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DONALD T. STERLING

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

BC552470

DONALD T. STERLING, an individual;

Plaintiff,

vs.

ROCHELLE H. STERLING, an individual;
LAC BASKETBALL CLUB, INC., a
California corporation; ADAM SILVER, an
individual; NATIONAL BASKETBALL
ASSOCIATION; a New York professional
association, and DOES 1 through 50,

Defendants.

CASE NO.:

COMPLAINT FOR DAMAGES

1. Violation of Section 25401 of the California Corporations Code
2. Unfair Business Practices in Violation of Section 17200 of the California Business and Professions Code
3. Breach of Contract
4. Breach of Fiduciary Duty
5. Breach of the Implied Covenant of Good Faith and Fair Dealing
6. Fraud
7. Negligent Misrepresentation
8. Conversion
9. Intentional Infliction of Emotional Distress
10. Negligent Infliction of Emotional Distress
11. Injunction
12. Declaratory Relief

DEMAND FOR JURY TRIAL

**CONFORMED COPY
ORIGINAL FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES**

JUL 22 2014

**Sherri R. Carter, Executive Officer/Clerk
By: Amber Hayes, Deputy**

1 Plaintiff DONALD T. STERLING complains against Defendant(s), and each of them, as
2 follows:

3 **GENERAL ALLEGATIONS**

4 1. Plaintiff DONALD T. STERLING ("Plaintiff" or "Donald") is, and at all times herein
5 mentioned was, a resident of Los Angeles County, State of California.

6 2. Defendant ROCHELLE H. STERLING ("Defendant" or Shelly") is, and at all times
7 herein mentioned was, a resident of Los Angeles County, State of California.

8 3. Defendant NATIONAL BASKETBALL ASSOCIATION ("Defendants" or "NBA") is,
9 and at all times herein mentioned was, a professional association of basketball teams with thirty
10 franchised members. The principal place of business for the NBA is New York, New York, but
11 the NBA transacts business in Los Angeles, California.

12 4. Defendant ADAM SILVER ("Defendants" or "Silver") is, and at all times herein
13 mentioned was, a resident of the state of New York.

14 5. Defendant LAC BASKETBALL CLUB, INC. ("Defendants" or "LAC") is, and at all
15 times herein mentioned was, a California corporation for the NBA basketball team known as the
16 Los Angeles Clippers. The principal place of business for LAC is in Los Angeles, California.

17 6. Plaintiff does not know the true names and capacities of Defendants sued herein as DOES
18 1 through 50, and therefore sues Defendants by such fictitious names. Plaintiff will amend this
19 complaint to allege their true names and capacities when ascertained. Plaintiff is informed and
20 believes, and, based on such information and belief, claims each of the fictitiously named
21 Defendants is responsible in some manner for the injuries to Plaintiff alleged herein. Plaintiff
22 further alleges that his injuries were proximately caused by such Defendants, and each of them.

23 7. Plaintiff alleges that each of the Defendants was the agent, employee, director, officer,
24 member, partner, joint venturer, owner, shareholder, principal, successor, or predecessor in
25 interest of the remaining Defendants. In doing the things alleged below, each Defendant was
26 acting within the course and scope of his or her agency, employment, directorship, capacity as an
27 officer, member, partner, joint venturer, owner, shareholder, principal, successor, or predecessor
28 in interest of the remaining Defendants. Plaintiff further alleges that the acts and conduct

1 attributed to each Defendant were approved, ratified, authorized, and known to the remaining
2 Defendants, and each of them.

3 **FACTUAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

4 8. In 1981, Plaintiff purchased the Los Angeles Clippers Basketball team and subsequently
5 relocated the team from San Diego to Los Angeles.

6 9. Plaintiff is the owner and sole shareholder of LAC Basketball Club, Inc., ("LAC") a
7 franchise and private corporation that manages and runs the Los Angeles Clippers.

8 10. In 1998, Plaintiff transferred the asset and security known as LAC into the Sterling
9 Family Trust (the "Trust") such that the accompanying shares were also placed in the Trust.
10 Plaintiff remained the sole shareholder of LAC as the shares were held in the name of "Donald
11 T. Sterling."

12 11. On December 18, 2013, Plaintiff executed the Restatement of the Trust at the behest of
13 his wife Shelly. It is undisputed that attorneys with the firm of Greenberg Glusker helped
14 Defendant prepare the Restatement of the Trust in December 2013.

15 12. On April 25, 2014, the tape of a private conversation between Donald Sterling and V.
16 Stiviano was leaked to TMZ. Thereafter, TMZ initiated broadcasting of the illicit audiotape.

17 13. On April 29, 2014, NBA Commissioner Adam Silver ("Silver") levied an unprecedented
18 fine of \$2.5 million on Plaintiff, announced a lifetime NBA ban on Plaintiff, and further
19 announced a vote by the NBA board of governors to terminate Plaintiff's ownership of the
20 Clippers by June 3, 2014.

21 14. On May 12, 2014, Defendant met with Silver to discuss the penalties levied against
22 Plaintiff as well as the state of the Clippers in the aftermath of the leaked tape. Defendant and
23 Silver further discussed their options in terms of seeking to terminate Plaintiff's ownership
24 interest.

25 15. On May 15, 2014, Defendant induced Plaintiff to undergo PET and CT scans at Cedars-
26 Sinai Medical Center. Defendant falsely represented that the scans were for "routine" purposes.
27 This representation was in fact false and made with the intention to deceive and defraud and
28 remove Plaintiff as co-trustee of the Trust.

1 16. On May 19, 2014, Defendant induced Plaintiff to undergo an examination by Dr. Meril
2 Platzter. Again, Defendant falsely represented that the examination was for “routine” purposes
3 and failed to disclose that she intended to fraudulently use the examination as a basis to remove
4 Plaintiff as co-trustee of the Trust.

5 17. On May 22, 2014, Defendant induced Plaintiff to undergo an examination by Dr. James
6 Edward Spar, at which time Defendant represented the examination was for “routine” purposes.
7 Neither Defendant nor Spar explained the true purpose of the examination to Plaintiff. At the
8 time Plaintiff underwent the scans and examinations by Drs. Platzter and Spar, Plaintiff was
9 unaware of the falsity of Defendant’s representations.

10 18. On May 27, 2014, Dr. Spar released his report finding that Plaintiff was incapacitated
11 and incapable of running his affairs and serving as co-trustee of the Trust. Dr. Platzter waited to
12 release her report until May 29, 2014—two days after Dr. Spar had released his report, even
13 though her examination of Plaintiff occurred 3 days prior to Dr. Spar’s examination. Dr.
14 Platzter’s report predictably found that Plaintiff was incapacitated and incapable of running his
15 affairs and serving as co-trustee of the Trust.

16 19. On May 19, 2014, the NBA filed formal charges against Plaintiff. Plaintiff responded to
17 the charges filed by the NBA on May 27, 2014.

18 20. On May 29, 2014, Defendant executed a Binding Term Sheet (BTS) with Ballmer for the
19 sale of the Clippers for \$2 billion, in spite of her actual knowledge that Plaintiff was the sole
20 shareholder of LAC and that Plaintiff did not consent to the sale of the Clippers.

21 21. On May 30, 2014, Defendant executed an Irrevocable Proxy to the Commissioner of the
22 National Basketball Association (“NBA”), appointing the Commissioner as “sole and exclusive
23 true and lawful attorney and proxy . . . to vote or express consent or dissent . . . with respect to
24 any matter whatsoever relating to the Clippers . . . including, without limitation, to approve a
25 Transaction and any matters in connection therewith . . .” Moreover, on May 30, 2014, the NBA
26 and Defendant entered into a settlement agreement, whereby Defendant agreed to indemnify the
27 NBA against any suit brought by Plaintiff.

28 22. On May 30, 2014, Plaintiff sued the NBA in federal court for several causes of action,

1 including: denial of constitutional rights, breach of contract, antitrust violations, conversion, and
2 breach of fiduciary duties.

3 23. On June 3, 2014, the NBA Board of Governors was set to meet to potentially vote to
4 terminate Plaintiff's ownership interest in the Los Angeles Clippers; the vote was tabled until
5 resolution of the probate court matter between Plaintiff and Defendant.

6 24. On June 5, 2014, Pierce O'Donnell with Greenberg Glusker wrote to Darren Schield (the
7 controller of the Beverly Hills Properties), Doug Walton (in-house counsel for Beverly Hills
8 Properties) and all employees of Beverly Hills Properties that all were no longer able to write
9 any checks and/or transfer any funds or other assets at the request of Plaintiff, or else they would
10 be subject to immediate termination by the Trust which Shelly purportedly ran as the sole trustee.

11 25. On June 9, 2014, Plaintiff revoked the Trust in its entirety, thereby reverting the shares
12 of LAC back to himself as the sole shareholder. On June 11, 2014, Defendant filed her Petition
13 in probate court seeking confirmation of her acts as sole trustee of the Trust and requesting an
14 order from the court to approve of her sale of the Clippers to Ballmer.

15 26. While the shares of the Trust that Plaintiff holds are considered community property
16 under California law, Plaintiff remains the sole shareholder as evidenced by the manner in which
17 the shares are held (i.e. by title in the name of "Donald T. Sterling"). As such, and under the
18 California Corporations Code, Defendant has no right to vote the shares of LAC because they are
19 expressly and solely held by Plaintiff. As sole shareholder of LAC, Plaintiff has the right to
20 dispose of, sell, or retain the interest in LAC as he sees fit, irrespective of Defendant's
21 community property interest.

22 27. No written demand has been made on LAC for corrective action on the purported
23 Irrevocable Proxy executed by Defendants on May 30, 2014. A demand on LAC for corrective
24 action would have been futile, as Defendants already attempted transfer of corporate ownership.
25 The corporation, LAC, will not adequately pursue the matter of an illegal Irrevocable Proxy.
26 Waiting any period of time for LAC to take corrective action will result in irreparable injury to
27 LAC. LAC should have rejected the purported Irrevocable Proxy from Shelly Sterling to the
28 Commissioner of the NBA, and questioned Shelly's authority to sign the proxy appointment on

1 behalf of Donald Sterling, the sole shareholder and beneficial owner of the corporation.
2 Defendants are blocking Plaintiff's access to corporate facilities and documents, in complete
3 derogation of Plaintiff's statutory rights of inspection under Corporations Code section 1601.

4
5 **FIRST CAUSE OF ACTION**

6 **(Violation of Section 25401 of the California Business and Professions Code)**

7 **(Against All Defendants)**

8 28. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
9 the General Allegations and all previous paragraphs of all previous sections and Causes of
10 Action in this Complaint, inclusive, as though fully set forth herein.

11 29. Defendant, by engaging in the conduct described above, offered LAC for sale in the
12 state of California by means of both written and oral communications, which included untrue
13 statements of material facts and omitted to state material facts necessary in order to make the
14 statements made, in light of the circumstances under which they were made, not misleading.
15 The NBA acted in concert with Defendant to effectuate the fraudulent sale.

16 30. As a proximate result of the fraudulent conduct of Defendants as herein alleged,
17 Plaintiff has incurred damages, plus attorneys fees and costs, and additional amounts according
18 to proof at the time of trial, including interest.

19 **SECOND CAUSE OF ACTION**

20 **(Violation of Section 17200 of the California Corporations Code)**

21 **(Against All Defendants)**

22 31. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
23 the General Allegations and all previous paragraphs of all previous sections and Causes of
24 Action in this Complaint, inclusive, as though fully set forth herein.

25 32. On or about May 12, 2014, and continuing thereafter, Defendants as part of their
26 business practices, fraudulently induced Plaintiff to undergo medical examinations and scans in
27 order to deem him incapacitated to serve as a co-trustee of the Sterling Family Trust with the
28 intention of unilaterally selling the team to Ballmer. Defendant attempted to consummate a deal
struck with Ballmer for \$2 billion in May 2014 for the sale of LAC without the consent of
Plaintiff and without following the corporate rules outlined in LAC's bylaws. Defendant never

1 obtained the unanimous approval of LAC's board of directors, nor the explicit consent of
2 LAC's sole shareholder, Plaintiff, for the transfer of LAC to Ballmer. The NBA acted in
3 concert with Defendant to effectuate the fraudulent sale.

4 33. The business practices of Defendants are unlawful and fraudulent and violate California
5 law as alleged herein. Further, Defendants, and each of them, knew that their business practices
6 were unlawful and fraudulent.

7 34. As a direct and proximate result of the unfair business practices of Defendants as
8 alleged herein, Plaintiff has incurred damages, plus attorney's fees and costs.

9 **THIRD CAUSE OF ACTION**

10 **(Breach of Contract)**

11 **(Against Defendant)**

12 35. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
13 the General Allegations and all previous paragraphs of all previous sections and Causes of
14 Action in this Complaint, inclusive, as though fully set forth herein.

15 36. The Trust is considered a "contract" for purposes of California law. The fraudulent
16 effort to remove Plaintiff as a co-trustee not only breached the Trust agreement, but also
17 violated statutory requirements in the Corporations Code for operation of LAC.

18 37. On May 29, 2014, Shelly signed the Binding Term Sheet (BTS) with Steve Ballmer for
19 the sale of the Clippers for \$2 billion. Defendant's act was in violation of the Trust and a breach
20 of contract because: 1) Defendant was aware that Plaintiff was the sole shareholder of LAC; 2)
21 Plaintiff was not in agreement with a sale of the Clippers to Steve Ballmer; and 3) Defendant's
22 acts to remove Plaintiff as trustee were done with a fraudulent intent to deceive.

23 38. On May 30, 2014, Defendant executed a purported Irrevocable Proxy to the
24 Commissioner of the National Basketball Association ("NBA"), appointing the Commissioner as
25 "sole and exclusive true and lawful attorney and proxy . . . to vote or express consent or dissent .
26 . . . with respect to any matter whatsoever relating to the Clippers . . . including, without
27 limitation, to approve a Transaction and any matters in connection therewith . . ." The execution
28 of the purported Irrevocable Proxy was an additional breach of Defendant's contractual
relationship with Plaintiff in the 2013 Restatement of the Sterling Family Trust.

39. As a direct and proximate result of Defendant's breach of contract, Plaintiff has been
damaged in an amount to be proven at trial.

FOURTH CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Against All Defendants)

40. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the General Allegations and all previous paragraphs of all previous sections and Causes of Action in this Complaint, inclusive, as though fully set forth herein.

41. At all relevant times, Plaintiff was the sole shareholder of LAC. Defendant owed fiduciary duties against self-dealing, loyalty, to inform, and use due care with regard to LAC and Plaintiff. Defendant was obligated to act with the highest standard of good faith as to LAC and Plaintiff. Defendant could not obtain any advantage over LAC or Plaintiff with any misrepresentation, active concealment, or adverse pressure.

42. Defendant breached her fiduciary duties against self-dealing, loyalty, to inform, and use due care with regard to the sale of LAC and Plaintiff by going behind Plaintiff's back and deeming him incapacitated to serve as a co-trustee of the Sterling Family Trust with the intention of unilaterally selling the team to Ballmer. Defendant attempted to consummate a deal struck with Ballmer for \$2 billion in May 2014 for the sale of LAC without the consent of Plaintiff and without following the corporate rules outlined in LAC's bylaws. Defendant never obtained the unanimous approval of LAC's board of directors, nor the explicit consent of LAC's sole shareholder, Plaintiff, for the transfer of LAC to Ballmer. Defendant further breached her fiduciary duties by executing an Irrevocable Proxy with the NBA, on May 30, 2014.

43. As a direct and proximate result of defendant's breaches of fiduciary duties, Plaintiff has been damaged in an amount to be proven at trial.

FIFTH CAUSE OF ACTION

(Breach of Covenant of Good Faith and Fair Dealing)

(Against All Defendants)

44. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the General Allegations and all previous paragraphs of all previous sections and Causes of Action in this Complaint, inclusive, as though fully set forth herein.

45. At all relevant times, Plaintiff was the sole shareholder of LAC. Plaintiff and Defendant entered into the Sterling Family Trust agreement whereby each owed the other duties of good

1 faith and fair dealing. Plaintiff substantially performed all the significant items that the Trust
2 agreement required of him, yet Defendant did not perform her obligations by virtue of
3 deliberately and intentionally frustrating the purpose of the Trust by seeking to oust Plaintiff as
4 co-trustee and unilaterally sell the primary asset, LAC, to Ballmer without the consent of
Plaintiff and to Plaintiff's detriment.

5 46. Defendant has unfairly interfered with Plaintiff's right to receive various benefits under
6 the Trust, including the ability to retain ownership of the Clippers—a team Plaintiff has worked
7 to build and develop for over 33 years as the NBA's longest tenured owner.

8 47. Defendant violated and breached the covenant of good faith and fair dealing by
9 surreptitiously going behind Plaintiff's back and attempting to sell the Clippers to Ballmer
10 against Plaintiff's wishes to the detriment of Plaintiff.

11 **SIXTH CAUSE OF ACTION**

12 **(Fraud)**

13 **(Against All Defendants)**

14 48. Plaintiff re-alleges and incorporates by reference each and every allegation
15 contained in the General Allegations and all previous paragraphs of all previous sections and
Causes of Action in this Complaint, inclusive, as though fully set forth herein.

16 49. At the time Defendant induced Plaintiff to undergo PET and CT scans and medical
17 examinations by Drs. Platzer and Spar, Shelly intentionally misrepresented and failed to
18 disclose that the true purpose of these procedures was to remove Plaintiff as co-trustee of the
19 Trust. Defendant orchestrated a plan to surreptitiously go behind Plaintiff's back in order to
20 deem him incapacitated to serve as co-trustee of the Sterling Family Trust with the intention of
21 unilaterally selling the Clippers to Ballmer.

22 50. At all relevant times, Defendant acted to obtain an advantage over Plaintiff through
23 misrepresentations, active concealment and adverse pressure with regard to the sale of LAC.
24 Defendant further attempted to consummate a deal struck with Ballmer for \$2 billion in May
25 2014 for the sale of LAC, through active misrepresentations and without the consent of Plaintiff
26 and without following the corporate rules outlined in LAC's bylaws. Defendant never obtained
27 the unanimous approval of LAC's board of directors, nor the explicit consent of LAC's sole
28 shareholder, Plaintiff, for the transfer of LAC to Ballmer.

1 51. As a proximate result of the fraudulent conduct as herein alleged, Plaintiff has been
2 damaged in an amount to be proven at trial.

3 **SEVENTH CAUSE OF ACTION**

4 **(Negligent Misrepresentation)**

5 **(Against All Defendants)**

6 52. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
7 the General Allegations and all previous paragraphs of all previous sections and Causes of
8 Action in this Complaint, inclusive, as though fully set forth herein.

9 53. At the time Defendant induced Plaintiff to undergo PET and CT scans and medical
10 examinations by Drs. Platzer and Spar, Defendant misrepresented and failed to disclose that the
11 true purpose of these procedures was to remove Plaintiff as co-trustee of the Sterling Family
12 Trust. Once again, Defendant orchestrated a plan to surreptitiously go behind Plaintiff's back in
13 order to deem him incapacitated to serve as co-trustee of the Sterling Family Trust with the
14 intention of unilaterally selling the Clippers to Ballmer.

15 54. At all relevant times, Defendant acted to obtain an advantage over Plaintiff through
16 misrepresentations, active concealment and adverse pressure with regard to the sale of LAC.
17 Defendant further attempted to consummate a deal struck with Ballmer for \$2 billion in May
18 2014 for the sale of LAC, through active misrepresentations and without the consent of Plaintiff
19 and without following the corporate rules outlined in LAC's bylaws. Defendant never obtained
20 the unanimous approval of LAC's board of directors, nor the explicit consent of LAC's sole
21 shareholder, Plaintiff, for the transfer of LAC to Ballmer. Defendant's conduct, if not
22 intentional, was clearly and undoubtedly negligent.

23 55. As a proximate result of the fraudulent conduct as herein alleged, Plaintiff has been
24 damaged in an amount to be proven at trial.

25 **EIGHTH CAUSE OF ACTION**

26 **(Conversion)**

27 **(Against All Defendants)**

28 56. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
the General Allegations and all previous paragraphs of all previous sections and Causes of
Action in this Complaint, inclusive, as though fully set forth herein.

1 57. Defendant's attempt to sell the Clippers to Ballmer and terminate Plaintiff's ownership
2 interests constitutes an actual and substantial interference with Plaintiff's property rights.

3 58. Plaintiff is informed and believes that Defendant's conduct is intentional, willful,
4 malicious, and in conscious disregard of Plaintiff's property rights. Accordingly, Plaintiff
5 respectfully requests that the Court award punitive damages against all Defendants to punish
6 their wrongful conduct and deter it from occurring, again.

7 **NINTH CAUSE OF ACTION**

8 **(Intentional Infliction of Emotional Distress)**

9 **(Against All Defendants)**

10 59. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
11 the General Allegations and all previous paragraphs of all previous sections and Causes of
12 Action in this Complaint, inclusive, as though fully set forth herein.

13 60. Defendants have acted intentionally and recklessly with extreme and outrageous
14 conduct to cause Plaintiff severe emotional distress with regard to their collective effort at
15 forcing the sale of the Clippers against Donald's will.

16 61. Defendant's deliberate collaboration and collusion with the NBA, Commissioner Adam
17 Silver, and Steve Ballmer was extreme and outrageous conduct of a conspiratorial character that
18 unjustly deprived Plaintiff's ownership interest in LAC and the Sterling Family Trust, all of
19 which caused Plaintiff severe emotional distress.

20 62. The collaborative and conspiratorial conduct by Defendant vastly exceeds the
21 parameters of any contractual relationship. Defendant's intentional misconduct was extreme
22 and outrageous behavior that inflicted severe emotional distress on Plaintiff.

23 63. Accordingly, Plaintiff respectfully requests that the Court award punitive damages
24 against all Defendants to punish their wrongful conduct and deter it from occurring, again.

25 **TENTH CAUSE OF ACTION**

26 **(Negligent Infliction of Emotional Distress)**

27 **(Against All Defendants)**

28 64. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
the General Allegations and all previous paragraphs of all previous sections and Causes of
Action in this Complaint, inclusive, as though fully set forth herein.

1 65. Defendants' conduct, if not intentional, was clearly negligent with regard to their
2 collective and collusive efforts at forcing the sale of the Clippers against Plaintiff's will, thereby
3 causing him to suffer severe emotional distress.

4 66. Defendants, and each of them, knew the sensitive situation involving the "forced sale"
5 of the Clippers scheduled by the NBA. Defendants used a feigned concern with Plaintiff's
6 health to engage the subterfuge of two "examinations" by hand-picked doctors to purge Plaintiff
7 from his position as co-trustee of the Sterling Family Trust.

8 67. Defendants' reckless and abusive conduct was in complete and utter disregard of
9 Plaintiff's psychological, financial, and emotional and attachment to a team he owned for 33
10 years, which resulted in the infliction of severe emotional distress.

11 **ELEVENTH CAUSE OF ACTION**

12 **(Injunction)**

13 **(Against All Defendants)**

14 68. Plaintiff re-alleges and incorporates by reference each and every allegation contained in
15 the General Allegations and all previous paragraphs of all previous sections and Causes of
16 Action in this Complaint, inclusive, as though fully set forth herein.

17 69. Defendant is a co-trustee of the Sterling Family Trust, which formerly held LAC in
18 trust. Defendant is attempting to usurp Plaintiff's interest in LAC by unilaterally selling LAC's
19 shares to Ballmer. Defendant's unilateral attempt at the sale of LAC shares to Ballmer is
20 without the consent of the sole shareholder of record, Plaintiff, or the board of directors of LAC.
21 The sole shareholder of record was denied the right to sell his shares. As the sole shareholder,
22 Plaintiff retained the right to withhold his shares and refused to sell the team to Ballmer.

23 70. Based upon Defendant's past malfeasance and breach of her fiduciary duty as a co-
24 trustee of the Sterling Family Trust, there is reason to believe Ballmer will soon purchase LAC
25 and thereby deprive Plaintiff of the business opportunity to retain ownership of LAC and/or
26 seek out additional bids for the team at some point in the future if Plaintiff so desired.

27 71. Issuing an injunction that freezes Defendant's sale of LAC to Ballmer is necessary to
28 preserve the status quo, in addition to preserving the jurisdiction of this Court.

72. No harm will ensue through the issuance of such an injunction because it will only
freeze the transaction at issue, pending a determination by this Court as to the parties' respective

1 rights. In contrast, if such relief is not granted, Plaintiff will suffer irreparable harm as he will
2 have lost ownership of one of the 30 professional basketball teams in North America.

3 73. Because Plaintiff has a high likelihood of success on the facts alleged, particularly
4 insofar as the need for restraining Defendant's attempt at disposing of LAC under her
5 unauthorized and unilateral sale of the team to Ballmer, all of the elements of injunctive relief
6 are present.

7 **TWELFTH CAUSE OF ACTION**

8 **(Declaratory Relief)**

9 **(Against All Defendants)**

10 74. Plaintiff re-alleges and incorporates by reference each and every allegation contained
11 in the General Allegations and all previous paragraphs of all previous sections and Causes of
12 Action in this Complaint, inclusive, as though fully set forth herein.

13 75. An actual controversy has arisen and now exists between Plaintiff and Defendant
14 concerning Defendant's purported sale of LAC to Ballmer in violation of her fiduciary duties
15 owed to LAC and Plaintiff. Moreover, Defendant has failed to adhere to the corporate
16 formalities under the Corporations Code and LAC's bylaws with regard to her attempt at
17 effectuating a sale of LAC to Ballmer.

18 76. Under the bylaws and pursuant to the California Corporations Code, Defendant was to
19 receive explicit authorization and a unanimous vote from the board of directors authorizing her
20 to sell the shares of LAC to Ballmer. Corporations Code section 702(a) states that the shares
21 must be in the trustee's name in order to vote the shares. Defendant has no such authority to
22 sell the shares of LAC as they are held in Plaintiff's name alone and Defendant's unilateral
23 attempt to do so is unlawful and in direct violation of the Corporations Code.

24 77. This Court is respectfully requested to determine that the purported Irrevocable Proxy
25 from Defendant to the Commissioner of the NBA, attached as Exhibit E to the Settlement and
26 Release Agreement, is void ab initio. Defendant and the "Sterling Parties" identified in the
27 purported Irrevocable Proxy had no shares in LAC Basketball Club, Inc., to support the
28 purported proxy to the Commissioner of the NBA. Plaintiff was, and is, the sole shareholder of
LAC Basketball Club, Inc. Only a shareholder of record can execute a proxy. Furthermore,
Defendant stipulated on June 30, 2014, to the "capacity" of Plaintiff. Regardless of Defendant's
erroneous assertion in the Irrevocable Proxy of May 30, 2014, that she was sole successor

trustee of the Sterling Family Trust, the court is respectfully requested to determine that Defendant had no shares of record to make the Commissioner of the NBA a proxy.

78. This Court should therefore determine those several rights, duties, and obligations of the parties concerning Defendant's unlawful and purported sale of LAC to Ballmer, and issue a declaration setting forth the obligations of Plaintiff and Defendant therein.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a Trial by Jury on all Causes of Action and claims asserted herein.

WHEREFORE, Plaintiff prays for relief as set forth below.

PRAYER FOR RELIEF

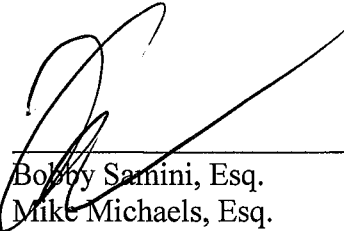
WHEREFORE, plaintiff prays judgment against defendants and each of them:

1. For actual damages according to proof at trial;
2. For exemplary and punitive damages;
3. For prejudgment interest;
4. For reasonable attorneys' fees;
5. For costs of suit incurred herein; and
6. For such other and further relief as the court may deem proper.

SAMINI SCHEINBERG, P.C.

Dated: July 22, 2014

By:


Bobby Samini, Esq.
Mike Michaels, Esq.
Matthew M. Hoesly, Esq.
Attorneys for Plaintiff,
DONALD T. STERLING