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Artificial Intelligence

Iger, Kushner Strike \$12.5B Lakers Deal, Betting AI Won't Completely Replace What's Real

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Commentary

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[Editor's Note: Tamerlin Godley is a partner in Willkie's Litigation Department, where she serves as Chair of the Entertainment Litigation Practice Group. Rachel Gaines is an associate in Willkie's Litigation Department. Hannah Jacobs is an associate in Willkie's Litigation Department. Any commentary or opinions do not reflect the opinions of Willkie or LexisNexis®, Mealey Publications™. Copyright © 2026 by Tamerlin Godley, Rachel Gaines and Hannah Jacobs. Responses are welcome.]

The proposed acquisition values the franchise at a 25% premium over its 2025 sale price, reflecting the unique capacity of live sports to increase in value in a rapidly evolving media landscape and to continue to thrive in the age of AI.

Kobe Bryant. Shaquille O'Neal. Kareem Abdul-Jabbar. Magic Johnson. Jerry West. Wilt Chamberlain. LeBron James. Luka Dončić. These names and so many others are central to the Los Angeles Lakers' intellectual property – 17 championships, a global brand, and a valuation that just shattered every record in professional sports. On August 12, 2026, venture capitalist Josh Kushner and former Disney CEO Bob Iger agreed to acquire the franchise for \$12.5 billion, just fourteen months after Guggenheim Partners co-founder Mark Walter purchased it for \$10 billion. The question for dealmakers is whether that figure reflects what generations of legends built, or the growing value of an asset AI cannot replicate: live sports.

Kushner and Iger were not shopping for the Lakers. The pair had previously explored an NBA expansion

franchise in Las Vegas before pivoting when the Lakers became available – suggesting the asset class was the target long before a specific team emerged. “[I]t was suggested to us that maybe Mark Walter would be interested in selling his stake in the Lakers,” Iger told the [California Post](#), “And we immediately decided that given the value of the franchise and the iconic nature of the team, that we would be really smart to pursue it.”

The \$12.5 billion price underscores the speed at which sports franchise values are rising. The Lakers' last two ownership changes now occupy the top two spots among reported professional sports team sales. The proposed \$12.5 billion Kushner-Iger transaction ranks first, followed by Walter's \$10 billion purchase in 2025, which broke the record set months earlier by the Boston Celtics' \$6.1 billion sale.

Part of the premium is scarcity: the NBA has only 30 teams, and a franchise with the Lakers' history rarely comes to market. But the Lakers offer more than a limited supply of courtside seats. They play in one of the country's largest media markets and own a globally recognized brand built around generations of stars. Their current and former big-name players continue to generate value through merchandise, sponsorships, licensed products, archival content, and media rights long after any single season ends. This combination, unique to the Los Angeles Lakers, helps explain why buyers would pay a premium to own even a piece of the iconic franchise.

But scarcity, market size, and star power do not fully explain the \$12.5 billion price tag. The deal also reflects a growing belief that live sports will become more valuable as AI impacts other forms of entertainment. Generative AI can write scripts, create images, and generate videos, but it cannot recreate the uncertainty of a live game with real athletes.

The buyers' backgrounds further flesh this out. Kushner founded Thrive Capital in 2009 and built the firm around investments in disruptive technology companies, including OpenAI and Spotify. Indeed, Thrive has bet big on AI. Iger brings the media side of the equation. He joined Thrive as a venture partner after initially stepping down from Disney and returned to the firm after leaving Disney again this year. At Disney, the parent company of ESPN, Iger described AI as an opportunity while also emphasizing the need to protect intellectual property, respect creators, and safeguard consumers.

The New York Times reported that the deal was made through an arm of Kushner's investment company focused on businesses thought unlikely to be significantly disrupted by AI, citing the proposition that live sports and in-person events may be relatively insulated from the kind of displacement that threatens scripted entertainment, studio-produced content, and text-based media.

To that end, Iger and Kushner are arguably not just buying a sports franchise but also investing in the irreplaceable core of live competition. AI can generate infinite simulated content – synthetic games, personalized highlight reels, virtual athletes – but it cannot readily reproduce the stakes that arise from a real league with actual players, standings, and consequences. There is no greater reality TV than a hotly contested game.

To be sure, AI is playing its role in sports. For example, in October 2025, the NBA and Amazon Web Services announced a multi-year partnership to create “NBA Inside the Game,” a platform that uses AI to analyze player movements across thousands of games, identify similar plays in real time, and model how different decisions might have changed an outcome. The NBA has used optical player-tracking technology since 2013, and the AWS partnership extends that infrastructure into new tools for teams, broadcasters, and fans.

Beyond the broadcast, AI and machine learning support coaching strategies, scouting and draft analysis, lineup optimization, schedule planning, content clipping and localization, accessibility, dynamic ticketing, arena operations, and customized fan experiences. The NBA's 2025 Launchpad cohort included OneCourt, a technology that translates gameplay into haptics and generative audio for blind or low-vision fans, alongside projects involving automated officiating and player health monitoring. This all adds to, but is not eroding, the fundamental value of live sports.

For Iger and Kushner, the Lakers may therefore represent something more complex than a trophy asset or even a media play. The franchise is aligned with a core principle of their investment portfolios: that scarcity, authenticity, and communal experience will command a premium in a world saturated with synthetic content, and properly integrated AI tools can enhance rather than cannibalize the product. Whether this justifies paying 20 times revenue for a basketball team is a question the market will answer. The NBA's Board of Governors will have to decide first whether to let them try, as the proposed transaction remains subject to customary due diligence and league governance approval, and— of course—some Buss family drama. ■

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