



## What is a “Sports Lawyer”?

February 6, 2011 by [Brad Hamilton](#)<sup>1</sup>

“I always turn to the sports section first. The sports page records people’s accomplishments; the front page has nothing but man’s failures.” ~Earl Warren, the 14th Chief Justice of the U.S. Supreme Court

Last fall I was voted by my peers – “The People’s Court” – as the “Best Sports Lawyer” for the Barrister’s Best 2010 issue of [Law Week Colorado](#).<sup>2</sup> I am flattered by this recognition, no doubt partially attributable to my efforts many years ago helping rescue our local major league baseball team from the [scandal of its original ownership](#)<sup>3</sup> from Ohio. More recently, I was involved in the television production, broadcast and streaming media business, which included putting together deals to broadcast a variety of high-profile entertainment, athletic and Olympic events.

Upon the pronouncement that I was a “best sports lawyer”, the response from my clients, contacts and colleagues was mostly: “Congratulations! What is a “sports lawyer?” Herein, my answer.

Notwithstanding the impassioned exclamations of millions of sports-fans around the world everyday that sports has a deeper meaning, unless you are a professional participant, sports is entertainment, and entertainment is very big business. We are entertained and invigorated through our participation in sports, and we buy billions of dollars of equipment and toys to in support of our participation. We are likewise entertained and occasionally infuriated by our observations of sports as a spectator, and our spectating generates billions of dollars of revenue in advertising, merchandise sales, food and beverage and related products.

A “sports lawyer” is a business lawyer who has clients in the business of sports. Like every business, sports businesses must be financed and protected; their risks managed and business deals documented in well negotiated and drafted contracts. However, some aspects of the sports business are unique:

- contract negotiations involve unions, players associations, and in some leagues, salary cap rules;
- league and association rules govern both player conduct and team activities such as trades, revenue sharing, merchandising and broadcast agreements;
- stadiums and arenas are often financed with special tax districts and government supported bonds, and stadium leases and use agreements need to keep the teams in place so as not to leave the taxpayers paying for an empty building;

<sup>1</sup> <http://bradhamilton.wordpress.com/author/bradhamilton/>

<sup>2</sup> <http://www.lawweekonline.com/>

<sup>3</sup> [http://sports.espn.go.com/espn/columns/story?columnist=wojciechowski\\_gene&id=3074665&sportCat=mlb](http://sports.espn.go.com/espn/columns/story?columnist=wojciechowski_gene&id=3074665&sportCat=mlb)

- teams are awarded through the “franchise” processes, involving federal and common law relating to franchisee’s rights and team movement restrictions;
- whenever rules limit the movement of teams or players, pricing, use of revenues or limits on pay, antitrust laws apply.

Personnel issues in the sports business are highly concentrated compared to a regular business, partly because of the amount of money paid to the most productive players, and the short time span of the average career. Employment contracts are highly negotiated, and may include morals clauses, payment guarantees, incentive payments, and highly complex amortizations to fit under a league salary cap. They may also address trade rights.

The financial and legal interests of players, while not necessarily unique from other highly compensated occupations, are far more concentrated. The average professional athlete has an even shorter professional life than a teen pop star; most of the revenue earned by the athlete comes in a very short period of time. Like a lottery winner, claims to a share of that money may come from likely and unlikely sources – estranged relatives, former paramours, casual acquaintances, managers and agents, business partners and brand new “friends”. The athlete has less time to create, build, protect and preserve his or her value and assets than most people, and to be effective the lawyer’s efforts in that regard must come early.

The [list of famous](#)<sup>4</sup> and not so famous athletes who have filed bankruptcy or gone broke is a long one. It includes Johnny Unitas, Dorothy Hamill, Bjorn Borg, Lawrence Taylor and Scottie Pippen, who [unsuccessfully sued his own law firm](#)<sup>5</sup> for giving him bad investment advice. Almost all of these people have lost their fortunes to “bad investments”, which usually includes at least one restaurant.

And all of these activities are conducted under the glare of the media, bloggers, fans and even the government and its politicians.

Nevertheless, it’s business. Whether the lawyer represents a team, a facility, a broadcast network, an equipment manufacturer or an athlete, it involves many of the same issues that impact most other businesses:

- Are the right legal entities being used to maximize protection from liability and to minimize taxes?
- Is the brand and goodwill on a safe foundation, and protected from infringement?
- Are business agreements documented in well written contracts, appropriate for the arrangement and related risks?
- Are capital finance arrangements compliant with federal and state securities laws; are lending agreements properly documented and secured?
- Does the business/athlete have and use procedures, including checks and balances, to reduce the risk of loss due to theft, embezzlement or liability to third persons?
- And perhaps most importantly, does the athlete’s investment portfolio have the right balance between risk and conservative, self-sustaining investments that will provide long-term growth?

---

<sup>4</sup> <http://www.businesspundit.com/25-rich-athletes-who-went-broke/>

<sup>5</sup> <http://www.chicagomag.com/Chicago-Magazine/December-2005/Foul-Trouble/>

A good business lawyer will provide advice and assistance on specific issues, while remaining mindful of the bigger picture – and that is true whether the business is football, or making footballs, or making televisions that show football games.

Consequently, no one person can really be a “best sports lawyer”, since no one person could be the best at all of the different areas of law and business that are involved in the business of sports and entertainment.

In the final analysis, a “sports lawyer” is a lawyer involved in any of the broad array of legal, finance and risk areas that affect his clients, some of whom happen to be in the business of sports.

---

This communication is provided for your information only and is not intended to constitute legal advice or legal opinion as to any particular situation. You should not take, or refrain from taking, any action based on information in this article, without seeking legal counsel from an attorney on your particular facts and circumstances. Jones & Keller would be happy to provide you with specific advice about particular situations, if desired. Do not hesitate to contact us.

---

## Contacts

Jones & Keller, P.C. - Downtown  
1999 Broadway, Suite 3150  
Denver, Colorado 80202  
P: (303) 573-1600  
F: (303) 573-8133  
[www.joneskeller.com](http://www.joneskeller.com)

Jones & Keller, P.C. – Tech Center  
5613 DTC Pkwy, Suite 970  
Greenwood Village, Colorado 80111  
P: (303) 376-8400  
F: (303) 376-8439  
[www.joneskeller.com](http://www.joneskeller.com)

---

## About Jones & Keller

Jones & Keller means business. Our experienced team of award winning lawyers provide personal attention to public and privately held businesses and individuals, helping them to achieve business-minded solutions to legal needs. Our lawyers have been recognized by Super Lawyers®, Best Lawyers®, Best Law Firms®, and others for their knowledge and experience in the areas that matter the most to your business. At Jones & Keller we know that, no matter the size, your business is always big business to you.