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Capital Comment

By Marisa M. Kashino **Power Players**

## How the Wizards Were Won

Ownership of the Washington Wizards and the Verizon Center has transferred from the estate of **Abe Pollin** to Washington Capitals owner **Ted Leonsis**. It took nearly seven months—and a small army of lawyers.

Six attorneys at Arent Fox, led by partner **Richard Brand** and counsel **David Osnos**, represented the Pollin estate. Heading negotiations for Leonsis and his investors was Kirkland & Ellis partner **George Stamas**, along with fellow DC partners **Andrew Herman**, **Mark Director**, and **Thomas Yannucci**. At times, as many as 15 Kirkland lawyers worked on the deal.

Since the negotiations began in November, they were a round-the-clock endeavor for both legal teams. Many meetings were held, some at Arent Fox's offices at Connecticut Avenue and L Street, others in a Kirkland & Ellis conference room overlooking the White House. During the first blizzard this winter, Stamas negotiated by phone from the Georgetown Four Seasons, where he and his wife were waiting out the storm.

For the lawyers, it was personal. Osnos has been a key player in Pollin's sports empire, even before the 1964 purchase of the Baltimore Bullets, which ultimately became the Washington Wizards. In 1972, he helped Pollin buy the Capitals. Brand joined the duo when Osnos needed a second-in-command on the development of Pollin's Verizon Center.

Stamas has been by Leonsis's side since the former AOL executive started looking to buy into a sports franchise in the '90s. In 1999, Stamas worked on Leonsis's deal to buy the Caps, in addition to a 44-percent stake in the Wizards and the Verizon Center, from Pollin. That contract also said Leonsis would have first refusal rights to buy the rest of the Wizards after Pollin's death.

According to Stamas, when Pollin died last November, the 1999 contract was lacking details about the sales process and what information could be reviewed by independent appraisers if the two parties couldn't reach a price on their own. Says Stamas: "The parties got the basic music right, but you could argue that it was perhaps a little short on lyrics."

The other side of the table had a different view. "To me, the provisions of the 1999 agreement spoke for themselves," Brand says.

And so the lawyers worked for months to find common ground. They avoided bringing in the independent appraisers, ultimately agreeing on a value for both the team and the Verizon Center—reportedly \$550 million—on their own. Brand describes the long process as a gradual build: "There were no last-second buzzer beaters."

A lengthy process involving so many players doesn't come cheap—the total bill is likely to be well into seven figures—but at the end of the day it's just a rounding error on a half-billion-dollar deal.

