NFL Contract Advisor

“So You Want To Be An Agent…”

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CA & WA Bar

NFL Contract Advisor

"3 AM Phone Call" - Johnny Manziel

- June 2012: Arrested Disorderly Conduct (Frosh)
- December 2012: Wins Heisman (1st Frosh)
- May 2014: Drafted by Browns 1st Round, $8M
- August 2014: Fined $12K Obscene Gesture (Rookie Preseason)
- January 2015: Enters Treatment Facility
- October 2015: Domestic Incident
- January 2016: Skips Game, In Las Vegas (in disguise) for the Weekend
- January 2016: Domestic Incident
- **February 2016: Agent Drops Manziel**
- March 2016: Browns Release Manziel
- **March 2016: Drew Rosenhaus Becomes Manziel's Agent**
- April 2016: Hit & Run Car Accident
- **April 2016: Rosenhaus, Maverick Carter & Nike Drop Manziel**

April

Roadmap

- Introduction & Recap
- CBA & NFLPA Certification
- Agent Eligibility **(“Contract Advisor”)**
- Agent Regulations
- Agent-Player Agreements **“SRA”**
  - Standard Representation Agreement (Section 4; Appendix D)
- Player-Team Agreements
  - CBA (Article 4; Appendix A)
- NFL Personal Conduct Policy

Introduction - Recap

- **Agency Regs - Many Layers**
- **“Non-Agent” Lawyers**
  - Negotiations
  - Presence
- **Name, Image & Likeness - NCAA**
  - ‘Bama QB Bryce Young $1M Endorsements

CBA & NFLPA

“The Bones”

CBA & NFLPA

“3 AM Phone Call” - Coach Urban Meyer

Associated Press, 8/31/21: “NFLPA conducting investigation after Urban Meyer’s comments on vaccine status.”

- **COVID-19** vaccines **not mandated** but strict protocols.
- Coach - vaccine status **impacted** Jaguar’s final **roster decisions**.
  - Positive = 10 —> 5 Days **MOVING TARGET**

CBA & NFLPA

'Lil Pro Sports CBA History:

- 1st Players' Association - *Baseball* 1885
- CBA's - Late 1960's
- **Why No Cooperation on Players' Side?**
  - **Strike?**
    - 6th/7th Round Pick = 30-35% Chance to Make Roster
    - NFL Career 3.5 Years
  - **Similar Goals?**
    - 2021: $660K —> $45M (Patrick Mahomes)
  - **Messaging?**
    - NFLPA vs. Agents

CBA & NFLPA

CBA, 3/15/20 (Thru 2030)

- **2021 Team Cap: $182.5M —> $208.2M for ’22**
  - Players Per Team (69 Total)
    - Active Roster - 53
    - Practice Squad - 16 ($165K - $252K/Season)
  - Rough Numbers: $2.6M/Player

CBA & NFLPA

CBA, 3/15/20 (Thru 2030)

National Labor Relations Act: “Pay, Hours & Conditions”

NFL (National Football League Management Counsel) & Players (NFLPA)

1. Currently Employed Pro Players
2. Previously Employed & Seeking a Team
3. Drafted Rookie Players &
4. Undrafted Rookie Players Once Negotiations Start

CBA & NFLPA

NFL Agent Certification, Article 48

NFLPA - Agents:

- **Regulate Agents** in Player Contract Negotiations
- Teams Can't Negotiate with **Uncertified Agents** (List Updated Monthly)
- Determines **Number of Agents & Grounds for Denial,** Suspension & Revocation
- NFLPA Won't Discipline/Dismiss/Decertify Agents for **"Contract Results"**

CBA & NFLPA

NFL Agent Certification, Article 48

Player-Team Contracts —>

- Negotiated by NFLPA-Certified Agent, or
- Player Self-Representation
  - DeAndre Hopkins, WR - Cardinals
    - 2-Years & $54.5M (Highest-Paid Non QB)

CBA & NFLPA

NFL Agent Certification, Article 48

- **Immediate Decertification:**
  - **"Extraordinary Circumstances"** - Serious Conduct
  - **"Inactivity"** in Contract Negotiations
  - **Improper Contact** with College Players

Agent Eligibility

“The Cool Kids’ Table”

Agent Eligibility

Stats:

- NFL Players: **1,696**
- NFL Agents: **872 (CA 124; FL 114; WA…8!)**
  (1/3/22)
- Draft Picks: **259ish/Year**
- NFL Schedule: 17 Games

Agent Eligibility

Application:

- $2.5K Application Fee **(Non-Refundable)**
- Undergrad & (Masters or Law) or 7 Years.
- **Background Check** (Correct, Complete & Current)
- Two-Day Seminar (Virtual for 2021 - COVID)
- Pass Exam

Agent Eligibility

Application:

- **Exam:** (Once per Year)
  - Three Hours
  - Open-Book
  - (60) Multiple Choice
  - 70% to Pass
- **Topics:** CBA; Salary Cap; NFL Player Benefits; NFLPA Regs on “Contract Advisors”; Substance Abuse & PED’s; Other Issues w/ Player Representation
- **Failure:**
  - 55% Fail Rate
  - 1st Fail = Take Next Year/No Application Fee.
  - **2nd Fail = Prohibited From Applying for 5 Years**

Agent Eligibility

Staying Eligible (Things to Know)

- **Inactivity Lapse:** Must negotiate an NFL Player Contract within a 3-year period.
- **Lapse:** Start Over.
- **Annual Fee:**
  - $1.5K less than 10 Players
  - $2K 10 or more Players

Agent Regs

“Do This… Not That”

Agent Regs

“3 AM Phone Call” - Antonio Brown

- April 2018: “Allegations” **Tossed furniture** off 14th floor condo balcony. Nearly hits a grandfather & 22-month old grandson.
- December 2018: Exits Steelers practice after not being named team MVP; confrontation with QB.
- January 2019: Domestic Incident
- July 2019: Traded to Raiders; **Hot Air Balloon**; AWOL for practices.
- July 2019: Sued by celebrity chef for $38K unpaid bill. Brown says chef part of **impending “mob hit”**
- September 2019: Altercation with Raiders GM. Released and signs with Patriots same day.
- September 2019: Two suits filed for sexual assault.
- September 2019: **Nike drops Brown. Patriots release Brown (less than two weeks with team)**
- **January 2020: Drew Rosenhaus drops Brown**
- October 2020: Tampa Bay signs Brown
- November 2021: COVID VAX CARD
- January 2022: Leaves Game 3rd Quarter

Agent Regs

Standard of Conduct:

NFLPA Goals:

- Enable players to make **informed** agent selection;
- Assure agents provide **effective** representation at fair, reasonable and uniformly applicable rates;
- Avoid **conflict** of interests by agents that compromise best interests of players

Agent Regs

Scope of Activities ("Contract Advisors"):

- **Providing Advice**, Counsel, Information or Assistance to Players on **Contract Negotiations**; **Enforcing Contracts**.

- **Any Other Activity** that Impacts Agent's Integrity/Competence - Handling Player Funds; **Endorsements**…

Agent Regs

Grounds for Certification Denial:

- False, **Misleading Statements** on Application
- Failure to **Fully & Properly Complete** Application
- Crimes of **Moral Turpitude**
- **Other Conduct** That Reflects on Character/Competence to Serve as Fiduciary
- **Denied Certification** by other Player Associations
- **Soliciting** Clients Between Application —> NFLPA Certification

Agent Regs

General Requirements (21):

- **Fees & Services -** Comply with maximum fee schedule; use Standard Representation Agreement; Additional Agreements to NFLPA within **10 days**
- **Player-Team Contract** - Copy NFLPA & Team within **48 Hours**
- **Annual Itemized Statement (Fees & Expenses)** - Players & NFLPA - Salary Negotiations; Management of Assets; Financial Advice; Other Services. **(5/1 Deadline)**
- **Comply** with all applicable state & federal laws/NFLPA Policies
- **Recruiting (SRA Disclosure Form)** - Disclose to Player & NFLPA any recruiting fees paid to other certified agents. Agent remains liable for "recruiting" agent's actions.
- **Coaches & NFL Personnel Rep (SRA Disclosure Form)** - Disclose if past/current clients included NFL/College Coaches or Personnel
- **Fiduciary** to Player/client "at all times"
- **Notice of Contract Violations:** Notify NFLPA of Team Violations **(Conflict w/Client)**
- **Bad Acts** - Notify NFLPA if "charged" with criminal offense (more than $100 traffic violation) or civil complaints involving moral turpitude within **10 business days** of charge.

Agent Regs

Prohibited Conduct (32):

- Repping a player unless certified, SRA is signed & on file with NFLPA
- **Inducements** to player/family/friends to sign with agent
- Providing false, misleading information to induce signing; suggesting NFLPA **“endorsement”**
- **Concealing** material facts from player during negotiations
- **Circumventing** Maximum Fee Schedule (padding “other” service fees)

Agent Regs

Prohibited Conduct (32):

Contract Interference: Contacting player signed w/agent:

1. Player's current agent
2. Player's current SRA
3. Player's contract status with any NFL team or
4. Services to be offered by prospective agent

Agent Regs

Prohibited Conduct (32):

Contract Interference, cont…

Exclusions:

- **Player initiates communication** with prospective agent
- If **60 days or less** remaining on current NFL Player Contract & Player has not signed a new SRA during this period
- Agent may send **general written materials** (not targeted)

Agent Regs

Prohibited Conduct (32):

- **Bundling:** SRA + Endorsements
- **Conflicts:** No Side Deals w/Teams

Agent Regs

Arbitration - Dispute Resolution:

1. Agent Application - Denied

2. **Agent-Player Disputes:** Negotiations, Meaning, Interpretation or Enforcement of Agreements

3. **Agent-Agent Disputes:** Fees or Contractual Interference

4. Any Other Activities

Agent Regs

Disciplinary Action:

- Informal (Agent's File)
- Formal (Public)
- Fine $$$ - 30 Days
- Suspension (Rep & Recruit)
- Prohibition from Recruiting New Clients
- Revocation

Agent-Player Agreement

“Nary a Jerry Maguire Moment”

Agent-Player Agreement

Standard Representation Agreement (SRA):

Standard Form: Pre-Printed Form; Meet Regs or Not Enforceable Against Player & Agent Loses Commission Rights; File SRA with NFLPA **w/in 5 Days** of Signing

SRA: Signed by Player **(and Parent/Guardian)** if ***Under 21 Years Old***

Agent Compensation: Maximum Fee is **3%** of "Compensation."

- **Compensation** - **Salary**; **Signing**/Reporting/Roster Bonuses; Amount Above Practice Squad Minimum; **Performance Incentives**
- **Not Compensation** - "Honor" Incentive Bonuses (All-Pro; Pro Bowl; Rookie of Year; Collectively Bargained Benefits

Agent-Player Agreement

Standard Representation Agreement (SRA):

Agent Compensation, cont…

Payment Owed: Contingencies Cleared

Advance Fees: Deferred Compensation that is “Due & Payable” at Later Date. **“Present Value”** Calculation Required.

Violations = Clawback on Fees; “Inducement” Loan = SOL. No Waiver

Agent-Player Agreement

Standard Representation Agreement (SRA):

Renegotiations - Player Salary:

- **Player Renegotiates** Salary Increase = No New Fee to Agent ($1M —> $1.5M)
- **Agent Renegotiates** Salary Increase = Agent Fee Based on Increase ($1M —> $1.5M = $500K/3%)
- Renegotiations that **Decrease Salary** = Offsets ($1M —> $750K)

Agent-Player Agreement

Standard Representation Agreement (SRA):

Agent Termination:

- Before NFL Contract = **“Reasonable Value”** (“Sandbag Rule”)
- After NFL Contract = Agent Paid

Agent-Player Agreement

Standard Representation Agreement (SRA):

Agent Termination:

- **Vets:** Effective (5) Days After Written Notice
- **Rookies:** 30 Day Rule (by Player)
  - Sign 1/1
  - Draft 4/1

Player-Team Agreement

“NFL = Not For Long!”

Player-Team Agreement

“3 AM Phone Call” - Michael Vick

NFL’s **highest-paid player**, 2004

- $130M

- 2007 Conviction: bankrolling dogfighting operation. **20+ month sentence** in federal prison.

- Atlanta Falcons file breach of contract **grievance for $20M**; settlement reached.

Player-Team Agreement

Areas of Conflict:

- **Pro Bowl/Media** If Invited Must Go; Cooperate w/Media; Reasonable Promotions
- **Other Activities:** "Significant Risk" of Injury
- **Player Publicity Rights**: Non-Endorsement 3rd Party
- **Salary:** Paid Over **34 or 36 Week** Period (Budget)
- **Contract Termination:** Skill, Conduct, Salary Cap
- **Work Injury:** Salary - Current Season (paid) vs. Future Seasons (not paid)
- **Injury Grievance:** Termination Reasons (**60 Days**; Player Expense)
- **Side Deals:** Contract Salary: No "Undisclosed" Agreements
- **League Integrity:** PED's; Gambling; Associations; Bribe/Fix "Attempts"

Player-Team Agreement

Areas of Conflict:

Forfeiture of Salary - “Forfeitable Breaches”

- Willfully Fail to Report, Practice or Play (Manziel)
- Unavailable Due to Incarceration (Vick)
- Non-Football Injury
- Voluntary Retirement (Luck)

Player-Team Agreement

Areas of Conflict:

Voiding of Guarantees: Team & Player may negotiate circumstances where the guarantee of unearned salary may be voided.

Physical Condition/Injury:

- “Full & Complete” Disclosure of Physical/Mental Conditions
- “Promptly” Report Work Injuries

Personal Conduct Policy

“Spiral —> Viral”

Personal Conduct Policy

“3 AM Phone Call” - Tom Brady & DeflateGate

- 2015 Claim: Use of under-inflated footballs (grip)
- Brady suspended 4 games ($1.88M)
- Patriots fined record $1M; loss of 1st & 4th round draft picks.
- Factors - conduct detrimental; failure to cooperate; “repeat” offenders - “SpyGate” in 2007 ($750K; loss of 1st & 4th picks)
- **Investigation: “It is impossible to determine whether this activity had an effect on the outcome of games or what the effect was.”**

Personal Conduct Policy

- "Conduct detrimental to the integrity of and **public confidence** in the NFL."
- Applies to **"Everyone"** —>
  - Owners (Massage Parlor)
  - Coaches (SpyGate)
  - Players (DeflateGate)
- **"Not Guilty" is Not Enough** under PCP.

Personal Conduct Policy

Policy:

Expectations & Standard of Conduct

Steps:

- **Evaluation & Counseling** - Clinical Evals/Mitigation
- **Investigation** - Confidential; Cooperation; Retaliation
- **Leave With Pay** - Formally Charged or Reasonable Belief. No Practices or Games; Meetings, Workouts & Non-Football Activities Allowed. Leave With Pay Thru Investigation/Appeal
- **Discipline** - Not charged with crime or charged but not convicted may still be Policy violation. Fine —> Suspension —> Banishment. Aggravating & Mitigating Factors Considered.
- **Reporting** - Affirmative Duty to Report "Suspected" Violations to NFL Office. Failure to Report/Update = Policy Violation.
- **Penalties:** 1st offense (violence) = Minimum of 6 Games w/No Pay; 2nd = Banishment (Reapply After One Year)
- **Ownership, Club & League** Held to Higher Standard & More Significant Discipline

Summary

- Curse of Knowledge: “Thing of Value”
- “Unfun" Stuff: Deadlines, Records & Disclosures
- **“3 AM Phone Calls”**
- “Non-Agent” Lawyers: Bright Line Test



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