Case 2:07-cv-01620-MJP Document 14 Filed 02/13/2008 Page 1 of 34 The Honorable Marsha J. Pechman 1 2 3 4 5 6 UNITED STATES DISTRICT COURT 7 WESTERN DISTRICT OF WASHINGTON 8 AT SEATTLE CITY OF SEATTLE, a first-class charter 9 No. C07-1620 MJP city, 10 Plaintiff, DECLARATION OF MICHELLE JENSEN IN SUPPORT OF THE 11 CITY OF SEATTLE'S CR 37 ٧. **SUBMISSION** 12 THE PROFESSIONAL BASKETBALL CLUB, LLC, an Oklahoma limited 13 liability company, 14 Defendant. 15 16 I. Michelle Jensen, declare under penalty of perjury under the laws of the State of 17 Washington that the following is true and correct. I am over the age of 18, have personal 18 knowledge of the matters stated below, and, if called to testify, could and would so testify. 19 I am an attorney at K&L Gates and am licensed to practice law in the State 1. 20 of Washington. I represent the City of Seattle in the above-captioned matter. 21 Attached hereto as **Exhibit A** is a true and correct copy of a letter from 2. 22 Paul Taylor, counsel for The Professional Basketball Club ("the PBC"), to Paul Lawrence, 23 counsel for the City of Seattle ("the City"), dated January 16, 2008.

Attached hereto as **Exhibit B** is a true and correct copy of a letter from Paul Lawrence to Paul Taylor, dated January 16, 2008.

DECLARATION OF MICHELLE JENSEN IN SUPPORT OF THE CITY'S CR 37 SUBMISSION- 1

KIRKPATRICK & LOCKHAR I PRESTON GATES ELLIS LLP 925 FOURTH AVENUE SUITE 2900 SEATTLE, WASHINGTON 98104-1158 TELEPHONE: (206) 623-7580 FACSIMILE: (206) 623-7022

24

25

4.	Attached hereto as Exhibit C is a true and correct copy of an email from
Paul Taylor t	o Paul Lawrence, dated January 23, 2008.

- Attached hereto as **Exhibit D** is a copy of a Seattle Times article by Percy Allen entitled "Sale of Sonics Gets NBA's OK," available at <a href="http://seattletimes.nwsource.com/html/sonics/2003321648\_soni25.html">http://seattletimes.nwsource.com/html/sonics/2003321648\_soni25.html</a>.
- 6. Attached hereto as **Exhibit E** is a copy of an Oklahoma Journal Record article by Jerry Shottenkirk entitled "Hard Work, Luck Make Billions for Oklahoma Executive," published August 13, 2007.
- 7. Attached hereto as **Exhibit F** is a true and correct copy of the City's First Set of Requests for Production and the PBC's Responses Thereto.

EXECUTED this \_\_\_\_ day of February, 2008 at Seattle, Washington.

Michelle Jensen

## Exhibit A

### BYRNES & KELLER LLP

LAWYERS

TELEPHONE (206) 622-2000 38TH FLOOR 1000 SECOND AVENUE SEATTLE. WASHINGTON 98104 Facsimile (206) 622-2522

January 16, 2008

### VIA EMAIL

Mr. Paul J. Lawrence K&L Gates 925 Fourth Avenue, Suite 2900 Seattle, WA 98104-1158

Re: City of Seattle v. Professional Basketball Club

Dear Paul:

In anticipation of your discovery requests, we obtained the email of Clay Bennett and Aubrey McClendon. That generated a database in excess of 150,000 emails. The email of Messrs. Bennett and McClendon is representative of the PBC, particularly given that Mr. Bennett is the chairperson of the PBC. We have not assembled email of the remaining members of the PBC. If we included all of the members, the universe of emails would likely increase exponentially.

We propose to filter the Bennett/McClendon emails by applying a set of search terms. Our list of proposed search terms is as follows:

Seattle

Sonics

Supersonics

Storm

NBA

**WNBA** 

Basketball

Rhall

BB (followed by a punctuation mark or space so as to avoid grabbing too many words that simply have "bb" in them)

KeyArena

Arena

Renton

Bellevue

**ICON** 

HOK.

Cushman Wakefield

CSL

Mr. Paul J. Lawrence January 16, 2008 Page 2

Lobbyist

Prentice

Washington

Relocation

Relocate

Re-location

Re-locate

Kansas City

KC

Sponsorship

Sponsorships

PBC

Professional Basketball Club

Romani

Stern

Litvin

Muckleshoot

Barth

Licata

Cronin

Ceis

Nickels

Chopp

Lisa Brown

Prentice

Vaska

McCullough

Israel

McLaughlin

Ford

Commissioner

Counsel

Mayor

Legislature

Schultz

Howard

Lease

In order to avoid delay, we propose to do this search shortly. Please let us know what additional terms you would like us to include as filters.

Mr. Paul J. Lawrence January 16, 2008 Page 3

Very truly yours,

BYRNES & KELLER LLP

# Exhibit B

## K&L GATES

Kirkpatrick & Lockhart Preston Gates Ellis up 925 Fourth Avenue Suite 2900 Seattle, WA 98104-1158

www.kigates.com

r 206.623.7580

January 16, 2008

### VIA E-MAIL AND US MAIL

Mr. Paul R. Taylor Byrnes & Keller LLP 1000 2nd Avenue Suite 3800 Seattle, WA 98104-1062

Re: City of Seattle v. Professional Basketball Club

Dear Paul:

We are in receipt of your letter of today sent by email regarding proposed search terms to be used to filter the Bennett/McClendon emails.

First, it is not acceptable to limit your search of emails to Messors. Bennett and McClendon. The City of Seattle's discovery is directed at all members of the PBC. We expect a complete search for responsive documents.

Second, we are concerned about the technology you intend to use for the search. Can you tell us the technology you intend to use for the search? If an outside vendor is conducting the search, we would appreciate your identifying the vendor.

Third, we are concerned about the scope of the search. We would request that you make sure you run the terms search in the to/from/cc/bcc fields, the text of the emails, and in any attachments to the emails. Additionally, we would request that the search terms be formulated in a manner, appropriate given the technology being used, so that the search will capture emails where the relevant name is included only as a component of an email address in the to/from/cc/bcc fields. We also request that your search include common variants of the terms you have proposed. For example, your search should include "Key Arena" and "KeyArena".

Fourth, we request that you retain a copy of the complete electronic database during the term of the litigation. It is likely that additional search criteria may be uncovered during the course of discovery. Specifically, the City reserves the right to ask the PBC to go back and run additional search terms to the extent that discovery, external factors or PBC's actual

Mr. Paul R. Taylor January 16, 2008 Page 2

production indicates that additional search terms would likely yield additional relevant material.

Fifth, we request the following additional search terms be added:

Cornett

County Executive

Ron Sims

Peter

Pete

von Reichbauer

von Riechbauer

Frank

David

Jim Kneeland

Pacific Public Affairs

Oklahoma City

Oklahoma

lawsuit

litigation

Sue

Walters

Wilson

Evans

Nellams

Records

Ward

Cameron

Howard

Dobson

Scaramucci

Tom Fitzsimmons

Kemper Freeman

Steve Sarcozy

Bob Wallace

Kathy Keolker

Terry McGlaughlin (to pick up misspellings)

Mr. Paul R. Taylor January 16, 2008 Page 3

loss(es)

revenue

profit(s)

attendance

Please let me know if you have any questions.

Very truly yours,

KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP

By

Paul J. Lawrence

PЛL:id

K:\2065932\00001\21032\_PJL\21032L22CE

# Exhibit C

From: Taylor, Paul [mailto:ptaylor@byrneskeller.com]

Sent: Wednesday, January 23, 2008 2:39 PM

To: Lawrence, Paul Subject: email

We received your proposed additional search terms for the email. They are fine. In your letter, however, you asked that "common variants" be included. We are happy to do so, but think it best if the variants come from you. The search can be run as soon as we get your variants. We will save the universe for further searches if necessary. The search will be done by the in house techs at Macafee Taft. Finally, we are not willing to search for email of individual members other than Mssrs. Bennet and McClendon. That would increase the email universe exponentially with little or no likelihood of generating new or different relevant material. We are happy to work with you on briefing schedule for a motion to compel if necessary.

## Exhibit D

## The Seattle Times

seattletimes.com

Wednesday, October 25, 2006 - Page updated at 12:00 AM

Permission to reprint or copy this article or photo, other than personal use, must be obtained from The Seattle Times Call 206-464-3113 or e-mail resale@seattletimes.com with your request

## Sale of Sonics gets NBA's OK

### By Percy Allen

Seattle Times staff reporter

NEW YORK — In a posh Manhattan hotel boardroom surrounded by former colleagues, a few friends and a once-cynical commissioner, Clay Bennett received a rousing ovation from NBA owners who unanimously approved his bid to purchase the Sonics and Storm and welcomed him back into their basketball fraternity.

"Clay was greeted by a round of applause, which is an unusual endorsement in a professional sports league," said commissioner David Stern.

Bennett declined to address arena issues and personnel matters until the \$350 million sale becomes final on Oct. 31, when all funds have been transferred between his Professional Basketball Club [PBC] and The Basketball Club of Seattle.

After hearing the vote of overwhelming support from his peers, Bennett sent a text message to his wife Louise and business partners that read: "It's ours."

This isn't his first major purchase. He has bought and sold nearly \$1 billion in real estate and built a fortune as an investment capitalist in Oklahoma City.

Even still, acquiring the basketball teams made him pause.

"It's just such a unique business in that there's so many facets," Bennett said. "It's the athletic experience, it's business, it's sales and marketing. It's running a company and relating with a community. All of that on a national platform, and at the end of the day, the NBA is really a global business.

"To be honest, I was concerned about all of the owners having an understanding of our objectives and just accepting us. Clearly the circumstances are unique."

The Times has learned that the PBC assumed \$81 million in debt from the former ownership group and will settle the remainder of the \$350 million balance with a cash payment of \$250 million and \$19 million borrowed from the NBA.

According to league documents, the PBC is an Oklahoma City-based consortium that consists of four primary owners, four minority owners and a total of 12 investors.

Bennett, the PBC chairman and controlling owner, joins Aubrey McClendon, Tom Ward and Jeffrey Records, who represents the family-controlled Huntington group, as the four with largest ownership stakes. Each paid \$50 million for a 20 percent share. Records' investment is \$27.1 million and the families of his sisters Kathryn Ryan and Martha Records each paid \$11.45 million.

The minority ownership, which was added 10 days ago, includes William Cameron and Lynda Cameron, who paid \$20 million for an 8 percent share. Everett Dobson and Bob Howard invested \$10 million each (4 percent), as did

husband/wife Domer ("Jay") and Janis Scaramucci.

Not only is Bennett the face of the ownership group, he also has executive decision-making power for basketball and non-basketball issues and serves as chairman for an initial five-year term.

He declined to speak specifically about the ownership structure except to say, "We're just all partners."

According to an NBA source, the league had deep concerns about the financial stability of the new ownership group when Edward Evans, a controlling member with a 20 percent stake, withdrew from it.

Evans had been the lead negotiator in the deal and sat on a podium next to Bennett, former Sonics chairman Howard Schultz and president Wally Walker when the agreement was announced July 18.

Efforts to reach Evans were unsuccessful.

"He advised me that he had another business opportunity that he wanted to pursue," Bennett said. "His contribution to the process was very important and he remains a friend to the group. The deal, as any deal does, evolved in a degree in terms of roles and at the end of the day, this is where we all agreed to be. It's all very positive."

Having been approved by NBA owners, Bennett is seeking approval from Sonics fans and state lawmakers, many of who believe he'll make good on threats to move the team to Oklahoma City unless he finds a suitable replacement for KeyArena.

"I have sort of a sense of optimism," Stern said. "Although Clay and his ownership are based in Oklahoma City, almost from the first day that Clay started looking at Seattle as an investment and as a purchase, he stressed to me the vibrancy of the Seattle market and the revenue streams that could be available there and its jumping-off status to Asia.

"I went from skeptic in a way to getting on line and saying, 'OK, I understand what you see here.' But of course, the larger investment that they're making is going to be dependent on a new building."

If Bennett moves the Sonics, he'll pay a relocation fee, and Stern said Seattle shouldn't expect another franchise unless the city builds an arena.

Bennett chose to remain silent on the arena discussion other than to say that he's committed to the area. He promised to unveil his arena plans within 30 days, but said, "We're more focused on it being done right than setting a date and putting something out there."

He declined to discuss possible negotiations with forward Rashard Lewis, eligible for a two-year, \$25 million extension, guard Luke Ridnour, coach Bob Hill and Walker.

Bennett acknowledged that contract talks with Ridnour are at the top of his list because the Sonics must sign him to an extension by Oct. 31 or he becomes a restricted free agent in the offseason.

"We're working with the league and trying to accommodate a decision-making process which would allow us to respond and be involved in that decision," Bennett said.

Even though Bennett, 46, and Stern share a 20-plus year friendship, the new Sonics owner doesn't expect any preferential treatment.

"Clay did call me to say he was about to purchase the Sonics and I said smarter people have done dumber things," Stern joked. "I think that was my quote. I said, 'OK, you're on your own here.' But I couldn't have been happier. I said that's great. When Hurricane Katrina hit, I reached out to two people in Oklahoma City. One was the mayor, the other

http://seattletimes.nwsource.com/cgi-bin/PrintStory.pl?document\_id=2003321648&zsection\_id=2002990... 1/31/2008

one was Clay."

Bennett's wife's family, the Gaylords, owned a minority stake in the San Antonio Spurs, and Bennett served on the Board of Governors from 1992-97 as a representative of the Spurs.

During that time, Bennett nurtured friendships with Sacramento owners Joe and Gavin Maloof, Phoenix CEO Jerry Colangelo and Peter Holt, who purchased the Gaylord family's interest in the Spurs.

"Being in that room, surrounded by all of them, it's energizing," Bennett said. "All are very successful, diverse in their fields of work and in their personal experiences, certainly geographically, and with varied levels of experience in the league.

"Some have been in it a long, long time, and some are new. It was an energizing platform, and I feel a part of a sense of wanting to rise to the occasion and wanting to be a contributing member to that. Certainly I'm going to be thoughtful and slow in how I emerge into that group."

Percy Allen 206-464-2278 or pallen@seattletimes.com

Copyright & 2006 The Scattle Times Company

## Exhibit E

#### 1 of 1 DOCUMENT

Copyright 2007 Dolan Media Newswires The Journal Record (Oklahoma City, OK)

August 13, 2007 Monday

**SECTION: NEWS** 

LENGTH: 3342 words

HEADLINE: Hard work, luck make billions for Oklahoma executive

BYLINE: Jerry Shottenkirk

#### BODY:

Aubrey McClendon isn't so concerned with labels

But he is a billionaire Forbes magazine knows it, Wall Street knows it and Oklahomans know it

That figure and title are for others to ponder, said the 48-year-old co-founder, chairman and chief executive officer of Chesapeake Energy

"I just plug away, hope for the best and let everybody else keep score," McClendon said

"Billionaire is a word that probably has more meaning to other people than it does to me," McClendon said. "Most people look at me today, and look at (Chesapeake co-founder and current SandRidge Energy CEO) Tom Ward, and see that sure, we are successful now. But you've got to understand that for 75 percent of my business career, I probably haven't been particularly successful. This has been a tough industry for 20 years "

Since 1989, when Chesapeake was incorporated, McClendon has expanded the company's campus, acquired natural gas companies large and small, purchased significant amounts of real estate in the metro area, and just for kicks, bought into part of an NBA team and a WNBA club

Riding the success of the industry, McClendon has turned Chesapeake into what company officials call the nation's largest independent producer of natural gas

It wasn't always so smooth for the Oklahoma City native

"Chesapeake had a couple of difficult years as we've built it," he said "I kind of take it in stride knowing I work in a volatile industry and have had a lot of luck along the way At the same time, I know circumstances can change "

McClendon went to Belle Isle Elementary and then Heritage Hall in his formative years and upon high school graduation, he was off to Durham, N C, and Duke University

He learned the value of a buck when he had a lawn-mowing service Each week during the summer, he'd ride his bike to deposit his money in Penn Square Bank at a time when the country's economy took a downturn But life around here was quite good, thanks to an expanding energy industry

"The eight years I was in high school and college, the price of oil went from \$3 a barrel to \$39 a barrel,"

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

McClendon said "When I graduated from college, the country was in a recession. Interest rates were 15 to 16 percent and unemployment rate was close to 10 percent. Oklahoma and Texas, however, were in prosperity "

Penn Square Bank, which had its mighty fall in the early 1980s, was a financial center

"The development of that bank from a little strip shopping center bank to a national financial institution in many ways mirrored what happened to Oklahoma City during those eight years," he said "Oklahoma City went from a relatively sleepy backwater to a town on a lot of national radar screens. "

Oil in his blood, name

The son of Joe and Carole McClendon graduated from Duke with a degree in history in 1981, but he knew his future was in something else

"I had a fair number of accounting hours so I was going to go to Texas and work for Arthur Andersen as an accountant," he said "The last minute, my uncle, Aubrey Kerr, who had a small oil and gas company in a town called Jaytex, offered me a job as a staff accountant He offered me \$3,000 more than Arthur Andersen, so I thought it'd be fun to come back to Oklahoma City "

So he brought his wife, Katie, a Michigan native who graduated a year ahead of him at Duke, back to his hometown

"I never really grew up thinking I wanted to be in the oil and gas business, but by the time I graduated, that's where the best jobs were," he said

The oil and gas business is in his name and in his blood

His middle name is Kerr He was named after his grandfather, Aubrey, the brother of Kerr-McGee co-founder, U S Sen and Oklahoma Gov Robert S Kerr. His mother is the daughter of Aubrey Kerr and sister of his namesake

Joe McClendon worked 35 years on marketing Kerr-McGee, which sold many products and had its own line of filling stations

It was a much different side of the industry, Aubrey McClendon said

"He was on the refining and marketing side, so as a kid, with him, I didn't spend time on oil and gas rigs, I spent time looking at dirty bathrooms in gas stations," he said "I didn't want to be on the marketing side, I wanted to be on the drilling side. "

After nine months in the accounting department, he went into the land business

"That's when I fell in love with the oil and gas business because the land business, in my opinion, combined my love of history with my love of the precision of numbers," he said "When you figure out who owns what and the minerals underneath the surface, there's a lot of math involved, and I like that History, accounting, put together equals land, and that's what I did "

The euphoric feeling of a really good job didn't last that long

"Within a year and a half of joining this industry, the bottom fell out in late 1982," he said "I got the feeling Jaytex, like other oil and gas companies, was going to have its work cut out of it "

The handshake that started it all

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

In 1983, McClendon met Tom Ward, a fellow land man who, like McClendon, was still fresh out of college

Ward, a native of Seiling, graduated from the University of Oklahoma and was a petroleum land management major.

"I started out as an independent land man at age 23, not really because I wanted to or because I wanted to work for myself," McClendon said. "You couldn't get a job at a bank, oil and gas companies weren't hiring and there really weren't any jobs in town I didn't want to leave town so I thought, 'Well, I'll go hang out by myself for a couple of years and see what I can learn about the business "

McClendon and Ward met when they were competing for leases at the Will Rogers World Airport

"I've been partners with Aubrey literally since I met him and continue to do things with him today," Ward said "We developed a very close business relationship "

McClendon said the first six years of Chesapeake were interesting to say the very least

Even the name Chesapeake made the company a little different in these parts.

"I think we didn't want to name the company after ourselves because we thought we had a chance to fail," McClendon said "If we failed, we decided it would be easier if it wasn't called Tom and Aubrey's oil company We decided to name it after something else I'm a geography buff, and he named it after Chesapeake Bay Devon Energy is named after a geographical feature in England It signifies that these two companies have always been about more than just a couple of people "

McClendon said he learned from his father's days at Kerr-McGee

"My dad worked for Kerr-McGee for 35 years, and at the beginning, Senator Kerr and Dean McGee were there," he said "But for most of the time, they weren't there. It's easier for someone to get excited about a company that has a name that can be all-encompassing rather than working for two (dead) guys "

Ward said he immediately knew he had a good business partner

"He's a very energetic, hard-working guy," Ward said "He's driven to always succeed, and with a brilliant mind You get success when you combine willingness to work and those capabilities The interesting thing is that there's never been a time when we weren't in basic agreement "

McClendon and Ward shook hands and split their profits for the next six years

"Formally in 1989, Shannon Self helped Tom and I incorporate," McClendon said "We had just been two independent oil and gas land men working together Half of what I made was his and vice versa We were non-operators We didn't go out and drill our own wells. We just participated in wells drilled by other people. We put together lease plays, things like that

"In May of that year, we were ready to drill," he said "Shannon put together the papers We put \$50,000 of capital down, spent that much the first day and off we went. "

Nearly 20 years later, Chesapeake is an independent leader and the oil and gas industry in Oklahoma is prospering

Change in landscape

When Kerr-McGee was acquired by Anadarko Petroleum, the local landscape changed but was still on solid ground

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

"I was pretty sad," McClendon said "Kerr is my middle name I had some early financial advantages in my life that probably let me take a chance or two that I wouldn't have been able to as a result of the success of Kerr-McGee I doubt I would've been able to go Duke University without the success of Kerr-McGee I grew up all my life with Kerr-McGee always being one of the most important institutions in town I was very sad to see it leave and would have liked for it to have had a different end."

Ultimately, the ending wasn't as sad as first perceived

"Opportunity came out of that in some ways," he said "The city's probably never been in better shape to handle a Kerr-McGee going away, given the phenomenal success of Devon, the success of our company and Tom and SandRidge "

The Kerr-McGee Tower returned to local hands as Chesapeake made a deal with Anadarko and ultimately sold the downtown structure to Ward and SandRidge

Owning Sonics gives McClendon a new passion, good seats

OKLAHOMA CITY - Clay Bennett is the leader of Professional Basketball Club LLC, the local outfit that bought the Seattle Sonics of the NBA

Bennett is spokesman for the group, but Aubrey McClendon doesn't duck away from talking about the NBA club

McClendon said he is "under a self-imposed gag order" regarding much of the business end of the basketball franchise, but he doesn't have a problem with showing enthusiasm regarding the team

"Clay is my good friend and general partner in the club, so he speaks most accurately and eloquently for the club," McClendon said. "However, I'm very excited about Kevin Durant and the other draft picks we had."

Durant, a standout from the University of Texas, was the Sonics' lottery pick this year

"I think we have a team that probably has as much on the ball for the next five or ten years as any team in the league," McClendon said.

It's that kind of enthusiasm that makes McClendon a good business associate, Bennett said

"One could not hope for a better business partner," Bennett said "After exhaustive due diligence and endless questioning, Aubrey develops a very clear understanding of the business After he makes a decision to invest he moves forward providing creative, positive, additive input and supports the company in any way he can His personal connection to the company and its people is more important than the financial investment "

Bennett said the year since Professional Basketball Club bought the Sonics, along the WBNA's Seattle Storm, has not been all that easy

"Our experience in Seattle with our investment in the SuperSonics and Storm has had many challenges," Bennett said "That said, we are as committed as ever to a successful outcome We have a diverse and extremely talented ownership group Aubrey has helped define who we are and how we approach the remarkable demands of this dynamic and highly competitive business. His support of our process and of me personally is something I will always be grateful for

""He inspires by example," Bennett continued "He is constantly thinking ahead and aspires to do everything at the highest level In his interactions with those around him be it business or personal, he always challenges to think bigger and better and for the long term "

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

McClendon said the future of the team is in the hands of the city leadership of Seattle.

"They've got 60 days to make some decisions they haven't been willing to make in the past year, and if they make them in a way that satisfies Clay, then the team will stay there," he said "If they don't meet the requirements he's laid out, the team will move and Clay has indicated they'll come to Oklahoma City. "

Basketball is more than an investment for McClendon He could be seen on many occasions on Hornets telecasts, pumping an arm in the air and cheering on the then-local club

"I've had good seats," McClendon grinned. "I've now been really caught up in the excitement of the (Sonics) because there is a certain stamp of 'we've arrived,' and the people of Seattle kind of look down their nose at us and think these guys are trying to climb the civic ladder. They take pride in Seattle not needing a NBA team to be considered a world-class city That's probably true, they don't But I think for Oklahoma City to distance itself from other midsize cities, I think enthusiastic support of a well-run, successful NBA team says a lot about the spirit of this community We've got a can-do spirit and we've got a fan base that's turned out. This is a sports town; nobody ever knew it was a pro sports town. I think it is "

McClendon got involved in NBA ownership when civic leaders here wanted to hang on to the Hornets, who played two seasons here after Hurricane Katrina forced a move out of New Orleans

"When I first heard about it I was in New York and got a phone call from Clay and (Mayor) Mick Cornett," McClendon said. "They said we had a chance to get the Hornets I probably was immediately (doubtful) of our chances, just figuring there would be another city that would snatch the team away. But I also thought 'why not us?' If the league was going to serious consider us, I knew Clay and Mick working together could be pretty powerful in bringing a team to town "

Chesapeake became a "pioneer" sponsor

"Tom Ward (Chesapeake president at the time) was probably a bigger basketball enthusiast then, but when Clay called and asked if I'd be interested, I said sure, and told him Tom would probably be interested as well," McClendon said "We thought it would be a great employee perk to grab some tickets. Later, after the first year, we began to get more serious about buying the Hornets from Mr (George) Shinn, and for a while we thought we'd be able to "

After a taste of the NBA, Bennett, McClendon, Ward and others in the group wanted more.

"We started to look around, and at that time the Sonics were going through some ownership challenges in Seattle," McClendon said. "So Clay, very artfully and skillfully, put himself in the middle of those discussions and to the great amazement and surprise to everyone in Seattle, some rednecks from Oklahoma, which we've been called, made off with the team. At any rate I'm pleased to be part of the ownership group and Clay has done a terrific job of managing the process "

McClendon said the team would probably make more money if it stayed in Seattle

"But we didn't buy the team to keep it in Seattle; we hoped to come here," he said. "We know it's a little more difficult financially here in Oklahoma City, but we think it's great for the community and if we could break even we'd be thrilled "

Bennett said McClendon's participation is felt on many levels of local sports and business, and he's also a good friend.

"I really enjoy our social time together - golf outings, sporting events around the country, OU football games," Bennett said "Aubrey is the all-time undisputed heavyweight champion of tailgating OU vs Kansas State at

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

Arrowhead Stadium for the 2000 Big 12 Championship was a performance that will never be equaled He is very inclusive and generous with his friends."

Blue Devil billionaire fosters beloved school

OKLAHOMA CITY - Duke University in Durham, N.C., has benefited greatly from its relationship with Aubrey McClendon.

McClendon and his wife, Katie, have always been grateful for the experience and have expressed so in the form of millions of dollars in donations to the school

Ralph Eads, president of Houston-based Jefferies Randal & Dewey, which advises the oil and gas industry on mergers and acquisitions, was a classmate of McClendon's at Duke, and said the oil and gas leader never loses touch with his alma mater

Eads and McClendon met at a campus party

"I recall being struck by his inquisitive nature," Eads said "He always wanted to know everything you knew as rapidly as possible We had many classes together, and Aubrey was tough competition. He was a strong student, but he was also lots of fun. "

Eads said one of his favorite memories of McClendon involved Big Brothers

"Aubrey and I were Big Brothers to 10-to-14-year-olds while at Duke, and Aubrey has maintained a 25-year relationship with (his Little Brother) Terry and helped him through some tough times, including a prison term," Eads said "Terry has now made a pretty good life for himself, and Aubrey's involvement has contributed significantly to that

Eads said McClendon "possesses a rare combination of intellect, energy and determination. I still get e-mails from him at 5 a m. on Sundays. "

Two of McClendon's children attend Duke

Last year, when Duke lacrosse players were accused of rape, McClendon got involved in their defense

McClendon's oldest son, Jack, joined a fraternity that included lacrosse players. McClendon said he had an investigation of his own and concluded the players were innocent

"I ended up paying a good bit of the legal expenses the boys incurred," he said "Some of them weren't well-positioned to handle those "When Duke was runner-up in the NCAA Lacrosse Championship, another Duke grad ran an ad in USA Today congratulating the team McClendon liked the idea

"You can image the tumultuous year all these guys had," he said. "They knew three were going to be indicted, and for over a month, each one of them every day went about their lives, verbally assaulted by fellow students and by professors on campus They were verbally assaulted by people inside the community, and groups outside the community I wanted to do something to celebrate their achievement so I contacted the Duke graduate who put ad in USA Today and I asked him if I could run it in some other newspapers and slightly modify it I got 99-percent positive response back "

McClendon said he spent thousands on ads but added that it was all worth it

"These players were better representatives of the school than the administration of the school," he said

Hard work, luck make billions for Oklahoma executive The Journal Record (Oklahoma City, OK) August 13, 2007 Monday

Aubrey McClendon describes self as born geography buff, average golfer

OKLAHOMA CITY - Aubrey McClendon is accustomed to working long hours, but he also gets his time away and generally makes the best of it

"I have a group of friends I hang out with," he said "In town, Clay Bennett is probably my best friend Ralph Eads, a Duke classmate, is probably my best friend out of town I have lots of friends and I like to think I pitch a big tent with a lot of different kinds of friends and enjoy my friendships quite a bit "

Locally, McClendon can occasionally be seen on the links

"I play a little bit of golf, but not all that well," he said "I enjoy getting out with the boys "

The McClendon family doesn't take vacations he would see as exotic

"I like traveling with my family," he said "I'm a geography buff, so I like to take the kids to different places In June this year I took my youngest son, William, on a weeklong car ride in California We rented a convertible Mustang, never put the top up and had a big time."

He spends some of his free time outdoors

"In the winter time I like to snowmobile in Minnesota," he said "And I love to long-distance Jet Ski down rivers, ocean waters and the Great Lakes You get to see things you can't see from afar "

It all comes from a background in geography

"I must've just been born with that," he said. "Some people are born with art or science influence; I've always liked places and geography. I remember anytime I went on a car trip with my folks I was always fascinated and looked at a map My kids and wife make fun of me because I take a map on every trip I go on I like to see where I am and see where I might be able to go "

Money obviously would never be an object when it comes to vacations, but McClendon said he normally goes the simple route

"I am not an exotic place-going guy," he said "I've never been to Asia, Africa, and Australia and I've been very few places in Europe I'm as parochial of a guy as you'll find One reason is that there's a lot to see in the U S and I've been satisfied with that Maybe I'll go to India or China or Australia someday, but I haven't had the opportunity "

LOAD-DATE: August 14, 2007

## Exhibit F

The Honorable Marsha J Pechman 1 2 3 4 5 б 7 8 UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON 9 10 CITY OF SEATTLE, a first-class charter city, 11 No. C07-1620MJP Plaintiff, 12 DEFENDANT'S RESPONSES TO ٧. PLAINTIFF'S FIRST SET OF REQUESTS 13 FOR PRODUCTION OF DOCUMENTS THE PROFESSIONAL BASKETBALL CLUB,) LLC, an Oklahoma limited liability company, 14 Defendant. 15 Defendant The Professional Basketball Club, LLC responds to Plaintiff's First Set of 16 17 Requests for Production of Documents as follows: 18 **GENERAL OBJECTIONS** Defendant objects to the extent the requests seek to impose burdens and 19 1 20 obligations beyond those permitted by the applicable rules A mutually agreeable protective order may be required for some of the material. 21 2. Defendant anticipates completing production of responsive documents by not 22 3. 23 later than February 8, 2008. 24 25 26 BYRNES & KELLER III DEFENDANT'S RESPONSES TO PLAINTIFF'S FIRST SET OF 38TH FLOOR REQUESTS FOR PRODUCTION OF DOCUMENTS (C07-1000 SECOND AVENUE 1620MJP) - 1 SEATTLE WASHINGTON 98104 (206) 622-2000

7

10

17

20

26

23

## REQUESTS FOR PRODUCTION

**REQUEST FOR PRODUCTION NO. 1.** Please produce a true, correct, accurate and complete copy of all documents that relate to the Professional Basketball Club's ("PBC's") purchase of the Seattle SuperSonics (the "Sonics"), including but not limited to the following:

- (a) the purchase agreement;
- (b) all documents generated during the due diligence process leading to the purchase of the Sonics, including but not limited to any reports prepared by third-parties that were provided to PBC; and
- (c) all documents that refer or relate to the valuation and financial performance of the Sonics, including operating expenses, operating revenue and operating losses

**RESPONSE:** Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced.

**REQUEST FOR PRODUCTION NO. 2.** Please produce a true, correct, accurate and complete copy of all documents that relate to the Premises Use and Occupancy Agreement (the "Lease") entered into between the City of Seattle and SSI Sports, Inc., and subsequently assumed by The Basketball Club of Seattle and PBC, including but not limited to the following:

- (a) documents that refer or relate to PBC's obligations under the Lease;
- (b) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any official, employee or representative of Oklahoma City concerning the Lease;
- (c) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any employee or representative of the Ford Center in Oklahoma City, including but not limited to employees or representatives of SMG, the property management group that manages the Ford Center, concerning the Lease; and

1

7

13

15

14

16 17

18

19 20

21

23

22

24 25

26

(d) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any employee or representative of the National Basketball Association ("NBA") concerning the Lease

**RESPONSE:** Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 3. Please produce a true, correct, accurate and complete copy of all documents that reflect or constitute communications between PBC, including its attorneys, agents, employees and representatives, and any former owner(s) of the Sonics, including attorneys, agents, employees and representatives of any former owner(s).

**RESPONSE:** Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 4. Please produce a true, correct, accurate and complete copy of all documents that relate to the financial performance of the Sonics, under both past and current ownership, including but not limited to profit and loss statements, financial projections and pro formas.

**RESPONSE:** Defendant restates its general objections Without waiving said objections and subject to them, responsive documents will be produced

REQUEST FOR PRODUCTION NO. 5. Please produce a true, correct, accurate and complete copy of all documents submitted to the NBA by the owners or representatives of the Sonics, including under both past and current ownership, that reflect the financial performance of the Sonics.

**RESPONSE:** Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced.

1
2

REQUEST FOR PRODUCTION NO. 6. Please produce a true, correct, accurate and complete copy of all documents that relate to projected attendance at Sonics home games during the 2007-08 season, including but not limited to the following:

- documents that relate to the effect that the departure of Ray Allen and/or Rashard (a) Lewis from the Sonics would have on attendance;
- documents that relate to marketing campaigns to promote the Sonics and/or ticket (b) sales; and
- documents that relate to the impact that a possible relocation of the team would (c) have on attendance and/or ticket sales.

RESPONSE: Defendant restates its general objections and objects further that the request is vague. Without waiving said objections and subject to them, defendant will produce documents projecting, or discussing projected, attendance for games during the 2007-2008 season.

REQUEST FOR PRODUCTION NO. 7. Please produce a true, correct, accurate and complete copy of all documents that relate to efforts to secure financing for a new arena in Washington State, including but not limited to:

documents that reflect or constitute communications between PBC, including its (a) attorneys, agents, employees, representatives and lobbyists, and any representative of the Washington Legislature, including elected representatives, legislative staff (including committee staff, employees of the Legislature, and employees of elected representatives); and

23

documents that reflect or constitute communications between PBC, including its (b) attorneys, agents, employees, representatives and lobbyists, and the office of Governor Christine Gregoire, including Governor Gregoire personally and members of her staff.

24 25

26

RESPONSE: Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced

Page 29 of 34

7

5

12

10

18

26

**REQUEST FOR PRODUCTION NO. 8.** Please produce a true, correct, accurate and complete copy of all documents that relate to the possible relocation of the Sonics from KeyArena and/or the City of Seattle, including but not limited to the following:

- (a) documents constituting, regarding or relating to the assessment of potential alternative venues for Sonics home games, including Renton, Washington; Bellevue, Washington; and Oklahoma City, Oklahoma;
- (b) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any official, employee or representative of Oklahoma City concerning the possible relocation of the Sonics to Oklahoma City;
- (c) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any employee or representative of the Ford Center in Oklahoma City, including but not limited to employees or representatives of SMG, the property management group that manages the Ford Center, concerning the possible relocation of the Sonics to Oklahoma City; and
- (d) documents that constitute or reflect communications between PBC, including its attorneys, agents, employees and representatives, and any employee or representative of the NBA concerning the possible relocation of the Sonics to Oklahoma City.

  RESPONSE: Defendant restates its general objections and objects further to the production of documents post-dating November 1, 2007, which is the time when the PBC began relocation discussions with Oklahoma City—Notwithstanding such objection, documents following that date will be produced to the extent they are responsive to other requests.

REQUEST FOR PRODUCTION NO. 9. Please produce a true, correct, accurate and complete copy of all documents that relate to the formation of PBC, including any prospectus, incorporation documents, and communications with actual and possible investors.

]
5
]
(
(
1
THE PARTY OF THE P

RESPONSE: De	fendant restates its general	objections. Without	waiving said	objections a	ınd
subject to them, re	esponsive documents will b	e produced			

REQUEST FOR PRODUCTION NO. 10. Please produce a true, correct, accurate and complete copy of all documents that relate to the benefits, both financial and non-economic, derived by the City of Oklahoma City as a result of the New Orleans Homets playing home games in Oklahoma City.

**RESPONSE:** Defendant restates its general objections. Without waiving said objections and subject to them, responsive documents will be produced.

REQUEST FOR PRODUCTION NO. 11. Please produce a true, correct, accurate and complete copy of all documents that relate to the benefits, both financial and non-economic, derived by the City of Seattle as a result of the Sonics playing home games in Seattle RESPONSE: Defendant restates its general objections and objects further that the request is vague. Without waiving said objections and subject to them, responsive documents will be produced.

17 18

19

20

21

22

23

24

REQUEST FOR PRODUCTION NO. 12. Please produce a true, correct, accurate and complete copy of all documents that relate to the projected or expected benefits, both financial and non-economic, to be derived by Oklahoma City as a result of the possible relocation of the Sonics to Oklahoma City.

**RESPONSE:** Defendant restates its general objections and objects further that the request is vague. Without waiving said objections and subject to them, responsive documents will be produced.

25

26

1	REQUEST FOR PRODUCTION NO. 13. Please produce a true, correct, accurate and
2	complete copy of all tax returns and related work papers prepared by or on behalf of PBC
3	regarding or relating to PBC's ownership of the Sonics.
4	RESPONSE: Defendant restates its general objections Without waiving said objections and
5	subject to them, responsive documents will be produced.
6	
7	REQUEST FOR PRODUCTION NO. 14. Please produce a true, correct, accurate and
8	complete copy of all documents reflecting any tax benefits accruing to the principals of PBC as a
9	result of their ownership interest in the Sonics
10	RESPONSE: Defendant restates its general objections. Without waiving said objections and
11	subject to them, responsive documents will be produced
12	
13	REQUEST FOR PRODUCTION NO. 15. Please produce a true, correct, accurate and
14	complete copy of all documents reflecting or relating to volunteer or charitable work done by or
15	related to the Sonics team for the last five years, including but not limited to volunteer or
16	charitable work done by Sonics employees, players, management, agents and/or representatives
17	RESPONSE: Defendant restates its general objections. Without waiving said objections and
18	subject to them, responsive documents will be produced.
19	
20	RESPONSES DATED this 30th day of January, 2008
21	BYRNES & KELLER LLP
22	
23	By: 71/
24	Bradley S. Keller, WSBA #10665 Paul R. Taylor, WSBA #14851
25	Byrnes & Keller LLP 1000 Second Avenue, 38th Floor
26	Seattle, WA 98104 Telephone:(206) 622-2000
	70.5p.no.no.(200, 522 200)

DEFENDANT'S RESPONSES TO PLAINTIFF'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS (C07-1620MJP) - 7

BYRNES & KELLER III 38TH FLOOR 1000 SECOND AVENUE SEATTLE WASHINGTON 98104 (206) 022-2000

DEFENDANT'S RESPONSES TO PLAINTIFF'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS (C07-1620MJP) - 8

BYRNES & KELLER III 38TH FLOOR 1000 Second Avenue SEATTLE WASHINGTON 98104 (206) 622-2000

bkeller@byrneskeller.com ptaylor@byrneskeller.com

1

2 3

4 5

6

7 8

9

10 11

12

13

14

15 16

17

18

19

20

21

22

23 24

25

26

CERTIFICATE OF SERVICE

The undersigned attorney certifies that on the 30th day of January, 2008, a true copy of the foregoing pleading was served upon the following individuals:

### **VIA HAND DELIVERY**

Thomas A. Carr (thomas carr@seattle.gov) Seattle City Attorney 600 Fourth Avenue, 4th Floor P.O Box 94769 Seattle, WA 98124-4769

Slade Gorton (slade gorton@klgates.com)
Paul J. Lawrence (paul.lawrence@klgates.com) Jeffrey C. Johnson (jeff.johnson@klgates com) K&L Gates 925 4th Avenue, Suite 2900 Seattle, WA 98104

Paul R. Taylor, WSBA #14851

VILIN

Byrnes & Keller LLP

1000 Second Avenue, 38th Floor

Seattle, WA 98104

Telephone: (206) 622-2000 Facsimile: (206) 622-2522

DEFENDANT'S RESPONSES TO PLAINTIFF'S FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS (C07-1620MJP) - 9

BYRNES & KELLER III 38TH F1.008 1000 SECOND AVENUE SEATTLE WASHINGTON 98104 (208) 022-2000