



Who Should Benefit From the Lakers Windfall?

The Policyholder Capital Question Behind Mark Walter's \$12.5 Billion Lakers Sale

The \$12.5 billion sale of the Los Angeles Lakers to an ownership group led by Bob Iger and Joshua Kushner has been widely portrayed as a spectacular transaction for Mark Walter.

Walter acquired control of the Lakers for approximately \$10 billion in October 2025. Less than a year later, the franchise is being sold at a reported \$12.5 billion valuation—the highest ever for a U.S. professional sports team.

On the surface, it is an extraordinary example of the appreciation of a premier sports asset.

But beneath the headline valuation is a much more consequential financial question:

What capital supported the broader investment ecosystem surrounding Walter's businesses—and who ultimately bears the risk when that capital is deployed?

That question matters because federal prosecutors and the SEC are investigating Walter-linked insurance companies, including Delaware Life Insurance Co. and Clear Spring Life & Annuity Co., over billions of dollars in private-credit investments connected to other parts of Walter's business empire. The insurers received grand-jury subpoenas in February, according to regulatory disclosures.

The Capital Conduit

The basic economic question can be illustrated simply:

Policyholder premiums → Insurance company assets → Private-credit investments / affiliated exposures → Walter-linked investment ecosystem → Asset monetization

The issue is not whether insurance companies are permitted to invest policyholder assets. They are.

The issue is whether **related-party exposure, concentration and risk were properly disclosed, controlled and aligned with the interests of policyholders.**

That distinction is critical.

Delaware Life disclosed that it had substantially more investments connected to affiliates than previously reported. Its related-party investments increased to at least **\$17 billion, or approximately 39% of total invested assets**, compared with roughly \$1.4 billion, or 3%, previously reported. The company said the discrepancy resulted from errors in financial reporting and has begun a remediation plan to reduce affiliated exposure and strengthen controls.

Group 1001, the parent of the insurers, has maintained that its capital position and liquidity remain strong and that it is cooperating with investigators.

Those facts do not establish wrongdoing.

But they raise a legitimate question for regulators, investors and policyholders:

How should economic rewards be allocated when insurance-company capital is exposed to a broader affiliated investment network?

The Risk-and-Reward Imbalance

Insurance policyholders do not invest in sports franchises.

They purchase insurance and annuity products with the expectation that the insurer will responsibly manage its assets, maintain adequate reserves and remain capable of meeting its contractual obligations.

That creates a fundamental asymmetry.

The downside

If affiliated private-credit investments deteriorate, the consequences can ultimately affect the financial strength and surplus of the insurance companies holding those investments.

Policyholders do not receive an ownership stake in Walter's sports franchises in exchange for that exposure.

The upside

If assets within the broader ecosystem appreciate dramatically, however, the resulting gains generally accrue to the owners of those assets and their investment vehicles.

That raises an uncomfortable question:

If policyholder-backed capital materially contributed to the financing capacity that supported an affiliated investment ecosystem, should policyholders receive some form of economic benefit when that ecosystem produces extraordinary gains?

That is the question regulators and policymakers should examine—not merely the size of the Lakers sale.

The \$2.5 Billion Number Needs Context

The difference between Walter’s reported \$10 billion acquisition price and the reported \$12.5 billion sale price is approximately **\$2.5 billion in headline valuation appreciation**.

But that should not automatically be described as \$2.5 billion of realized profit.

Transaction expenses, financing arrangements, taxes, ownership structures, retained interests and other factors can materially change the actual economic gain.

More importantly, **there is currently no established public evidence that the entire \$2.5 billion increase was directly financed by policyholder capital**.

That is precisely why the issue deserves investigation rather than assumption.

The appropriate question is whether insurance-company assets were used—directly or indirectly—in financing structures that supported Walter-controlled or affiliated investments, and whether those relationships were properly disclosed and managed.

Who Bears the Risk?

This is where the broader debate over private-equity ownership of insurance companies becomes important.

When investment firms control insurers, policyholder premiums can become a significant source of investable capital. Those assets can generate returns for the insurer while also supporting complex private-credit strategies.

The economic model can therefore create a separation between:

**The party providing the capital,
the party bearing the downside exposure,
and the party receiving the investment upside.**

That separation is not inherently improper.

But when affiliated transactions and concentrated exposures are involved, transparency becomes essential.

The public deserves to know:

- How much policyholder capital was invested in affiliated or Walter-connected entities?
- What assets ultimately secured those investments?

- What entities received the proceeds?
- What compensation or economic benefit flowed to affiliated parties?
- Were the investments priced and structured on arm's-length terms?
- What safeguards protected policyholders from losses?
- And, most importantly, **did the risk and reward remain appropriately aligned?**

The Ethical Question

The most important issue is not whether Mark Walter was entitled to sell the Lakers.

If he legally owned the asset, the transaction can generate enormous value for its owners.

The deeper question is whether the financial architecture surrounding that ownership created a situation in which **policyholders supplied capital exposure while private owners captured the majority of the upside.**

That distinction deserves scrutiny.

If regulators ultimately determine that related-party transactions were improperly structured, inadequately disclosed or otherwise violated applicable insurance or fiduciary requirements, the remedy should focus first on restoring the financial strength and protections owed to policyholders.

That could mean strengthening statutory surplus, reducing affiliated exposure, improving liquidity, increasing transparency or requiring other forms of remediation.

In that circumstance, extraordinary asset-sale proceeds could become relevant to restoring the financial protections of the insurance system—but **whether any specific Lakers-sale proceeds should be directed to policyholders is a legal and regulatory question, not something that can be presumed today.**

The Bigger Issue Goes Beyond the Lakers

The Lakers are simply the most visible symbol of a much larger financial question.

A \$12.5 billion sports franchise makes headlines.

But behind the headlines are tens of billions of dollars moving through insurance companies, private-credit vehicles, affiliated entities and investment structures.

That is where the real story lies.

The question for regulators should not simply be:

“Was the Lakers sale profitable?”

It should be:

“Who supplied the capital, who carried the risk, who received the reward—and was that allocation consistent with the obligations owed to policyholders?”

If the answer is yes, transparency should make that conclusion clear.

If the answer is no, then the appropriate economic remedy should prioritize the people whose capital and contractual expectations were placed at risk: **the policyholders.**

The Lakers may have changed hands for \$12.5 billion.

But the more important question is whether the financial system behind the transaction also owes something to the people whose capital helped make that system possible.

Professional sports have never been more valuable, while the live experience has become progressively less affordable for many ordinary households.

As Maltbie summarizes the Singular Research thesis:

“Wall Street discovered the stadium. Now the question is whether Main Street can still afford a seat.”

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Members of the **financial and sports media, institutional investors, portfolio managers, family offices, investment advisers and other interested professionals** may request a complimentary copy of the complete Singular Research study:

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The complete report includes:

- The **Singular Sports Affordability Index (SSAI)**
- Lakers and Cowboys valuation analysis

- Top sports-franchise valuation comparisons
- Revenue and EBITDA analysis
- Value/Revenue and Value/EBITDA transaction multiples
- Revenue and franchise-value growth rates
- International revenue estimates
- Ticket-price and premium-seating economics
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- Owner and subsidiary strategic benefits
- Historical sports affordability analysis
- Fan affordability versus consumer inflation
- Franchise valuation forecasts
- The Affordability Feedback Loop
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MEDIA CONTACT / FULL REPORT REQUESTS

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For a complimentary copy of the complete research report, supporting data and charts, or to arrange an interview with Robert Maltbie regarding sports-franchise valuations, the Lakers transaction, the Singular Sports Affordability Index or the economics of professional sports, contact Singular Research at 818-222-6234 or visit singularresearch.com.

ABOUT SINGULAR RESEARCH

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MEDIA SOUND BITE

“The question isn’t whether Mark Walter was entitled to profit from the Lakers. The question is whose capital carried the risk that helped build the financial empire behind that transaction. If billions of dollars of policyholder-backed insurance capital were deployed

through affiliated structures, then policyholders—not just the owners—deserve to have their interests protected when those investments generate extraordinary gains. The upside should never be completely privatized while the downside is effectively carried by ordinary policyholders. That is the question regulators, investors, and the public deserve answered.”