

SPORTS LAW

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FINAL EXAM Fall 2006

THIS IS AN OPEN BOOK, OPEN MATERIALS EXAM. You may use any notes, books, or other materials to assist you in responding to the questions.

There is one (1) essay question and 40 multiple questions on this exam. The essay is worth 2/3 of your final grade, the multiple choice questions are worth 1/3 of your final grade. Answer the essay question as fully as you can, citing any appropriate cases, industry standards, and statutes that are relevant.

DO NOT WRITE ON BOTH SIDES OF THE PAGE. WRITE LEGIBLY OR PRINT IF YOUR HANDWRITING IS DIFFICULT TO READ. If I cannot read your response to a question, your grade will be adversely affected.

You have two hours to complete this exam. You are not required to spend the entire time working on the exam. You should outline your response to the essay question, before writing the response.

ESSAY QUESTION

It is late 2006 and the National Lacrosse League (NLL) has fast become the sport of choice for the 15-40 year-old demographic. In the past couple of years, the NLL has negotiated a lucrative television and media package with the leading alternative sports channel, ESPN4 the Quattro. The owners of the 12 teams in the NLL are beginning to reap serious profits on their investment and are extremely pleased with the direction and growth of the League. However, the first Collective Bargaining Agreement (CBA) negotiated in 2003 is set to expire in July 2008. Fearful that player salaries will escalate before negotiations on a new CBA commence next year, the owners vote to amend the By-Laws of the NLL as follows:

1. Contracts signed by entering players (hereinafter rookies) shall be limited to 2 years in length and the total value of said rookie contracts may not exceed \$100,000.

2. All player contracts entered into after December 1, 2006 shall contain a provision authorizing the member club to extend said contract by 1 year at the same salary the player earned in the preceding year.

3. The total compensation paid to all players on any one NLL member club for any one season commencing with the 2007 NLL season shall not exceed \$1,500,000. This provision shall hereinafter be referred to as the salary cap.

Nick "Lefty" Gomez and Randy "Spider" Savich are the premier veteran players in the NLL. Their play and leadership over the past 4 seasons have significantly enhanced the visibility and marketability of the League. The contracts of both of these players expired at the end of the 2006 NLL season in last July. They have come to you for representation seeking to challenge each of the above provisions in the By-Laws. Although you have limited experience in sports antitrust law, the players have heard that you are an exceedingly bright and diligent young attorney, and an avid NLL fan.

Your initial research confirms that the current CBA does not contain any of the above provisions, and that following the owners' vote to amend the By-Laws as set forth above, they instructed the Commissioner to formally adopt the above amendments, which were approved by the NLL just last week. In your review of the CBA, you have learned that the CBA does contain a general provision incorporating by reference the By-Laws as may be amended from time to time by the Commissioner. You have also consulted with the in-house attorneys at the National Lacrosse League Players Association (NLLPA), the players union formed in 2002. The NLLPA lawyers have told you that although issues similar to those referenced in paragraphs 1-3 above were discussed back in 2002-2003 during the negotiations for the current CBA, those issues were tabled in favor of other concessions afforded to the owners.

Lefty and Spider are hoping to negotiate significant salary increases for themselves in the next couple of months and want to sue the NLL to prevent the imposition of these new rules. The players would like to know upon what legal theory(s) you will challenge the NLL's new rules, what the NLL's likely defenses are, and the likely outcome of the litigation.

GOOD LUCK