- 21 him becoming one of the greatest endorsers of
- 22 consumer products in US history. Is Jordan's
- 23 success off the court your greatest business
- 24 accomplishment?
- DAVID FALK: Well it's probably the one

- 1 that I've gotten the most credit for because
- 2 Michael's so, Michaels' so visible. Uh, and for
- 3 me, you know, I, I started representing Michael
- 4 when I was 33 years old. I was relatively young
- 5 in business.
- And, um, I really tried to keep my
- 7 distance from him early on 'cause I wanted him to
- 8 respect me. And he's gave me the chance over
- 9 about 25 years to do things that as a lawyer I, I
- 10 never dreamed about doing making movies,
- 11 opening restaurants, you know, fragrances. Uh,
- 12 and, and he was incredibly loval.
- 13 And what... if you know Michael at all,
- 14 uh, he's an amazing and loyal pa-, person. And
- more than the fame and the money, which obviously
- 16 I'm very grateful for, I, I really just
- 17 appreciate the friendship.
- 18 KEVIN SHEENAN [?]: Yeah, David
- 19 Halberstam in him book PLAYING FOR KEEPS wrote
- 20 that you and the way you handled Michael Jordan
- 21 helped rev-, revolutionize the game. And he wrote
- 22 going from a team sport and creating the idea of
- 23 the individual, uh, player as the commercial
- 24 superstar. Is that, is that the way you see it?
- 25 Is that how it evolved?

Page 5

- DAVID FALK: Yeah. Uh, let me tell an
- 2 interesting story first. So Halberstam called me
- 3 one year when he was writing the book on Jordan.
- 4 And when I wanted to write my book THE BALD
- 5 TRUTH, I told my, my literary agent that I'd love
- 6 to have Halberstam do it. He said, David forget
- 7 it, you know, you're not big enough to have a quy
- 8 like Halberstam.
- 9 So he called me one day to interview
- 10 for Jordan. Uh, I did it for about four hours.
- 11 Now this is probably I think the greatest writer
- 12 in American, you know, in American in the last 50
- 13 years. So at the, the end Jordan calls me and
- 14 said, god I tried to reach you three times. Who
- 15 the hell were you meeting with, the president? I
- 16 said, no I was meeting with David Halberstam
- 17 about your book. And he said, like what book? I
- 18 don't want you doing interviews for a book.
- So I said, why not, this is David
- 20 Halberstam. He said, well I might, I might want
- 21 to write my own book some day. I said, well god
- 22 that's great, let me know when and you could
- 23 probably get like a \$10 million advance. He said,
- 24 well I'll let you know. But in the meantime no
- 25 more interviews.

- 1 So when Halberstam called the second
- 2 time and I had to tell him no, it was pretty hard
- 3 to tell David Halberstam no -
- 4 MAN: [OVERLAPPING] Oh yeah, no.
- 5 MAN: [OVERLAPPING] [LAUGHS]
- 6 DAVID FALK: If you read the book he
- 7 wasn't particularly happy about it. [LAUGHTER]
- 8 But, um, I thought when the, when the salary cap
- 9 first came into the NBA in 1982 for six teams and
- 10 for the rest of the league in 1983, if you look
- 11 back in themed 80s and you look at teams like the
- 12 Celtics and the Lakers, they're ninth player is
- 13 probably better than the third best player on
- 14 most teams today because you can't have that kind
- of depth with the salary cap.
- And so I sort of felt that there was
- 17 going to be a changing in the guard in
- 18 basketball, that it was going to become more like
- 19 the evolution if I can sort of really age
- 20 myself for when you used to have the Supremes
- 21 and then one day it became Diana Ross and the
- 22 Supremes. Or you had Destiny's Child and then it
- 23 becomes like Beyoncé and Destiny's Child.
- 24 And one performer just becomes a super
- 25 nova or a super diva and I really thought that

- 1 that's what Mike would be on a really lousy team
- 2 like the Bulls. Now had it been in the Lakers
- 3 with Worthy and Green and Magic maybe it wouldn't
- 4 have happened that way. But on the Bulls it was
- 5 pretty easy to predict that.
- 6 KEVIN SHEENAN: By the way, the NBA is
- 7 sort of set up for that paradigm, where, where
- 8 one player can be Diana Ross with everybody else
- 9 the Supremes. The NFL is not. Did you see the NBA
- 10 as a way to get in, get clients and then you knew
- 11 from an endorsement standpoint that their worth
- 12 would be much greater than in other sports?
- DAVID FALK: Well[OVERLAPPING UNINTEL]
- 14 KEVIN SHEENAN: [OVERLAPPING] Team
- 15 sports anyway.
- DAVID FALK: Ac-, actually Kevin is
- 17 wasn't that way when Michael came along in '84.
- 18 It was really based on team rivalries. In fact if
- 19 you look back over the last 30 years in
- 20 professional basketball only eight teams have won
- 21 the title.
- 22 KEVIN SHEENAN [?]: Right.
- DAVID FALK: In, in NHL hockey eight
- 24 teams have won in the last eight year. Uh, and so
- 25 it really was very strong team rivalry back then.

- 1 Um -
- 2 KEVIN SHEENAN [?]: Celtics-Lakers -
- DAVID FALK: [OVERLAPPING] But I, I
- 4 felt, I felt -
- 5 KEVIN SHEENAN [?]: [OVERLAPPING]
- 6 Celtics [OVERLAPPING UNINTEL]
- 7 DAVID FALK: [OVERLAPPING] That the cap
- 8 would change that. And, and, uh it was so much
- 9 that we picked basketball because we thought it
- 10 was greater endorsements. I love basketball, it
- 11 was the one sport I always loved. When I started
- 12 to work for ProServ in 1974 they were a tennis
- 13 firm. I didn't know anything about tennis. I
- 14 learned it over about a period of 10 years. Um,
- 15 but I just always loved basketball.
- What I love about it is it's smaller,
- 17 you know, there's only, you know, 12 to 15 guys
- on a teams as compared to 53 in, in, in football.
- 19 So you deal with the same people over and over
- 20 again, you really develop relationships that
- 21 enables you to do the kinds of things that it
- 22 takes to work for superstars.
- 23 KEVIN SHEENAN [?]: We're talking to
- 24 David Falk, it's Lunch With A Legend, we're at
- 25 Morton's The Steakhouse on Connecticut Avenue.

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- 1 Um, alright let's talk about Jordan, when, when
- 2 you became Mike's guy, 'cause you work were at
- 3 ProServe at the time, and then the Nike deal and
- 4 how that was negotiated 'cause that was a total
- 5 shift in sort of how the way shoe contracts and
- 6 deals worked.
- 7 DAVID FALK: Well what happened really
- 8 starting probably, uh, really I could start in
- 9 1977. I was just telling the story yesterday to
- 10 Wally Walker who was one of my first clients.
- 11 MAN: Great Virginia player, yup.
- 12 DAVID FALK: Portland won the
- 13 championship in 1977. And to give you a
- 14 perspective on where the shoe market comes from,
- 15 we had, we had four of the top nine players in
- 16 the draft that year three, six, seven and nine.
- 17 Uh, and I was staying there at the parade when
- 18 the Trailblazers -
- MAN: [OVERLAPPING] And who were three,
- 20 six, seven and nine?
- DAVID FALK: Three was Marcus Johnson,
- 22 six was Kenny Carr, [UNINTEL] guy from N.C. Sate.
- MAN: [OVERLAPPING] N.C. State.
- 24 DAVID FALK: Seven was Bernard King and
- 25 nine was a guy named [TIMON LAGARDE?] from North

- 1 Carolina.
- 2 MAN: [OVERLAPPING] Yup, from Carolina.
- DAVID FALK: And so I was sitting there
- 4 with Rob Strauss who's director of marketing for
- 5 Nike in the middle of this enormous parade in
- 6 Portland. The city's going crazy and we're
- 7 negotiating deals for King, Carr and LaGuarde.
- 8 Fir-, first he was 1,500, the second year was
- 9 2,500. That, that's where the market was.
- 10 MAN: [OVERLAPPING] [LAUGHS] Wow.
- DAVID FALK: And over a period of time
- 12 from '77 till about let's say '82 the market kept
- 13 escalating. And, uh, in '82 we had a player named
- 14 James Worthy from North Carolina who was the MVP
- 15 of the NCAA tournament when Carolina beat
- 16 Georgetown -
- 17 MAN: [OVERLAPPING] Beat Georgetown.
- 18 DAVID FALK: When Freddie Brown took the
- 19 pass away. And, and, uh, uh, we made James the
- 20 highest played, paid player in history for shoe
- 21 with New Balance. He got, he got 1.2 million over
- 22 eight years.
- 23 The next guy out for me was Jordan we
- 24 had no clients in '83 and I wanted to... I felt
- 25 it like an evolution in the deal. So I wanted to

- 1 do it differently and I borrowed the famous
- 2 Kennedy expression, like ask not what, you know,
- 3 what your country can do for your ask what you
- 4 can do for your country. So I told the companies
- 5 we want to know what can you do we know what
- 6 Michael Jordan can do for you if he chooses your
- 7 company, what can you do to make him bigger?
- 8 And at the time what was really
- 9 fascinating is that no one, no one thought you
- 10 needed to do anything except sign the guy and pay
- 11 him like \$75,000 to a hundred a year, like that
- 12 was a big deal back then, that's what people like
- 13 Bird were making and Isaiah Thomas -
- MAN: [OVERLAPPING] The Converse -
- DAVID FALK: [OVERLAPPING] Exactly. And
- 16 went back and we took Michael's dad to Converse
- 17 and they made a presentation. They told him that
- 18 they had 60 employees over six foot six. We're a
- 19 basketball company, we had Isaac, Magic and all
- 20 these guys. And, and, and Mr. Jordan, James
- 21 Jordan, who's a delightful guy, after going to
- 22 three or four of these meetings and getting a
- 23 little education said, well don't you have any
- 24 new creative ideas?
- 25 And they looked at him like, well what

- 1 does that mean? [LAUGHTER] And, and we left, you
- 2 know, the Converse [WHIFF] off the list -
- MAN: [OVERLAPPING] Right.
- 4 DAVID FALK: And, uh, and so Nike really
- 5 needed Michael Jordan, they were a very, very
- 6 small company back then.
- 7 KEVIN SHEENAN [?]: [OVERLAPPING] yeah
- 8 people don't realize that. In 1984 it was Adidas,
- 9 Converse for the NBA and I quess New Balance was
- 10 making a push with Worthy.
- 11 DAVID FALK: Exactly. And then there was
- 12 Puma. Puma was still involved.
- MAN: [OVERLAPPING] Which was Bird's shoe
- 14 right? No Converse.
- DAVID FALK: Converse. And so Nike
- 16 really needed a, a name, a name guy. Now a lot of
- 17 different people in the world that we live in
- 18 have taken credit for Jordan. I find... it's like
- 19 the Russians involving baseball. [LAUGHTER] Sonny
- 20 Vaquero takes full credit, you know, for making
- 21 the deal.
- MAN: [OVERLAPPING] Yeah.
- DAVID FALK: What I remember what Sonny
- 24 did is that when we got to the Portland Airport
- 25 he opened the door and asked Mrs. Jordan, you

- 1 know, helped her out of the car. That's the last
- 2 thing I remember Sonny doing.
- 3 [LAUGHTER]
- 4 DAVID FALK: Now he might have done a
- 5 lot of things behind the scenes. My former
- 6 partner Donald Dell, who wasn't even there.
- 7 MAN: [OVERLAPPING] Right, the [UNINTEL]
- 8 DAVID FALK: He took credit for doing
- 9 the deal. Uh, he wasn't involved in any of the
- 10 meetings. I don't know how he did it but, uh, and
- 11 for me it was based on my relationship with
- 12 Strasser. Strasser was the Head of Marketing, he
- 13 was a lawyer, we were really close friends and I
- 14 told him if you want to sign this guy I want
- 15 something that's never happened before. I want to
- 16 have... I want him to have his own line.
- 17 And they were receptive to it. The
- 18 problem was we had this famous meeting in August
- 19 here in Washington. It was very hot, there was no
- 20 air conditioning in our building on, on Sunday.
- 21 And he said, look we're happy to make his own
- 22 line but we're not going to call it Michael
- 23 Jordan. And I looked at him and said, okay how on
- 24 earth are you going to identify the line if you
- 25 don't use his name? And he said, let me explain

- 1 it to you.
- 2 The designer craze is over, you know,
- 3 people are buying clothes that say Christian Dior
- 4 of Diane von... they slap labels on, they're all
- 5 made in the same place and there's really no
- 6 credibility Michael's not a designer so no one's
- 7 going to believe that he designed the shoe if we
- 8 put him name on it. And I said, well Rob that's
- 9 great but how do you identify the shoe with
- 10 Michael Jordan. And he said, well that's your
- 11 challenge.
- So we kept talking about the meeting,
- 13 you know, talked about some ideas. And all of a
- 14 sudden, I, you know, I got what Michael Hall -
- 15 it's my great idea and my last great idea -
- 16 [LAUGHTER]
- DAVID FALK: He's so complimentary, you
- 18 know, he really...
- 19 MAN: Yeah.
- DAVID FALK: He toughens you up. Uh, and
- 21 I said okay I got it. We're gonna call it Air
- 22 Jordan. You know, we you got this name Air
- 23 technology.
- 24 MAN: [OVERLAPPING] It was your idea -
- 25 Air Jordan was your idea.

- DAVID FALK: And -
- 2 MAN: [OVERLAPPING] In that meeting?
- DAVID FALK: Right in the middle of the
- 4 meeting. And Peter Moore, who was their graphic
- 5 designer who later became the president of
- 6 Adidas, literally took out a sketch pad and while
- 7 we're talking he created the first logo. So we
- 8 created the name and the logo ss-, right on, on
- 9 the spot in this meeting.
- Now in the meantime Jordan had never
- 11 met Nike. This was like a pre-meeting. So the
- 12 Olympics are over, he's tired, he does not want
- 13 to get on a plane and go to Portland. And I said,
- 14 Michael this is like the best company for you. He
- 15 said, no, I want to go with Adidas. He said, just
- 16 make the deal and call me when it's done.
- Now I'd only met him twice, didn't know
- 18 him very well, he didn't, you know, we hadn't
- 19 bonded really. And he literally didn't want to
- 20 get on the plane. He refused to get on the plane.
- 21 So I had to call his parents and say, gosh,
- 22 please you gotten trust me. This is meeting worth
- 23 taking.
- 24 So they forced him to get on the plane.
- 25 We go out there and they had made a video. Now

- this is like... a, a VHS video.
- 2 MAN: [OVERLAPPING] Right, back then,
- 3 sure.
- DAVID FALK: And Strasser couldn't get
- 5 the damn VHR to work.
- 6 MAN: [OVERLAPPING] Oh my gosh.
- 7 DAVID FALK: He, he... The -
- 8 MAN: [OVERLAPPING] Right VCR -
- 9 DAVID FALK: [OVERLAPPING] Strasser's
- 10 about six, three, 300 pounds, he looks like John
- 11 Madden, he's like a bear of a guy. And he
- 12 actually wore a little thin tie, never wore a
- 13 tie, and he's literally sweating, like one of the
- 14 movies when they like pour the water off him.
- 15 [LAUGHTER] Just pouring out 'cause he can't get
- 16 the, the video to start.
- 17 Howard White who became my Michael's
- 18 service guy -
- MAN: [OVERLAPPING] Yup.
- DAVID FALK: He's a Maryland quy, was
- 21 the only African American in the room. He showed
- 22 up about 30 minutes late, uh, so it didn't get
- 23 off to an auspicious start. And Jordan sat there
- 24 the whole time like he was hearing a, a lecture
- 25 on nuclear physics. He looked so bored -

- 1 KEVIN SHEENAN [?]: [OVERLAPPING] And
- 2 meantime he's a young guy, he's 21 years old -
- 3 right?
- DAVID FALK: And I'm dying, I'm saying,
- 5 god this going so bad. [LAUGHS]
- 6 MAN: Yeah.
- 7 DAVID FALK: He's never gonna to do he
- 8 deal. So we spent most of the day there and then
- 9 we go to dinner at night in Portland and I took
- 10 him aside and said, like so what do you think? He
- 11 goes, I don't want to go anywhere else. This is
- 12 it. I said, you're kidding. I said, I, I learned
- 13 at the first meeting, that was his poker face.
- 14 The guy's a great gambler. You couldn't... you,
- 15 you, you could have dreamed that he liked the
- 16 meeting. And that was it.
- 17 KEVIN SHEENAN [?]: Well the deal hadn't
- 18 been negotiated yet.
- 19 DAVID FALK: [OVERLAPPING] No.
- 20 KEVIN SHEENAN [?]: And I want to get
- 21 into the details of that because it became really
- 22 a groundbreaking deal with Nike not just Air
- 23 Jordan but the way that you negotiated with deal,
- 24 what he got, uh, in terms of money compared to
- 25 some of the other players in the game. We'll get

- 1 to that when we come back.
- 2 Also, also one of the first deals that
- 3 David ever did with an NBA player was with
- 4 Patrick Ewing and it was a doozie with the New
- 5 York Knicks. He got 'em good. We'll explain that
- 6 when we come back. You're listening to Lunch With
- 7 a Legend, we're live at Morton's The Steakhouse
- 8 on Connecticut Avenue. Our legend today, super
- 9 agent David Talk.
- ANNOUNCER: ESPN 980 and ESPN 980.com.
- 11 Now back at Morton's The Steakhouse in Washington
- 12 DC. Lunch With a Legend featuring David Falk on
- 13 ESPN 980 and ESPN 980.com. Here's Kevin Sheehan
- 14 and Thom Loverro.
- 15 KEVIN SHEENAN [?]: We're at Morton's
- 16 The Steakhouse on Connecticut Avenue in DC. David
- 17 Falk is our Lunch With a Legend honoree today and
- 18 he is, uh, telling us great stories about Jordan,
- 19 there are better stories even about Patrick Ewing
- 20 and John Thompson. Uh, before get back to that,
- 21 you're going to Boston, Miami games, uh, game
- 22 four tonight.
- DAVID FALK: Absolutely. I'm excited.
- 24 KEVIN SHEENAN [?]: What a performance
- 25 by Rondo on Saturday.

- 1 DAVID FALK: It was amazing how gutsy it
- 2 was. And then afterwards in the post-game
- 3 interviews he said it's really not a big deal,
- 4 it's just a little bit stiff. Uh, you know, when
- 5 I... when he went down Kevin, the, the injury that
- 6 it most reminded me of was, was Joe Theisman got
- 7 tackled by Lawrence Taylor. I thought that he's
- 8 be out for two years.
- 9 MAN: [OVERLAPPING] Well -
- DAVID FALK: And that he came back in
- 11 the fourth quarter, it was just nothing short of
- 12 amazing.
- MAN: You know, I mean the one thing I
- 14 like having grown up a new York Knicks fan was
- 15 every time somebody gets hurt in the NBA and
- 16 comes back, they bring back the Willis Reid.
- 17 MAN: [OVERLAPPING] Willis Reid.
- 18 MAN: The Willis Reid moment. And I'm
- 19 sitting there thinking I could share this with
- you but then you'd tell me you were a Laker fan.
- DAVID FALK: I was crying, you know, I
- 22 grew up New York and my two idols in basketball
- 23 when I was a kid were Elqin Baylor and Jerry
- 24 West. And, uh, I could tell you a million stories
- of dealing with both those guys in a professional

- 1 level but it... my younger brother was a big Celtic
- 2 fan, my younger brother Mitch, and every year the
- 3 Celtics would beat the Lakers. It would usually
- 4 go seven, Jerry would average about 42 points a
- 5 game and somehow the Celtics would always win.
- 6 And so when... that, that was the year,
- 7 if you remember, in game six West hit the full
- 8 court shot -
- 9 MAN: [OVERLAPPING] Well yeah.
- 10 DAVID FALK: From the foul line at like
- 11 63 feet and, and, uh, it went into overtime and
- 12 they lost. And then in game seven Willis came
- 13 back and scored four points. It was such an
- 14 amazing motivational [LEFT?]. And one of the
- 15 great lines in the history of sports in that
- 16 game, Barnett, Dick Barnett hit a bank shot of ...
- 17 a, a head, straight ahead bank shot and after the
- 18 same they said, Dick how were you able to make
- 19 that bank shot over wilt Chamberlain who's seven
- 20 foot, one? And he aid, baby I just saw dollar
- 21 signs on the backboard.
- 22 [LAUGHTER]
- 23 MAN: You surprised about your Lakers
- 24 won out the Mavericks?
- DAVID FALK: Well I'm no longer a Lakers

- 1 fan although I, I have great admiration for Dr.
- 2 Jerry Buss. I've known him for, for years. It's a
- 3 great franchise and, and, uh, I quess the
- 4 basketball gods conspired to make sure that Kobe
- 5 didn't beat Jordan's record of six championships.
- 6 [LAUGHTER]
- 7 THOM LOVERRO[?]: Perhaps. Uh, by the
- 8 way you mentioned in your book, uh, and it's a
- 9 great book and I've gotten through pat of it. I
- 10 started it, uh, over the weekend, THE BALL TRUTH,
- 11 but you mentioned about Jerry Buss that he was a
- 12 marketing/financial genius.
- DAVID FALK: Absolutely.
- 14 THOM LOVERRO [?]: But the guy that paid
- 15 the price for that was Magic Johnson with one of
- 16 the worst contracts ever right?
- DAVID FALK: Yeah, it was very sad. I
- 18 mean we actually we wupposed to represent Magic
- 19 when he came out of Michigan State in 1979. Uh,
- 20 and he his advisor, um, Dr. Charlie Tucker who,
- 21 uh, ran the Lansing school system, uh, I look
- 22 back and say we were so naïve. He clearly wanted
- 23 to share in the fees and back then, you know,
- 24 most of our clients came from Georgetown and
- 25 North Carolina and coaches acted like sort of

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- 1 parents. They, they wanted to recommend the best
- 2 agent for their players.
- 3 Uh, and so Magic's first contract was
- 4 for \$460,000 a year for five years. And Jerry
- 5 paid it to him over equal monthly installments
- 6 over 13 years. Now I look in the audience, we
- 7 have lot of financial advisors, a lot of real
- 8 estate, you know, developers. You know, you can
- 9 do present value, the deal is probably worth
- 10 about, you know, 275.
- 11 At the end of Magic's third year he,
- 12 he... his rookie year and I checked this out -
- 13 his rookie year he comes from winning a national
- 14 championship at Michigan State where he beats
- 15 Larry Bird in the finals in 1979 in what was then
- 16 the highest rated game in, in basketball history,
- 17 college or pro. His rookie year he plays center
- 18 when Jabbar qets hurt in game six against Philly.
- MAN: [OVERLAPPING] Yes.
- DAVID FALK: And, you know, copies the
- 21 baby skyhook, wins, wins the title, the rookie of
- 22 the year -
- 23 MAN: [OVERLAPPING] Forth, 42, 42 and 18
- 24 in 14 something like that [OVERLAPPING UNINTEL]
- DAVID FALK: [OVERLAPPING] Crazy, crazy.

- 1 So he wins the college championship, NBA
- 2 championship, the rookie of the year and the MVP
- 3 in his first year. Now that's a whole career in
- 4 nine months. And so his first three years, at the
- 5 end of his third year, Buss signs an extension
- 6 for him. Now the cap has just started then for
- 7 the Lakers. So the Lakers couldn't change the
- 8 last two years of the deal. So the deal's not
- 9 going to start till 1984.
- 10 And Buss signs him for 25 years for 25
- 11 million. Most experts thought that Armageddon had
- 12 come to sports. This is the absolute end of
- 13 sports as you know it, all the teams are going to
- 14 go bankrupt paying this kind of outrageous
- 15 monies.
- And I did an interview for CNN the next
- 17 day. That's the question they asked me is this
- 18 Armageddon in sports? And I said by the time the
- 19 contract starts in 24 months Magic Johnson is
- 20 going to be crying because the market is evolving
- 21 so quickly that this deal will never stand the
- 22 test of time.
- 23 And ironically it started in November
- 24 15th of 1984, Magic started his 25 year million a
- 25 year contract on august 20th of 1985 we signed

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- 1 un... a rookie who had never played a single game
- 2 in the NBA named Patrick Ewing for \$32 million
- 3 for 10 years, three times what Magic got before
- 4 he ever played a game.
- 5 And if I could sort of tell the
- 6 aftermath, years go by and when, when the Bulls
- 7 are played I believe Phoenix I think it was the
- 8 second, second championship we're in Chicago
- 9 for a whole week and every night we to Michael's
- 10 restaurant so it's like a... sort of like this is
- 11 pre-entourage but it's "Entourage." So it's
- 12 Jordan, Ahmad Rashad, Quinn Buckner, Michael's
- 13 dad, my partner Curtis Polk and myself.
- 14 And one night Magic came out to dinner.
- 15 And he takes me aside and said, you know, David
- 16 you've done an amazing job for Michael. I wish
- 17 you had been my agent. And I said, yeah, me too.
- 18 [LAUGHTER] Like duh, you know.
- 19 And, and, uh, so I said let me ask you
- 20 a question. If you could turn the clock back to
- 21 1979 and I told you that if you picked me and let
- 22 me work for you I would guarantee you that you'd
- 23 make \$10 million a year more than you actually
- 24 made, would you let me do it? And like most young
- 25 players, he wasn't that young then, he looks at

- 1 me and he asked what I call the question. Now
- what's the question? What are you gonna charge
- 3 me?
- 4 Now the most you're allowed to charge
- 5 under union rules for a playing contract is four
- 6 percent. And just to sort of test him, uh, I use
- 7 a word but I don't want to get... I don't want to
- 8 tie John's record of getting a bleep. [LAUGHTER]
- 9 Uh, uh, to test him I said I would charge you 50
- 10 percent. And he looks at me and said, David look
- 11 I think you're really good but I wouldn't pay
- 12 anybody 50 percent.
- And I said to him, you know, that's why
- 14 you're Magic and that's why Michael's Michael. I
- 15 said you're a stupid businessman. What the hell
- 16 do you care what I make if net of my fee I'm
- 17 going to quarantee you you're going to make \$5
- 18 million a year more than you actually made?
- 19 And he looked at me with this like slow
- 20 awareness, like oh god yeah, I guess that's
- 21 right. And that's really the mentality of most
- 22 players. Most players think that cheaper is
- 23 better. Like if you charge less, a less fee, a
- 24 lower fee that you're a better agent. And I
- 25 always ask my clients, do you want me to promote

- 1 to the team when I'm doing your contract as
- 2 saying that you're better or that you're cheaper?
- 3 Like what's... how do you want to get paid? Should
- 4 I said, hey look Patrick Ewing is a really great
- 5 player and he'll play for less money than Trent
- 6 Tucker, he'll play for less money than Bill
- 7 Cartwright? Do you want to say Patrick Ewing a
- 8 once in 20 year guy and if you want him he's a
- 9 freaking Rolls Royce. He ain't a Yuqo.
- 10 THOM LOVERRO [?]: Well that's, that's,
- 11 that's always the different between the suitcase
- 12 full of cash you can put in front an athlete or a
- 13 great deal you can, you can, you can spell out
- 14 for them. I mean a lot of guys fall into that
- 15 trap.
- DAVID FALK: Well, you know, they're so
- 17 heavily recruited from the time they're probably,
- 18 you know, 12 years old to go to the right AAU
- 19 team, the right high school, the right college.
- 20 And everyone is always telling them, hey you're
- 21 the man.
- Now what I try to tell my clients when
- 23 they come out is if you think about it like a
- 24 mathematical equation, they're the constant.
- 25 Everything they've done by the time they leave

- 1 school how many points they've scored, how tall
- 2 they are, how fast they are, how much weight they
- 3 can lift, you know, how many rebounds they
- 4 have... everything is a given. And the only
- 5 variable is how good is the skill of the person
- 6 they hire to translate their talent into dollars.
- 7 It's like picking a financial advisor.
- 8 You know, you give 'em, you know, a million
- 9 dollars, is he gonna give you back two million or
- is he going to give you back 600? You know, the
- 11 million dollars in the constant, the variable is
- 12 how skilled is he at knowing where the market's
- 13 going and is the market gonna come down, should
- 14 you be in US denominated, you know, I could Rick
- 15 Harris over here coming up and he'll give us a
- 16 few, give us a few tips.
- MAN: [OVERLAPPING] [LAUGHS]
- DAVID FALK: But, um, and that's what I
- 19 believe. But they're not conditioned to believe
- 20 that anyone's gonna make a difference. So they
- 21 generally think since they're gonna get the same
- 22 the might as well just pick the cheapest guy. And
- 23 that's why guys like Magic Johnson at the height
- 24 of his career this will blow you mind the
- 25 most he ever made was \$2.5 million a year playing

- 1 basketball.
- 2 KEVIN SHEENAN [?]: Did you ever do the
- 3 back end math? How much did he leave on the table
- 4 Magic?
- DAVID FALK: Well I mean if Ewing was
- 6 worth \$3.2 million as an untried rookie and Magic
- 7 was arguably one of the three or four best
- 8 players in the game, you know, he, he probably...
- 9 if had someone imaginative he's probably worth,
- 10 you know, five to eight million dollars a year
- 11 when he signed the deal for one million.
- MAN: [OVERLAPPING] Right.
- DAVID FALK: So he probably got about,
- 14 you know, 12 percent of what he was worth.
- 15 KEVIN SHEENAN [?]: We're talking to
- 16 David Falk, it's our Lunch With a legend. We're
- 17 at Morton's The Steakhouse in, uh, on Connecticut
- 18 Avenue in DC yeah.
- DAVID FALK: And I want to give you a
- 20 sequel. My, my most favorite sequel 'cause it
- 21 involves a player that I truly love from
- 22 Washington, DC named Grant Hill. You know, Grant
- 23 Hill, I was a big Calvin Hill fan, I was a
- 24 Cowboys fan and growing up and we met Grant Hill.
- 25 He actually committed to us. And, uh, at the lat

- 1 minute it didn't go through. He hired a local
- 2 lawyer from Washington named Lon Babby, he's now
- 3 running the Phoenix Sun.
- 4 MAN: [OVERLAPPING] Um-hmm.
- 5 DAVID FALK: And Lon charged him by the
- 6 hour. Now we were absolutely broken hearted. I'm
- 7 not sure I've gotten over it, you know, from 1994
- 8 to today. Uh, every time I see Grant I'm a big
- 9 fan, he's classy, he's good looking, he's got a
- 10 terrific life. Just a really first class kind of
- 11 a guy.
- 12 And he came along exactly 10 years
- 13 after Jordan. So you think, qosh look at all the
- 14 things we've learned from representing Michael
- 15 Jordan. How do you use this on? It's pretty hard
- 16 to use it on someone like Mel Turpin or ...
- 17 MAN: [LAUGHS]
- DAVID FALK: You gotta pick the right
- 19 guy. Grant was that guy. And so Lon, who's a
- 20 really terrific guy, charged him by the hour. And
- 21 he probably saved about million dollars in
- 22 agent's fees not doing it on a percentage. He was
- 23 the third pick in the draft as everyone who lives
- 24 here in Washington knows the fifth pick in the
- 25 draft that year was a guy named Juwan Howard. Um,

- 1 and to get into nine years in the league made
- 2 Juwan made \$47 million more than Grant over the
- 3 same period of time.
- 4 And so when I go down the Duke and Lon
- 5 would tell the players, look Dave is very good
- 6 but I'm cheaper, I would say he definitely is
- 7 cheaper. Grant Hill saved over a million dollars
- 8 in agent's fees and it only cost him \$47 million
- 9 in salary to save it. [LAUGHTER]
- 10 THOM LOVERRO [?]: we're getting pitched
- 11 right now. David Falk, we're talking to right
- 12 now. Let's go back to Jordan and the Nike deal.
- 13 What... the ... correct if I'm wrong but Jordan was
- 14 the first per your ne-, negotiation to actually
- 15 get a piece of the action, a piece of the upside.
- 16 Was that because he, he was the first to have is
- 17 his own shoe line?
- Because, uh, prior to that players were
- 19 just getting a flat, you know, annual fee -
- 20 right?
- 21 DAVID FALK: I think that Ralph Sampson
- 22 who'd actually come out the year before signed
- 23 with Puma. It was a disaster, um, and I... he had
- 24 his own shoe. I don't know whether he got a
- 25 royalty on the shoe. It's what we call a piece of

- 1 the action -
- 2 MAN: [OVERLAPPING] Right.
- DAVID FALK: If you will. But for
- 4 Michael we wanted him to have his own line. Not
- 5 just his own shoe. They did clothing, they did
- 6 accessories. I remember sitting down with Michael
- 7 it was our very first meeting we ever had and
- 8 I said to him, there are two ways we can do this
- 9 deal, the shoes. We can either split everything
- 10 up and sign with shoes for one company, clothing
- 11 with a second company, let's say like a champion,
- 12 bags with a company, you know, socks with
- 13 [TOLTECS?]. and you could split it all up or you
- 14 could give everything to one company. He said,
- 15 well like how would you choose one over the
- other? And I said, well that's a great question.
- 17 If you want to make the most money early you've
- 18 got to split it up 'cause you get a bigger
- 19 guarantee if you give each company a piece of the
- 20 action. If you want to try 'cause no one's
- 21 every done this to build a brand you've got to
- 22 give everything to one company, put all your eggs
- 23 in one basket if you will and try to have a
- 24 consistency of your image and build a brand. And
- 25 if it works in the long term you'll make a lot

- 1 more money.
- 2 I would guess and you could probably
- 3 Google is now but back then they didn't have
- 4 Google. I think Nike was a \$3 million company
- 5 when Michael signed in, in 1984. Today Brand
- 6 Jordan sells over a billion dollars worth of, uh,
- 7 merchandise. And if Phil Knight, who's a
- 8 marketing genius, didn't hold it back they'd
- 9 probably sell five billion.
- 10 THOM LOVERRO [?]: If, if he didn't hold
- 11 it back?
- DAVID FALK: They, they held, they've
- 13 held it back which has enabled Jordan, you know,
- 14 25 years down the road to still be an incredible
- 15 brand.
- 16 THOM LOVERRO [?]: And still be in
- 17 demand, yup.
- 18 DAVID FALK: Absolutely. I think the ... I
- 19 think the last statistic I heard was that in
- 20 basketball shoes in America that cost more than
- 21 \$100 brand Jordan has a 94 percent market share.
- 22 Now in basketball shoes in America my
- 23 understanding is that, uh, Reebok and Adidas,
- 24 which is now one company, has a four percent
- 25 market share.

- 1 Uh, so -
- 2 MAN: [OVERLAPPING] Wow.
- DAVID FALK: They, they own it.
- 4 THOM LOVERRO[?]: Uh, actually the one
- 5 thing I was gonna bring up was, uh, I'm listening
- 6 to what you say and, and you threw in there that
- 7 you were a Cowboys fan. So I got you down here
- 8 for being a Cowboys fan and a Lakers fan. Let's
- 9 see if we can go for the trifecta. Are you a
- 10 Yankee fan too?
- 11 DAVID FALK: Dodgers.
- 12 THOM LOVERRO [?]: Oh okay, okay.
- 13 [LAUGHS] I just...
- 14 DAVID FALK: Sandy Koufax.
- THOM LOVERRO [?]: Okay. Well there you
- 16 qo, a New York quy.
- DAVID FALK: If no one's read the book
- 18 you should read Jane Leavey's book KOUFAX, one of
- 19 the great books, sports books of all time.
- THOM LOVERRO: Uh, uh, you mentioned Lon
- 21 Babby, uh, is running the Phoenix Suns now. Have
- 22 you ever had the opportunity to go to the other
- 23 side, to actually own a piece of a team and run a
- 24 team? And have you ever been tempted by that?
- DAVID FALK: Now this is a... maybe one of

- 1 my greatest stories of my career.
- 2 KEVIN SHEENAN: I'll tell you what, why
- 3 don't you save that -
- 4 THOM LOVERRO: Let's save it for when we
- 5 come back.
- 6 KEVIN SHEENAN: We'll save it and, and -
- 7 THOM LOVERRO: [OVERLAPPING] Because
- 8 it's too good of a story.
- 9 KEVIN SHEENAN: [OVERLAPPING] And David
- 10 will tell the story. David will tell the story
- 11 about -
- DAVID FALK: [OVERLAPPING] Are we saving
- 13 for the next luncheon?
- 14 KEVIN SHEENAN: No we're saving for the
- 15 next section.
- 16 [LAUGHTER]
- DAVID FALK: Okay.
- 18 KEVIN SHEENAN: The next segment David
- 19 talks about how he almost owned a team. This is
- 20 the Sports Fix. It's Lunch With a Legend. We're
- 21 live at Morton's The Steakhouse on Connecticut
- 22 Avenue. Our honoree today is David Falk.
- 23 [APPLAUSE]
- ANNOUNCER: ESPN 980 and ESPN 980.com.
- 25 Lunch With a Legend featuring David Falk on ESPN

- 1 980 and ESPN 980.com.
- 2 MAN: How we doing?
- WOMAN: Great.
- 4 MAN: Are we doing good?
- 5 KEVIN SHEENAN: Kevin Sheehan, Thom
- 6 Loverro and David Falk. It's Lunch With a Legend
- 7 on this Monday, uh, in early May. We're at
- 8 Morton's The Steakhouse on Connecticut Avenue.
- 9 David Falk for those of you who don't know, one
- 10 of the greatest agents of all time,
- 11 revolutionized really the, the structure, the
- 12 business structure of the NBA representing
- 13 Michael Jordan, Patrick Ewing among many, many
- 14 others.
- 15 And right before we went to break Thom
- 16 asked about whether or not you ever had the
- 17 opportunity to own or, or be involved in
- 18 ownership in an NBA team.
- DAVID FALK: Well actually I've been.
- 20 I've been offered the opportunity to run, you
- 21 know, probably seven or eight different teams.
- 22 Um, but in, in 1988 I met a very wealthy
- 23 businessman in Chicago who wanted to buy a team.
- 24 And, um, I did some homework and I thought the
- 25 team that was the most appropriate to buy was the

- 1 New Jersey Nets because they were in a major
- 2 metropolitan market but they had never really
- 3 been marketed well.
- 4 They started out on Long Island, um,
- 5 Commack, Long Island. They were the Long -
- 6 KEVIN SHEENAN: [OVERLAPPING] The ABA.
- 7 DAVID FALK: In the ABA they were the
- 8 Long Island Nets, the New York Nets, the Jersey
- 9 Nets. And so, um, one day this gentleman picks me
- 10 up and he flies me down on my first private jet
- 11 flight ever to Florida to meet the owner of the
- 12 Nets.
- And on the way down he says to me,
- 14 look, um, you never told me what it's going to
- 15 cost me if we're successful in buying the team.
- 16 And I had never really thought about it. So I
- 17 said, well, you know, our normal fee is four
- 18 percent, we'd, we'd charge you four percent. And
- 19 he said, well I don't want to pay more than \$75
- 20 million for the team so I'll give you a million
- 21 dollars as a fee and if you keep the price under
- 22 75 I'll give you a million dollars as a bonus,
- 23 which is about three percent.
- Now at the time the company I was
- 25 working for ProServ was struggling. They had a

- 1 huge split in 1983 and the company that's now
- 2 called Octagon had left, they took about 35
- 3 percent of the players and a few other [UNINTEL]
- 4 they had left. It was, it was struggling. And,
- 5 you know, bringing in \$2 million would have been
- 6 like bringing like 200 million like today.
- 7 So I, I said great. So my friend says
- 8 to me, well where would you like me wire the
- 9 first million to? I said, well, you know, wire it
- 10 to ProServ. And he said Dave, what are you
- 11 stupid? I think you should wire to like an
- 12 account in the, in, you know, the Cayman Islands
- or, you know, the Isle of Man. [LAUGHTER]
- 14 He said you don't want to, you don't
- 15 want to... I'm not hiring you 'cause you work at ...
- 16 I'm hiring you in spit of the freak you, you
- 17 work... in spit of the fact that you work at
- 18 ProServ. I don't like your boss Donald Dell. And
- 19 I said, well gosh Peter I'm flattered but like
- 20 that's unethical, you know. I'm a full time
- 21 employee. I can't, you know, I can't take this
- 22 money individually.
- He said, David trust me, Switzerland,
- you know, Liechtenstein, it's... [LAUGHTER] He
- 25 starts to name all this tax havens. And I said,

- 1 look Peter I really appreciate it, you know,
- 2 probably, you're probably right but I just don't
- 3 feel comfortable, you know, doing that.
- 4 KEVIN SHEENAN: Peter who by the way?
- DAVID FALK: I, I'd rather not say.
- 6 KEVIN SHEENAN: Okay, fine.
- 7 DAVID FALK: Peter. So, um, so, uh, I so
- 8 I get back and, uh, and this is really why
- 9 eventually I went on my own. This is sort of like
- 10 a distillation of why I went on my own in 1992
- and, and my boss was named Donald Dell. And I'm...
- 12 I'll always been grateful to Donald for giving me
- 13 my start in the business. Uh, you know, I worked
- 14 for him for 17 years. Uh, I hope I paid him back
- in 17 years for giving me a start.
- I don't think he would necessarily
- 17 agree with that. I think... I, I should probably
- 18 stayed another 47. [LAUGHTER] But, um, so he
- 19 calls me in his office and he says, David, you
- 20 know, you've been spending a lot of time with
- 21 your friend Peter on this project. Is Peter going
- 22 to pay you for your time? And I said, of course.
- 23 And he said, well like have you discussed what
- 24 he's going to pay? And I said absolutely. And he
- 25 said, well would you mind sharing it with me, you

- 1 know, as your boss? I said, sure he's going to
- 2 pay us a million dollars as a fee and a million
- 3 dollar bonus if we conclude the deal for less
- 4 than 75 million.
- 5 Uh, Donald almost fainted. You know, I
- 6 mean this would have been, this would have been
- 7 like the, the TARP bailout, you know, of, of
- 8 ProServ.
- 9 MAN: Yeah.
- DAVID FALK: And, uh, he looks at me for
- 11 a minute, he goes, gosh that's unbelievable. He
- 12 said, well we will definitely try to get you a
- 13 small piece of that as a bonus. So I just looked
- 14 at him, I'm not saying a word, and he goes, yeah
- 15 like 15 or \$25,000.
- Now at the time I was probably making,
- 17 you know, 1980 I was probably making \$120,000 for
- 18 representing Jordan, Boomer Esiason, Mike... you
- 19 know, John Thompson. And, uh, so I don't say a
- 20 word. He looks at me, he said you look like
- 21 you're upset. Like how much would you expect me
- 22 to pay you, uh, of this money? And I said, well
- let me be clear. You're asking me how much do I
- 24 expect or how much do I think would be
- 25 appropriate? And he said, well both. I said well

- 1 I, I would expect, I would expect you'd pay half
- 2 of it but I think I deserve the whole thing.
- And he gets really angry and he says,
- 4 you know, how much of that... Do you think, do you
- 5 think Peter would have hired you if you weren't
- 6 working at ProServ? And I said, well Donald
- 7 that's a really interesting question. This
- 8 morning at about 42,000 feet as passed over Cape
- 9 Fear, North Carolina and Peter was suggesting
- 10 that I put the money in Liechtenstein -
- 11 MAN: [OVERLAPPING] [LAUGHS]
- DAVID FALK: I don't think he really
- 13 gave a flying blank whether, whether I worked at
- 14 ProServ or not. [LAUGHTER] And, and, uh, we
- 15 actually went to the closing of the deal and it
- 16 fell apart at the closing, at, at, uh, Paul
- 17 Weiss, John McEnroe's father's firm, just it fell
- 18 apart. And, uh, never got the money.
- But he, he'd come back to me actually a
- 20 second time, Donald, took me, he took me to
- 21 dinner. Like at, at, uh, at the Bombay Club not
- 22 far from here on, on Connecticut and, and H. Now
- 23 my friend after I told him I would never leave
- 24 ProServ and go to work for him, I'd hire
- 25 somebody. He said, look, it looks like we're

- 1 going to get the team. You have to run it.
- 2 And I said Peter I told you I'm not
- 3 going to run the team. Uh, I was about to have my
- 4 first child, my wife was not about to move to New
- 5 Jersey. I wasn't going to commute. So he said,
- 6 what does a president of a team make? I said five
- 7 to 500 hundred. Now I was making 120 not really
- 8 close.
- 9 Uh, he said I'll pay you 750 for five
- 10 years, I'll give you ten percent of the team, uh,
- 11 and I'll give you the \$2 million individual bonus
- 12 that you're going to give, you know, to ProServ.
- 13 Now if I'd worked for Donald Dell till I was
- 14 about 275 years old I would not have made that
- 15 much money.
- 16 KEVIN SHEENAN: [OVERLAPPING] You
- 17 wouldn't have made that much.
- DAVID FALK: And it was so much money
- 19 that it was almost easy to say no. I mean it was
- 20 like so much out of my frame of reference. So
- 21 Donald took me to dinner the next night and he
- 22 was pretty smart about that stuff and he said,
- 23 look there's going a time when Peter's going to
- 24 come to you and try to make you run the team. I
- 25 said, well he's already done that. And he said,

- 1 well has he made you an offer? And I said, yes.
- 2 He said, would you mind telling what it
- 3 is? So I told him 750 for five years, 750 a
- 4 year for five years and, uh, I thought Donald was
- 5 gonna say can you get that job for me? [LAUGHTER]
- 6 And he said, what are you going to do? And I
- 7 said, look I told you this a hundred times, let
- 8 me tell you for the 101st. I've turned him down,
- 9 I don't want to leave, I'll stay forever two
- 10 conditions.
- One, I never want to have to put a qun
- 12 to your head for you to be fear with me. And two,
- 13 if I think I'm getting screwed don't apologize,
- 14 don't explain it, I'm gone. And on January 6,
- 15 1992 both of those conditions got fulfilled. I
- 16 left, he offered me four times what I was making
- 17 the first hour. And I never looked back.
- 18 KEVIN SHEENAN: Talking to David Falk,
- 19 super agent David and, and that's, that's been a
- 20 relationship and, and you've, you've addressed.
- 21 I'm just curious do you have, do you have any
- 22 relationship with Donald Dell now today?
- DAVID FALK: You know, it's, it's very
- 24 sad for me. It's very strained. Uh, he actually
- 25 works one floor below me, he came to work for me.

- 1 After we, after we sold our business in 1998 to
- 2 SFX and everything got merged up, he actually
- 3 came to work for me. And it was very awkward.
- 4 KEVIN SHEENAN: Because SFX acquired
- 5 ProServ.
- 6 DAVID FALK: SF... ProServ had been
- 7 acquired by a small company called Marquis. Um,
- 8 and, and Marquis then was merged in to SFX and
- 9 everybody moved into our office. And it was, it
- 10 was an awkward situation for me. I think Donald
- 11 was very nervous that I would treat him like he
- 12 treated me. And I had really no interest in doing
- 13 that. I wasn't bitter. You know, I had, I had
- 14 done very well on my own selling the company. And
- 15 I think, you know, you've got to look forward not
- 16 backwards.
- 17 KEVIN SHEENAN: We haven't gotten to the
- 18 Georgetown stuff, your relationship with John
- 19 Thompson, the deal you cut for Patrick when he
- 20 was the first pick, uh, in the draft n 19, uh,
- 21 85, um, of the New York Knicks. We'll get to that
- 22 stuff. But want to get your thoughts on the NBA's
- 23 future, uh, and the possible lock out in 2012.
- We'll do that with David Falk when we
- 25 come back. You're listening to the Sport Fix,

- 1 it's Lunch With a Legend. We are live at Morton's
- 2 The Steakhouse [APPLAUSE] on Connecticut Avenue
- 3 in DC.
- 4 ANNOUNCER: ESPN 980 and ESPN 980.com.
- 5 WOMAN: This is Lunch With a Legend
- 6 featuring David Falk, brought to you by Comcast
- 7 Business Class. Now back to Morton's The
- 8 Steakhouse in DC.
- 9 ANNOUNCER: Here's Kevin Sheehan And
- 10 Thom Loverro with David Falk.
- 11 KEVIN SHEENAN: Brought to you by
- 12 Comcast Business Class and Yuengling. We're at
- 13 Morton's The Steakhouse on Connecticut Avenue.
- 14 David Falk is our honoree today for Lunch With a
- 15 Legend. Um, obviously you've been a big part of
- 16 the NBA, uh, for a long, long time. Is there
- 17 going to be a lock out next year? And, and if so
- 18 how do they go about avoiding it?
- DAVID FALK: Well I think there'll be a
- 20 lockout on July 1st because the deal will never
- 21 get done by then. And the NBA will then give the
- 22 union a deadline and say if we don't have the
- 23 deal done by this drop dead date, which I think
- 24 will be roughly September 15th, which will give
- 25 us time to write it up, sign the free agents and

- 1 have training camp.
- 2 I think that if they miss one game of
- 3 the regular season they'll miss the whole season.
- 4 I don't think it's like '98 where they came back
- 5 in January because I don't believe the owners can
- 6 allow the players to go that twice, you know, and
- 7 have credibility. So I think it's like Texas hold
- 8 'em, it's all in.
- 9 And I, I may be the only dummy in
- 10 America. I think that at the deadline I think
- 11 they'll make a deal.
- 12 THOM LOVERRO [?]: Now, uh, you know,
- 13 when this has happened before and this going on
- in the NFL right now, the issue of
- 15 decertification has come up in the past with the
- 16 union. Is that going to be an, an option that
- 17 they're going to consider again at this...
- DAVID FALK: It's so ironic you ask that
- 19 question. You know, when I was very involved with
- 20 this in the mid-90s we recommended to the union
- 21 if you can't protect the players in collective
- 22 bargaining you have to decertify. And the chaos
- 23 that that creates will create a deal.
- 24 They told me I was anti union. Now it's
- 25 taken then 17 years to come around and I would

- 1 predict that based on the success so far that the
- 2 football players have had, even though the
- 3 injunction's been stayed, I suspect the players
- 4 will decertify.
- 5 Now David Sterns claims that in, in
- 6 today's world if the players decertify that the
- 7 contracts will become voided. Uh, I have
- 8 tremendous respect for David Stern. I don't
- 9 understand as a lawyer how that could happen. Um,
- 10 but, but that's the risk. So they, they think
- 11 that they have a weapon to fight back the
- 12 decertification.
- But I would expect a July 1 lockout,
- 14 nothing's going to happen over the summer. And
- 15 I'm hopeful we'll have a deal in mid to late
- 16 September.
- 17 KEVIN SHEENAN: The big picture question
- 18 is, isn't the NBA business model flawed right
- 19 now? Aren't salaries too high?
- DAVID FALK: [OVERLAPPING] Absolutely,
- 21 absolutely. I think salaries are too high for the
- 22 middle class players. The problem is the people
- 23 running the union are all the middle class
- 24 players, they're the Derek Fishers and the Keyon
- 25 Doolings. And they're putting severe limitations

- on the stars in order to get more for the middle
- 2 class.
- Uh, and what I find poignantly ironic,
- 4 if you look at Miami tonight when they're playing
- 5 the Celtics, if anyone could possibly explain to
- 6 me how in the world of value Chris Bosh could
- 7 make the same salary as Libran James and, and,
- 8 and Wade, it astounds me.
- 9 And we've, we've created socialism,
- 10 socialism by creating a maximum level of salaries
- 11 you're putting people like Chris Bosh in with
- 12 people like Dwayne, Wade and LeBron, which should
- 13 never happen.
- 14 THOM LOVERRO: But that's how the union
- 15 sells it in that, you know, this boat will lift
- 16 all the other boats.
- DAVID FALK: But it can't, it can't.
- 18 THOM LOVERRO: [OVERLAPPING] Okay.
- DAVID FALK: And the problem is, the
- 20 problem is that the level of dedication, if you
- 21 pay Jordan, Bird, Johnson, Wade, LeBron, you
- 22 could pay 'em a dollar year or a billion dollars
- 23 a year, they'll tear your heart out because
- 24 they're chemically programmed, they're like the
- 25 terminator. Their DNA, their, their ultra type A

- 1 plus competitive people.
- 2 The middle class guys, if you give a
- 3 guy a five year deal for seven, \$8 million a
- 4 year, all guaranteed, about half of them will
- 5 play hard and the other half will semi-retire on
- 6 the court.
- Now when I got to watch the Wizards, as
- 8 an example, and I pay \$2,000 a night and in April
- 9 Andray Blatche still weighs about 275 pounds, as
- 10 a fan I want to strangle him and say Andray I'm
- 11 paying \$2,000 a night, I'm 60 years old. You're
- in worse shape than I am.
- Meet Kevin Meselka, my trainer, he'll,
- 14 he'll... he will take care of you. Meet Marie
- 15 Richard, my trainer, they'll, they'll get you
- 16 down to about 240 so I can get my money's worth
- 17 every night.
- 18 [LAUGHTER]
- 19 KEVIN SHEENAN: David Falk will talk
- 20 about the Patrick Ewing negotiation with the New
- 21 York Knicks. Great story when we when come back.
- 22
- 23
- 24
- 25

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EXHIBIT 19

BILLY HUNTER & JEFF KESSLER MEDIA SCRUM FOLLOWING CBA MEETING JUNE 8, 2011

Hunter: Whether that becomes a reality or not is still yet to be seen. We are miles apart and I think Derek nailed it when he talked about the hard cap. I think it is more about a split in the revenue - changing the whole structure. I think it is more about guaranteeing a profit to the owners. And so, it's because of the size of their demands that we are actually finding ourselves struggling to reach an accord. We've expressed and demonstrated willingness on our part to address some of their needs and concerns and we think we've done it with the proposal we submitted. I think one of the owners indicated at the conclusion of today's meeting that he was very pessimistic as to whether or not we would be able to reach an accord between now and the end of the month. I'm forced to share that sentiment. I think it may be, it's going to be a difficult struggle. We're going to meet again on Tuesday and Friday of next week. Tuesday in Miami if it goes to a seventh game if not we'll be in New York City and then Friday. And then we'll probably meet right up to the 30th. In an effort to see if we can get there and as Derek has indicated, really make every effort. Every effort within reason to reach a deal. But there has been little to no movement on the part of the owners and so we are where we are.

Question: Is there any amount of progress that needs to be made for either you or the league to ask the clock be turned off on the 30th?

Hunter: I think that is more a call that would be made by the owners. Because clearly we've already indicated, and I've agreed that under no circumstances as long as we are in negotiating would I, unless there is a demonstration of some unfair labor practice or bad faith on their part would we threaten strike. So I've given them a written statement to the fact that under no circumstance would our players strike. We don't want to strike and what we want is to get a deal. So I would think in terms of extending the clock or calling it off would be their move because they're the only ones who can decide on whether or not they want to implement a lock out. So they got no push back from us on that one.

Question: Do you think they'll ever move on hard cap?

Hunter: A strategy for negotiations

Question: have they ever expressed in the asking for the hard cap and those things-that those things could be temporary? Or do you get the sense that once they get a hard cap it will never go away?

Hunter: Well my experience with the labor negotiations is that once it's in the system when you get to the next, expiration of that deal you get to the new one, it doesn't come out unless it's negotiated out and you end up replacing that with something else. So I can assure you once we go to a hard cap I don't expect that we will ever come out from under it.

Question: You've presented them with your method of avoiding the hard cap, what has been their response?

Hunter: Their response is that they feel that they need a hard cap for all the reasons that they've articulated. Many of which Derek addressed and we just don't share that opinion. We were here in 98 remember, and they wanted a hard cap. And it was on the eve of losing the

season that we were then able to strike a compromise. We are hoping that it doesn't go that far this time but you know, we're still waiting. What is it-hope screams eternal.

Question: did the negotiations begin with the assumption that the next deal would be better for owners or is there a chance that something could change to favor players?

Hunter: the next deal. Well, right now the owners are asking for a ten year deal. We're obviously not interested in doing a ten year deal, but I think as we are negotiating this deal you know, Jeffery and I have had discussions about it how we, what position we leave the union in at the end of this deal going into the next one. So we are obviously thinking ahead to the next deal that will come out in the next six to seven to whatever many years it is. So that, my idea is to obviously never leave the union in an untellable position. So I can assure you that when we negotiate we going to negotiate with that in mind as well. That at the end of the deal going into the next deal we want to be at a certain posture like we were coming into the current one.

Question: when you talk about revenue sharing as a means to kind of address some of the shortfalls, what did they say?

Hunter: well, it's not what they say. I mean the reality is there, some teams I'm sure, who don't want to participate in revenue sharing. And I can understand. If I owned the Lakers, or Chicago or New York, one of your perennial money makers then, why should I have to share my revenues unless forced to with somebody in another venue? So, I think there's some pushback within the owners camp on the issue of revenue sharing. But at the same time we've insisted that that be incorporated in any deal that we do with them.

Question: they keep saying that it's on a parallel track. Do you say that it has to be a part of this agreement?

Hunter: That's the message that Jeffery has given to them. That any deal that we do, that we have to see and know what the terms of any revenue sharing plan is going to be prior to any adoption or implementation by us.

Question: Mr. Kessler, there, is obviously involved in the NFL case which is now in the courts with mediators and appeals and all of this which I assume everyone wants to avoid, is that the last frontier of leverage here that you have to take a bet that they don't want to face that?

Hunter: Well, we're looking at every opportunity we have. We don't know what the outcome is going to be there. We are waiting obviously for the opinion to come down from the court of appeals. I don't know if that is causing to posture or not. I'm sure depending on what that outcome is that it might have some impact on our respected positions.

Question: is there a way you can characterize the ways that you guys feel that they can achieve their goals of a hard cap without actually instituting a hard cap?

Hunter: Well I think we already have a system in place that accomplishes that. You can continue the same system, it's a soft cap. So if owners wish to pay they can, and if they don't want to, they don't have to, and then those teams that decide they want to have to pay a tax. So in a way you know with the exception of maybe a few, four or five teams that may spend beyond the soft cap itself - you generally have a hard cap system. We've got maxed salaries, we've got a limit on annual increases, we got restrictions on player movement so we've got a-as far as I'm concerned, pretty much a hard cap.

Question: clearly the owners don't want that system anymore so and Derek made it clear that their position has not changed is it to be fair?

Hunter: I think the issue may be more they want to try to address the concerns of the smaller market teams and more an issue of quote "Making it profitable" for them to perform and when we talk about profit - that is the big issue. How does one define profit, you know, does that mean you have to make x number of dollars and should there be some guaranteed return on ownership. So if I own a franchise irrespective on how I manage it, am I entitled to expect and be guaranteed that I'm going to get x number of dollars at the end of the year. Should I be entitled, should I be granted or guaranteed a percentage of gross revenues.

Question: the players are now...

Hunter: The players are the performers, they players are not - are guaranteed a percentage of revenues, and they get a percentage of revenues. They actually have a 50/50 split on revenues and so the distribution in terms of how players are paid is based upon the system that we put in place. But no player is guaranteed that absolute negotiation, so face to face negotiation if an owner decides he wants to pay it, give him a guaranteed contract, not give it, limited give him a partial deal - he's free to do that. So there's no, just the fact that you play in the NBA doesn't guarantee you anything other than an opportunity.

Question: you obviously know what the NFL union did in terms of decertification; the eight circuit decision is, certainly not going to be done by July 1st, so how do you perceive not knowing how they are going to decide?

Kessler: There is uncertainty in the air and sometimes uncertainty is a helpful fact. So I think everyone in basketball is aware of what is going on in football and as Billy said its going to have some influence and we'll just have to see how that plays out.

Question: That appeal process even if, once the circuit decides there is going to be an appeal, one way or another and that's going to go on for months and months and months, I mean-you can't really wait that long right?

Kessler: I think everyone will watch in basketball what happens in football that's all I can say about that,

Question: is that leverage-player leverage in that no league wants it out of their hands of negotiation?

Kessler: I think the players want to play. And the owners say that they don't want their own game if the players won't agree to radically change the system. It's an odd position when the game is the best it's ever been, when the ratings are the highest they've ever been, when the excitement is the greatest it's ever there. It's sort of odd to see the owners say we are going to destroy this game unless you change this whole system. Players just want to play.

Question: Do you think there has been a sea change in the owners that are in the game now, a lot of them-good portion of them- own hockey teams, hockey went out for a year, they came back and that seems to embolden some owners to think that the NBA could survive a year out as well?

Kessler: I don't know but I think if you talked to hockey owners, I don't think they are all that happy with the lockout that they went through for a year. Hockey suffered quite a bit of damage from that. And I think that NBA owners know that. I think they know that having a lockout now is not going to be good for the game. It's not going to be good for the interest of the game, the fan attraction or anything else. So hopefully we can avoid that, we just are discouraged as Eric, as Derek and Billy said because there has been so little movement from their side, which makes us wonder what their real intention is.

Question: How would you characterize the movement from your side?

Kessler: We've put out all sorts of proposals. Again, I'm not going to go into details... we've put out proposals to change the split of revenues in the future, in their favor. We've put out proposals to improve the ability of teams who have not done so well to compete better on the court. For example, by giving them an additional first round draft choice, coming from the teams who are at the top in terms of that. We've put out lots of proposals that we think would make a real difference - takes two to make a deal. That's all I would say guys-thanks.

EXHIBIT 20

Ehr New York Eimes

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July 9, 2011

Two Lockouts, Each With a Different Playbook

By HOWARD BECK

The N.F.L.'s labor dispute commenced in March with all of the subtlety of an eight-man blitz. Within hours, the players had dissolved their union and sued the league, and the owners had imposed a lockout.

Then came the court hearings, more lawsuits, more lawyers, an injunction, a stay of the injunction and a lot of angry posturing.

On Friday — while N.F.L. lawyers parsed another court ruling — the N.B.A. quietly marked the eighth day of a surprisingly subdued lockout. No statements were issued, no lawsuits filed. The N.B.A. players union remains intact, at least for now.

Two monstrous labor battles are being waged by two major sports leagues, but they have unfolded very differently. The distinctions are likely to continue even after Friday's ruling by the Court of Appeals for the Eighth Circuit, which upheld the N.F.L.'s lockout.

The ruling was narrowly focused and was not considered surprising. It did not radically alter the dynamics for the N.B.A. and its players union.

"I don't think this has a significant impact on either side's strategy in the N.B.A.," said Gabe Feldman, the director of Tulane University's sports law program.

If anything, several legal experts said, the decision merely affirmed the Eighth Circuit's conservative reputation — and underscored why the N.B.A. players union should seek a different court if it files an antitrust lawsuit. But that much was already known.

From the beginning, the N.F.L. and N.B.A. disputes have followed necessarily different scripts.

N.F.L. players dissolved their union March 11, just before the lockout began, because a clause in their labor agreement would have barred them from doing so for another six months. It was a now-or-never decision.

Facing no such artificial deadlines, the National Basketball Players Association put off any decision on decertifying when the N.B.A. lockout began July 1. Billy Hunter, the union's executive director, said negotiating remained the first priority.

But the path the N.F.L. Players Association chose — decertification, coupled with an antitrust lawsuit — remains a weapon in the basketball players' arsenal should negotiations fail.

"It's not off the table in any way," said Jeffrey Kessler, the outside counsel for the N.B.P.A. "There's no immediate urgency to that issue. It's an option the players are actively considering. But they have time to decide whether it makes sense to end the union or not."

Kessler, who also serves as outside counsel for the football players' union, is known as a fierce proponent of decertification as a means to gain bargaining leverage. Hunter and Derek Fisher, the basketball players' union president, prefer to stick to negotiating.

Kessler declined to comment on the Eighth Circuit decision's impact on the N.F.L. discussions. On its face, the decision favored owners. But Kessler, speaking only to the N.B.A. dispute, found encouragement in one part of the decision.

The court made a distinction between locked-out players who are under contract and those who are not — free agents and rookies. Because they have yet to sign deals, the court majority wrote, they cannot be classified as locked-out employees.

"The decision obviously indicates that one option available to N.B.A. players is to end their union and seek an injunction against the N.B.A.'s lockout for all free agents and rookies," Kessler said. "And that's something that the players will consider in the future, with all of their other options, as things proceed."

The court offered no opinion Friday on the most critical issue — whether the N.F.L. players' antitrust suit could proceed.

"I would say that the N.B.A. players still potentially have an antitrust remedy in their arsenal," said Matt Mitten, the director of the National Sports Law Institute at Marquette.

The decertification and antitrust route is a risky one. Without a union, or a collective bargaining agreement, the players lose benefits like minimum contracts and guaranteed salaries. The owners can impose work rules. Commissioner David Stern has also implied that decertification would jeopardize existing player contracts.

Decertifying allows the players to challenge the N.B.A.'s system through antitrust litigation, but the real value is to gain leverage at the bargaining table.

For all of their legal wrangling, N.F.L. owners and players appear close completing a new labor agreement without much influence from the courts.

If N.B.A. players do pursue an antitrust lawsuit, they are likely to use the N.F.L.'s case as a guideline and file in another jurisdiction, probably the Ninth Circuit in California, which is considered more liberal. (Similarly, the N.B.A. could pre-emptively file for a declaratory judgment and choose a court perceived as more owner friendly, either the Eighth Circuit or the Second Circuit.)

The N.B.A.'s labor battle could be more complicated and protracted. Whereas N.F.L. owners and players are haggling over how to divide \$9 billion in revenue, the N.B.A. and its players are arguing about losses — more than \$300 million a year, according to league officials.

The N.B.A. therefore has more incentive to shut down operations than the N.F.L. And the players union, which is resisting major changes to the labor deal, has more incentive to pursue all possible remedies.

N.B.A. players may be reluctant to follow the lead of their N.F.L. peers after watching the largely fruitless four-month legal battle. The alternative is to seek an advantage through labor law, and specifically through the National Labor Relations Board.

In May, the N.B.A. players union filed an unfair-labor-practice charge with the N.L.R.B. If the board's general counsel finds merit to the charge, the board could seek an injunction to end the lockout.

"That's the legal avenue that seems to be the one that's most attractive for them," said William Gould, a former chairman of the N.L.R.B., who now teaches at Stanford Law School.

That strategy was successfully employed by baseball players in 1995, who obtained an injunction that ended their long standoff with Major League Baseball.

Without the injunction, it could take three or four years for the N.L.R.B. to rule on an unfair-labor-practice charge, Gould said. If the N.B.A. players elect to decertify, they will have to withdraw their unfair-labor-practice charge first.

Or maybe the N.B.A. will follow the N.F.L.'s lead and find labor peace without the use of a gavel.

"We've never needed the courts to resolve disputes we've had with the players association before," Adam Silver, the N.B.A.'s deputy commissioner, said June 30. "Even when we had a multimonth lockout back in '98, and obviously lost close to half the season, we still resolved it between the parties."

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NBA LOCKOUT COVERAGE ON YAHOO! SPORTS

NBA agents want union to decertify



By Adrian Wojnarowski, Yahoo! Sports Jul 23, 12:42 pm EDT



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There's growing restlessness within the NBA's most powerful agents, an uneasiness with the strategies of Billy Hunter and the Players Association. What's the strategy? How do we stave off economic Armageddon? This was the reason the agents came to New York for a meeting on Friday, and why they left an unmistakable impression on Hunter: Sooner than later, we want to decertify, file an antitrust suit and throw some fear into the owners.

Hunter wants to wait out the rulings on the union's filings with the National Labor Relations Board in Washington, but there's little hope that's gained traction. Hunter doesn't seem willing to go the decertification route until after the union and NBA meet again in August, and probably not prior to September.

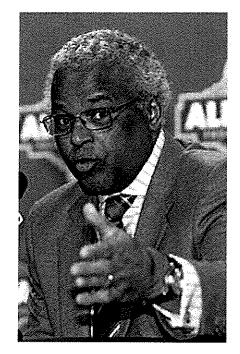
Most of the agents see a union with no strategy, and NBA

owners simply waiting until the players' checks stop arriving in November so they can hammer the most one-sided collective bargaining agreement in history down the players' throats.

"Right now, it's a respectful disagreement with [the agents] and Billy," an agent briefed on the meeting told Yahoo! Sports. "But it's getting to a '[expletive]-you' point. We will blow this thing up."

The owners are counting on panic to take over the union once the players start missing checks. That's when the owners want to cut a deal, when the players are most vulnerable and fearful of losing a full season's salary. The players risk getting the same lousy deal next year after already losing a year's salary.

Essentially, it's come down to this: Hunter is still selling diplomacy, but the agents want to commence fighting. No one expects the league to seriously negotiate issues until they fear the courts



could rule against them. The owners want what they want — hard cap, rollback on salaries and guaranteed profits — and they aren't interested in compromises. The longer the union waits to decertify and file an antitrust suit, the less chance there is of getting a reasonable agreement and saving the season.

"Until now," one prominent agent told Yahoo! Sports, "the union's strategy has been basically hoping [NBA commissioner] David Stern wakes up one morning in a good mood, and decides he wants to cut a fair deal for the players."

The way the agents see it, Hunter can stay in an advisory role after decertification the way that DeMaurice Smith did with the NFL players union. But decertification does cut into his power, his influence and his role in the process. And that's true for the executive board of the players association, including president <u>Derek Fisher</u>. Sooner than later, powerbrokers Arn Tellem, Mark Bartelstein, Bill Duffy, Andy Miller and others want a stronger, more direct hand in the fight.

They can get the votes needed to decertify the union among their players, and do it with or without Hunter's blessing. That's an improbable end game, but they have no interest in letting Hunter negotiate to the wire in December, when the owners will have all the leverage, and the players living paycheck to paycheck crack.

After the meeting with agents on Friday, an email went out from Hunter to the players on the basketball-related income (BRI) windfall due them. Each player will get an extra 8 percent of his 2010-11 salary this summer based on the revenue the league generated a season ago, adding a little more to the lockout war chest.

"Beyond issues relating to the escrow and the guarantee, the audit results confirm the larger point that we have stressed with the owners since we began the collective bargaining process two years ago," Hunter wrote in the email. "Quite simply, if the owners believe they need harsher restrictions on player salaries, they need only look to themselves, not to the players. On their own, operating under our longtime soft cap system, the owners have brought their player compensation costs down below 57

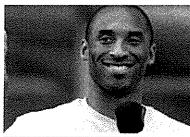
percent for the first time since the 1990s. ...The owners accomplished this result by making tougher individual decisions and by exercising their own independent business judgment. This trend can continue for the owners, and it can be done without the radical overhaul of our current soft cap system they continue to seek in collective bargaining.

"We hope they will recognize this reality and return to the bargaining table with a more reasonable outlook and perspective."

Only, the owners won't, and Billy Hunter knows that. Diplomacy has gotten the union nowhere, and the agents believe trying much more is a waste of time.

"We have one weapon left, and that's decertification," a prominent agent said. "We need to use it."

Top NBA Stories



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Labor talks break down Labor talks break down



Gun charge filed against Darius Miles Gun charge filed against Darius Miles

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Powerful NBA Agents Are Thinking About Decertifying The NBPA

Over the weekend, Adrian Wojnarowald of Yahoo! Sports Tweeted the following:

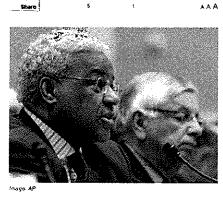
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Sports Agent Biog | Jul. 25, 2011, 4:44 PM |

Wojnarowski Tweeted that statement after Arn Teilem of Wasserman Medla Group, Mark Bartelstein of Priority Sports, and many other prominent basketball agents met with National Basketball Players Association (NBPA) Executive Director Billy Hunter on Friday to talk about the NBA lockout (which began on July 1, 2011), including the possibility of decertification of the union.

As we have seen with the NFL, decertification of the NBPA would prevent it from collectively bargaining with NBA owners. The NBPA would have to eventually recertify before agreeing to a new collective bargaining agreement. A major perceived <u>benefit</u> of decertifying is altowing the players to individuelly and/or collectively file lawsuits against the NBA under United States antitrust laws based on a claim of unlawfully restraining trade. Collective bargaining under U.S. labor laws effectively prevents pleyers from bringing any suits against the league under antitrust laws.

While it is no doubt that NBA agents want to force the NBA to negotiate for real, there may also be a more besic reason that agents are thinking about decertification – they may not like the idea of being a part of a union at all. in May, Am Tellem wrote an article published in the New York Times, which questioned whether players' unions have outlived their purpose. Specifically, Tellem believes that unions have shielded owners from the scrutiny of antitrust lews and effectively allowed collusion. Tellem stated, "something is fundamentally wrong when the only effective weapon in a union's arsenal is dissolution." Whether Tellem wanted to do so or not, he showed his cards by writing that statement – he thinks decertification (if not dissolution) is the only effective weapon.



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Adrian Wojnarowski's Tweet end subsequent erticle titled, *NBA agents*want union to decertify, reinforces Tellem's end others agents' determination to decertify the NBPA. The quote from Wojnarowski's article that absolutely sticks out to me is,

"Right now, it's a respectful disagreement with [the agents] and Billy [Hunter], but it's getting to a '[expletive]-you' point. We will blow this thing up."

So much for David Aldridge's belief that Billy Hunter has been able to neuter the influence of powerful player agents like Arn Tellem, Mark Bartelstein, and Bill Duffy. As I wrote earlier this month and discussed on Brian Berger's Sports Business Redio show, the fact that the NBPA's executive committee is comprised of what Aldridge dascribes as "middle-class players" such as Roger Mason, Jr. and Keyon Dooling, should have absolutely no bearing on the influence of powerful agents in this labor battle. In fact, Tellem and Bartelstein each represent one of the nine players on the committee. Maybe players will prove to be much more unified this time around than in 1999, but it will have nothing to do with Billy Hunter's neutering of powerful player agents. If anything, it looks like the powerful player agents may neuter Hunter.









July 25, 2011

Derek Fisher Wants The Ball

The president of the NBA players' union, who happens to have been the point guard on five Lakers championship teams, might be the key player in ending the lockout and saving the 2011--12 season Ian Thomsen

Where am I going?" Derek Fisher asks himself, understandably distracted. Then he remembers. "I'm going to Newark," he tells the driver. "Newark Airport."

The Lakers guard had arrived in New York City on the red-eye early on this final day of June to participate in a last-ditch negotiating session between NBA management and the National Basketball Players Association, of which Fisher is president, and now in the late afternoon he is headed back to Los Angeles, where under normal circumstances he would be focused on winning his sixth NBA championship. But the normal NBA cycles have been eclipsed today: Only minutes earlier, after a three-hour meeting, he was informed by Spurs owner and chairman of the owners' labor relations committee Peter Holt that the owners would lock out the players at midnight.

"So here we are," says Fisher, now leaning into the limo's backseat in his navy sult and red tie, his legs sprawled out before him. He finds himself musing over the body language of Holt, NBA commissioner David Stem and deputy commissioner Adam Silver as they dropped the hammer on the players. "It was a very efficient, to-the-point sit-down-not as If they just arrived at their thinking. You wouldn't [show] a change in mood if this is where you thought you'd be anyway."

Where they are now is at the beginning of a lockout that threatens to be far longer and more contentious than what has paralyzed the NFL this year and at the very least equal to the disagreement that cost the NHL its entire 2004--05 season. The owners simply want to pay less money to the players, and the argument is especially complicated because each side has reason to believe it occupies the high ground and that its opponent simply is wrong. The prospects for a new collective bargaining agreement may hinge on the respect commanded on both sides of the table by Fisher, who sounds both sober and upbeat as his car pushes through the rush-hour clog of the Holland Tunnel. He looks as if he has lost Game 1 of a playoff series he remains confident of winning.

The NBPA is led by Fisher, the active player who has been union chief since 2006, and Billy Hunter, now in his 15th year—and second lockout—as executive director. "I don't think there's much difference between his demeanor as a player and as the person we've worked with here at the union," says Hunter, who communicates with Fisher almost daily. Traditionally Hunter has served as the point man In negotiations with Stern, while the president has been a liaison to the players. But Fisher has worked hard to extend the reach of his office, and union insiders say that no player leader has had a better, more nuanced grasp of the CBA or been better able to articulate a vision for the union.

When the union officials met with the NBA on the eve of the lockout at the Omni Berkshire Place in Manhattan, Flsher made his latest try at persuading the owners that a money-grab wouldn't solve their problems. He began his presentation by detailing the variety of roles he had embraced on behalf of the Lakers' consecutive championship teams of 1999-2000 through '01--02.

When Fisher mentioned that he had come off the bench during L.A.'s 2004 run to the Finals, he was interrupted by Holt. "Zero-point-four," the Spurs' owner said with a grin. The reference, of course, was to Flsher's turnaround [umper on an inbounds play with 0.4 of a second remaining to steal Game 5 of the '04 conference semifinals from San Antonio.

The dialogue, however, became less agreeable when Fisher raised his objection to one of the owners' key positions: the right to walve underperforming players with long-term guaranteed deals without having to pay the outstanding balance of their contracts. Holt responded that not every NBA player possesses Fisher's competitive spirit and work ethic.

"They talk about the money they have locked up on the Eddy Currys and the Stephon Marburys, and that it would free up money for everybody else."

Fisher is saying now. "I don't follow that type of thinking, and it's going to be hard for me as president of the players' association to ever sign off on any agreement that would put us in that position."

The league contends that owners and players together will grow financially and thrive in competitive balance as long as the richest teams aren't permitted to overspend and the smallest markets are assured of profitability. The players respond that management is fooling itself to think that reclaiming money from the union will set the NBA on the road to growth. Fisher says he doubts dysfunctional franchises will be incentivized to become more efficient if they're guaranteed a windfall of new cash. "Decision-making on which players to draft and how best to develop them and which front-office personnel to hire and which community-relations programs to run—all of these go into running a successful business," says Fisher. "But it doesn't seem like those things are fully valued [by the owners]."

Fisher's union will face its harshest struggles while navigating these areas of conflict:

• The split of revenues. The last collective bargaining agreement between the two sides, signed in 2005, assured players of 57% of all basketball-related income. When factoring in the additional non-basketball-related revenue the owners receive, both sides acknowledge, the players now receive 50% of the league's \$4.3 billion in total revenues. Fisher contends that the owners' current proposal would drop the players' annual take below 40% over the length of a 10-year deal, a reduction he calls "astronomical."

The players' latest offer, to surrender \$530 million over a five-year period, has been dismissed as "modest" by Stern, whose owners have reported losses totalling \$1.1 billion over the last three years, including a projected \$300 million for the 2010--11 season. (The NBA declined to speak on the record about the CBA.) "Even if we said today that we had agreed to wipe out all your losses at \$300 million a year [in player givebacks], we've been instructed that still wouldn't do it," says Fisher. "That's why it's been so hard for us to continue to make major economic proposals, because you're telling us that no matter what we offer, unless it's much, much closer to where you are, there's really no chance of us getting a deal done." The owners insist that none of the other issues can be discussed until a revenue split has been negotiated.

- The actual losses. The NBA projects that 22 teams lost a combined \$450 million this year while eight franchises reported profits totaling \$150 million, thus creating an aggregate loss of \$300 million for the league. While the players tacitly concede that the league is losing money, they dispute the owners' accounting in part because, according to Fisher, it includes about \$130 million in debt taken on by owners who borrowed money to purchase their teams. The owners insist that interest and amortization payments are a legitimate cost in any business, but so far the players reject that position largely because they get no revenue-sharing benefit if an owner later sells his franchise at a profit.
- Hard cap. The owners maintain that a hard ceiling on team salaries is crucial, citing the failure of even the luxury tax to curb teams' overspending. Fisher says that a hard cap would encourage each team to budget the majority of its payroll for two or three stars, leaving other players to not only compete for the remaining money but also to do so largely on nonguaranteed contracts. "What we envision is a cannibalist-type system, where you would constantly be in competition with your teammates over shots and points and minutes," says Fisher. "We've had a problem over the years convincing fans that guys really do care about playing as a team and wanting to make a sacrifice to win a championship and not just thinking about themselves."

But a hard cap itself is not a deal breaker. Hunter has indicated the union could accept one if the ceiling was high enough to prevent huge salary cuts for most players. And a source from the owners' side tells SI the owners are willing to discuss alternatives to a conventional hard cap, including an entirely new system in which salaries would be slotted to preexisting tiers, representing a variety of income levels.

Based on the owners' proposals to not only reduce salaries but also implement a hard cap on them, it becomes likely that this lockout will wipe out the season. After all, why would the majority of players vote for a system that slashes their salaries and job security? The last NBA lockout ended only after a ceiling was applied to the biggest stars' salaries that funneled more money to the middle class.

Fisher hopes to convince both sides to pursue the middle ground. There is little question that the NBA veteran, who will turn 37 in August, commands respect on both sides of the table. "It definitely matters," says Silver of Fisher's standing in the league. "There's a reason he has won five championships. He's a strong advocate for all of the players in the league and he's well-versed in all of the issues. He has set the tone for a very professional atmosphere."

Since the Lakers picked him No. 24 in the famed 1996 draft, Fisher has worked hard to become the NBA's most prized everyman. He has never been an All-Star, and last season he made about 15% of Kobe Bryant's \$24.8 million salary, yet Fisher is celebrated as one of the great clutch shooters in playoff history. In 2007, during the final season of a three-year hiatus from the Lakers, Fisher rushed back from New York—where his 10-month old daughter Tatum had undergone emergency surgery and chemotheraphy that would save her left eye from retinoblasta, a cancerous tumor (now in remission)—to arrive in Salt Lake City for the third quarter of Game 2 of a second-round playoff series. That night, he would make the momentous three-pointer in OT that would lead the Jazz to victory and set the tenor in a 4--1 Utah series win.

Fisher entered union politics with an ambitious agenda. "So many athletes are riding along with our agents and our general managers and our coaches and our advisers, when we should be driving the ship," he says. Since succeeding Antonio Davis as president, Fisher has immersed himself in the fine print of the deal while seeking to increase the role of player president. He launched a negotiating session at All-Star weekend in Los Angeles with a presentation about the players' role in growing the league. "Fish has a stabilizing presence in terms of the way he carries himself," says Bryant, who has nicknamed his teammate Derek Obama in reference to his regal bearing. "He always stays in control, and he has a unique way to communicate and inspire."

But the job isn't all about speechmaking: During the past season Fisher invested hours each day in reading reports, studying numbers and participating in conference calls, sometimes while on board the team bus. He routinely communicates with players around the league on subjects ranging from the CBA negotiations to the outcome of fines and suspensions. "Guys want to know everything—everything," says Fisher.

By the end of the month Hunter is hoping to receive a ruling from the National Labor Relations Board that could result in an injunction against the lockout. If that complaint should fail and no headway can be made in negotiations, the executive director says the union will strongly consider decertification. He says the union may reach that decision before January—when the 1998--99 lockout was solved in time to allow a 50-game season—and that it may also encourage a group of players to file a lawsuit against the NBA, even though such a move could take time to be resolved in the courts.

At this stage the best hope of saving the season depends on continuing a dialogue that leads to a shared understanding. This is where Fisher's strengths come into play. Can a single player make the difference in time to launch a full season in late October? For Derek Fisher the next three months may feel like less time than 0.4 of a second. But at least the ball is in the right hands.

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SportsBusiness DAILY

SBD/September 14, 2011/Leagues and Governing Bodies

NBA Lockout Watch, Day 76: Agents May Try To Force NBPA Decertification

Published September 14, 2011



Hunter reiterated that players are not considering decertification yet

NBA player agents Arn Tellem, Bill Duffy, Mark Bartelstein, Jeff Schwartz and Dan Fegan held a conference call Monday to discuss "how they can help the players union in its stalemate with the league's owners," and their answer was to "blow the union up," according to Broussard & Abbott of ESPN.com. The agents' view "is that the owners currently have most, if not all, of the leverage in these talks and that something needs to be done to turn the tide." They believe that "decertification will do the trick," and spoke Monday "about the process of decertifying the union." NBPA Exec Dir Billy Hunter said yesterday that the players "are not yet considering decertifying." Rather, Hunter "believes he has his own weapon to change the tenor of the talks in the lawsuit the union filed" with the NLRB, and he is "not likely to consider decertification until getting the results of the suit." The agents "could push for an involuntary decertification by getting 30 percent of the league's players to sign a petition saying it supports

decertification," and that is "almost exactly the percentage of NBA players the five agents represent" (*ESPN.com*, 9/14). YAHOO SPORTS' Adrian Wojnarowski cited sources as saying that Hunter has "already lost the top agents, who are laying the groundwork for a coup." The agents said that the "decision to make a move on Hunter could come as soon as this week." The "core agents had been recruiting rival agents to join them in the overthrow, trying to get the majority vote needed to decertify." One agent said that he has had "several conversations in the last 48 hours with the powerbrokers, and feels inclined to eventually join the cause" (*SPORTS.YAHOO.com*, 9/13). ESPN.com's J.A. Adande notes decertification "wouldn't assure any quicker resolution, especially because the NBA has taken enough steps to make a case for good-faith negotiations." Celtics C Jermaine O'Neal: "Our intention as a union is to work out something with the owners. If we decertify we don't know where that goes. It becomes a legal issue after that" (*ESPN.com*, 9/14).

BRINGING UNITY TO THE UNION: USA TODAY'S J. Michael Falgoust writes there is a "solidarity among NBA players they didn't have during the 1998-99 labor stoppage, which resulted in a 50-game season." Grizzlies G Tony Allen is "firmly behind" Hunter. Allen: "I believe in him. I'm honoring whatever he's saying. He's old enough and has been in this league to know what's right. If there ain't a season, I can't dictate none of that. I'm just riding with the association -- to the fullest" (*USA TODAY*, *9/14*). Pacers F and player rep Dahntay Jones said, "We're happy with our representation at the meetings. We're prepared for the situation. We're prepared for what could possibly happen. We've been ready for it. It's not (anything) new. We know what the worst and the best outcome could be. We're waiting patiently" (*CBSSPORTS.com*, *9/13*).

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Let the decertification talk commence.

One day after National Basketball Players Association president Derek Fisher pushed back against the agents who are pushing for the disbanding of the union in the ongoing NBA lockout, the very movement that Fisher was trying to stop grew significantly larger with the addition of just one agent.

According to two sources close to the situation, the agent for LeBron James, Dwyane Wade, Chris Paul and many more stars, CAA lead man Leon Rose, has privately made it known that he is in favor of the strategy that union officials have consistently resisted and deemed a "nuclear option." It's a potentially significant addition to a camp that already included a number of the most influential agents in the game, among them Arn Tellem (Wasserman Media Group), Dan Fegan (Lagardere Unlimited), Bill Duffy (BDA Sports), Mark Bartelstein (Priority Sports), and Jeff Schwartz (Excel Sports Management).

Numerous attempts to contact Rose for comment were unsuccessful.

Advocates of decertification see it as a last-ditch effort for badly-needed leverage, with the hope that the league's owners would come to a much greater compromise in negotiations once they realize the players are willing to sacrifice some of, if not all, of the season. Unless union executive director Billy Hunter changes his long-held stance against decertification, 30 percent of the league's players would need to sign a petition supporting it in order to move to a vote for involuntary decertification. That vote, according to sources, would likely take between 45 and 60 days and would require a majority vote in order to pass.

If the union decertified, the move would be followed by antitrust suits against the NBA claiming the lockout is illegal and a hoped-for injunction. It's not that simple, though, as the NBA has already filed a preemptive lawsuit seeking a ruling that decertification is illegal in the Southern District of New York that would have to be dealt with first. Because that's a court that has ruled in the league's favor before, the NBPA is in the process of filing a motion to dismiss the lawsuit.

The NBPA continues to wait for a decision on the National Labor Relations Board case it filed against the league in mid-May, and Hunter said after the meeting on Thursday that it remains the priority on the legal front. In reality, though, sources said the internal expectations are low that the case will ultimately play a significant part in the matter or provide any badly-needed leverage.

While more than half the league's players are represented by the aforementioned firms, it's hardly a foregone conclusion that the players would follow their agents' lead to decertify if and when they're asked. Fisher went to great lengths to convince the players to follow his lead on Thursday, sending all of them an impassioned e-mail that was highly critical of agents while also bringing NFLPA union head DeMaurice Smith in to discuss the importance of union unity and the downside of decertification for the NBPA to the crowd of approximately 40 players on hand.

Boston center Jermaine O'Neal, who experienced the 1998-99 lockout as a rookie and is a Tellem client, insisted this week in Las Vegas that players won't necessarily have a sheep mentality when it comes to their agents.

"The agents work for us," O'Neal said. "They just want to give their players the opportunity. The Arn Tellems of the world, they're going to sit down with their group of players and say, 'OK, what do you guys want to do?"

Phoenix Suns forward Jared Dudley, who is the Suns' player representative and is represented by Bartelstein, said Hunter made it clear he prefers to wait for the NLRB decision before considering decertification.

"They used the word 'option,' (regarding decertification)" Dudley said. "It's a viable option for us, but they have other stuff right now (and) aren't looking at that right now as an option...! think they're willing to play out the NLRB and still try to go back and negotiate still."

Find this article at:

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NBA lockout: Union chief Billy Hunter knows how to fight fairly

By Mike Wise, Published: September 21

Billy Hunter is the biggest wishbone in pro sports right now.

When the <u>NBA</u> union chief <u>walks into a boardroom at a Manhattan hotel</u> <u>Thursday</u>, with only the beginning of the season in the balance, Commissioner David Stern will be tugging on one lapel. NBA players, who will soon start missing paychecks because of their economic stalemate with team owners, will be tugging at the other.

Hunter has repeatedly shot down the owners' proposal for a hard salary cap, which would mean the Los Angeles Lakers could no longer pay two or three times more for their roster than, say, the Sacramento Kings, pay for theirs. A "blood issue," Hunter has called it.

If the league doesn't bend on it, players will soon be out millions of dollars.

And so will their agents, the most prominent of whom have done their own pulling and prodding of Hunter, who went through this same saga 13 years ago.

"It may come down to there will be games lost," Hunter acknowledged in a telephone interview. "No one wants that. I'm not interested in taking an intransigent position."

He added that he actually sent a pre-lockout letter to Stern, guaranteeing the players would not strike if the league would not lock the players out. The idea was to keep negotiating during the season.

Once Stern declined his request, the labor chess match was on.

Beyond dollars, Hunter realizes what's at stake long-term if the two sides can't find a way to divvy up revenues totaling between last season's \$3.8 billion and potentially \$5 billion in 10 years. Anyone who consumed the drama of last season — of LeBron James angering one city and enrapturing another, of emerging stars such as Kevin Durant rising up over the old guard, of an NBA Finals won thrillingly by Dirk Nowitzki's Mavericks over LeBron's favored Heat — saw the beginning of the league's next renaissance.

"Coming off the year we had the past year, it's ludicrous not to try to reach a deal," Hunter said.

And yet, beginning this week, the NBA season is officially in jeopardy of losing games. Thirteen years ago, in the league's last big labor dispute, Sept. 24 was the date training camp was postponed and preseason games were lopped off the schedule. By mid-October, part of the regular season began to bite the dust, leading eventually to a shortened, 50-game season that soured fans and sponsors.





I knew back then Hunter loved a good scrap. He wasn't going to satisfy everybody but he was going to make sure the deal he got for his players enabled him to sleep well. The same goes now.

"The problem is they've anchored themselves so far away," he said of the owners who have requested about \$1 billion in salary rollbacks to compensate for their own losses. "You can't anchor yourself at \$900 million dollars. And now I'm supposed to negotiate toward you?"

Owners want a 10-year deal, in which player salaries are frozen for the majority of those years. Players wouldn't share in revenue growth until the owners have healed their economic woes. Hunter's accountants are no doubt telling him it's going to take 20 years or more for players to recoup that kind of giveback.

The players have reduced their piece of the total revenue pie from 57.1 percent to somewhere between 54 percent and 53 percent, but the owners want more and expect LeBron and friends to do their part in compromising.

Depending on how unseemly things get in the boardroom, the real fight happens when Hunter leaves and doesn't have a deal. Then he has people whispering in players' ears, many of whom have their own agenda — including agents pushing for union decertification.

"I refuse to treat decertification as a game," he said. "I won't take it off the table because it's still a last resort. But that's not what I have in mind at the moment. If we end up decertifying, it means we're through talking—and that's not going to be good for anybody.

"Look, some of the agents are hurting," Hunter continued, adding that many have been supportive of his efforts. "But some? They don't have money coming in. They have big payrolls. A lot of this is about the agents and not the players.

"We prepared the players to miss paychecks. Some of the agents, though, have acted out of their own self-interest. If something doesn't happen, some are going out of business."

The reality is, both sides are on the outside of about a six-week window to get everything done — a new collective bargaining agreement, a free agent signing period, training camp. If there is no progress by Monday, the calendar is making the decision for them. The regular season is scheduled to begin Nov. 1.

"We might have to cancel preseason," Hunter said. "You figure you need two weeks of signings, two weeks of training camp and they'd be ready to go. I don't know if it's going to happen. I've given the concessions that I think are fair."

Stern's main adversary was asked whether the entire season could be lost. "I would hope not," Hunter said. "I would work diligently to prevent that."

I believe him. Now let's see if the owners also believe him.

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POSTSPORTS

Posted at 06:14 PM ET, 10/04/2011 NBA players, officials end talks with season opener at risk By Cindy Boren Updated at 6:49 p.m.

With NBA players and officials unable to reach agreement on a labor deal today, the rest of the preseason games were canceled and the first two weeks of the regular season will be canceled if there is no deal by Monday.

"We are about to cancel the remainder of the preseason, so it is official in essence as of now," Adam Silver, the NBA's deputy commissioner and chief operation officer, said in a press conference with Commissioner David Stern. "We told the players that on Monday, Oct. 10, if we did not have a deal in principle by then, we would have no choice but to cancel the first two weeks of the regular season."

The regular season is set to begin Nov. 1 and both sides have agreed that they'd need about a month to prepare for a season.

"We'd like to not lose the first two weeks of the regular season," Stern said, "but it doesn't look good."

Billy Hunter, executive director of the NBA Players Association, said no meetings are scheduled. "There has been no discussion about the next meetings," Hunter said in a press conference. "Maybe a month. Two months. Your guess is as good as mine."

Stern, who said "there's an extraordinary hit coming to the owners and to the players," added: "We have nothing scheduled. There are no foregone conclusions."

Hunter, who said that the union would set up workout centers for players, indicated that the owners' last offer was for 47 percent of basketball-related income, up from 46. Players had proposed 53 percent, which is down from 57 in the previous collective bargaining agreement. Each percentage point is worth approximately \$40 million.

Said NBAPA President Derek Fisher: "We engaged in more intense discussions today to see if we can close what remains a very large gap. Today was not the day to get this done. We were not able to get close enough to close the gap."

With no movement, union description may be the next step. "Clearly that's something we may have to give some thought to," Hunter said.