

To: Bruce Levenson

From: SSG Group, LLC

Date: June 12, 2014

Re: Danny Ferry

As you know, last Friday there was a conference call attended by numerous persons including Hawks management and ownership. We believe that you and Ed Peskowitz were on the call, but we are not sure whether you were listening the whole time. During the call, which we recorded so that notes could be made for our partners unable to participate live, our GM Danny Ferry discussed player personnel issues at some length. With respect to one potential free agent, a highly-regarded African-American player and humanitarian, Ferry talked about the player's good points, and then went on to describe his negatives, stating that "he has a little African in him. Not in a bad way, but he's like a guy who would have a nice store out front but sell you counterfeit stuff out of the back." Ferry completed the racial slur by describing the player (and impliedly, all persons of African descent) as a two-faced liar and cheat.

We were appalled that anyone would make such a racist slur under any circumstance, much less the GM of an NBA franchise on a major conference call. One of us can be heard on the tape reacting with astonishment. Our franchise has had a long history of racial diversity and inclusion that reflect the makeup of our great city. Ferry's comments were so far out of bounds that we are concerned that he has put the entire franchise in jeopardy.

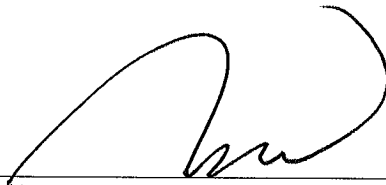
As a minority partner with no effective say in decision-making, we were somewhat at a loss what to do next. So we consulted this week with two attorneys, one a very well-known and highly respected African-American former judge in Atlanta, and the other a highly regarded employment discrimination lawyer. They confirmed our fears and then some. The former judge put it pretty succinctly, saying that any African-American who heard the comments would interpret them as meaning "all blacks are two-faced liars and cheats." The employment attorney opined that we as a team face significant exposure, possibly in the courts, but certainly in the court of public opinion, and, as we all know, within the league. She described the possible fallout as "devastating." We agree.

Bruce, we are all too familiar with the current environment in the NBA and in the country generally from the fallout of Donald Sterling's offensive comments. You have been on national television condemning Sterling and preaching zero tolerance of racial prejudice. We believe these comments by Ferry were far worse than Sterling's because they were not from a private personal conversation—they were in a business environment on a business matter in front of a dozen or more people. If Ferry would make such a slur in a semi-public forum, we can only imagine what he has said in smaller groups or to individuals. We also note that the racial

diversity of our management team has changed for the worse since Ferry took over. The media (and any savvy lawyer) would have a field day with that fact.

If Ferry's comments are ever made public, and it's a safe bet to say they will someday, it could be fatal to the franchise. All of our partners have worked and spent a lot of money not just to make the Hawks winners, but to make our city and region proud of the organization. As lifelong Atlantans with a public track record of diversity and inclusion, we are especially fearful of the unfair consequences when we eventually get thrown under the bus with Ferry.

We are calling on you, as majority owner and NBA Governor, to take swift and severe action against Ferry. Our advisors tell us there is no other choice but to ask for Ferry's resignation, and if he refuses, to terminate him for cause under his employment agreement.

A handwritten signature in black ink, appearing to read "J. Michael Gearon, Jr.", written over a horizontal line.

J. Michael Gearon, Jr.