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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

13 DANIEL FEGAN, an individual,

14 Plaintiff,

15 vs.

16 HANK RATNER, an individual;
17 MICHAEL RATNER, an individual;
18 FRANK QUINTERO, an individual;
19 JAMES DUNLEAVY, an individual; TRAVIS
20 KING, an individual; and
21 DOES 1-50, inclusive,

22 Defendants.

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ORIGINAL FILED
Superior Court of California
County of Los Angeles

JUN 22 2017

Sherri R. Garcia, Superior Court Clerk
By: M. Soto, Deputy
Moses Soto

FAXED

Case No. **BC 666008**

COMPLAINT FOR DAMAGES FOR:

(1) FRAUD; AND

**(2) INTENTIONAL INTERFERENCE
WITH CONTRACTUAL RELATIONS**

DEMAND FOR TRIAL BY JURY

Action Filed: June 22, 2017

Trial Date: None Set

1 Plaintiff Daniel Fegan (“Fegan”), by and through his attorneys of record, alleges the
2 following causes of action against Defendants Hank Ratner (“Ratner”), Michael Ratner,
3 Frank Quintero (“Quintero”), James Dunleavy (“Dunleavy”), Travis King (“King”) and DOES 1-
4 50, inclusive (collectively, “Defendants”):

5 **INTRODUCTION**

6 1. Defendants Hank Ratner, CEO of Independent Sports & Entertainment (“ISE”) and
7 former CEO of Madison Square Garden, and Frank Quintero orchestrated a Machiavellian
8 conspiracy to destroy Plaintiff Dan Fegan’s reputation and steal his clients. The motivation for this
9 scheme was the control of ISE’s Basketball Division, a successful and lucrative business that was
10 built and managed over many years by Fegan. If Ratner could prevent Fegan from competing with
11 ISE, as he had plotted, Ratner would reap the benefits of a multi-million dollar windfall in future
12 agent fees by stealing Fegan’s NBA clients and avoiding the millions of dollars in payments Fegan
13 is already owed. By leading this secret attack on Fegan and ousting him from ISE, Ratner and
14 Quintero—neither of whom have any experience operating a sports agent business—foolishly and
15 irresponsibly left ISE Basketball with only two basketball agents, neither of whom has any
16 experience negotiating significant NBA free agent or veteran contracts. Their fraudulent scheme is
17 one of the most diabolical and devious schemes in the history of sports agency business.

18 2. Working in concert with the other defendants, including Hank Ratner’s son,
19 Michael Ratner, and two ISE agents, James Dunleavy and Travis King, Ratner and Quintero
20 plotted to steal Fegan’s NBA clients through their duplicitous actions and by improperly
21 terminating Fegan “for cause” in a highly public, well-prepared sneak attack.

22 3. Defendants hatched the unlawful and sinister plot after clashes between Ratner and
23 Fegan after Ratner was appointed CEO of ISE. Ratner effectively took over operational control of
24 ISE’s Basketball Division from Fegan, even though it was contractually guaranteed to Fegan. As a
25 result of Defendants’ dirty work, Fegan has lost several NBA player clients, for which he seeks at
26 least \$30 million in damages, plus punitive damages.

27 4. Fegan is widely considered to be one of the most successful and experienced sports
28 agents in the world. A graduate of Yale Law School, Fegan has served continuously as a National

1 Basketball Players Association (“NBPA”) certified agent for over 27 years. Significantly,
2 throughout this period, Fegan has owned and/or operated a highly successful sports representation
3 practice. In those nearly three decades of experience, Fegan has gained as much or more
4 experience in negotiating NBA player contracts and operating a sports representation company as
5 any active Player Agent in the business. Furthermore, Fegan has gained worldwide renown for his
6 precedent-setting contracts and his player-rights advocacy. For example, Fegan has challenged the
7 NBA two times on important salary cap issues and has prevailed each time. In contrast, Ratner and
8 Quintero have *never* negotiated an NBA Player Contract or operated a sports representation
9 business, and they clearly do not understand either the NBA Collective Bargaining Agreement
10 (CBA) or the rules governing the conduct of NBPA Player Agents. Nevertheless, they falsely
11 terminated Fegan “for cause” in a thinly veiled attempt to avoid paying Fegan millions of dollars
12 he was owed, steal his clients, and usurp operational control of a business they have zero
13 experience running.

14 5. In March 2013, Fegan sold his basketball representation business to Relativity
15 Sports and agreed to serve as President of Basketball Operations of Relativity Basketball through
16 December 31, 2017. As its operational chief and by far its most experienced Player Agent, Fegan
17 dedicated the last three years of his life to this company. Under Fegan’s leadership, the Basketball
18 Division initially flourished. For example, the Basketball Division established a new industry
19 record for the total dollar amount of player contracts negotiated in one summer by a basketball
20 representation agency—Fegan negotiated more than \$400 million in NBA player contracts in the
21 summer of 2013 to set a new record.

22 6. Unfortunately, cracks in the parent company, Relativity Media, began to manifest
23 in early 2015 when rumors of financial woes were becoming widespread. All of Relativity Sports’
24 agents were concerned and eventually considered separating from Relativity Media because of the
25 mounting financial and mismanagement pressures. In the summer of 2015, Fegan directly alerted
26 the well-known investor and philanthropist Ronald Burkle (“Burkle”), whose company, Yucaipa,
27 was one of the main investors in Relativity Sports. Fegan informed Burkle that the Relativity
28 Sports group was in disarray and most of the agents were on the verge of leaving, including Fegan.

1 7. It was at this point that Fegan and Burkle met a number of times in an effort to
2 salvage Relativity Sports. Fegan was persuaded to stay on as President in large part because of his
3 growing and positive relationship with Burkle.

4 8. Even after Relativity Media declared bankruptcy on July 30, 2015, Fegan stayed
5 the course because of his belief in Burkle’s commitment to Fegan personally and Burkle’s
6 commitment to the helping the troubled Sports Group navigate an ugly bankruptcy. During the
7 bankruptcy, which lasted almost ten months, Fegan essentially carried the Basketball Division on
8 his back, agreeing to pay out almost \$1 million of his own money to keep the basketball business
9 afloat. The lenders had essentially taken control of Relativity Sports after a default on loan
10 obligations and refused to release the funds to adequately operate the business. To save the
11 business, Fegan stepped in and financed the shortfall.

12 9. During the bankruptcy, the Basketball Division was forced to operate without
13 office space for 10 months, so Fegan generously allowed the business to operate out of his own
14 home. In addition, with the knowledge and support of Quintero and the Board of Directors, Fegan
15 used his own funds and company to take certain actions in order to preserve a future for Relativity
16 Sports, including hiring and paying the salary for a young agent, James Dunleavy, who had been
17 strongly recommended by Ratner’s son, Michael Ratner.

18 10. Fegan also decided to stay as President based upon promises made to him by
19 Quintero. Quintero induced Fegan to stay as President by, among other things, promising that
20 Fegan would continue to have full operational authority to operate the Basketball Division
21 pursuant to an agreed-upon budget (including the authority over hiring and firing), and that Fegan
22 would be provided ample resources to grow the Basketball Division.

23 11. Relativity Media’s bankruptcy dragged on and on, despite Quintero’s consistent
24 representations that the final reorganization and rebranding of the Sports group “was only a few
25 weeks away.” Relativity Sports, especially Relativity Basketball, suffered greatly. During the
26 bankruptcy, the Basketball Division suffered the defection of the CEO and also the President of
27 Relativity Sports, as well as the defection of important Basketball Division agents, employees and
28 clients (who defected to form a new company with the former CEO and President). In addition, a

1 number of other high profile and important clients left the Basketball Division during this period,
2 citing the disastrous impact of the bankruptcy. Indeed, during this period, Relativity Sports was
3 disparagingly referred to as “Bankruptcy Sports.” By the Spring of 2016, the Basketball Division
4 was operating at half of its former strength. Nevertheless, through Fegan’s leadership and hard
5 work, the core team in the Basketball Division had survived and morale remained strong.

6 12. After a failed attempt to purchase Relativity Sports in Spring 2015, Hank Ratner
7 continued to build his relationship with Fegan largely through the efforts of his son, Michael
8 Ratner. Ratner, Fegan, and Michael Ratner together shared many plans for the future of the Sports
9 group. Ratner made his continued interest in Relativity Sports crystal clear to Fegan: his goal was
10 to own and control Relativity Sports.

11 13. As part of the reorganization meetings with Burkle and Quintero, Fegan
12 recommended they consider Ratner for the Sports Group CEO position. This was no small task, as
13 Ratner had, during Relativity Media’s financial struggles, made an unsolicited bid to purchase
14 Relativity Sports that did not sit well with the company’s ownership—especially since Ratner
15 notified the division heads of Relativity Sports prior to making the bid. During this period, Ratner
16 was often in daily communication with Fegan, sharing calls late at night and on the weekends
17 about how to rebrand and grow the sports practice. Fegan made it clear to Ratner that he sought a
18 partner, not a “boss.” Ratner assured Fegan during this courtship that is exactly what he wanted
19 too, and that he understood and valued Fegan’s experience as one of the most experienced agents
20 and operators in the sports representation business.

21 14. In May 2016, Burkle, based on Fegan’s recommendation, hired Hank Ratner as
22 CEO of Relativity Sports. In June 2016, Relativity Sports re-branded itself as Independent Sports
23 & Entertainment (“ISE”); Burkle invested more money and became Chairman of the Board of ISE
24 and its controlling investor.

25 15. However, despite these changes, ISE was still in breach of Fegan’s agreements, and
26 in default on almost \$3 million in obligations to Fegan. Further, the cure period for the breaches
27 had passed and Fegan was in a position to walk away from the company and immediately compete
28 pursuant to the terms of his agreements. Quintero, for the second time, along now with Ratner,

1 both induced Fegan to stay with ISE through promises made to him. Moreover, Ratner and
2 Quintero further induced Fegan to become a \$5 million creditor to ISE, by promising Fegan that:
3 (a) he would have operational control of the Basketball Division; (b) Burkle would provide ample
4 funds to rebuild and grow the Basketball Division; and (c) once ISE demonstrated it had delivered
5 on the aforementioned promises, Ratner and Quintero would work in good faith to extend Fegan’s
6 contract beyond December 31, 2017. A large and significant factor in Fegan trusting Ratner and
7 Quintero to deliver on their promises was Fegan’s relationship with Burkle, who Fegan had grown
8 to like and respect very much, and his belief that Burkle had worked in good faith with him to
9 save the sports group from the clutches of Relativity Media’s bankruptcy.

10 16. On June 13, 2016, Fegan and ISE amended his Employment Agreement and APA
11 deferring immediate payment of almost \$3 million owed Fegan, other financial compensation and
12 incentives for Fegan. Significantly, in these agreements, ISE also agreed to make Fegan the CEO,
13 as well as the President, of Basketball Operations.

14 17. After amending these agreements and becoming a major creditor to the company,
15 Fegan negotiated new NBA Player Contracts adding \$6.4 million in new committed revenue,
16 which ISE badly needed. Significantly, had Fegan *not* agreed to become ISE’s creditor at Ratner’s
17 and Quintero’s inducement, Fegan—and not ISE—would have been entitled to the \$6.4 million in
18 new committed revenues (in addition to the \$5 Million ISE still owed Fegan). Thus, if Fegan had
19 truly desired to leave the company, as Ratner and Quintero later claimed, what better time to leave
20 than in June 2016, just a few weeks shy of a \$6.4 million payday?

21 18. Even after amending his agreements, Ratner and Quintero continued to promise
22 Fegan that he would have operational control of the Basketball Division, that he would be
23 immediately provided with ample resources to rebuild the Basketball Division, and that they
24 would work in good faith to extend Fegan’s contract beyond December 31, 2017.

25 19. Unfortunately, Ratner and Quintero did not deliver on their promises. Ratner began
26 to interfere with the operation of the Basketball Division. Ratner implemented an “austerity” drive
27 for the basketball division in terms of salaries, expenses and pressured Fegan to terminate
28 employees, despite the fact that he had promised Fegan he would be able to rebuild and grow the

1 Basketball Division with additional funds from Burkle. Instead, Ratner pressured Fegan to make
2 “cuts” in the Basketball Division because of ISE’s *limited resources*. Ratner’s concern about
3 spending in the basketball division was surprising in light of Ratner’s decision to add more than
4 \$6 million in corporate overhead to ISE without adding a single dollar in revenue; indeed, by the
5 time Fegan was terminated, the non-revenue generating yearly corporate overhead had risen to
6 more than triple the annual expenses for the entire basketball division. Further, Ratner refused to
7 allow Fegan, in his role as President of the Division, to negotiate settlements with the employees
8 he was pressuring Fegan to terminate. Ratner even authorized the termination of one the basketball
9 agents by the General Counsel, David Bauman, without even notifying Fegan. Ratner claimed ISE
10 did not have the funds to hire “replacement” agents in the basketball division, at the same time he
11 was bloating corporate overhead to the tune of \$6 million per year.

12 20. By the Fall 2016, the Basketball Division was down to only five (5) agents
13 (including Fegan) from a peak of twelve (12) agents in August 2015. Ratner had “pruned” the
14 Division through terminations and reassignments without Fegan’s approval. Further, Ratner
15 refused Fegan’s many requests to hire new agents to rebuild and grow the Division, even after he
16 was reminded several times that he and Quintero had made these promises to Fegan.

17 21. What Fegan thought would be a great benefit for ISE and for him personally and
18 professionally—the hiring and installation of Hank Ratner as CEO—turned into a corporate and
19 professional nightmare. Ratner, who had no experience operating a basketball representation
20 business, was effectively running the Basketball Division and had inserted himself in the daily
21 operations of the business in opposition to Fegan.

22 22. Hank Ratner’s mission to cut Fegan out of ISE’s operations was partially motivated
23 by Ratner’s vain fantasy of dealing his sons, Michael and Scott Ratner, into the business.
24 After seizing operational control of ISE’s Basketball Division for himself, Hank Ratner installed
25 his son Michael, with the help of Michael Ratner’s friends who were employed in Fegan’s
26 division, as gatekeeper to his usurped authority. Hank Ratner further doled out sweetheart deals
27 and cushy administrative jobs to Michael Ratner’s close friends, to the detriment of ISE.

28

1 23. By November 2016, Ratner was in communication with his son Michael regarding
2 the operations of the Basketball Division more than he was with Fegan. Agents and other
3 employees of ISE began to joke among themselves that if you wanted something done, “*you must*
4 *first speak to Prince Rat (Michael Ratner) in order to get anything from King Rat (Hank*
5 *Ratner).*”

6 24. Further, Ratner and Quintero bought and paid for Dunleavy and King’s loyalty by
7 offering them lucrative new deals despite the fact that they had not brought in significant revenue
8 to the company. The deals were offered, in exchange for their agreement, tacit or otherwise, to sell
9 out Fegan—their former mentor—and to ultimately sell out the players’ best interests.

10 25. Thus, by December of 2016 it was clear to almost everyone in the Los Angeles
11 office that Ratner had entirely usurped Fegan’s authority as President and CEO of the Basketball
12 Division.

13 26. In mid-December 2016, Ratner and Quintero both informed Fegan that they
14 thought it would be best if Fegan leave the company because, according to them—but as a surprise
15 to Fegan—Fegan wanted to operate independently and not as part of ISE. Quintero also informed
16 Fegan that although he thought Ratner wanted to terminate Fegan—which, at the time, Fegan
17 assumed meant that Ratner wanted to terminate him “without cause” because there was absolutely
18 no basis for terminating him “with cause”—Burkle did not want to terminate Fegan. Fegan made
19 it clear in a letter to both Ratner and Quintero that he did not want to leave ISE, especially since he
20 had sacrificed so much to keep it alive. *See* Exhibit 1. Fegan specifically requested that Quintero
21 share with Burkle the contents of the attached email to Ratner, but Fegan learned after his
22 termination that Quintero did not inform Burkle about the email to Ratner. Fegan told Quintero
23 that he believed the operational issues would best be resolved by having Fegan report to the
24 Chairman of the Board, not Ratner. Fegan also specifically asked Quintero not to tell this to
25 Ratner because Fegan wanted to address this directly with the Chairman. Fegan later learned,
26 however, that Quintero did in fact inform Ratner, despite having told Fegan he would not.

27 27. It was at this point that Ratner and Quintero, with the help of Ratner’s son Michael,
28 began to fully execute their plot to terminate Fegan, cheat him out of millions of dollars, and steal

1 his NBA clients. After Defendants executed their plot and Fegan’s employment was terminated
2 “for cause” on March 10, 2017, *the only other two NBA Player Agents at ISE with significant*
3 *negotiating experience—Jarinn Akana and Aylton Tesch—were at-will employees with ISE and*
4 *resigned the next business day.*

5 28. ISE Basketball *no longer employs a single Player Agent who has ever negotiated*
6 *a significant NBA contract.* This fact, however, has not prevented Defendants Ratner, Quintero,
7 Dunleavy, and King from intentionally and improperly interfering with the contractual
8 relationships between Fegan and his NBA Players. Since March 10, 2017, Defendants’ improper
9 and illegal actions have caused eight (8) of Fegan’s NBA Players to terminate Fegan and sign with
10 ISE Basketball’s two remaining agents—Dunleavy and King—even though neither them has
11 experience negotiating significant Free Agent contracts.

12 29. Ratner and Quintero directly participated in convincing many of the players and
13 Player Agents into staying with ISE Basketball, falsely assuring them that they would receive
14 “expert” negotiating experience. These statements made by Defendants are false and misleading
15 because Ratner, Quintero, Chris Grancio (interim President of Basketball), and Kevin Johnson
16 (recently named President of Basketball) are *not* certified NBPA Player Agents, and are therefore
17 prohibited from negotiating with NBA teams on behalf of NBA players. Many of the players who
18 stayed with ISE have important contract negotiations upcoming this summer and they will be left
19 at the mercy of a company that has betrayed their best interests.

20 30. As explained below beginning in Paragraph 41, Defendants have continued their
21 scheme to solicit and harass Fegan’s clients to this day, causing ongoing harm to Fegan, as well as
22 to any NBA player who would entrust his career to a basketball division without even one
23 experienced NBA contract negotiator due their plot against Fegan.

24 **JURISDICTION AND VENUE**

25 31. Jurisdiction is proper in the Superior Court of the State of California for the County
26 of Los Angeles pursuant to section 410.10 of the Code of Civil Procedure.

27 32. Venue is proper in Los Angeles County, California pursuant to sections 392 *et seq.*
28 of the Code of Civil Procedure because Los Angeles County is where Defendants or some of them

1 reside, and where at least some of the causes of action arose.

2 **THE PARTIES**

3 33. Plaintiff Fegan is an individual residing in the County of Los Angeles, California.

4 34. Plaintiff is informed and believes, and based thereon alleges, that Defendant Hank
5 Ratner is an individual residing in New York, New York.

6 35. Plaintiff is informed and believes, and based thereon alleges, that Defendant
7 Michael Ratner is an individual residing in New York, New York.

8 36. Plaintiff is informed and believes, and based thereon alleges, that Defendant Frank
9 Quintero is an individual residing in the County of Los Angeles, California.

10 37. Plaintiff is informed and believes, and based thereon alleges, that Defendant James
11 Dunleavy is an individual residing in the County of Los Angeles, California.

12 38. Plaintiff is informed and believes, and based thereon alleges, that Defendant Travis
13 King is an individual residing in Dallas, Texas.

14 39. Plaintiff is ignorant of the true names and capacities of Defendants Does 1 through
15 50 and therefore sues these Defendants by such fictitious names. Plaintiff will amend this
16 Complaint to allege these Defendants' true names and capacities when ascertained.

17 On information and belief, each of these Defendants is responsible and liable in some manner for
18 the events alleged herein and damages caused thereby.

19 40. On information and belief, at all times relevant hereto, Defendants, and each of
20 them, were agents of one another and in doing the things alleged in this Complaint were acting in
21 concert and within the course and scope of such agency and with the knowledge and consent of
22 each other. On information and belief, Defendants, and each of them, conspired with each other in
23 doing all that is alleged herein, making the actions of any Defendant attributable to all Defendants.

24 **STATEMENT OF FACTS**

25 **A. Fegan Is One of the Most Successful and Well-Known NBA Agents.**

26 41. For 27 continuous years, Fegan has dedicated his career to representing NBA
27 players as an NBA agent. Beginning with the first athletes he represented while he was a student at
28 Yale Law School, Fegan built his sports representation business from the ground up. Fegan is

1 routinely cited in the press as one of the top agents in the world, and the total value of the
2 contracts he has negotiated is believed to be in excess of \$3 billion. During this time, Fegan was
3 not only a top agent, he also owned and/or operated a basketball representation interest the entire
4 time. Significantly, Fegan is one of only a very few agents that has decades of experience
5 operating one of the largest basketball practices in the world.

6 42. Fegan represents each of his NBA player clients according to Standard Player
7 Agent Contracts (“SPACs”) that he has signed with each of them. The primary terms of the
8 SPACs are dictated by the NBPA.

9 **B. Hank Ratner Lands the ISE CEO Position By Blaming Jim Dolan, Jr. for**
10 **Ratner’s “Nasty” Reputation as CEO of Madison Square Garden.**

11 43. On July 30, 2015, Relativity Sports’ Parent Company, Relativity Media, filed for
12 Chapter 11 bankruptcy. Soon thereafter, Relativity Sports CEO Happy Walters left the company
13 and took many NBA player clients and several NBA agents and other employees with him.

14 44. Fegan had serious concerns about the future of Relativity Sports and met with
15 Burkle numerous times. Burkle told Fegan that he planned to further invest in and reorganize the
16 company, and to become more involved in its management. Fegan admired Burkle’s business
17 acumen and leadership, and considered staying on at Relativity Sports.

18 45. Quintero persuaded Fegan to continue his relationship with Relativity Sports by
19 promising the following: (a) Fegan would have operational control of the Basketball Division; and
20 (b) Burkle would provide ample funds to rebuild and grow the Basketball Division. In addition,
21 Fegan, Burkle, and Quintero shook hands on a new employment deal for Fegan, which was
22 promised to be memorialized in less than six weeks once Relativity Sports had been fully
23 reorganized.

24 46. After Fegan agreed to help steer Relativity Sports out of bankruptcy, Hank Ratner
25 contacted Fegan and repeated his earlier desire to get involved with the company. Michael Ratner
26 likewise aggressively campaigned Fegan to help his father join Relativity Sports. Fegan was
27 hopeful that Hank Ratner could be a partner in the process of resurrecting the company, but in the
28 vetting process, Fegan learned that Hank Ratner had a reputation at Madison Square Garden for

1 being a difficult, nasty, and bullying boss. When Fegan questioned Hank Ratner about his
2 reputation, *Ratner blamed his nasty actions while CEO of Madison Square Garden on Garden*
3 *Chairman Jim Dolan, Jr.* Hank Ratner stated that “If Jim wanted me to pick a fight with the
4 Mayor, that’s what I did.” When Fegan asked Ratner why he forced the New York Knicks’ head
5 coach to endure a nasty public trial for sexual harassment filed by Anucha Browne Sanders instead
6 of settling the dispute privately, Ratner stated that “was Jim’s decision. If Jim wanted to pursue an
7 ugly, public lawsuit, that’s what I had to do.” Ratner stated that he found Jim Dolan, Jr., very
8 difficult to work for and that Ratner’s true relationship was with Dolan’s father, Charles Dolan.
9 Significantly, Ratner did not terminate any employees after Anucha Browne Sanders won an
10 eight-figure punitive damages suit against the Garden.

11 47. In a decision he would later come to regret, Fegan took Hank Ratner at his word
12 that his nasty reputation was Jim Dolan, Jr.’s fault. Fegan recommended to Burkle that Burkle
13 name Hank Ratner as CEO of Relativity Sports. Burkle took Fegan’s advice, and even before
14 Ratner was formally hired, Ratner began making decisions and doing deals on behalf of the
15 company. On information and belief, Ratner served in secret as the *de facto* CEO of Relativity
16 Sports as of early January 2016 without assuming the executive title because he was *subject to a*
17 *non-compete agreement with the Garden* that barred him from doing so.

18 48. Ratner was formally installed as President and CEO of Relativity Sports in May
19 2016. In June 2016, Relativity Sports was rebranded as “Independent Sports & Entertainment”
20 (ISE) after a substantial investment from Burkle. At that time, Burkle was named Chairman of the
21 Board and Ratner also took a seat on ISE’s Board of Directors. Ratner negotiated himself a deal
22 with ISE in which he was given much more than double the equity of Fegan and more than double
23 Fegan’s salary despite adding no revenue.

24 C. **Hank “King Rat” Ratner Seizes Control of the Basketball Division, Breaching**
25 **ISE’s Contract With Fegan and Breaking The Promises He Made To Induce**
26 **Fegan To Stay At ISE.**

27 49. What Fegan thought would be a great benefit for ISE and him both personally and
28 professionally—the hiring and installation of Ratner as CEO—turned into a corporate and

1 professional nightmare. Fegan believed that Ratner and Quintero would be grateful to, and
2 supportive of, Fegan after he had agreed to stay at ISE and become a major creditor to ISE.
3 More importantly, Fegan expected Ratner and Quintero to honor the promises they had made to
4 induce Fegan to stay. Fegan could not have been more wrong.

5 50. After amending Fegan’s deal in June 2016, Ratner, along with Quintero, reiterated
6 their promises to Fegan that he would have operational control of the Basketball Division, that he
7 would immediately be provided with ample resources to rebuild the Basketball Division, and that
8 they would work in good faith to extend Fegan’s contract beyond December 31, 2017.
9 Unbeknownst to Fegan, neither Ratner nor Quintero had any intention of following through on
10 these promises.

11 51. Ratner and Fegan clashed repeatedly regarding operating the Basketball Division.
12 Ratner bluntly refused to commit the promised resources to rebuild the ISE Basketball Division.
13 Instead, Ratner pushed an “austerity” program pressuring Fegan to terminate agents and
14 employees and to accept reassignments of key personnel out of the Basketball Division.

15 52. Ratner took the following actions, among others, to deprive Fegan of his authority
16 to operate the Basketball Division. Specifically, Ratner:

- 17 a. pressured and forced Fegan to terminate employees over Fegan’s
18 objections;
- 19 b. refused to heed Fegan’s advice on diversity hiring;
- 20 c. approved more than \$6 million per year in bloated corporate overhead
21 expenses, mostly on new corporate hires—to which Fegan strenuously objected—which added
22 zero new revenues;
- 23 d. refused to provide the promised funding to rebuild the Basketball Division
24 and refused to hire new agents despite the Basketball Division operating with less than half the
25 agents from the prior year;
- 26 e. refused to treat female employees fairly in terms of compensation and work
27 place rules which resulted in at least two gender discrimination claims, reminiscent of Ratner’s
28 insensitivity in the Anucha Browne Sanders matter;

1 f. refused to approve fee splits that Fegan had recommended, consistent with
2 industry standards, for valuable revenue producing agents, and further refused to allow Fegan to
3 negotiate the settlements with terminated employees. Instead, Ratner eventually gave a sweetheart
4 deal to an underperforming agent, Dunleavy, who happened to be the best friend of his son,
5 Michael Ratner, who also worked at ISE;

6 g. promoted an agent out of Fegan’s division without discussing the move
7 with Fegan, and then refused to approve the hiring of a new replacement agent;

8 h. refused to follow Fegan’s advice that it was vital that the company sign all
9 the key employees of the Basketball Division at the same time in order to avoid creating a divisive
10 and toxic environment. Ratner’s failure to heed Fegan’s advice and to pursue signing key
11 employees on a one-off basis eventually caused the divisiveness and toxicity of which Fegan had
12 warned;

13 i. consistently overruled Fegan and/or willfully delayed action on many other
14 important operational issues—including reimbursing Fegan more than \$300,000 of his own money
15 that Fegan used to support operations of the Basketball Division, which included consulting
16 payments throughout this period to James Dunleavy;

17 j. against Fegan’s objections, gave his son, Michael Ratner, a lucrative
18 consulting agreement with terms not favorable to ISE; and

19 k. without Fegan’s input and over Fegan’s objections, agreed to improperly
20 fund Amateur Athletic Union (“AAU”) basketball programs in such a way to funnel money to
21 amateur athletes.

22 53. Ratner began to purposefully make it difficult for Fegan to communicate with him.
23 Before Ratner was installed as CEO, Ratner and Fegan spoke all the time. But a few months into
24 Ratner’s new position as the “boss,” Fegan was surprised to learn that Ratner stopped returning his
25 “unscheduled” phone calls; if Fegan did not schedule a call with Ratner’s assistant, Ratner would
26 most often decline to answer or respond. Further, Ratner often suggested meeting times in Los
27 Angeles that he knew Fegan could not make, and, shockingly, then tell Burkle and others that
28 Fegan was avoiding meeting with him. Ratner frequently voiced his displeasure that Fegan was

1 not able to travel to New York City, but he never mentioned the fact that Fegan’s ability to travel
2 as limited during that time due a back surgery in October 2016.

3 54. With Ratner having severed the lines of communication, Fegan was unable to
4 persuade Ratner to provide funding, especially for new hires, to rebuild the Basketball Division as
5 Ratner had promised. Ratner would play games with Fegan: he would pretend to consider Fegan’s
6 requests, but then give one excuse after another for denying them—almost always saying “no” in
7 the end. In fact, Ratner consistently said “no” to almost all of Fegan’s requests, not just Fegan’s
8 proposed hires. Ratner’s consistent denial of Fegan’s operational requests was a deliberate strategy
9 to make it appear that Fegan was not a “team player” and was difficult to work with. Ironically,
10 Ratner has no experience operating a sports representation business, and refused to allow Fegan—
11 who had 27 years of experience as a top agent and operator in the field—the operational control
12 that Ratner and other had promised him.

13 55. In seizing operational control from Fegan, Ratner sent a clear message to the agents
14 and employees of the Basketball Division—he was the boss. Once Ratner established to the agents
15 and employees that he—and not Fegan—was in charge, Ratner was able to finally divide what was
16 once a close-knit Basketball Division, especially with the help of his son and Quintero, and begin
17 to execute the plot to terminate Fegan for cause, avoid paying Fegan millions of dollars and steal
18 Fegan’s clients.

19 **D. Fegan Stands Up to Ratner for Equal Pay and Equal Treatment of Female**
20 **Employees at ISE.**

21 56. Ratner also begrudged Fegan for refusing to tolerate Ratner’s discriminatory
22 treatment of ISE’s female employees. ISE employee Joyce Li (“Li”) had worked with Fegan for
23 years in the sports management industry. Fegan had always treated her the same as her male
24 counterparts and approved appropriate pay raises and bonuses based on Li’s job performance.

25 57. By the time ISE was formed out of the Relativity bankruptcy, Li had become an
26 integral part of the growing business and was both running ISE’s daily operations and helping
27 service ISE clients, essentially performing the job responsibilities of a mid-level player agent.

28

1 Among other things, Li had created great value for the company by working with a very high
2 profile client to secure a highly lucrative shoe deal.

3 58. Under Ratner's leadership, however, Li was not being compensated commensurate
4 with her contribution to ISE, and in particular was not being paid what her male counterparts were
5 making for similar or even lesser contributions. As she informed Fegan, Li had also been target of
6 other discriminatory actions by the company, such as being excluded from company functions
7 when no male employees were similarly excluded.

8 59. Fegan appreciated Li's hard work and high performance and was appalled by ISE's
9 discriminatory treatment of her. Not long before he was terminated by ISE, Fegan spoke to Ratner
10 and requested that Li be given either a raise and appropriate bonus structure to put her
11 compensation in line with that of ISE's male employees performing similar work, or an
12 appropriate severance package based on the fact that Li had been undercompensated as compared
13 with her male counterparts. Fegan also advocated for Li and told Ratner that ISE's other
14 discriminatory treatment of Li was unacceptable and needed to stop.

15 60. Ratner blew off Fegan's concerns about ISE's discriminatory environment and
16 mistreatment of Li. Rather than compensating Li fairly, Ratner then diverted ISE's compensation
17 pool to inflate the pay of male ISE employees like King and Dunleavy in order to buy their loyalty
18 and turn them against Fegan. Then, against Fegan's objections, Ratner fired Li in December 2016.
19 Li filed a complaint against ISE with the California Department of Fair Employment and Housing
20 and in Los Angeles Superior Court.

21 61. In retaliation for Fegan's advocacy of Li, and with an eye toward stealing Fegan's
22 clients, Ratner began recruiting other individuals and ISE employees to betray Fegan and help
23 poach Fegan's clients once he had been terminated.

24 **E. Quintero Schemes With Ratner To Defraud Fegan And To Steal Fegan's**
25 **Clients.**

26 62. Ratner first enlisted Quintero to aid him in his plot. Quintero had led Fegan to
27 believe that he was Fegan's friend. In August 2015, Quintero promised to help reorganize
28 Relativity Sports out from under the cloud of Relativity Media's bankruptcy. In addition, Quintero

1 promised Fegan that he would have operational control over the Basketball Division and he would
2 be given the necessary resources to grow the Division. Fegan agreed to stay with Relativity Sports
3 in large part because of Quintero’s promises. Fegan often invited Quintero, as a friend, to many
4 meals and events with his clients and the agents who worked for him in the Basketball Division.
5 Quintero’s contact with the players and the agents originated through Fegan. Fegan never
6 suspected that his friend, Quintero, would shamelessly use Fegan’s introductions to scheme
7 against him.

8 63. Quintero was aware of the festering tensions between Ratner and Fegan regarding
9 Ratner’s refusal to allow Fegan to operate the Division he had operated for 27 years. For a period
10 of time, Quintero paid lip service to caring about Fegan’s concerns. That lip service
11 notwithstanding, at Ratner’s direction, Quintero met with Fegan in December 2016 to inform him
12 that Ratner had come to the conclusion that Fegan was not a “good fit” for ISE and Quintero
13 proposed Fegan separate from ISE. Quintero further informed Fegan that he believed Ratner
14 wanted to terminate him. Fegan asked about Burkle’s position on the matter, and Quintero
15 informed him that Burkle did not want to terminate him. Fegan informed Quintero that he had no
16 intentions of leaving the company that he helped save six months earlier, and that he would work
17 with Burkle on solving operational issues between him and Ratner.

18 64. Further, Fegan trusted Quintero to fully and accurately communicate his concerns
19 to Burkle and the Board of Directors. But unbeknownst to Fegan, Quintero was already in league
20 with Ratner and committed to removing Fegan. Fegan met with Quintero numerous times to
21 convey his concerns about ISE’s operations. Quintero misled Burkle with inaccurate and
22 incomplete information, which was at odds with what was actually taking place. For example,
23 Fegan had expressed his concerns to Quintero about several potential gender discrimination claims
24 against ISE and described the circumstances for his concerns. Quintero later informed Fegan that
25 he had discussed Fegan’s concerns with Burkle. Quintero also said that Burkle would “spend a
26 million dollars in legal fees to fight if she sues us.” Fegan learned later, however, that Burkle had
27 said no such thing. Quintero did not fairly communicate Fegan’s concerns about this matter and
28 many others to Burkle or the Board of Directors.

1 65. Quintero brazenly misrepresented Fegan’s positions despite the fact that Quintero
2 was fully aware that Fegan had been in discussions and negotiations for months directly with
3 Burkle regarding extending his contract with ISE, along with securing new deals for the unsigned
4 agents. Quintero was also aware that Fegan had included Burkle in February 2017 in a major
5 negotiation with an NBA team’s general manager for a star player’s upcoming contract. Why
6 would Fegan risk his relationship with a star player if he had a “plan” to leave ISE? Quintero was
7 further aware that Fegan had invited Burkle on ISE Basketball’s summer trip to Europe to meet
8 with seven (7) of his top European clients in their home cities to enjoy a fun, festive business trip.
9 Quintero was aware that Fegan had notified most of these clients of the possibility that Burkle
10 would join him on the European trip. Further, Quintero was also working directly with Fegan on
11 planning a major client event to take place in August 2017 at Burkle’s home. Burkle is one of the
12 most powerful men in Los Angeles and not a man to be trifled with—these are hardly the actions
13 of someone who was intending to leave the company. Quintero was aware of all this and more, yet
14 he still supported and participated in Ratner’s plot to pit ISE’s other NBA agents economic
15 interests against Fegan.

16 66. With Ratner’s support and approval, Quintero began meeting with ISE’s basketball
17 agents to probe whether they would turn against Fegan. For example, Quintero contacted ISE
18 Player Agent King and lied that Fegan was blocking ISE from offering King a more lucrative
19 contract. In addition, Ratner and Quintero would leak private, sensitive, and sometimes *false*
20 information about Fegan’s contract and compensation with ISE to the other Player Agents and
21 then tell them—as Quintero privately told Player Agents Jarrin Akana and Travis King—they
22 would get “*much more lucrative deals from ISE if we don’t have to pay Fegan.*” Quintero even
23 flew to the island of Molokai to visit another Player Agent to speak with him without Fegan, all in
24 order to sow seeds of discontent and undermine Fegan.

25 67. Quintero’s pitting the economic interests of the agents against Fegan was merely a
26 continuation of what Ratner had begun with the agents in October 2016. What made it so
27 damaging to Fegan was Quintero invoking Burkle’s name against Fegan. When agents questioned
28

1 Quintero about Burkle’s position on the matter, Quintero told them that Burkle had turned on
2 Fegan too, which was not true.

3 68. Quintero and Ratner bolstered their misinformation campaign with outright bribes
4 in order to line up as many agents and employees as possible against Fegan. In February 2017, less
5 than a month before Fegan was terminated, Quintero and Ratner “paid off” King with a lucrative
6 new deal in order to get King to betray Fegan, his mentor, and help steal the clients that Fegan and
7 King co-represented.

8 **F. Travis King Sold Out Fegan’s Clients And Sold Out His Mentor, Fegan, In**
9 **Order To Line His Own Pockets.**

10 69. When Fegan joined Relativity Sports, King moved his family from Memphis to Los
11 Angeles because King desired, as he stated numerous times, “to learn from the best agent in
12 basketball—Dan Fegan.” After moving his family, King developed a close relationship with
13 Fegan. Fegan mentored King and helped King achieve his dreams of becoming a respected “lead”
14 agent and shed his former image as an AAU “runner.”

15 70. King enjoyed by far the most success he had ever experienced as an agent under
16 Fegan’s mentorship. Fegan helped King recruit three first round picks and several top veteran
17 players in a few short years. Fegan and King spoke often, sometimes two or three times a day.
18 Whatever King asked of Fegan, Fegan did his best to provide it, including providing King
19 personal financial support during the parent company’s bankruptcy when the company could not
20 support King’s needs.

21 71. King was effusive in his praise of Fegan. King told clients, their families, and
22 recruits that Fegan was the “best agent in the business,” and that King enjoyed working for him.
23 King also told other agents and important business contacts the same thing. Fegan too was very
24 happy with King’s work performance and enjoyed their working relationship. Everything was
25 working smoothly until Quintero and Ratner worked to pit King’s interests against Fegan.

26 72. Although King was under contract until 2020, Quintero and Ratner approached
27 King to negotiate a new, more lucrative agreement. There was a hook to the new deal however—
28 King must sell out Fegan. King did.

1 73. King took the money and agreed to help steal the clients that Fegan represented. In
2 doing so, King was aware that he was completely cutting Fegan out of any financial participation
3 in the clients Fegan and King had co-represented for years.

4 74. Without any warning or so much as a phone call, King joined Quintero and
5 Ratner’s plot to steal Fegan’s clients and cut him out of ISE. King persuaded five (5) clients send
6 termination letters to Fegan days after Fegan was shocked by his termination from ISE. In fact,
7 less than two hours after Fegan was fired, King had one major client and his parents in ISE’s Los
8 Angeles office to meet with Ratner and Grancio and sign a termination letter for Fegan.
9 Suspiciously, that same week, King referred another ISE basketball client to the business manager
10 of the client that terminated Fegan at ISE’s offices the day Fegan was terminated by ISE.

11 75. The double sell-out was the fact that King sold out the clients, as well as mentor
12 Fegan. Without any regard for their best interests, King induced Fegan’s clients to terminate their
13 SPACs with Fegan—who King had for years claimed was the “best agent in the business”—and to
14 instead sign with a Basketball Division that had only two agents—King and Dunleavy—who both
15 lacked any experience negotiating significant free agent or veteran contracts.

16 **G. Michael Ratner and his father, Hank Ratner, Betray Fegan’s Friendship.**

17 76. To hatch his plot, Ratner enlisted the help of not only other ISE agents, but also the
18 assistance of his own son, Michael Ratner. In fact, it was Michael Ratner who initially introduced
19 Hank Ratner to Fegan and lobbied Fegan to endorse his father for the CEO position at ISE.

20 77. Fegan befriended Michael Ratner, then a 24 year-old intern at ISE, in the summer
21 of 2013. Michael Ratner later applied for a more permanent position at Relativity Sports, and
22 again Fegan befriended him by recommending that Relativity Sports hire him. As a result,
23 Michael Ratner made an agreement with Relativity Sports and moved to Los Angeles in 2014.

24 78. Michael Ratner sought out Fegan as soon as he started his new position. Fegan
25 gave Michael Ratner his most important content projects, including a major sports documentary
26 for one of his star clients. Although there was no significant financial upside for Fegan in
27 mentoring Michael Ratner, Fegan enjoyed the creative process and found it rewarding taking
28

1 Michael Ratner under his wing. Fegan and Michael Ratner began spending a lot of time together
2 and enjoyed weekly breakfasts and dinners.

3 79. Fegan made sure that Michael Ratner received appropriate recognition for his work,
4 which was no small feat in the competitive sports production world. Michael Ratner regularly
5 expressed his gratitude and appreciation for Fegan’s friendship and mentorship. Michael Ratner
6 often told Fegan that he would like Fegan to sit on the Board of Directors of his company, which
7 Hank Ratner had financed with \$2 million for his 24 year-old son.

8 80. Michael Ratner introduced Fegan to his father and encouraged Fegan to build a
9 relationship with him, which Fegan did.

10 81. Michael Ratner also lobbied Fegan to hire his close friends. In the summer of 2015,
11 Michael Ratner strongly recommended Fegan hire his best friend, James Dunleavy. Unbeknownst
12 to Fegan at the time, Michael Ratner also cajoled the other agents and employees in the Basketball
13 Division to support the Dunleavy hire, claiming Dunleavy was the “perfect” fit. Based on the
14 financial woes of the parent company, Fegan could not hire Dunleavy as an employee of the
15 Basketball Division. However, with the support of Quintero and others, Fegan agreed to hire
16 Dunleavy as a consultant to his own corporate entity with the understanding that once Relativity
17 Sports navigated its financial problems, Fegan would be reimbursed. This was a huge favor to
18 Dunleavy and a significant financial risk to Fegan.

19 82. Michael Ratner and Dunleavy spoke daily and began building close relationships
20 with some of Fegan’s most important, high-profile clients—all with Fegan’s trust, support, and
21 blessing. Significantly, Dunleavy and Michael Ratner never delivered on their promises to recruit
22 star talent to the company, although Michael Ratner made it clear to Fegan and his father that he
23 expected to get 25% of any agent fees received from referring any of his star NBA *friends*.
24 Michael Ratner and Dunleavy instead spent their energies cuddling up with Fegan’s clients,
25 enjoying an access to a lifestyle that was beyond their wildest dreams. They particularly enjoyed
26 the attention and access to supermodels and Hollywood stars, like Hailey Baldwin and Bella
27 Hadid—which they talked about all the time. They also enjoyed traveling on exotic vacations with
28 Fegan’s clients.

1 83. In the Summer of 2015, Michael Ratner also began to lobby Fegan about his father,
2 which he continued to do until Fegan recommended Hank Ratner for the CEO position. After
3 Ratner was named CEO of ISE, Michael Ratner withdrew from Fegan; by the following year,
4 September 2016, Michael Ratner rarely made time to meet or speak with Fegan at all.

5 84. After his father was installed as CEO of ISE, Michael Ratner became in many ways
6 the communications gatekeeper to his father for his friends in the Basketball Division. Agents and
7 employees sought out Michael Ratner because it was becoming more and more clear that Fegan
8 did not have operational authority over the Basketball Division—Hank Ratner did. Even
9 prospective employees contacted Michael Ratner, not Fegan, in the hopes of securing Michael
10 Ratner’s favor in getting a job.

11 85. In fact, the only time Michael Ratner made any effort to communicate with Fegan
12 after September 2016 was when he lobbied Fegan for yet another job for another close friend, Max
13 Lipsett. Dunleavy joined in lobbying for Lipsett, as he was close friends with him as well. Fegan
14 agreed to recommend Lipsett after meeting with Lipsett three or four times, but warned Michael
15 Ratner and Dunleavy that he was not optimistic because Hank Ratner had rejected every hiring
16 recommendation Fegan had made since he took over. It was to Fegan’s surprise, then, when Hank
17 Ratner agreed to hire Michael Ratner’s and Dunleavy’s close friend, Lipsett.

18 86. Nonetheless, when the situation between Hank Ratner and Fegan had soured over
19 operational issues by December 2016, Michael Ratner began to help his father and Quintero
20 execute their scheme to defraud Fegan and steal his clients, agreeing to betray his former friend
21 and mentor by setting him up and stabbing him in the back. Hank Ratner, Michael Ratner, and
22 Quintero needed only to turn the rest of the group against Fegan.

23 **H. James Dunleavy Betrays Fegan In Order To Steal Fegan’s Clients and Set**
24 **Himself Up For A Multi-Million Dollar Payday.**

25 87. Despite Fegan’s mentorship, Dunleavy also turned on Fegan and agreed to help the
26 “Ratner Group” squeeze Fegan out of ISE and steal Fegan’s clients.

27 88. From the day he was hired at ISE, Dunleavy expressed to Fegan and everyone else
28 in the Basketball Division his gratitude to Fegan for not only bringing him on board (especially

1 given the clouded circumstances regarding his departure from Wasserman Media Group), but also
2 for Fegan’s personally paying his salary for over a year during the company’s financial woes.
3 Dunleavy told clients, recruits, and just about everyone in the business—including his NBA player
4 brother—how much he respected Fegan and how much he enjoyed working for him. Dunleavy
5 and Fegan often shared meals together, and Fegan always made himself available to help
6 Dunleavy.

7 89. Although Dunleavy was not successful at recruiting new business to the company,
8 Fegan continued to nurture him and help him grow. In addition, Fegan and other agents in the
9 Basketball Division introduced him to many of their clients. Dunleavy began building
10 relationships with existing clients of Fegan and the other agents as he was “learning the ropes.”
11 Dunleavy was happy in his job and happy with Fegan; Fegan likewise was happy with Dunleavy.

12 90. That all changed in December 2016, when Quintero and Ratner put their scheme in
13 full motion. Dunleavy was under contract with ISE until July of 2018. But without informing or
14 consulting Fegan, Ratner and Quintero negotiated a lucrative extension to Dunleavy’s deal,
15 making Dunleavy one of the highest paid young agents in the industry—despite the fact that his
16 accounts were already in the red. Dunleavy began distancing himself from Fegan and many of the
17 other agents and employees in the Basketball Division. Dunleavy’s new agreement promised him
18 a personal guarantee of 25% of new business, giving him every incentive to poach Fegan’s
19 existing clients and cut Fegan out entirely. With that deal, Dunleavy’s loyalty to the Ratner Group
20 was bought and paid for, and from then on, Dunleavy spent his time almost exclusively with
21 Lipsett and Davis—Michael Ratner’s other close friends.

22 91. Immediately after Fegan was terminated, Dunleavy set his sights on stealing
23 Fegan’s clients. Dunleavy pressured Fegan’s clients to terminate Fegan because of Dunleavy’s
24 supposed “friendship” with the players and their friendship with Michael Ratner—which they had
25 only developed because of Fegan’s introductions and trusting encouragement. Dunleavy also
26 spread the absurd rumor that Fegan had “bullied” and intimidated him during one meeting with
27 Fegan in late December of 2016 while at ISE, despite the fact that Dunleavy is a 29 year-old, 6’7”
28 former USC basketball player, son of a former NBA team head coach, and brother to a current

1 NBA player. Moreover, Dunleavy made these ridiculous claims knowing that at all times he had
2 the full support of CEO Hank Ratner and Michael Ratner, and that Fegan no longer had any power
3 in the Basketball Division. Dunleavy is not the victim he claimed to be, but is instead an entitled
4 opportunist.

5 92. Shamelessly, even while secretly participating in the scheme against Fegan, in
6 February of 2017, Dunleavy asked Fegan to personally advise his brother, NBA player Mike
7 Dunleavy, regarding important career and trade decisions. Had Dunleavy truly believed that Fegan
8 had bullied and intimidated him, Dunleavy would not have asked Fegan, his alleged “bully,” to
9 advise his brother. However, with the backing and encouragement of Hank Ratner and the other
10 Defendants, Dunleavy was willing to say anything in order to steal the clients Fegan had
11 introduced to Dunleavy and thus set Dunleavy up for a multi-million dollar windfall at Fegan’s
12 expense.

13 93. This was not Dunleavy’s first time stabbing a colleague in the back. In order to get
14 close to several of Fegan’s high-profile clients, Dunleavy betrayed another Player Agent.
15 Dunleavy, Davis, and Michael Ratner all recommended that Fegan terminate Dunleavy’s co-agent,
16 who had been their friend. Fegan had made it clear to everyone in the basketball division that he
17 would fight to keep this agent on board, and that he would not terminate him unless the agents
18 were unanimous that he be removed. Despite their friendship with that agent, Dunleavy and Davis
19 eventually voted to terminate him. Shortly after his co-agent and former friend was terminated,
20 Dunleavy angled for his former friend’s agent fee percentage on two of the former ISE employee’s
21 top clients.

22 I. **Defendants Execute Their Plot and Launch a Campaign to Solicit Fegan’s**
23 **Clients, Even Though ISE No Longer Employs a Single Experienced Player**
24 **Agent.**

25 94. By late 2016, Hank Ratner and Quintero had succeeded in consolidating power and
26 enlisting Michael Ratner, King, and Dunleavy in their plot to render Fegan a lame duck president,
27 defraud him, and steal his clients.

28

1 95. Hank Ratner flaunted his operational end-run around Fegan, culminating in
2 February 2017, when Hank and Michael Ratner hosted an NBA All-Star Dinner in New Orleans.
3 The Ratners invited Dunleavy and Lipsett, other NBA player agents, and NBA players and their
4 families—but they conspicuously did not invite Fegan, even though Fegan was still the titular
5 head of ISE Basketball.

6 96. For months, Fegan had been trying to inform Burkle, through Quintero, who served
7 as ISE’s Chairman, of the operational concerns Fegan had, but Quintero blocked Fegan’s
8 communications. Fegan only later discovered that Quintero had misled Fegan for months by
9 telling him that he had been faithfully relaying Fegan’s concerns to Burkle, when Quintero had in
10 fact manufactured an incomplete and inaccurate narrative in order to advance Defendants’ plot to
11 squeeze Fegan out of ISE and take his clients.

12 97. In order to keep Fegan in the dark about their plot to poach his clients, Defendants
13 made false overtures about extending Fegan’s employment with ISE beyond December 2017.
14 Quintero invited Fegan to a meeting with Burkle and Ratner on March 9, 2017, supposedly to
15 negotiate such an extension. Fegan asked his business advisor to fly from her home in Winnipeg,
16 Canada, to Los Angeles, in order to represent and advise him at the meeting.

17 98. On the morning of March 9, 2017, Burkle, Quintero, Fegan, and Fegan’s business
18 advisor convened in Los Angeles; Ratner joined later in the afternoon. They spent hours
19 discussing potential terms for extending Fegan’s employment with ISE beyond 2017, including
20 alternative organizational plans to remedy ISE’s breach of its promise to grant Fegan operational
21 autonomy over the Basketball Division. But unbeknownst to Fegan, the meeting was a charade. As
22 Quintero later confessed, “By early March 2017 . . . the decision had been made to terminate Mr.
23 Fegan and file suit against him.”

24 99. The meeting concluded as Fegan considered the various proposals that the group
25 had discussed. He was shocked, then, when the next morning (Friday, March 10, 2017), he was
26 informed that ISE (a) had terminated his employment, allegedly “for cause,” (b) initiated two
27 JAMS arbitrations against him, and (c) planned to seek an injunctive relief on the next business
28 day in order to put Fegan out of business.

1 100. The next business day, Monday, March 13, 2017, *the only two seasoned Player*
2 *Agents* remaining at ISE, who had both worked with Fegan for years and who were both
3 employed by ISE at-will, *resigned from ISE*.

4 101. In sum, in eight (8) short months since he had been hired, Ratner succeeded in
5 dividing and then dismembering perhaps the best basketball representation company in the world.
6 Ratner succeeded in tearing apart in short order what an ugly year-long Relativity Media
7 bankruptcy had failed to do.

8 **J. Hank Ratner behaves like a “street agent” and attempts to personally hustle**
9 **Fegan’s clients.**

10 102. Immediately after executing his plot to terminate Fegan for cause, put Fegan out of
11 business, avoid paying Fegan millions of dollars, and publicly destroy Fegan’s reputation, Ratner
12 lost no time in personally hustling Fegan’s clients. Ratner immediately began meeting with and
13 speaking to Fegan’s NBA player clients without regard for Fegan’s existing contracts with them
14 and in blatant disregard for the NBPA Regulations Governing Player Agents. Further, Ratner,
15 once again with an arrogant disregard for the Regulations Governing Player Agents, directed
16 Dunleavy (certified agent), King (certified agent), his son Michael, Matthew Davis, Frank
17 Quintero, Bauman (certified agent), and Grancio to help *steal* Fegan’s clients, and to spread
18 falsehoods to the clients about Fegan, including the twin falsehoods of Fegan operating a “side
19 business” in competition with ISE and Fegan’s alleged plan to leave ISE.

20 103. While Fegan was preoccupied with responding to ISE’s coordinated attack and
21 attempt to strip Fegan of his livelihood and smear his reputation, Defendants *immediately* induced
22 six of Fegan’s clients to terminate their contracts with Fegan. Defendants drafted and procured six
23 signed termination letters from Fegan’s clients; one was dated March 11, four were dated March
24 12, and another was dated March 16. Apart from the clients’ respective signatures, the letters were
25 identical, down to their typographical errors. However, Defendants *withheld* these termination
26 notices, only providing them to Fegan’s counsel a week later, hours after court proceedings
27 between ISE and Fegan had concluded.

28

1 104. Ratner and his cohort would stop at nothing to induce Fegan’s clients to terminate
2 their SPACs with Fegan. For example, only months before Fegan was terminated, Fegan
3 recommended that ISE hire the best friend of one of Fegan’s biggest clients. Ratner vetoed
4 Fegan’s request, and instead waited to use Fegan’s strategic advice against him by hiring that
5 individual *shortly after* Ratner terminated Fegan. Ratner then used the NBA player’s friend to
6 pressure that player to end his contract with Fegan. Confirming Fegan’s suspicions, on or around
7 April 5, 2017, Fegan received a text message from that player stating that he had been spending a
8 lot of time with Hank and Michael Ratner and with Dunleavy, and that they had pressured him to
9 terminate his SPAC with Fegan.

10 **K. ISE No Longer Employs Experienced Player Agents and Failed to Sign Any**
11 **Rookie Players.**

12 105. Ratner timed the launch of his attack against Fegan to maliciously inflict maximum
13 damage to Fegan’s business, and to prevent Fegan from proving the value and potential of the
14 basketball division to the investors, the Chairman, and the Board of Directors. Ratner deliberately
15 launched his attack in the middle of NCAA College Basketball’s “March Madness” Tournament
16 and the crucial signing period for rookie clients that the Basketball Division had been recruiting
17 for much of the previous year. Ratner was well aware that Fegan had a final round of meetings
18 lined up for five first round picks in the upcoming 2017 NBA Draft in the next few weeks, and
19 Ratner did not want Fegan to have any more leverage to negotiate directly with the Chairman.
20 Further, the timing of the sneak attack prevented Fegan from demonstrating the value of his
21 division by denying Fegan the ability to sign important new Free Agent contracts in July of 2017,
22 which would likely have demonstrated to the Chairman and investors how valuable the Basketball
23 Division was to the company and thereby stymied Ratner’s plot.

24 106. Ratner miscalculated, however. In his efforts to “get Fegan,” he failed to consider
25 how important Fegan’s stature was to the rookie recruitment process at ISE. Without Fegan, ISE’s
26 basketball division *failed to sign even one important draft prospect* despite ISE’s extraordinary
27 efforts, including offers of “huge” payments to the Rookie recruits.

28

1 114. The conduct and actions of Defendants as alleged above were fraudulent, willful,
2 wanton, intentional, oppressive, and malicious, and thereby entitle Plaintiff to punitive damages in
3 an amount to be proven at trial.

4 **SECOND CAUSE OF ACTION**

5 **INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS**

6 **(Against All Defendants)**

7 115. Plaintiff Fegan incorporates by reference the allegations in paragraphs 1-115 above.

8 116. Fegan and his clients were in contractual relationships that provided an economic
9 benefit to Fegan, and Defendants knew of these contractual relationships.

10 117. As explained above, following Fegan’s employment with ISE, Defendants intended
11 to disrupt these contracts and relationships. For example, directly and/or through their agents,
12 Defendants contacted Fegan’s clients and persuaded several of them to terminate their SPACs
13 with Fegan.

14 118. As a direct and proximate result of Defendants’ acts of interference, the contracts
15 and relationships between Fegan and his clients were disrupted, and Fegan has suffered, and will
16 continue to suffer, damages. Fegan seeks compensation for all damages and losses caused by the
17 acts of interference and wrongful conduct of Defendants.

18 119. Fegan asserts his tortious interference claims against Defendants for their actions
19 beginning on March 10, 2017, the date Fegan’s employment with ISE was terminated.

20 120. The conduct and actions of Defendants as alleged above were fraudulent, willful,
21 wanton, intentional, oppressive, and malicious, and thereby entitle Plaintiff to punitive damages in
22 an amount to be proven at trial.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as
25 follows:

- 26 1. For damages in the amount of at least \$30 million;
27 2. For pre-judgment and post-judgment interest to the extent permitted by law;
28 3. For costs of suit incurred;

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- 4. For reasonable attorneys' fees; and
- 5. For such other and further relief as the Court may deem just and proper.

DATED: June 22, 2017

KINSELLA WEITZMAN ISER
KUMP & ALDISERT LLP

By: _____

Howard Weitzman
Attorneys for Plaintiff DANIEL FEGAN

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands trial by jury on all issues and causes of action triable by jury.

DATED: June 22, 2017

KINSELLA WEITZMAN ISER KUMP &
ALDISERT LLP

By: _____

Howard Weitzman
Attorneys for Plaintiff DANIEL FEGAN

/391793.

EXHIBIT 1

Please read attached email sent to Hank Ratner on December 18, 2016. Important!!

From: Daniel Fegan <dfegan@fegansports.com>

Date: Sunday, December 18, 2016 at 6:58 PM

To: Hank Ratner <hkratner@iseworldwide.com>

Subject: <no subject>

Hank,

Please review the attached at your convenience. I am available to come to Las Vegas to meet tomorrow if you can make time. If not, let's see if another time works for both of us.

Best,

Dan

This message is intended solely for the use of the addressee(s) and is intended to be privileged and confidential within the attorney-client privilege. If you have received this message in error, please immediately notify the sender and delete all copies of this email message along with all attachments. Thank you.

Hank,

I'm glad we spoke the other day. I feel like we had a productive conversation, especially in terms of getting some issues squarely on the table. It is too bad we missed each other by phone on Friday. I do feel it is important to connect again soon.

As an introduction to our next conversation or meeting, I want to take this opportunity to clarify my thoughts on a several matters we addressed by phone last week.

First, I came away from our call with the understanding that you believed for some reason that I wanted to operate "*my own*" business separate from ISE. That is not true. In fact, nothing could be further from the truth. As you know and as we discussed, I had every opportunity to separate from Relativity Sports last June after the company had breached my agreement by failing to pay my \$2 million deferred purchase price, and also failing to pay me \$900,000 in company expenses. Instead of separating to operate *my own* basketball company, I agreed to become a \$5 million creditor to ISE in order to keep the company together. Becoming a major creditor to save ISE was just one in a long line of actions I took to support and remain a part of the company. I believe it is significant that I stood behind ISE at its low-point, and did not abandon the company when it was basically bankrupt. As a result, it is difficult for me to understand why you would question my desire to be part of ISE given the truth that I was one of the primary architects in saving it. Let's discuss further.

Second, on several occasions now you have mentioned a conversation we had last summer as the root of our present "*misalignment.*" It was a conversation we had about negotiating a new deal for me and several other key agents in the basketball division. Clearly we have a big disconnect regarding what was actually said during this conversation, and more importantly a big disconnect regarding what I meant. I disagree with some of your recollection of what I said during this ten-minute discussion, and I most certainly disagree with how you are *characterizing* what we discussed. My intention is and was to sign a new deal with ISE. I simply did not want to negotiate a new long term deal on the heels of the worst year in my 25 year career. Also, for the

sake of clarity, it is my professional opinion, that it makes the most business sense for ISE to sign new deals with me and the key unsigned agents at the same time. Further, as you have heard separately from me and Jarinn and Tesch, we enjoy working together. I have enjoyed a close working relationship (and friendship) with Jarinn for almost 20 years, and one with Tesch for more than 10 years. We are friends, good friends. In fact, you and I discussed the close-knit nature of the basketball division and our desire to continue working together as a team on several occasions before you were even hired. If you feel there is something underhanded or nefarious about our desire to continue working together than I feel it is important that you, Ron and I meet and have a transparent conversation about your concerns.

Third, on several occasions you have expressed concerns about ISE investing money in the basketball division given the uncertainty of my status going forward. I feel like this uncertainty has held up your approval on a number of my important operational requests. It is my opinion that these requests are operational in nature (not *investments*) and are expenses incurred in the ordinary course of operating the basketball division. Your concern appears to be that I am attempting to deficit spend in order to profit from an eventual departure from ISE. This position has been frustrating for the both of us. Notwithstanding your opinion on the spending, I want to note that I have invested significant amounts of my money to operate this company based on a handshake with Ron before you were hired, and I am prepared to do so again if this perceived *misalignment* of interests has caused you to distrust my intentions. In fact, I offered that the last time this came up when we discussed the issue of spending and my new agreement. I have put my money and my word next to Ron's in ISE when it was at an all time low and we were known industry wide as "bankruptcy sports." I'm more than prepared to do it again now if necessary until such time as I have signed a new deal with ISE. The very last thing I want is for you or Ron to view my operational requests as purely self-serving. I value our professional relationship and my friendship with both of you much more than that. Let's discuss.

There is a clear break down in our communication that is causing, as you pointed out on our last call, both of us anxiety. On one hand, I feel like both of us are surprised to find ourselves not communicating

effectively. On the other hand, it is not so surprising given that we have had less than two hours worth of one on one meeting time in the past 2-3 months (and approximately 30 minutes worth of phone conversations 3 times a month during this same period). Not enough time in my opinion to work through some challenging issues. The root issue seems to be our alignment given my contract status. This root issue seems to have morphed into negatively impacting our interaction regarding the operation of the basketball division. I understand you are in Las Vegas this week. I propose that I fly to Vegas in order for us to meet in person for a few hours to advance our dialogue on the above and related matters. I don't believe we have put in enough time face to face to declare any type of impasse. I worked for many months to bring you on board because I believed in you and trusted you. Believe me it wasn't easy. Initially you weren't a popular recommendation. We stayed the course. We truly worked together to make ISE happen. I'm willing to work together again to bridge our differences. Please let me know if we can make a meeting in Las Vegas happen.

Sincerely,

Dan