Ex Microsoft CEO Ballmer Buying Clippers for $2B

Tami Abdollah, Associated Press

LOS ANGELES (AP) — Former Microsoft CEO Steve Ballmer has agreed to buy the Los Angeles Clippers for a record-breaking $2 billion. Now it's up to others whether the deal goes through.

Shelly Sterling said in a statement issued late Thursday that she'd signed a binding contract for a sale of the Clippers by The Sterling Family Trust to Ballmer in what would be a record deal if approved by the NBA.

Ballmer "will be a terrific owner," Sterling said, "We have worked for 33 years to build the Clippers into a premier NBA franchise. I am confident that Steve will take the team to new levels of success."

Sterling negotiated the sale after her husband, Donald Sterling, made racist remarks that were made public. The remarks included Sterling telling girlfriend V. Stiviano not to bring blacks to Clippers games, specifically mentioning Hall of Famer Magic Johnson.

Shelly Sterling's statement noted that she made the deal "under her authority as the sole trustee of The Sterling Family Trust, which owns the Clippers." Donald Sterling's attorneys contend that he is a co-owner and therefore must give his assent for the deal to go through. They also say he won't be giving it.

"Sterling is not selling the team," said his attorney, Bobby Samini. "That's his position. He's not going to sell."

Ballmer beat out bids by Guggenheim Partners and a group including former NBA All-Star Grant Hill after presenting an "all-around superior bid," according to an individual with knowledge of the negotiations. The individual, who wasn't authorized to speak publicly, said Ballmer made more than an hour-long personal visit to Shelly Sterling's Malibu home Sunday and laid out his plan.

"He knocked their socks off, they bonded, had a good connection," the individual said. The amount was also the largest of the offers, and Ballmer was one potential buyer to deal with rather than numerous members of a group.

Ballmer said in a statement that he is honored to have his name submitted to the NBA for approval and thanked the league for working collaboratively with him throughout the process.

"I love basketball. And I intend to do everything in my power to ensure that the Clippers continue to win — and win big — in Los Angeles," Ballmer said. "LA is one of the world's great cities — a city that embraces inclusiveness, in exactly the same way that the NBA and I embrace inclusiveness."

On Thursday, Magic Johnson lauded the deal on his Twitter account: "Steve Ballmer owning the Clippers is a big win for the City of LA and all the people who live in the City of Angels!"

Though Donald Sterling's attorneys now say he won't agree to sell the team, a May 22 letter obtained by The Associated Press and written by another of Sterling's attorneys that says that "Donald T. Sterling authorizes Rochelle Sterling to negotiate with the National Basketball Association regarding all issues in connection with a sale of the Los Angeles Clippers team." It includes the line "read and approved" and Donald Sterling's signature.

Samini said Sterling has had a change of heart primarily because of "the conduct of the NBA." He said NBA Commissioner Adam Silver's decision to ban Sterling for life and fine him $2.5 million as well as to try to oust him as an owner was him acting as "judge, jury and executioner."

"They're telling me he should stand back and let them take his team because his opinion on that particular day was not good, was not popular?" Samini said. "It doesn't make sense. He's going to fight."

It's unclear how the agreement will affect a special hearing of NBA owners planned for Tuesday in New York to consider the charge against Donald Sterling for damaging the league with his comments. A three-quarters vote of the 30 owners to support the charge would have resulted in the termination of both Sterlings' ownership of the franchise. The deal is expected to be presented to the league before Tuesday, according to the individual.

Silver has said his preference would be for the franchise to be sold rather than seized — and that means sold in its entirety, with neither Sterling retaining a stake. Though according to the deal's terms Ballmer will own 100 percent of the team, Shelly Sterling may continue to be involved under conditions worked out privately with Ballmer, the individual said.

Franchise sale prices have soared since the current collective bargaining agreement was ratified in 2011. The Milwaukee Bucks were just sold to New York investment firm executives Marc Lasry and Wesley Edens for about $550 million, an NBA record.

Last year, Vivek Ranadive's group acquired a 65 percent controlling interest in the Sacramento Kings at a total franchise valuation of more than $534 million.

This is not Ballmer's first foray into potential NBA ownership. Ballmer and investor Chris Hansen headed a group that agreed to a deal to buy the Kings from the Maloof family in January 2013 with the intention of moving the team to Seattle, where the SuperSonics played until 2008.

But Sacramento Mayor Kevin Johnson lobbied the NBA for time to put together a bid to keep the team in California, and though the Ballmer-Hansen group later

increased its offer, owners voted to deny the bid for relocation and the Kings were sold to Ranadive.

The former Microsoft CEO helped Bill Gates transform the company from a startup with fewer than 40 employees and $12 million in annual revenue into the world's most valuable business. The pair met in 1973 while living down the hall from each other in a Harvard dorm.

During his tenure at Microsoft, Ballmer was known for his competitive drive and wild displays of emotion and hand-waving.

At his farewell address to Microsoft employees, he high-fived and hugged audience members, pumped his fists in the air, and even shed tears as the popular 1987 song "(I've Had) The Time of My Life" played on the sound system. In a video of the event widely viewed on YouTube, he screams: "You work for the greatest company in the world!"

AP Basketball Writer Brian Mahoney contributed to this report.

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