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Bee file, 2013. Fans David Gutierrez and Maria Davila attend a City Hall event.

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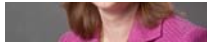
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Bankruptcy trustee to bring special counsel in Sacramento Kings sale

By Dale Kasler

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Preparing for a possible legal fight over the Sacramento Kings, the bankruptcy trustee who controls 7 percent of the team plans to bring in "special litigation counsel" to pursue claims that minority owners are being denied the right to match the purchase offer from Seattle.

Trustee David Flemmer has asked permission from the bankruptcy judge to hire the San Francisco law firm of Greenfield Sullivan Draa & Harrington to examine "possible claims arising from...the executed purchase and sale agreement" of the Kings, according to a court filing by Flemmer's attorney Don Fitzgerald.

A hearing on the matter is scheduled for Thursday in U.S. Bankruptcy Court in Sacramento.

The Maloof family has agreed to sell its 65 percent controlling interest to a Seattle group led by hedge fund manager Chris Hansen.

But Flemmer told The Bee last week he believes the Kings' limited partners have the legal right to match Hansen's offer.

Flemmer is preparing to auction the 7 percent share held by bankrupt developer Bob Cook in order to pay creditors' claims. Preserving the legal right to match Hansen's offer would make the 7 percent share considerably more valuable, Flemmer said.

The Maloofs and Hansen consider the limited partners' objections "a non-issue," according to a source familiar with the Seattle transaction.

Still, litigation could interfere with the Seattle group's plans to have the deal approved by the NBA's Board of Governors in mid-April. The Hansen group wants to move the team to Seattle next season.

"A delay doesn't work well with the NBA's calendar," said Michael McCann, a sports law expert at the University of New Hampshire. "If this is still unresolved in April, the NBA could be less inclined to vote (on the Hansen purchase) and that could delay the move for at least a year."

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 **Steve**

Let the queens move. I'll even turn the lights out. It will do Sacramento a huge favor by letting us get back to what is important, like the roads and the homeless and the city budget.

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 **krs1957**

Wow, Sacramento is too small time to have an attorney capable of proving Sacramento isn't small time.

01/29/2013 07:59 PM 2 Likes Report Abuse

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 **Jack Sonowsky**

Kings stink.

Do the fans realize this?

01/29/2013 07:33 PM 1 Like Report Abuse

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NutjobNumber1

Hansen Group is only buying 65% stake in the Kings for \$525 Mil? They are getting ripped off.

The whole deal stinks.

Glad it's not my money.

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SchoolsBeforeArenas

Actually, to be more precise, it has been reported that the relocation fee of about \$35M is wrapped up in the \$525M purchase price, so \$35M will go to the NBA, and 65% of \$490M will go to the Maloofs. Those are just approximations at this point, since the contract hasn't been released for us to see.

01/29/2013 03:56 PM in reply to NutjobNumber1 Report Abuse

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SchoolsBeforeArenas

No, the valuation of the franchise is \$525M, and he's buying 65% of the franchise for \$341M.

01/29/2013 03:53 PM in reply to NutjobNumber1 2 Likes Report Abuse

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NutjobNumber1

The team was worth \$300 Mil last year, so what makes them worth more when they have just as bad of a team making the same revenue or less, which greater debt? the valuation was based on what the Hansen group offered which is \$525 Mil from what I can tell. Where does it state that they are only paying \$341MIL?

That's about the most this team is worth, but the Hansen group are only buying the Maloof's 65% stake? either way, this deal is really poorly covered in the papers. They aren't specific and every time I read an article I get a different take on the deal. Maybe the Bee doesn't have their facts straight since there are different journalists covering it.

01/29/2013 05:25 PM in reply to SchoolsBeforeArenas 1 Like Report Abuse

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Playhouse

The projected move to Seattle is what brought the valuation up to \$525M. If a local buyer had a valuation of the team done for staying in Sacramento, it's more than likely that the team would be valued between \$300-\$350M.

01/29/2013 11:38 PM in reply to NutjobNumber1 Report Abuse

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NutjobNumber1

I know, it's because they are clearing all of the debt and transfer fees.

I wonder what this team would be worth if it was a publicly traded company on the stock exchange with the debt they have. It would be trading so low. They have no real cash to speak of, they have a lot of high paid employees on the payroll that they can't just start laying off. The ROI doesn't look that good, unless you can turn them into a Top 5 money making franchise. The Celtics doubled in value in 10 years? That's not a good ROI. A decent high growth stock or mutual fund can do that a LOT quicker.

These teams are just businesses for the super rich to act like Big Shots. VERY few actually are worth wasting money on. I wonder how much the Maloofs will actually pocket after everything is all said and done and compare to what they paid. They paid \$156M 15 years ago. And they would be lucky if they doubled their money. Heck a BLIND FOLDED IDIOT could throw darts at the Nasdaq and pick 5 stocks to invest in and make just as much if not more than that.

01/30/2013 12:22 AM in reply to Playhouse Report Abuse

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localconscious

Good afternoon folks.

Nothing to see here. Again, court records show that Bob Cook filed for CH 11 re-organization NOT CH 7 liquidation - big difference.

All the trustee is doing her since HE is now in control of the Kings share is sell that asset for the most liquid money in order that Cook emerges from BK solvent. The more share price, the more money Cook comes away with.

The good news. One, all of Cook's creditors will be paid in full [usually just a percentage of debt] and two, Bob can now afford a better hair piece -or just throw his current dead rat into the trash.

01/29/2013 02:44 PM 7 Likes Report Abuse

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