

WHY ATHLETES NEED INDEPENDENT ADVICE

T H E S I N G E R L A W F I R M

Why do Athletes Need Independent Legal Advice?

A prospective client of our firm asked, "Why do Mixed Martial Arts ("MMA") athletes need legal representation? Why not rely on promoters or 'teams' to provide legal representation? What is the need for independent legal judgment?"

The answer is simple. The waters of professional athletics are infested with individuals who care more about money and personal gain than the best interest of the athletes. The Nevada State Athletic Commission and Disciplinary Commissioners chronicle the disputes, conflicts and failings in an industry which is beset with problems.

Those with high level college, national and international competition experience value the relationship they have with the athletic community. A partner at our firm who has practiced law for 36 years has an appropriate saying, "I'd rather have a handshake with an honest man than an ironclad contract with a thief."

Why is Personal Legal Counsel Important?

Within the MMA arena, many management teams and promoters coax athletes to enter into agreements without legal review or consultation. Teams and promoters often advise prospective athletes that legal representation is unnecessary and that the pro-

moter will "provide" legal counsel. The faulty reasoning behind this statement is: the more the athlete makes, the more the management and/or promoter will receive in compensation. Therefore, the management and promoter must have the best interest of the athlete in mind.

This management - promoter assertion is, in most cases, misleading and/or false. An inherent conflict of interest exists between the financial interest of the management, promoters and the athlete. The management and promoters lack a fiduciary duty and responsibility to the athlete which puts the athlete at risk. The important question is - who does the attorney for the "team" really represent? Does the attorney represent the "team" or the athlete?

In professional baseball, football, and hockey, athletes have their own representation and are not represented by the "team". The same goes for recording artists in the entertainment industry. Why should MMA athletes be different from these professionals? How many stories have you heard about boxers who trusted promoters and management to take care of them and ended up with nothing?

What Value can Independent Legal Counsel Provide the Athlete?

It is critical that young athletes beginning their search for stardom and financial success be grounded in reality.

This is what an experienced team of independent professionals and legal counsel does best.

The services provided for athletes include: (1) the assembly of a team of trustworthy and experienced professionals to act as advisors. Such a team can shield the athlete from many of the dangers in dealing with predators in the industry; (2) providing independent judgment in reviewing and revising legal documents while negotiating more advantageous and reciprocal terms; (3) explaining the subtleties of proposed contracts and the legal ramifications of what is presented to clients; (4) setting up legal entities for athletes which allow them to exit a business opportunity if it does not turn out as planned; and (5) protecting athletes within the limits of the law against creditors and predators.

What is the Cost of Independent Legal Counsel?

The majority of attorneys will meet with clients at no cost or at a nominal fee to discuss representation and billing. You should ask in advance if there is a charge for the initial conference. Such an inquiry is good business and will be respected as such by the attorney.

In most cases, attorneys representing athletes will provide three billing options—hourly billing rates, a percentage fee agreement or a combination of hourly rates and percentage fee billing. Clients

are given the opportunity to choose the billing method. A formal Engagement Letter will outline the agreement. It should address not only fees, but responsibility for out-of-pocket costs advanced by the attorney.

Conclusion

An ounce of prevention is worth a pound of cure as the saying goes. Attorneys are in a unique position to view what goes wrong in society. They are professionally licensed and subject to disciplinary measures for any misconduct. When dealing with promoters, managers, and management teams, the same oversight is not present to protect the interests of their clients. Moreover, promoters may not have the financial wherewithal to back up unkept promises.

The opportunities in MMA are significant. The lure of large economic opportunity in MMA also attracts the worst in society. As such, it is critical that athletes retain an experienced group of professional advisors including legal counsel to represent and protect their interests.



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