

CLIENT SUCCESS



APRIL 1, 2023

We achieved a big win for NBA players and NBA fans on April 1, 2023, representing the National Basketball Players Association (NBPA) in reaching an agreement in principle on a new collective bargaining agreement (CBA) with the NBA. We then helped the union negotiate the full terms of the CBA, which went into effect on July 1, 2023, without the disruption of a work stoppage.

We have represented the NBPA for many years, including in negotiating the prior CBA, which would have expired at season end if the NBA had exercised its "opt-out" right by March 31, 2023, which it indicated it would have if a new CBA hadn't been reached.

We successfully steered the NBPA through the negotiations for the 2023 CBA, which presented many challenging issues, including:

- NBA demands for a new "hard" upper-spending limit on player salaries for individual teams;
- how to handle industry-wide disruptions in regional-sports networks locally broadcasting NBA games;
- NBA's desire for a new "in-season" tournament;
- player demands to broaden the revenue pool used to determine aggregate player compensation, including new licensing revenues;
- NBA demands for new player "load management" rules (i.e., where star players are held out of games to address their long-term availability); and
- player demands for more business opportunities.

All these issues were resolved in ways satisfactory to the players with no hard upper salary limit imposed, new licensing revenues included in the shared revenue pool, new player investment opportunities created, and myriad other changes that preserved the interests of the players, including substantial benefit increases and the elimination of the Drug Policy ban on cannabis.

The new CBA will have a seven-year term with each side able to opt out a year early, ensuring labor peace in the NBA at least through the 2028–29 NBA season.

Separate from the CBA, the NBPA's licensing affiliate, Think450, also entered into an agreement on a new licensing deal with the NBA for player sponsorships.

IMPACT

Helping the NBPA finalize the new 2023 CBA achieved major gains for players without any disruption in the season and will ensure labor peace in the NBA at least through the 2028–29 season.



Jeffrey Kessler (front, far left), David Feher (front, third from right), and Sofia Arguello (front, center) with the NBPA and Think450 negotiating teams, headed by NBPA Executive Director Tamika Tremaglio (front, third from left), NBPA General Counsel Ron Klempner (front, second from left), and Think450 CLO Clarence Nesbitt (top, fourth from left). This photo was taken at 3:00 a.m. on April 1 after finalizing the terms of the Collective Bargaining Agreement and a separate licensing agreement between the NBA and Think450.

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<u>Jeffrey Kessler</u>



<u>Sofia Arguello</u>



<u>David Feher</u>