

Flagrant Foul: Business Disputes at the Center of Ice Cube's Basketball League

Amundsen Davis Commercial Litigation Alert
August 21, 2018

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As many of us learned early in life, Ice Cube has found out that it's always better to get the money up front.

In 2017, Ice Cube co-founded the Big3 basketball league, which features 8 teams playing a 10 week season of 3-on-3 half court basketball games. The league features a large number of former NBA players including former Indiana Pacers Jermaine O'Neal, Stephen Jackson and Ron Artest.

A group of Qatari businessmen claiming connections to Qatar royalty and doing business as "Sport Trinity" came to the first game of the Big3's first season and soon thereafter became minority investors in the league. They agreed to pay \$11.5 million upfront for up to a 15% ownership share in the league, and also agreed to pay \$9 million in sponsorship money over three years. The group discussed signing deals between the league and a number of companies, including Qatar Airways.

Allegedly, however, Sport Trinity paid just \$6.5 million upfront, promising to pay the remainder soon thereafter. No problem, right?

Wrong. Ice Cube and his business partner recently filed a lawsuit in Los Angeles against Sport Trinity, claiming that Sport Trinity paid only a portion of the investment and withheld the rest of the money to create leverage over Ice Cube and his business partners with the goal of eventually getting a controlling interest in the league. The lawsuit alleges that Sport Trinity's actions cost the league millions of dollars.

However, Ice Cube is actually seeking to recover \$1.2 billion in damages. That number is based on the Big3's projected revenue and other losses and damages Ice Cube says that each player in the league has suffered, because the players share in league revenue. That amounts to about \$20 million per player.

Another interesting twist in this saga involves the Big3's first Commissioner, Roger Mason. Allegedly, when the dispute between Ice Cube and Sport Trinity started to heat up, Mason initially sided with Sport Authority. Not long thereafter, Mason was fired. Mason then filed an arbitration action against Ice Cube and his business partner for wrongful termination. Ice Cube has since claimed that he

never agreed to arbitrate any disputes between himself and Mason, on the basis that arbitration “is a matter of consent, not coercion.”

On that point, at least, Ice Cube is right. Arbitration is a purely voluntary alternative to traditional court litigation. No one can be forced to bring claims or defend against claims brought against them by someone else unless both parties previously agreed to arbitrate those claims.

Ice Cube’s reluctance to litigate the claims brought by Mason in arbitration rather than court may be valid. While arbitration certainly has advantages over traditional litigation, there are disadvantages, too, and which forum would be better to litigate disputes usually depends on many factors, including the type of dispute and the parties involved. If you or your business is negotiating a contract and the topic of how to resolve disputes comes up, please consult an attorney.

Despite the alleged scheme of Sport Trinity, the Big3 is back for its second season and is apparently doing well. Other businesses should heed warning that the terms of any agreement between business partners should be carefully considered, especially when it concerns arbitration and ownership.

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