WACHTELL, LIPTON, ROSEN & KATZ

SUMMARY REPORT OF INDEPENDENT INVESTIGATORS CONCERNING THE LA CLIPPERS AND KAWHI LEONARD

SEPTEMBER 2, 2026

EXECUTIVE SUMMARY

On September 3, 2025, the podcast *Pablo Torre Finds Out* produced the first in a series of episodes alleging that the LA Clippers (the "Clippers") and its owner Steve Ballmer violated the salary cap circumvention rules of the National Basketball Association (the "NBA" or the "League") through dealings with Aspiration Partners ("Aspiration"), a now-bankrupt sustainability services company. Among other things, the episode: (i) revealed the existence of a four-year, $28 million endorsement agreement between Aspiration and Clippers player Kawhi Leonard, (ii) asserted that the agreement was never publicly announced and that Mr. Leonard performed no services under it, and (iii) aired portions of an audio interview with an anonymous person asserted to be a former employee of Aspiration who alleged that the agreement's purpose was "to circumvent the salary cap." Shortly after the episode's release, the League hired Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton") to investigate the alleged wrongdoing. In the intervening months, the investigation's scope expanded to cover additional endorsement agreements and other potential improprieties.

The investigation finds that the Clippers organization violated the circumvention rules in numerous independent ways by (i) affirmatively initiating off-court income opportunities between Mr. Leonard and four different companies doing business with the team: Aspiration, Boingo Wireless ("Boingo"), Daktronics, and Lockton Insurance ("Lockton"), (ii) facilitating the consummation of endorsement agreements between each of these companies and Mr. Leonard, including in some cases by participating in the development and communication of deal terms, (iii) inducing the companies to enter into these agreements by offering and providing them with business from the Clippers, (iv) paying expenses on behalf of Mr. Leonard and his representatives not authorized by League rules, and (v) failing to report improper solicitations for off-court income opportunities made by Mr. Leonard's uncle and business manager, Dennis Robertson. The pattern of conduct reflected here—involving four separate arrangements sharing many common characteristics—further demonstrates the clear violations of NBA rules set forth in this report.

The Clippers' most senior executives—President of Business Operations Gillian Zucker and President of Basketball Operations Lawrence Frank—are primarily and directly culpable for this misconduct. In addition, Steve Ballmer, owner of the Clippers and its affiliates, knowingly sought to help Mr. Leonard obtain off-court income opportunities and, in at least one instance, engaged in a significant act of team facilitation. Mr. Ballmer also failed to create conditions under which his organization abided by the NBA's circumvention rules—an especially egregious lapse because the Clippers are a prior offender of those rules and were previously and specifically investigated by the NBA with respect to Mr. Leonard.

Mr. Leonard, through the conduct of Mr. Robertson on his behalf, violated the circumvention rules by pressuring the Clippers to assist him in obtaining off-court income opportunities, successfully obtaining those opportunities, and failing to reimburse payments by the Clippers for personal expenses.

THE INVESTIGATIVE PROCESS

As part of its investigation, Wachtell Lipton conducted 73 interviews of 60 people, including Mr. Ballmer, Ms. Zucker, Mr. Frank, Mr. Leonard, Mr. Robertson, former Aspiration principals and executives, and others within and outside the Clippers organization, and attempted to interview many others. The scope of the investigation expanded over time, and the individuals interviewed (or attempted to be interviewed) correspondingly expanded to include people connected to other companies, including Boingo, Daktronics, and Lockton. Investigators also reviewed more than 200,000 pages of documents obtained from individuals and organizations, including the Clippers, Mr. Ballmer's personal business office, Aspiration, and many others. Because the investigation involved substantial complexity, Wachtell Lipton consulted with the NBA and numerous subject matter experts to assist in understanding the information it received.

The NBA imposed no limitations on the scope or timeline of the investigation, and instructed Wachtell Lipton to do what was necessary to uncover all relevant facts. Nonetheless, investigators endeavored to conduct their work as expeditiously as possible. This effort was challenged by, among other things, the approach of the Clippers and their outside counsel, who at times delayed in responding to requests for information and operated in an adversarial or obfuscatory manner that slowed investigators' ability to gather the facts. From the perspective of due process, however, the Clippers were zealously represented throughout this investigation by outside counsel seeking to protect the team's interests and were provided every opportunity to supply any information or arguments to investigators. Mr. Leonard was ably represented by counsel from the National Basketball Players Association.

While Clippers' personnel, Mr. Leonard, and his representatives were required to cooperate with the NBA's investigation, entities and individuals outside of the League were not—and investigators received varying levels of assistance from such third parties. Some key parties with relevant information, such as Lockton, refused to cooperate. Some, such as Boingo, purported initially to cooperate, but then supplied information that was inconsistent or not credible to investigators and ultimately refused to cooperate further. By contrast, Aspiration (through its bankruptcy trustee) and Daktronics provided substantial cooperation to investigators. Certain cooperating individuals and entities requested confidentiality or non-disclosure commitments as a precondition to providing information. Where appropriate, this report has been prepared in a manner intended to protect that confidentiality, which may result in generalized descriptions or lack of specificity.

In making factual findings, investigators assessed witness credibility in all the customary ways—by evaluating, among other things, demeanor, potential bias, personal motivations, and consistency with other evidence. Key witnesses from the Clippers varied in their levels of credibility. For example, over the course of the investigation, Ms. Zucker made several statements that proved inconsistent with contemporaneous documents, other witness statements, and the broader chronology of events, professed a lack of recollection on important issues, placed responsibility on subordinates, and offered inconsistent renditions of facts in separate interviews. By contrast, Mr. Frank openly discussed with investigators his conduct from the relevant time period, recalled details of key events, took responsibility for the actions of subordinates, and was generally consistent across his interviews. While the determination of any consequences for the rules violations described herein lies with the NBA, investigators believe that it would be appropriate in making such determinations to take cooperation and credibility—or the lack thereof—into account.

One of the witnesses whom investigators interviewed was Joe Sanberg, co-founder of Aspiration, and now a convicted felon for his fraudulent conduct while leading that company. Investigators approached the prospect of an interview with Mr. Sanberg with caution and carefully assessed the information he provided to ensure it was consistent with the documentary record. Still, investigators have remained cautious in relying on Mr. Sanberg's information—doing so, wherever possible, when it was corroborated by other evidence.

This summary report is being issued now at the League's request because the investigation has uncovered sufficient evidence to establish multiple violations of NBA rules. It is not an exhaustive recounting of all the evidence investigators collected in support of the findings. Nor does it reflect work by Wachtell Lipton to investigate public allegations or theories of misconduct by the Clippers or Mr. Leonard that were not ultimately substantiated by the investigative record.

Given the scope of this matter and its complexity, there is always more that could be done—and, considering the public's interest in this matter, more information will likely surface over time. Investigators continue to receive information relevant to the subjects discussed in this report, including as recently as this week. Investigators will supplement their findings as appropriate.

RELEVANT RULES AND THE CLIPPERS' AWARENESS OF THOSE RULES

The NBA's player compensation system is a set of rules agreed upon by the NBA and the National Basketball Players Association in the parties' collective bargaining agreement (the "CBA"), a central purpose of which is to promote balanced competitive opportunity among teams by establishing fair limits and minimum guarantees for the compensation that teams provide to players. The CBA's circumvention rules are intended to protect this system by broadly prohibiting arrangements between teams and players (including their representatives, relatives, and affiliates) that involve compensation or anything else of value provided to players outside of the Uniform Player Contracts that the CBA authorizes and regulates.

Among other things, these rules prohibit "any agreements or transactions," or any "promises, undertakings, representations, commitments, inducements, assurances of intent, or understandings," that are outside of the players' Uniform Player Contracts, between teams and players that involve:

> "compensation or consideration of any kind or anything else of value, to be paid, furnished, or made available by, to, or for the benefit of the player, or any person or entity controlled by, related to, or acting with authority on behalf of the player"; or
>
> "an investment or business opportunity to be furnished or made available by, to, or for the benefit of the player, or any person or entity controlled by, related to, or acting with authority on behalf of the player."

In addition to prohibiting such "agreements and transactions," the CBA's circumvention rules prohibit any team or player (or player representative) from "attempt[ing]" to enter into or "solicit[ing]" any such agreement or transaction.

While the foregoing rules are binding on all teams and players by virtue of their inclusion in the CBA, the NBA emphasizes their importance and promotes compliance by frequently republishing them to all teams. Among other places, the circumvention rules appear in (i) the NBA's Operations Manual, which is a summary of material League rules updated and sent annually to all NBA teams, (ii) specific reminder memos sent annually to all senior team personnel, including team owners, heads of business operations, and heads of basketball operations, and (iii) NBA Rules Reference Guides provided directly to all team owners.

In these documents, the NBA not only repeats the prohibitions contained in the circumvention rules but also provides illustrative examples to teams of how the rules operate in practice. Specific to the conduct in this matter, these examples of <u>prohibited</u> conduct include:

> "A team representative recommends one of the team's players to a team sponsor as a candidate for an endorsement arrangement. (If teams are approached by business partners or other third parties regarding a potential business relationship with a player, teams should respond solely by providing the third party with contact information for the player and/or his agent.)"

> "A team representative initiates or facilitates an endorsement relationship between a team sponsor and one of the team's players."

The rules are clear that teams are not permitted to affirmatively make introductions of players to potential third-party business partners—*i.e.*, teams may not recommend, initiate, facilitate, induce, or assist in a player's off-court business relationships—and certainly not as part of a plan to help generate off-court income for a player. The only narrow exception is in circumstances where the partner initiates a request to be introduced to a player, and in that case the rules allow the team solely to supply contact information for the player and/or his agent in response to the request.

The Clippers were especially aware of the CBA's circumvention rules in this area because the NBA had previously found that the team violated them. In 2015, in circumstances similar to the matter at hand, the Clippers engaged in efforts to facilitate an endorsement agreement between DeAndre Jordan—a player the Clippers were then seeking to sign in free agency—and an incoming team sponsor. The League investigated this matter, determined that the rules had been broken, and fined the Clippers $250,000. In a public statement following imposition of the League's penalty, Mr. Ballmer said: "We believed we were doing this the right way, and any circumvention was inadvertent. In our effort to support our players in every way possible, we as an organization must be diligent in complying with the CBA."

The Clippers were also aware of circumvention concerns specifically related to Mr. Leonard. In July 2019, Mr. Leonard became a highly sought-after free agent after winning the NBA championship with the Toronto Raptors. In his dealings with the Clippers and several other interested teams, Mr. Robertson (on Mr. Leonard's behalf) made numerous requests for benefits that were prohibited under the CBA, including equity in teams, housing, access to private transportation, and off-court income such as endorsement deals. Mr. Leonard ultimately signed a player contract with the Clippers. The NBA subsequently questioned the Clippers about these matters, and the team—while acknowledging Mr. Robertson's improper requests—denied agreeing to accommodate them. The NBA's investigation of the team was left open pending receipt of further evidence.

In the summer and fall of 2019, and as a direct result of Mr. Robertson's conduct on behalf of Mr. Leonard and the controversy surrounding the player's signing with the Clippers, the NBA enacted a "rules enforcement initiative" intended to promote better awareness, compliance, and enforcement of the circumvention rules. Among other things, this initiative included the adoption of the following rule:

> "Teams are required to report to the league office any solicitation by a player of compensation or other benefits that are not authorized under the CBA. This includes any solicitation made by a player himself, by the player's agent, or by any other person acting (or purporting to act) on the player's behalf. Reports must be made even if the solicitation is rejected."

The NBA's rules enforcement initiative also included a training session on the CBA's circumvention rules conducted with each team and its senior leadership. On December 4, 2019, in the same time period as the misconduct detailed in this report, the League provided this training to the Clippers, including Mr. Ballmer, Ms. Zucker, Mr. Frank, and other team personnel.

In their interviews with investigators, Mr. Ballmer, Ms. Zucker, and Mr. Frank acknowledged their correct understandings of the circumvention rules. In addition, in a televised interview he gave about this matter on September 5, 2025, Mr. Ballmer confirmed the same:

> "I can make it really simple. We cannot pay a player anything beyond what's in his standard player contract, and we cannot cause anybody else to pay the player what's beyond their standard contract. And that would include, for example, sponsors, endorsers. That is verboten. We can't do that."
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> "In September [2021], we got the deal done [with Aspiration] for sponsorship and investment. We announced that, and at that time we hadn't even introduced—Aspiration hadn't asked or we hadn't introduced, for sure—Kawhi to Aspiration. We were done . . . . Then, they did request to be introduced to Kawhi. Under the rules, we can introduce our sponsors to our athletes, we just can't be involved."

As the investigation progressed through a number of months, however, and as the evidence mounted that the Clippers had again stepped over the circumvention line by providing improper assistance to Mr. Leonard, the Clippers advanced a novel theory addressing one part of the conduct at issue here: that NBA rules permit affirmative (not responsive) introductions of players to business partners for the purpose of helping them generate off-court income if such introductions are requested by the player or his representative. The Clippers offered no persuasive explanation for how this theory comports with the clear language of the circumvention rules referenced above, the correct understanding of the rules previously expressed by Mr. Ballmer, Ms. Zucker, and Mr. Frank, or the fundamental purpose of the CBA's circumvention rules to prevent teams from providing outside income opportunities for players. The Clippers' position is particularly suspect, as will be described further below, because the team took pains to ensure that its "introduction" emails to team partners were written to appear to be "responsive" to requests from those partners.

On August 17, 2026, the Clippers appeared to double down on this theory by issuing a carefully worded public statement in defense of the team's actions, asserting that "[m]aking introductions between players and team partners is both an ordinary practice by NBA teams and a common request of players and representatives." To the extent these independent contentions were intended to imply that NBA rules permit teams, at the request of players, to initiate off-court income opportunities for players, that implication is incorrect. In any case, as set forth further below, the Clippers' misconduct here extended far beyond simply initiating these opportunities.

FINDINGS

A. MR. ROBERTSON PRESSURED THE CLIPPERS TO INITIATE AND FACILITATE ENDORSEMENT OPPORTUNITIES FOR KAWHI LEONARD

In July 2019, Mr. Leonard first signed a player contract with the Clippers. As noted above, it is not disputed that, during free agency negotiations with multiple teams in 2019, Mr. Robertson requested a variety of impermissible benefits for Mr. Leonard, including guaranteed off-court income, such as endorsement deals.

Within months of Mr. Leonard signing with the Clippers, Mr. Robertson resumed his pressure on the team to help Mr. Leonard generate off-court income. Mr. Robertson communicated a target: he expected the Clippers' assistance in obtaining approximately $10 million per year for Mr. Leonard. He communicated these demands primarily to Mr. Frank, but also to Mr. Ballmer and Ms. Zucker. There is no evidence that any of these individuals told Mr. Robertson to stop making such improper requests or—as required by NBA rules—reported them to the NBA.

In March 2020, the COVID-19 pandemic shut down the NBA. In April 2020, Mr. Robertson spoke with Mr. Ballmer and Mr. Frank to express his frustrations about what he perceived to be a lack of effort by the Clippers to facilitate off-court business opportunities for Mr. Leonard. According to contemporaneous notes kept by Mr. Frank:

- Mr. Robertson complained to Mr. Ballmer that Ms. Zucker was making "introductions" for "bull**** deals," and that "I [Mr. Robertson] cant [sic] wait on [Ms. Zucker] - I have to get paid."

- Mr. Ballmer responded by telling Mr. Robertson that he and Clippers' personnel were all "collective workers to try to help [Mr. Leonard] achieve his financial goals," and Ms. Zucker assured Mr. Robertson that Mr. Ballmer would "follow through on his promise."

- Mr. Robertson requested a "3-6 month[] plan" for more lucrative introductions from the Clippers, a list of "5-6 companies" in the "pipeline" for "potential introductions," and more frequent and consistent communication from Ms. Zucker.

B. THE CLIPPERS ACTED ON MR. ROBERTSON'S DEMAND

During a six-day span in early June 2020—within the timeline demanded by Mr. Robertson—Ms. Zucker made a series of email "introductions" connecting Mr. Robertson to executives at three companies with which the Clippers were in active conversations about potential business relationships: Boingo (a provider of wireless and other communications networks), Daktronics (a manufacturer of scoreboards and video displays), and Lockton (an insurance brokerage). In each email, in an apparent effort to create the appearance of complying with the circumvention rules, Ms. Zucker wrote that the connection was being made in response to a request from the relevant company for an introduction to Mr. Leonard. No documentary evidence supports those statements (and the evidence with respect to one of these companies contradicts it, as set forth below), and Ms. Zucker told investigators she could not recall with any specificity what caused her to write the emails. Investigators do not credit the suggestion in the "introduction" emails that each of these companies in fact requested to be introduced to Mr. Leonard within six days of each other, in the midst of the COVID-19 pandemic, and while the NBA season was suspended.

Notably, on June 9, 2020, the very day on which Ms. Zucker sent the second of these three "introductions," the articles of organization for a limited liability company called "KL2 LBS LLC" were filed. This entity—the members of which are Mr. Leonard and Mr. Robertson—later became the counterparty to Mr. Leonard's endorsement agreements with Boingo, Daktronics, and Lockton. It is significant that, within three days of the Clippers' first alleged "introduction," on the same day as the second, and prior to the third—before there was (or could have been, if these introductions were genuine) any interaction or negotiations between any of these companies and Mr. Leonard or his representatives concerning potential endorsement agreements—Mr. Leonard's representative was already taking legal steps anticipating that Mr. Leonard would be paid.

C. THE CLIPPERS INITIATED, FACILITATED, AND INDUCED BOINGO, DAKTRONICS, AND LOCKTON TO ENTER INTO AGREEMENTS WITH MR. LEONARD

In early July 2020, within a month of Ms. Zucker connecting Mr. Robertson with Boingo, Daktronics, and Lockton, Mr. Leonard signed (on the same day) multi-year, multi-million dollar endorsement agreements with two of the companies. By the end of August 2020, he had signed a similar endorsement agreement with the third company.

By early September 2020, Mr. Leonard had received payments under each of these three endorsement agreements.

Beyond each endorsement agreement having been negotiated and finalized in an unusually short amount of time, the three agreements shared several other peculiar and noteworthy characteristics:

- Each agreement was signed in the depths of the COVID-19 pandemic, when, according to both the NBA and an expert in athlete endorsement deals, companies were rarely signing such agreements, particularly with endorsers with whom they did not have an existing relationship; investigators received no reasonable explanation why it was necessary for these companies to quickly finalize and begin paying Mr. Leonard under these agreements at a time of general economic uncertainty and when activation or performance by the player would be difficult at best;
- Each agreement was signed by a company that had never before (and has never since) signed an endorsement agreement of remotely the same financial magnitude as the one it entered into with Mr. Leonard; and none of the companies has ever signed any other athlete endorser of Mr. Leonard's caliber;
- Each agreement imposed minimal performance obligations on Mr. Leonard relative to the amount he was paid;

- None of these agreements were publicly announced, defeating the foundational purpose of an endorsement agreement: to obtain associational benefits of the company's relationship with the endorser; and

- Investigators did not uncover or receive evidence reflecting that the companies exercised their rights for meaningful player activation; the record reflects that Mr. Leonard's only confirmed activity under any of the agreements was a visit to a military base on a single occasion under one agreement and signing some memorabilia under another.

The total due to Mr. Leonard under the Boingo, Daktronics, and Lockton agreements was $18 million. All $18 million was paid to Mr. Leonard by August 2021.

The highly unusual nature of these three endorsement agreements with Mr. Leonard caused investigators to question why each company entered into them. The investigative record supplies the answer: because the Clippers initiated, facilitated, and induced these companies to enter into agreements with Mr. Leonard through the prospect of lucrative business arrangements with the Clippers.

In early June 2020, at the time of Ms. Zucker's "introductions," none of Boingo, Daktronics, and Lockton had commercial agreements with the Clippers, but all three companies were in active discussions to provide business services to the team or its arena. Within weeks following the "introductions," either before or on the same day as the companies signed endorsement agreements with Mr. Leonard, each company entered into a multi-million dollar consulting agreement with the Clippers. Two of the companies received almost the entirety of their consulting fees up front—in payments of $10 million each, delivered prior to these companies entering into endorsement agreements with Mr. Leonard. The third company received its first annual consulting fee of $2 million one day after making its first payment to Mr. Leonard under the endorsement agreement it had entered into with him.

Beyond the Clippers' relationships with the three companies as potential partners in lucrative services agreements, Ms. Zucker had personal relationships at two of the companies. At one, her husband was chair of the board of directors during the relevant time period, and she also had a 30-year working relationship with that company's CEO. At another, Ms. Zucker had a longstanding relationship with the company's president (the person who signed the company's endorsement deal with Mr. Leonard), and she recommended him as "really good people" in an email to an internal colleague charged with the process of securing services for the Clippers in this area.

A former executive of one of these companies told investigators that the consulting agreement entered into by the executive's company and the Clippers was highly unusual, for at least the following reasons: (i) the company was not in the business of providing "consulting" services, (ii) the services contemplated by the consulting agreement were not worth the money the Clippers were paying for them and, indeed, were typically supplied by the company to clients for free in connection with other business, and (iii) it was atypical for the company to receive any portion of its fee in advance of providing at least some amount of services, and atypical in the extreme (as occurred here) for the company to receive virtually the entire fee in advance.

The facts surrounding the Daktronics-Leonard endorsement agreement make the conclusion explicit: that company's agreement with Mr. Leonard was not arranged independently of the Clippers, by virtue of Daktronics' affirmative interest in Mr. Leonard's services as an endorser or as a result of any request it made to Ms. Zucker for an "introduction." Rather, investigators conclude, it was procured by the Clippers in exchange for other business that the team would and did supply to Daktronics.

In the spring of 2020, and in response to a request-for-proposal process initiated by the Clippers, Daktronics began to compete to obtain a lucrative contract to supply digital scoreboard and signage technology at the Intuit Dome. In May 2020, the Clippers informed Daktronics that it was the team's preferred provider for this project, but that the team wanted to agree on a "spend back" arrangement whereby Daktronics would provide some amount of business back to the Clippers—which Daktronics told investigators is not uncommon in its industry. Ms. Zucker thereafter suggested to a Daktronics senior executive that this "spend back" could be accomplished through an endorsement agreement between Daktronics and Mr. Leonard.

Daktronics believed that failing to enter into a commercial relationship with Mr. Leonard could jeopardize its ability to win the bid for the Intuit Dome. Later in May 2020, in a call with a senior executive of Daktronics, a senior Clippers' executive specified the precise financial terms that the Clippers expected Daktronics to provide to Mr. Leonard in the endorsement agreement: $3 million per year for two years.

In furtherance of its effort to win the business from the Clippers for the Intuit Dome, and because the amounts requested by the Clippers to be paid to Mr. Leonard were not outside parameters Daktronics believed to be reasonable for such "spend back" arrangements, Daktronics agreed to enter into an endorsement agreement with Mr. Leonard on the terms described by the Clippers' executive. On July 6, 2020, Daktronics entered into this agreement with Mr. Leonard.

In February of 2021, before the end of the first year of the Daktronics-Leonard endorsement agreement, the same senior Clippers' executive approached Daktronics again. This time, the Clippers' executive told Daktronics that, because the team had decided to increase the amount it would spend on the scoreboard, Daktronics should correspondingly increase the amount it would pay to Mr. Leonard. After some negotiation—and again based on its concern that failing to comply could jeopardize its business with the Clippers—Daktronics ultimately agreed to increase its second-year payment to Mr. Leonard by $2 million. In return, the amended agreement called for Mr. Leonard to provide additional services. This arrangement was reflected in an amendment to the Daktronics-Leonard endorsement agreement executed on May 20, 2021.

To underscore the point: the impetus to provide this additional $2 million payment to Mr. Leonard did not come from Daktronics. Instead, it originated entirely from the Clippers.

D. THERE IS EVIDENCE OF THE CLIPPERS FUNDING AN ENDORSEMENT AGREEMENT

The foregoing makes clear that the Clippers violated NBA rules in connection with the Boingo, Daktronics, and Lockton endorsement agreements with Mr. Leonard. Investigators note, however, that the Clippers' misconduct may have been even more severe. As set forth above, the timing of the three endorsement agreements with Mr. Leonard coincides with each of the companies receiving multi-million dollar payments from the Clippers, purportedly in connection with business to be provided by these companies to the team. But these payments may in fact have been made principally to fund the endorsement deals with Mr. Leonard. Indeed, a credible witness with direct knowledge told investigators that the consulting agreement one company signed with the Clippers was in fact a ruse, designed and intended to be a vehicle for the team to provide the company with funds to be paid to Mr. Leonard. According to this witness, the company was willing to enter into such a sham consulting agreement based on the promise to win a much larger services contract with the Clippers. This confidential information came to investigators late in the investigation, and additional steps are ongoing to corroborate it.

E. MS. ZUCKER INITIATED AND FACILITATED MR. LEONARD'S ENDORSEMENT AGREEMENT WITH ASPIRATION

Mr. Leonard re-signed with the Clippers in August of 2021. A few weeks later, in September, Aspiration entered into a series of agreements with the Clippers and Mr. Ballmer, including (i) a 23-year $382.5 million sponsorship agreement for a patch on the Clippers' jersey and the title of founding arena partner at the Intuit Dome, (ii) a 23-year $72 million agreement for Aspiration to provide sustainability services to the Intuit Dome, and (iii) an agreement whereby Mr. Ballmer made a $50 million personal investment in Aspiration. After these deals were finalized and at Ms. Zucker's suggestion, she and Mr. Sanberg, Aspiration's co-founder and board member, met on October 25, 2021. During that meeting, two months into Mr. Leonard's new contract with the Clippers, Ms. Zucker raised the topic of endorsement agreements between team sponsors and players, and she used Mr. Leonard and another player as examples of players with whom Aspiration could partner.

Two days later, on October 27, 2021, Mr. Sanberg told Ms. Zucker he wanted to explore an endorsement agreement with Mr. Leonard and asked Ms. Zucker for help in doing so. Ms. Zucker told investigators that she told Mr. Sanberg that NBA rules prevented her from providing such assistance, but the record establishes that she acted otherwise. Indeed, in that very same conversation, and rather than simply supplying Mr. Sanberg with contact information for Mr. Leonard and/or his representatives (which is all that is permitted by the CBA's circumvention rules), Ms. Zucker told Mr. Sanberg that she would enlist a particular business agent to assist Mr. Sanberg in structuring the agreement—a business agent who was then under a retention agreement with the Clippers.

One day later, on October 28, 2021, Ms. Zucker reached out to the business agent to help Mr. Sanberg. Within minutes of speaking with Ms. Zucker, the agent emailed internal colleagues with the subject line "Aspiration and Kawhi":

> "[Mr. Sanberg] is making an offer to Kawhi to be a spokesperson for 5 million cash plus 7 million in stock per year for 4 years as long as he is with the clippers. Can someone please come up with a wish list [Mr. Sanberg] should ask for from [Mr. Leonard]? [. . .] [Mr. Sanberg] doesn't really know what to ask for."

Investigators conclude that Ms. Zucker improperly conveyed to the business agent the proposed financial terms contained in this email. The agent told investigators that neither the agent nor the agent's internal team came up with those terms. And all relevant witnesses (including Ms. Zucker) agree that Mr. Sanberg could not have supplied them because he did not have any prior experience with structuring player endorsement deals.

As requested, the agent's colleagues drafted a term sheet for a Leonard-Aspiration endorsement agreement. On November 3, 2021, the agent emailed the term sheet to Ms. Zucker, writing, "Let me know your thoughts on this." The very next day, on November 4, 2021, immediately after Ms. Zucker and the agent spoke on the phone, the agent emailed internal colleagues: "I reviewed with club to get input," and requested three revisions to the term sheet. The substance and timing of the agent's internal email demonstrates that Ms. Zucker conveyed deal term information and otherwise provided her "input" on the Leonard-Aspiration term sheet.

On November 4, 2021, approximately 30 minutes after passing along the Clippers' "input," the business agent received back a revised term sheet from the agent's internal team and emailed it to Mr. Sanberg. The agent wrote:

> "Gillian shared with me that you guys spoke. She asked me to help you draft thoughts for the Kawhi offer. Please review and let me know if this is how you were looking at this."

Later that same day, Ms. Zucker requested a 15-30 minute call with Mr. Robertson and Mitch Frankel, Mr. Leonard's certified player agent, to discuss Aspiration and her plan to "introduce" Mr. Leonard's representatives to Mr. Sanberg. Ms. Zucker told investigators it was her typical practice to "preview" email introductions with phone calls.

One day later, on November 5, 2021, Ms. Zucker sent a formal "introduction" email to Mr. Robertson and Mr. Sanberg. As with Boingo, Daktronics, and Lockton, this email was written to appear to be responsive to "[Aspiration's] interest in exploring a personal services opportunity with Kawhi." But this "introduction" came nine days after Ms. Zucker told Mr. Sanberg that she would call a business agent to help him structure an agreement with Mr. Leonard; eight days after Ms. Zucker conveyed to the agent financial terms for the deal; and one day after Ms. Zucker gave "input" on the deal's term sheet. Based on this series of events, and based on the record related to Boingo, Daktronics, and Lockton, investigators find that the November 5 "introduction" email from Ms. Zucker was drafted solely for record-making purposes and was not a genuine communication intended to kick off a dealmaking process for Mr. Leonard that was by this time already well underway.

At various points over the next several months, both Mr. Robertson and Mr. Sanberg updated Ms. Zucker regarding the status of the Leonard-Aspiration negotiations. For example, on January 20, 2022, following a series of communications between Mr. Robertson and executives at Aspiration over the terms of the Leonard-Aspiration endorsement contract, Mr. Robertson texted Ms. Zucker to ask if she could speak so he could "bring [her] in the loop with Aspiration[.]" In February 2022, Mr. Frank received a text from Mr. Frankel—who was also involved in the Leonard-Aspiration contract negotiations—complaining that Aspiration was not being responsive to Mr. Frankel's inquiries and asking for Mr. Frank's assistance. Mr. Frank told investigators that he asked Ms. Zucker to get involved. Mr. Frankel texted Mr. Frank thereafter to thank him for the intervention: "I got a response from Aspiration since we spoke so we are engaged again. Thank you."

Over the course of the negotiations for the Leonard-Aspiration endorsement agreement, the amounts of the cash and equity components were swapped at Mr. Leonard's request, so the final agreement required Aspiration to pay Mr. Leonard $7 million in cash and $5 million in equity per year for four years—a total of $48 million. Experts on athlete endorsement agreements informed investigators that this compensation was extraordinarily high, especially in view of the limited obligations required of

Mr. Leonard under the agreement and Mr. Leonard's relatively insubstantial endorsement profile.

These same experts told investigators that the deal was highly unusual for additional reasons, including: (i) it was never publicly announced, (ii) it was never publicly activated by Aspiration or Mr. Leonard, (iii) it was set to expire on March 30, in the middle of the NBA season, (iv) it did not contain any provisions protecting Aspiration against Mr. Leonard's then-existing health status (he was out for the 2021-22 season with a torn ACL in his right knee), and (v) in general, its terms were insufficiently detailed.

In the September 5, 2025 television interview referenced above, Mr. Ballmer said this in defending the Clippers' conduct related to Aspiration:

> "[W]e even found the email that makes the first introduction. It was early November, I won't remember the exact date. So where, where could any of this circumvention have happened? It didn't. It couldn't have. The introduction got made and then they were off to the races on their own. We weren't involved."

Mr. Ballmer and Ms. Zucker told investigators the same: that the Clippers' sole involvement in Mr. Leonard's relationship with Aspiration was an introductory email.

Based on the foregoing evidence, investigators find these statements to be inaccurate (at best) with respect to Mr. Ballmer and clearly false with respect to Ms. Zucker. The Clippers suggested to Aspiration that they enter into an endorsement agreement with Mr. Leonard, asked a business agent to help structure the agreement, conveyed proposed deal terms to that agent, provided input on the proposed deal, and remained in communication about the agreement thereafter with both Aspiration and Mr. Leonard's representatives.

F. Aspiration Conditioned Its Entry into the Endorsement Agreement with Mr. Leonard on Obtaining Business Back from the Clippers, Which the Clippers Knowingly Provided

In December 2021, Mr. Sanberg discussed with senior Aspiration executives his desire for the company to enter into an endorsement agreement with Mr. Leonard on the terms described above. Mr. Sanberg did not have the authority to sign such an agreement on Aspiration's behalf and, according to internal Aspiration emails, the reaction among its C-suite executives who did have this signing authority was swift and uniformly negative: "I have no idea why we'd do this," wrote one senior executive; "this is not a good investment of our capital [. . . .] It's $48M over 4 years for Kawhi, who is not a big name [. . . .] Not sure why we would make such a commitment considering we are already paying a huge sponsorship fee to Clippers," wrote another.

When these concerns were conveyed to Mr. Sanberg, he told the Aspiration executives that "the Clippers are asking us to do this with Kawhi Leonard" and that the team would provide additional business back to Aspiration to help offset the financial impact on Aspiration. In an email exchange among Aspiration's CEO, CFO, and general counsel, one wrote, "[Mr. Sanberg said] that the Clippers are promising to increase the amount they pay us per quarter in line with what we pay this guy [*i.e.*, Mr. Leonard]." Another responded: "Thanks for verifying. . . . We should be fine if it's cashflow neutral."

In January 2022, Mr. Sanberg and Ms. Zucker texted and spoke about a potential sustainability services deal between Aspiration and the Forum, an Inglewood arena Mr. Ballmer had acquired in May 2020 and which Ms. Zucker oversaw—a stated purpose of which would be to "zero out" the Forum's historical carbon emissions. According to Mr. Sanberg, these conversations followed his informing Ms. Zucker that Aspiration would not sign an endorsement agreement with Mr. Leonard unless it received business back from the Clippers.

Over the next several months, Aspiration and the Clippers negotiated the terms of a sustainability services agreement for the Forum (the "Forum Agreement"). These negotiations included a number of highly unusual developments that raised concerns among Clippers' executives and established for investigators that there was more to the transaction than a mere sustainability-related deal. As Scott Sonnenberg, Clippers' Chief Commercial Officer, wrote in a March 2022 text exchange with Eric Chan, then-Clippers' Chief Financial Officer, "I never wanted this Forum deal. Always knew it was super shady." Similarly, Mr. Sonnenberg wrote in another text exchange, "I cannot begin to tell you all the red flags with these deals. Just doing what I'm told at this point."

A notable example: while the deal was described by the Clippers to investigators as an effort to "zero out" the historical carbon emissions of the Forum, it did not start with any meaningful analysis or calculation of those emissions. Instead, the initial draft of the deal's term sheet from January 2022 contained a heading entitled "Business Back Opporutnities [sic]" and added "[t]o be filled in by Eric Chan ($7M back in business)."

Thus, at the deal's inception, it was contemplated that the Clippers would spend $7 million annually with Aspiration—the same amount as the cash portion of the Leonard-Aspiration endorsement agreement. In his interview with investigators, Mr. Sanberg confirmed that the $7 million annual figure was tied to Aspiration's contemplated payments to Mr. Leonard. This statement is corroborated by a February 2022 email Mr. Sanberg wrote to an Aspiration employee: "[the Forum is] going to purchase $7mm of reforestation capacity each year from Aspiration to make the ticket experience carbon neutral and potentially carbon negative. To be clear, the $7mm figure per year is set so what's variable is how they choose to use it."

No Clippers witness could provide a credible alternative explanation for the initial appearance of the $7 million annual payment from the team to Aspiration in the Forum Agreement. Mr. Ballmer and Ms. Zucker both claimed that it was based on a study done by a team consultant who had determined that the Forum needed $28 million to offset its carbon emissions and that the team would pay Aspiration for these offsets over four years. But investigators spoke directly with this consultant, who said that the Clippers had given him a $28 million budget with which to address the Forum's emissions—not the other way around.

The linkage between the Forum Agreement and the Leonard-Aspiration endorsement agreement became explicit in late March 2022. It was important to Mr. Sanberg that the Forum Agreement be executed prior to the end of Q1 2022. When negotiations appeared in jeopardy of not concluding within that timeframe, Mr. Sanberg expressed his displeasure to the Clippers and others and threatened not to execute the Leonard-Aspiration endorsement agreement.

On March 30, 2022, Mr. Sanberg texted the following to the business agent who—at Ms. Zucker's suggestion—had worked on the Leonard-Aspiration endorsement agreement:

> "[I]f [the Forum Agreement] isn't fixed, I will tear up the Clippers contract, we will do nothing with Kawhi and we will go into litigation . . . . Should I call Dennis and Kawhi and tell them that deal is off because we got f**ked . . . . If [the Forum Agreement] isn't signed tomorrow, that's happening next. And I swear to God I will be totally honest with Dennis and Kawhi about why we aren't doing a deal with them."

In this same text chain, Mr. Sanberg made clear that he had communicated this message to Clippers' executive personnel:

> "I told Scott Sonnenberg that I'll need to break the deal with Kawhi and explain why, which is that we got f**ked by the Clippers. Scott asked me not to do that. But if this isn't signed by tomorrow, there will be no choice but to do that. Kawhi deal is not happening without this Forum deal."
>
> "Spoke again just now with Alex [Winsberg, then-Clippers' General Counsel] and Eric [Chan] and they have no solution. If this isn't fixed, we are burning this whole relationship to the ground."
>
> "[D]o you understand how serious this is? This is the ball game. If this isn't fixed, the Clippers / Ballmer / Sanberg / Aspiration relationship is being burned to the ground and so is the Clippers / Kawhi relationship. ZERO CHANCE there is a Kawhi deal if this isn't fixed. You know that right?"

Internal communications among Clippers' executives confirm that they were aware of the linkage between the Forum Agreement and the Leonard-Aspiration endorsement agreement being asserted by Aspiration. In a March 30, 2022 message sent to Brandt Vaughan, then-Chief Investment Officer of Mr. Ballmer's personal business office, Mr. Chan stated:

> "[Sanberg's] last comment was if we don't sign this deal he will sue Steve, the Clippers, and burn everything down. But let's chat when you can. He will also call Kawhi and tell them how the Clippers screwed everything."

And, in a March 31, 2022 email exchange between these same parties, Mr. Chan stated:

> "Steve knows that when this deal blows up, Joe is calling Kawhi and telling him his $12M deal is no longer because of Clippers management, right? I think so, but just double checking."

Mr. Ballmer told investigators that he was aware of Mr. Sanberg's threat not to move forward with the Leonard-Aspiration endorsement agreement if the Clippers did not timely execute the Forum Agreement. Nevertheless, the record reflects that Mr. Ballmer personally approved the Clippers' execution of the Forum Agreement in April 2022. Given the precondition established by Mr. Sanberg, the Clippers' entry into the Forum Agreement constitutes an act of facilitation that violates the NBA's circumvention rules.

G. THE CLIPPERS MADE IMPROPER PAYMENTS TO MR. LEONARD AND HIS AFFILIATES

Subject to specific exceptions set forth in the CBA, teams are generally not permitted to pay personal expenses on behalf of players, their representatives, or their family members.

During the investigation, it was discovered that the Clippers had made such payments on behalf of Mr. Leonard, his family, and Mr. Robertson during Mr. Leonard's tenure with the team. A detailed analysis then followed, substantiating hundreds of instances in which the team paid for personal air and ground travel, accommodations, gifts, and tickets without then properly deducting the amounts of these expenditures from Mr. Leonard's pay (as it was required to do by CBA rules). While the aggregate financial value of these expense payments was only a fraction of the amounts received by Mr. Leonard under the endorsement agreements discussed above, it was nonetheless substantial.

Mr. Frank was responsible for authorizing these payments by the Clippers on Mr. Leonard's behalf.

H. The Clippers Failed to Report Mr. Robertson's Improper Demands

As detailed in this report, Mr. Robertson, on behalf of Mr. Leonard, made repeated demands for benefits from the Clippers that were not authorized by the CBA. League rules—created as a result of the League's 2019 investigation into Mr. Robertson's conduct on behalf of Mr. Leonard—required the team to report these improper solicitations. The investigative record contains no evidence that the Clippers ever made such a report.

CONCLUSION

As summarized above, the investigation finds that the Clippers violated the CBA's circumvention rules by (i) affirmatively initiating off-court income opportunities between Mr. Leonard and four companies doing business with the team: Aspiration, Boingo, Daktronics, and Lockton, (ii) facilitating the consummation of endorsement agreements between these companies and Mr. Leonard in a variety of ways, (iii) inducing the companies to enter into these agreements by offering and providing them with business from the Clippers, (iv) paying expenses on behalf of Mr. Leonard and his representatives not authorized by League rules, and (v) failing to report improper solicitations for off-court income opportunities made by Mr. Robertson on behalf of Mr. Leonard.

With respect to the four separate endorsement agreements entered into by Mr. Leonard and the companies listed above, the pattern of conduct engaged in by the Clippers also demonstrates the clear violations of NBA rules set forth here.

The evidence supporting these findings is substantial. While it is possible that even more evidence will be uncovered as investigators continue to follow up on information that was recently received, the record as developed is more than sufficient to establish the rules violations described in this summary report.

The three individuals most responsible for the Clippers' rule-breaking are Mr. Ballmer, Ms. Zucker, and Mr. Frank.

Mr. Ballmer knowingly sought to help Mr. Leonard obtain off-court income opportunities and engaged in a significant act of facilitation through the Forum

Agreement. Mr. Ballmer also failed to supervise his most senior businessperson while she systematically violated NBA rules, and more generally permitted a culture in his organization that allowed for the initiation, facilitation, inducement, and potential funding of multiple endorsement agreements between Mr. Leonard and team partners.

Ms. Zucker was the point person on all four deals between these companies and the Clippers, and directly initiated, facilitated, and induced each of Mr. Leonard's endorsement agreements with those companies. Ms. Zucker acted on Mr. Robertson's demands to help Mr. Leonard achieve lucrative endorsement opportunities, and when interviewed, she made misleading and false statements to investigators about her and the Clippers' role in doing so.

Mr. Frank was Mr. Robertson's primary team contact, and Mr. Frank conveyed Mr. Robertson's various improper demands on behalf of Mr. Leonard to both Mr. Ballmer and Ms. Zucker. Mr. Frank was also ultimately responsible for approving payments made by the Clippers for impermissible expenses incurred by Mr. Leonard and his family.

All three of these individuals failed to report to the NBA Mr. Robertson's improper solicitations as required by NBA rules.

Mr. Leonard, through the conduct of Mr. Robertson, violated the CBA's circumvention rules by successfully pressuring the Clippers over many years to assist him in obtaining off-court income opportunities. Mr. Leonard also violated the CBA by failing to reimburse payments by the Clippers for personal expenses not authorized by the CBA, many of which were requested by Mr. Robertson.