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The Effects Sports Agents Have On Professional Sports

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"The Effects Sports Agents Have On Professional Sports"

Submitted by Ramona Franklin

Graduate project submitted to the graduate school of Lynn University in partial fulfillment for the degree of Masters of Science in Sports Administration. April 1998.

Approved by:

Advisor: /
ACKNOWLEDGMENTS

I would first like to thank my Lord and Savior for allowing me to complete this project, I would like to thank my parents, family and friends for their continued dedication and understanding. I would also like to thank all of the professors, agents, and attorneys that aided in my research analysis. And last but not least I would like to thank my advisor Dr. Dick Young for being a great mentor, teacher, and advisor.
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CHAPTER 1- INTRODUCTION

A new day has approached athletics. Interest in athletics at all levels, from little league to professional sports have reached unprecedented proportions. This is the era of crowded stadiums, Monday night televised football games, WNBA and NBA basketball playoff games, multi-million dollar contracts and record fan participation. As a result of multi-million dollar contracts and million dollar television contracts thousands of individuals have pursued the profession of sports agency. The 1995 movie version of a sports agent played by Tom Cruise entitled “Jerry McGuire” is an example of many glamorous interpretations of a sports agents life. The infamous statement made in the movie “Show me the money” made by Jerry McGuire’s client is an assumption that the public believes is the sole purpose of a sports agents life is to earn money. The movie “Jerry McGuire” is the primary focus that motivated me to research the effect sports agents have on professional sports.

This research paper proposes to identify and evaluate the effects sports agents have on professional sports. A brief history of the formation of sports agents will be discussed. Following the brief history of sports agents the paper will discuss ethics, court cases and actions that have been taken by professional athletes as well as professional sports organization in relation to sports law/negotiations. The interpretive data results will be discussed in the paper are based upon published materials and editorials as well as historical data surveys. The results of the data collected throughout the research portion will be used to
determine the effects sports agents have had on professional sports. Finally, an evaluative discussion will be presented in this paper.

The first sub problem that will be discussed is to determine whether sports agents have had a positive or negative effect on professional sports. This will be completed by reviewing court cases and editorials to determine the effect sports agents have made if any.

The second sub problem is to determine what roles if any should sports agents have on professional sports.

The third sub problem is to interpret and analyze the editorials and data gathered in the paper to evaluate the subject matter.

The first hypothesis in this paper addresses the idea that sports agents have made a positive effect on professional sports. Several editorials will help establish the validity of this hypothesis.

The second hypothesis is to determine if the professional players that have acquired the assistance of sports agents are monetarily more successful in negotiating contracts than players that do not have representation.

Assumptions
The first assumption is that sports agents are needed to negotiate athletes contracts and bonuses.
The second assumption employs the idea that sports agents have their clients best monetary interest at heart and sports agents strive for monetary maximum satisfaction for their clients.
Research Question

"The Effects Sports Agents Have On Professional Sports"

Purpose of the Study

The purpose of the study is to determine 1.) If sports agents are beneficial to professional sports, 2.) Whether players that have employed sports agents are economically inferior or successful in their negotiations.
CHAPTER 2-LITERATURE REVIEW

There are many different researchable subjects that are related to sports agents effect on professional sports. The following includes an introduction of many of them. First, I will discuss a historical overview of sports agency.

Sports agents come in all shapes and sizes from the giant with about 1,300 employees and more than $900 million in revenue, to the recent law school graduate trying to make a promising and prosperous career. In between are a number of firms and private practitioners that either deal strictly with contract negotiations or offer a “one stop shop” approach that is filled with a full service of money management, tax planning, and endorsement services that can be offered to clients.

In professional sports, the first case of a sports agent at work dates back to the Olympic Games in 776 B.C. It is said that the profession of sports agents was developed from an early Greek tradition of localized sports festivals. The first recorded incident of a sport agent at work was linked with a class of professional sportsmen known as athletai, athletes that were well paid and were recruited from mercenary armies to participate in the games. The athletes that were recruited for the competitions were well equipped and trained exclusively for their brutal and fierce competitions in the early Olympic Games. “It is said that small, pompous, well suited men came to the God’s palaces and asked for gold and cloth for the athletes compensation to compete in the jousting and other affiliated competitions in the Olympic Games.”

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In 1925, Charles Pyle negotiated a $3,000 per-game contract for Harold Grange to play professional football with the Chicago Bears. In addition to the $3,000 per-game contract Pyle also negotiated over $300,000 in movie rights and endorsements, including a Red Grange doll, a candy bar, and a baseball cap for his client. In 1926, tennis star Suzanne Lenglen signed with Pyle for the earnings of $50,000 a year and subsequently became the first professional tennis player ever. In 1929, sports agent Christy Walsh, advised baseball Hall-of-Famer Babe Ruth to invest in annuities prior to the stock market crash in 1929.

During the 1960s individuals from diverse backgrounds and professions became involved in the field of sports contract negotiations. For example, a great deal of press coverage was given to Hollywood movie producer J. William Hayes, the agent for actor Vince Edwards, television’s Ben Casey. A great deal of press coverage was involved because Hayes orchestrated a $1 million “holdout” by the Los Angeles Dodger baseball pitching superstars Sandy Koufax and Don Drysdale.

Yet even in the mid-1960s the use of an agent by an athlete was a conspicuous event and received coverage in *Time*. At the time, before settling the contract dispute, Los Angeles Dodger President Walter O’ Malley told *Sports Illustrated*, "We can’t give into them. There are too many agents hanging around

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Hollywood looking for clients." Los Angeles along with other professional teams were resistant to the ideas of agents because they sensed their teams would lose control of contract negotiations.

The development of the sports agent as a recognized profession has by no means been a nice and easy one. One of the standard anecdotes of the industry is one that is told about the legendary coach of the Green Bay Packers, Vince Lombardi. It is 1964 and time to negotiate all pro Center Jim Ringo for the coming year. Ringo decided one summer day to stop into the Packers office to get his new contract settled with Vince Lombardi before training camp started.

"He called first to make an appointment, but neglected to mention that he would be bringing an agent. Lombardi had not dealt with any agents in his life and was not comfortable with the idea of dealing with one. The story has it that Lombardi excused himself, stepped into the next room, and made a phone call. When he stepped back into the room he informed Ringo that he was negotiating with the wrong team because he had just been traded to Philadelphia. The Ringo trade was made at a point in time when most players were still representing themselves in contract negotiations." 

Three years later following the Ringo incident, things had not changed much. Detroit Tigers pitcher Earl Wilson had a lawyer, too, but his representative would not even accompany his client into the office of Detroit General Manager Jim Campbell to discuss a new contract because he was fearful the same thing would happen to his client that happened to Jim Ringo in 1964. The talks

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6 Mann, "$1,000,000 Holdout", pp.26,28.
7 Catherine, Holbert, "The Change in Sports and its effects", (Dover, Delaware, 1996).
between Earl Wilson and the Detroit General Manager Jim Campbell seemed to drag on, because every time they hit a key issue Wilson would excuse himself and leave the room. The negotiations continued on in this manner until an agreement was reached by both parties. "The agent said later that he would have preferred being with Earl in the flesh, but it would have been impossible at the time."  

Obviously, since the Lombardi and Campbell situations the acceptance of sports agent by management have come a long way. It is now more common for a player to be represented by an agent than for a player to have no sports agent/attorney representation. Schubert, Smith, and Trentadue, in their book *Sports Law*, conclude that the evolution of the sports agent profession is not accidental, but simply a natural response to dramatic developments witnessed in the professional sports arena during this century. The authors cite several events that have transpired during this time period to account for the prominent position agents currently possess in the sports industry.

One of the events the authors cited was the extensive use of reserve and option clauses in standard player contract through the early 1970s. These clauses essentially bound athletes to teams in perpetuity without an opportunity to have their contracts affected by open market bidding. Beginning in 1972, however, the courts began to deliver rulings that invalidated the perpetual nature of these clauses. With this opening the athletes obtained increased bargaining power. The additional negotiating power created by these judicial rulings catapulted the players into a position of negotiating strength and higher salaries.

Secondly, competition from newly created leagues in football, hockey, and basketball presented the athletes with an appealing alternative to participate in other established leagues. Suddenly, the athletes had the ball in their court. They were in a position to tell owners that they wanted fair compensations for their services or they would take their contracts to the rival leagues. This demand led to higher salaries, which were enlarged by the appetite of the newly formed leagues to sign famous players. The signing of collegiate All-American Joe Namath by the upstart America Football League and the later signing of NFL veterans Paul Warfield, Larry Csonka, and Jim Kick by the rival World Football League for astronomical salaries was an example of how the new reserve clauses and optional clauses benefited the players.10

Third, the strength of the unions went from informal to the powerful position most hold today. Although the major sports union have varying degrees of strength, they have all had an impact in increasing salaries. The unions have also been responsible for solidifying the role of agents, by leaving the role of salary negotiator to the agents and not retaining it for itself as unions traditionally do.11

Fourth, the money management planning became a necessity for athletes. The higher salaries made it necessary to get professional tax advice. Just as with any other highly compensated professionals, the professional athlete is wise to obtain competent tax advice. The advice that the athlete requires is complicated by the fact that a playing career in most sports, averages less than five years.

11 Ibid
With this in mind, the planner may have to take extra precautions to protect the athlete's earnings.\textsuperscript{12}

Fifth, additional sources of revenues began to emerge, both for the leagues and the individual players. Media interest in sports as part of regular programming expanded very rapidly pouring enormous amounts of revenues into the leagues. Because of the media exposure this exposure helped widen the popularity of athletes, which resulted in a booming monetary commercial endorsement business for the players.

These five elements and the increasing complexity of the clauses required to protect athletes in player contract negotiations caused the popularity and demand for agents to increase.

According to the book, \textit{Behind Closed Doors}, Boston based agents Bob Woolf and New York based Martin Blackman were referred to as the "modern fathers" of the sports-agent industry.\textsuperscript{13} A former criminal lawyer and college basketball player, Woolf entered the sports agent business in 1964. He maintained that he was the first attorney to specialize in the area and that as of 1976 he had negotiated more than 2,000 contracts. Woolf entered the field by accident when professional baseball player Earl Wilson came to his office for standard legal advice following an automobile accident. According to Woolf, "When we talked we discovered we had a lot of attitudes in common. One day we found ourselves discussing methods by which an athlete could defer income

\textsuperscript{13} Roger Kahn, Introduction to Woolf, \textit{Behind Closed Doors}, pp. vii-xiii,
and that, I guess, is where the whole thing began."  

Some of Woolf's most famous clients included Carl Yastrzemski, Jim Plunkett, Julius Erving and Derek Sanderson.

While Woolf was noted as a pioneer in the representation of athletes in contract negotiations, Martin Blackman is best known for his pioneering negotiations of endorsements deals for athletes. Blackman's, most famous endorsement deal for an athlete was the signing of Miller Lite television commercials featuring retired professional athletes.  

Probably the most successful agent of the 1970s according to various opinions was Mike Trope. Trope writes about his success and tribulations of his career in his autobiography called *Necessary Roughness*, published in 1987.  

Trope entered the business in 1973 at the age of 20 while still a student at the University of Southern California. Not only did Trope enter the profession at a young age, but he also had a prominent client named Johnny Rodgers, the 1972 Heisman Trophy Winner. As a result of Trope's first client he had a string of six Heisman Trophy Winners and other first round draft picks in the sport of football that signed with him to provide contract and publicity matters. Trope negotiated a $1.6 million contract plus a Rolls Royce for Johnny Rodgers from the Montreal Alouettes of the Canadian Football League. His other clients included running backs Ricky Bell, Tony Dorsett and Earl Campbell.  

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14 Ibid  
17 Johnson and Reid, "Some Offers they Couldn't Refuse", *Sports Illustrated*, May 21, 1979, p.28.
According to the book *Sports Biz*, another successful agent in the 70s and 80s was agent Leigh Steinberg. Steinberg, like Trope, started out at a young age. While a law student at the Boalt Hall Law School at the University of California at Berkeley, Steinberg developed a relationship with an undergraduate student athlete, quarterback Steve Bartkowski. Steinberg was an advisor in Bartkowski’s dormitory. Bartkowski became Steinberg’s first major client, and at the age of 25, Steinberg negotiated a then record $650,000 per year contract for Steve Bartkowski with the Atlanta Falcons of the NFL.

While Steinberg and Trope became successful as individuals, two other sports agents developed firms that became and are still the major sports marketing powers in the world. Mark McCormack’s International Management Group and Donald Dell’s based ProServ came onto the scene to try and dominate the world of sports.\(^{18}\) International Management Group (IMG) got its start in professional golf with McCormack’s first client: Arnold Palmer. Because of the firm’s business marketing, sports management and contract negotiations successes with Palmer, other golfers soon followed, including Jack Nicklaus and Gary Player. International Management Group (IMG) eventually branched out into other sports areas. “IMG now has so many of the game’s top names under contract that it could probably start its own tour.”\(^{19}\) Although golfers are still the focus of IMG, IMG has represented Herschel Walker, Bjorn Borg, Martina Navratilova, Chris Evert, Mary Becker Slany, and Jackie Stewart.\(^{20}\)

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19 Ibid
20 Ibid
Unlike IMG, ProServ was started by an attorney named Donald Dell who was a former captain of the U.S. Davis Cup Tennis team. Dell, started his agency firm in tennis. Dell's first client was the infamous Arthur Ashe. As a result, of his great success with Ashe, Dell was able to represent other tennis players and began building a large portfolio of successful athletes.

By 1980 until now other agents have become prominent in athletics, some have specialized in specific professional and amateur sports, while others have represented athletes in other legal areas.

Sports agents have been beneficial to professional athletes. The relationship between an athlete and his agent is as important as that which the player has with his club. The agent's influence may affect virtually every aspect of the player's career. The sports agent has become an effective tool for professional athletes because they provide services beyond the negotiations of the professional contracts. Sports agents have been beneficial to athletes because they provide:

* Money management, tax planning, and investments
* Securing investments, contracts and appearances
* Resolving disputes
* Personal counseling

Money management, tax planning, and investments- These areas of a sport's agents duties are very vital to an athletes future career. If an agent does not effectively manage his clients money the athlete could end up broke and not

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have money to live with after their professional career is over. Tax planning is important to have because there are legal ways taxes can be efficiently dealt with. In most cases an individual can have the IRS benefit them and not the other way around, however it is important to have an agent that is very knowledgeable and knows the "ins and outs" about the tax system. According to Sports Law, because an agent did a superb job for Magic Johnson, "The Lakers will still be paying Magic Johnson while he’s telling his grand kids stories, because an agent did a little tax planning."

And finally, the most important one is investments. An athlete has to know that he/she cannot play sports forever, and if they do not invest their money wisely they may end up broke in the long run.

Securing investment contracts and appearances- This duty secures commercials spots or television and radio appearances as well as any other publicity arrangements that are made. There are players who make more money outside their professional sports, thanks to the arrangements of their agents, than they make playing sports. For example, in addition to Deion Sanders 1.9 million salary in 1993, in 1994, Sanders had a Wheaties deal estimated at $200,000 and Nintendo Package worth $100,000, Wilson sporting goods and Armitron promotional packages each worth $80,000, a trading card appearances paying $20,000 per appearance as well as a seven figure endorsement contract deal with Nike.

Resolving disputes- Disputes are inevitable so it is important for an agent to be well versed in the area of mediation as well as other affiliated sports agents.

issues. The recent Latrel Sprewell incident is a prime example of how important a sport agent is to his client. Not only is the agent monetarily important but sometimes criminally as well. Sometimes an agent has to find a competent, astute criminal lawyer to handle the extended needs of his client.

**Personal counseling** - Counseling is another duty of an agent that can be extremely important. An agent should always have his clients best interest at heart and sometimes a client will need good sound judgment calls when he/she is unable to do so. There has been a great deal of reported incidents in the media where a lot of professional athletes have been involved in domestic violence. Warren Moon, the quarterback for the Seattle Seahawks had a reported problem in this area and his agent Brad Sturgill had to intervene in his process and seek counseling for his client to deal with his abusive aggression problems.

Sports agents have been good for their clients monetary interest and contract negotiations. "Edward Abram, the Oakland-based agent and 50% part-owner of Morcom Sports Enterprises negotiated Raghib Ismail's 18.2 million contract, which turned out to be the largest first-year contract in sports ever."\(^{23}\)

One study that supports the fact that players who have agents working for them fair better in money negotiation than most athletes that are not represented by agents in contract negotiations was done by economist Jake Drumbwell. This law professor/sports attorney has researched many professional athletes in contract negotiations that had sports agents working for them in comparison to athletes that had no representation and found that in most cases the player that

had the legal representation did better economically and did well in other areas in contract negotiations than the athlete that did not have representation. Drumbwell came up with his data by using integral matrix algebra and the use of the Bales Chart. He determined his data through two economic models. In the first model Drumbwell figured out what influences agents had over owners. The second model dealt with statistics and figures dealing with how those influences won over the owners. Drumbwell interviewed over thousands of agents, owners and athletes in order to get his data. After all of the data was collected Drumbwell added all the surveys and statistics and made his analysis. Drumbwell also stated that, "owners will not pay players their monetary worth if they do not demand their value or have someone to demand their net worth for them.

Sports agents may have many negative effects as well. Income mismanagement, excessive fees and conflict of interest are the three main criticized issues sports agents face. One of the most widely reported cases of income mismanagement was that of Kareem Abdul Jabar. In 1986, Kareem Abdul-Jabbar named his one-time friend, mentor, and sports agent and 30 other people and corporations in a $55 million law suit charging them with fraud, negligence, and malpractice. Abdul-Jabbar brought a suit against Tom Collins alleging Collins mismanaged $9 million of his basketball earnings by placing them in doubtful investments including a rib restaurant in Texas, a hotel in Alabama, two hotels and restaurants in California, a sports club, a limousine

service, a commodities brokerage, and a cattle feed business. Abdul alleged that Collins also got him in financial trouble with taxes (Uncle Sam) and fraud. Abdul stated that Collins did not have his best interest at heart. As a result of this, in 1986 Abdul-Jabbar sued Collins and others. The case was settled in early 1990; the settlement terms were not publicly disclosed.

The incident that happened between Collins and Abdul is an unfortunate one. Just like all other professions people can be susceptible to failure and corruption if they let greed and selfishness get in the way. In another incident, agent Jack Rodri was sued by two of his clients, NFL running back Eric Dickerson and former professional boxer Ken Norton. In separate suits both athletes alleged that Rodri mismanaged their earnings. In still another incident actual criminal prosecution took place against agent Richard Sorkin. While acting as a sports agent, Sorkin gambled and lost in the stock market over $1 million in earnings of more than 50 hockey and basketball players. Investigations revealed that Sorkin bet as much as $100,000 per week on horses, baseball, and football. The District Attorney in that case found that Sorkin lost $626,000 gambling and $271,000 in the stock market. Other missing funds could not be traced or accounted for. Agents that lack experience in the skills of contract negotiations, tax and financial planning can have a negative effect on a professional athlete players career.

26 Speech by Tom Collins to the Sports Lawyers Association, May 5, 1990, Santa Monica, California.
Another criticism agents deal with is the issue that some agents negotiate for terms which will insure that they are paid immediately. Thus, their fees may consume a large part of a player's bonus and initial salary payment and will ultimately leave the athlete in a difficult financial position before he has even hit the playing field.

The charging of excessive fees is another problem. Players' union have attempted to put a cap on what agents can charge for contract negotiations. In 1988 the National Football League Players Association reduced the fee that a certified agent could charge a rookie client from 10 percent to 5 percent of the first year playing contract.

Agents have also been under the microscope for engaging in practices where conflict of interest may be present. Conflict of interests are common in sports representation, even among some of the most reputable agents. Some agents represent both individual athletes and players associations, creating a potential conflict of interest between the desires of their individual clients and the association as a whole. Another common and potentially harmful conflict arises when an agent represents multiple players, particularly when the players are on the same team. This conflict is exacerbated when an agent represents two players who are in competition with each other for the same position on a team.29

The legal implications of conflicts of interest of the sports agent are seen in Detroit Lions, Inc. v. Argovitz.30 Here the defendant sports agent had negotiated

29 Speech by Tom Collins to the Sports Lawyers Association, May 5, 1990, Santa Monica, California
a contract on behalf of his client Billy Sims, a professional football player, with a professional football team in which the agent held a substantial ownership interest, the Houston Gamblers of the U.S. Football League (USFL). Subsequently Sims signed a contract to play for the Detroit Lions of the NFL. The federal district court in Michigan found that the sports agent had acted improperly in breach of his duties to Sims.31

Agent David Falk states that it is not the existence of a conflict alone that is a problem. Falk and others maintain that because of the limited number of agents with actual expertise in sports business issues most successful agents are bound to have conflicts: "Invariably you’re going to have conflicts even if you only have two clients.”32

The stories associated with the mismanagement of athletes’ income, excessive fees and conflicts of interest are no more dramatic than those involving doctors, politicians, or other business people. When these incidents occur in sports, however, they receive much more public attention because of the notoriety of the parties involved. Despite the presence in the industry of several highly reputable managers, the best efforts of these professionals are often overshadowed by the presence of a large number of less scrupulous operators.33

In light of my literature review my methodology deals with finding out if sports agents are advantageous to professional athletes as well as answers whether or not athletes that have representation fair better monetarily versus players that do

31 Ibid
not have representation.
Chapter 3- Methodology

In order to further prove or disprove the two hypothesis detailed in the beginning of this paper; Sports agents have made a positive effect on professional sports, and professional players are more monetary successful who use sports agents than players that do not use agents?

A list of questions have been composed and verbally presented to interviewees via telephone. In addition to the questions that were presented information from editorials and historical data contained in published materials assisted the implementation of the data collected.

The sampling for the interviewees included sports agents, sports attorneys, and college professors that teach sports related subjects. Out of 10 interviewees questioned seven were successfully completed; which is 70% participation. This percentage helps establish both the reliability and the validity of the sampling.

The questions presented were:

1. Do you feel sports agents/sport attorneys are advantageous to professional athletes?
   Answer: Yes    No

2. Are professional players more monetary successful that use sports agents versus players that do not have representation?
   Answer: Yes    No
3. What are some of the legal duties an agent should complete for his client?
   Answer: _____________________________________________

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   Answer: _____________________________________________

5. How much commission do you think an agent should earn?
   Answer: _____________________________________________

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   Answer: _____________________________________________

   (Note: Please see appendix B at back of paper for completed interviews)

The results of the questionnaire are compiled as follows:

1. 7 yes, 0 no
2. 7 yes, 0 no
3. 6 contract negotiations and post career planning, 1 sports agents do not have any legal duties they must complete.
4. 1 self-regulating systems, 1 tougher requirements for sports agents to practice, 1 players have to educated about the disasters of bad financial planning and its repercussions, 2 better player associations, 2 not sure the system can be cleaned up.
5. (3) 3%, (2) 3% to 4%, (1) 2% to 3%, (1) by the hour rate
6. 7 driven up players salaries
Chapter 4- Results

The responses in the interview prove both hypothesis detailed in the beginning of the paper accurately. An overwhelming response, 100%, said sports agents are advantageous to professional athletes, 100% of the interviewees agreed that the players that were represented by sports agents were more financially successful than players that do not have representation.

Financial concerns dealing with professional athletes also reflect these findings. The salary prices for professional athletes has risen along with the increase in signing bonuses, and commercial endorsements. Professional athletes are making more money now with the aid of sports agents than ever before.

This research was done initially to find out if sports agents were effective to professional athletics. The results of this study shows that overall the perception individuals have about sports agents is the idea that sports agents are effective to professional athletics. Not only are sports agents effective to professional athletes monetarily but also emotionally as well. The compilation of the research that was collected led to this discovery.
Chapter 5- Discussions and Conclusions

Based on the research that was done in this report, there is no definite conclusion, only similar opinions. Sports agents in professional sports have both helped and hindered professional athletes. Overall sports agents have been found to be beneficial to professional athletes; yes, there are some reported problems with unscrupulous sports agents. However, there is reason for optimism about the future role of sports agents. In 1989 Alabama, Arkansas, California, Florida, Georgia, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas all incorporated sports agent statutes to help curtail the problems that are associated with unprofessional and unethical agents. In addition to the states listed above the (ARPA) Association of Representation of Professional Athletes comprised a code of ethics sports agents should follow. (See Appendix A) The business of sports agents began on a major scale more than a decade ago. The problems associated with agents may be manifestations of the uncertainty of its formative years. There are signs that the number of athletes using reputable agents and firms are increasing and the unscrupulous and incompetent agents are playing a less significant role.

Here are a few ideas for future research that needs to be developed to continue the research of this study. Another survey, in a future project should be conducted to gather more data on the impact of sports agents on professional athletes.

34 Robertson, Tom, Codes of Sports Agents, pp. 145-147.
35 Robertson, Tom, Codes of Sports Agents, pp. 113-118.
expand and diversify the interviewees. The survey should be mailed outside the southeastern United States and include the Mid-Eastern and other affiliated regions of the United States. Additionally, a future survey should probe into the psych of the professional athlete. A full accounting in this area will help us better understand the effects sports agents have on professional athletes.
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Canon One

“A Representative shall maintain the highest degree of integrity and competence in representing the professional athlete.”

Rule 1-101 Representing Clients with Competence & Integrity

(A) A Representative shall not:
   (1) Violate a rule of conduct of this Code,
   (2) Use another to circumvent a rule of this Code,
   (3) Engage in illegal conduct involving a felony or conduct involving moral turpitude,
   (4) Engage in conduct involving dishonesty, fraud, deceit, or misinterpretation,
   (5) Engage in conduct prejudicial to the reasonable conduct of professional athletics,
   (6) Engage in conduct which adversely reflects on his fitness.

Rule 1-102 Information Regarding a Violation of this Code

(A) A Representative possessing information which is unprivileged as a matter of law and not protected by Rule 4-101 of this Code concerning a violation of Rule 1-101 shall report such information to the Committee on Discipline of the Association of Representatives of Professional Athletes immediately.

(B) A Representative shall be available to testify or produce a statement under oath as to the nature, source and details of the information described in Rule 1-102(A).
D) A Representative may employ for compensation, with the consent of his client another representative or other professional to assist him in fulfilling his duties and obligations to a professional athlete he represents.

Rule 2-104 Fees for Service

A) A Representative shall disclose, in advance of any representation agreement and in writing, the nature of his fees and the services to be performed for the fee.

B) A Representative shall not enter into an agreement for, charge, or collect an illegal or clearly excessive fee.

C) A fee is clearly excessive when, after a review of the facts, an individual within the industry of reasonable prudence would be left with the firm conviction that the fee is in excess of a reasonable fee for the work performed.

D) Among the factors relevant in determining whether a fee is reasonable are:

1. The time, labor, expenses involved;
2. The degree of expertise required and the level of expertise of the representative;
3. The usual and customary charge in the industry for the services performed;
4. The impact of the services to be performed on the workload of the representative;
5. The relationship between the fee and the length of the athlete's contract.

E) In determining his fee, the Representative shall consider the relationship between the fee and foreseeable length of the athlete's employment with the athletic team and shall make every reasonable effort not to inflict serious hardship on the athlete.

F) A Representative may employ one of the following methods in establishing his fee:

1. Fixed fee
2. Percentage fee
3. Contingent fee

G) A Representative shall never solicit nor accept any compensation for services rendered in connection with the negotiation of a player contract or in connection with any other services to a professional athlete from a professional athletic team, club or club representative either directly or indirectly.

Rule 2-105 Financial Payments

A) A Representative shall not offer, promise or provide financial payments, support or consideration of any kind to an amateur athlete, his family members, athletic coach, director, school official or school with the intent to influence those persons or organizations into recommending that representative for employment by a professional athlete.

B) The provisions contained in 2-105(A) may not be waived in advance or by subsequent conduct.

Canon Three

"A Representative shall maintain management responsibility for his firm."

Rule 3-101 A Representative working with a non-Representative

A) A Representative shall not share fees with a non-Representative except:

1. A Representative may, with the prior consent of the professional athlete he represents, retain the services of another professional or business entity on behalf of the athlete.
2. All charges in connection with such work shall be billed to the athlete directly or, at least, must be separately listed on the representative's bill for services.

Rule 3-102 A Representative and the Player Contract

A) A Representative shall not negotiate or agree to, on behalf of an athlete, any provision in a player contract which directly or indirectly violates or circumvents an operative collective bargaining agreement.

B) All Representatives shall have a written contract with their clients which fully discloses all fees, duties and responsibilities. Such contract shall fully disclose all matters in which the representative will receive a financial benefit.

C) Any dispute arising out of a matter other than a dispute over fee shall be resolved by binding arbitration before an impartial arbitration panel set up for the particular sport in accordance with the rules of the American Arbitration Association.
Appendix B

Professor Ted Abernathy
St. Thomas University
16400 NW 32nd Avenue
Miami, FL 33138
Fax

1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Negotiate contract
   b. Personally he thinks sports agents should have more "one stop approach" sports agents should offer more than just contract negotiations, they should also offer investments, and post career planning.
   c. Income taxes should be done legally money should be invested efficiently.

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. "It can't, simplistically it can't be fixed there are just going to be scrupulous individuals in the profession."
   b. Have stronger player associations
   c. Have a better business bureau for sports agents

5. How much commission do you think an agent should earn?
   a. NFL 3%, it should not be a number attached to the services

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Driven up salaries
   b. Endorsements, agents have really exposed players to a new level.
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Negotiate contract with teams
   b. Assist in life decisions eg. real estate

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. Regulatory apparatuses should be used

5. How much commission do you think an agent should earn?
   a. Agents should be paid by the hour

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Representatives have maximized salaries for athletes
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Negotiate contract
   b. Deal with signing bonuses
   c. Financial planning
   d. Post career planning
   e. Marketing

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. Requirements should be made tougher, harder to get in the profession.

5. How much commission do you think an agent should earn?
   a. 4% is fair, 4% is currently what the commission is.

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Raised salaries for professional players.
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Nothing from a legal sense, from an obligation the sports agent should know the value of their client. eg. “A majority of athletes do not pass high school tests so therefore, the agent should know his clients strengths and weaknesses so he can better help the player.
   b. Morally an agent should lift up his client’s level. An agent should bring his client up so that they will not be able to be taken advantage.

4. How do you feel the sport agent/attorney profession can be cleaned up from scruptulous individuals in the profession?
   a. Self-regulating entity, players will talk, word of mouth
   b. Lawyers are held to standards because of their strict guidelines.

5. How much commission do you think an agent should earn?
   a. 3% to 4% is enough because of their guidelines

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Raised salaries and benefits for professional players.
   b. Made the athletes smarter about monetary issues.
   c. Agents were very instrumental in players lifestyles.
   d. Agents forced athletes to think.
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Contract negotiations
   b. Personal affairs (airfare)
   c. Financial planning

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. Athletes have to be educated by the institution, he has to know what an agent should do.

5. How much commission do you think an agent should earn?
   a. 2% to 3% is enough because of their guidelines

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Interest of athletes have been protected.
   b. Post-career planning
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Contract negotiations
   b. Income tax
   c. Financial planning
   d. Endorsements
   e. Real Estate

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. Not sure it can be done
   b. Regulatory policing

5. How much commission do you think an agent should earn?
   a. 3% to 4% commission

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Positive impact
   b. Agents have brought players to earn maximum salaries
1. Do you feel sports agents/attorneys are advantageous to professional athletes? Yes

2. Are professional players more monetary successful that use sports agents versus players that do not have representation? Yes

3. What are some of the legal duties an agent should complete for his client?
   a. Contract negotiations
   b. Financial planning
   c. Endorsements

4. How do you feel the sport agent/attorney profession can be cleaned up from scrupulous individuals in the profession?
   a. Better player associations

5. How much commission do you think an agent should earn?
   a. 3% to 4% commission

6. In your opinion what are some of the effects sports agents have made on professional athletics?
   a. Elevated salaries for players