Rogers v. Healy -- Complaint by Player Against Agent for Fraud.

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IN THE SUPERIOR COURT, STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

REGGIE ROGERS Plaintiff v. G. PATRICK HEALY, WORLD SPORTS & ENTERTAINMENT, INC., a New York corporation, NORBY WALTERS, PROFESSIONAL SPORTS MANAGEMENT CORPORATION, a Washington corporation, AND DOEs 1 THROUGH 20, inclusive, Defendants.	)	350427 COMPLAINT FOR DECLARATORY RELIEF ON VOID CONTRACT AND FOR DAMAGES FOR FRAUD AND BREACH OF FIDUCIARY DUTY

Plaintiff alleges:

PARTIES

1. Reginald Rogers (Reggie) at all times alleged herein was and is a citizen of the State of California.

2. Plaintiff is informed and believes and alleges thereon that defendant Norby Walters (Walters) is an individual and resident and citizen of the State of New York, and an officer of defendant World Sports and Entertainment, Inc.

3. Plaintiff is informed and believes and alleges thereon that World Sports and Entertainment, Inc., (WSE) is a corporation organized and existing under the laws of the State of New York.

4. Plaintiff is informed and believes and alleges thereon that G. Patrick Healy (Healy) is an individual, resident and citizen of the State of Washington, and a lawyer licensed to practice law under the laws of the State of Washington. Healy is the president of Professional Sports Management, Inc.

5. Plaintiff is informed and believes and alleges thereon that defendant Professional Sports Management, Inc., (PSM) is a corporation organized and existing under the laws of the State of Washington.

6. Plaintiff is unaware and unknowledgeable of the identities of defendants Doe 1 through 20, and will seek to amend his complaint to allege the identities and capacities of these fictitiously named defendants when such identities and capacities become known to plaintiff.

FACTS

SAMPLE

7. Reggie Rogers started college in the fall of 1982 at the University of Washington. In the fall of 1984, Reggie demonstrated that he was a remarkably talented football player. In his second year of college football he was named to regional and league all-star teams. By the summer of 1985, Reggie had been identified within the professional football industry as a gifted and talented football player who was likely to be a high draft choice in the annual National Football League (NFL) rookie draft. As a high draft choice, Reggie would command a large compensation to perform as a professional football player in the NFL. For these reasons, sports agents and their representatives started contacting Reggie in order to secure him as a client for their contract negotiation and financial advising services.

8. That summer, Reggie first met defendant Healy. Healy introduced himself as a lawyer who represented athletes. He discussed with Reggie the necessity and benefits of employing the proper agent.

9. In August, 1985, Reggie met Terry Bolar (Bolar) who was recruiting another football player for an agent. Bolar maintained his acquaintance with Reggie through the 1985-86 academic year. Bolar befriended Reggie and came to know the Rogers family. Bolar was very successful at ingratiating himself with the Rogers family. He eventually referred to Mrs. Rogers as "Mom" and was invited to family gatherings and celebrations.

10. Unbeknownst to Reggie or his family, Bolar was financed by agents to befriend promising football players so that Bolar could exploit his personal relationship to direct unsuspecting players towards those agents.

11. In or about October, 1986, Bolar became associated with defendant Norby Walters and WSE and continued to recruit Reggie and his family. Bolar frequently assured Reggie that he was looking out for Reggie's best interest. Bolar telephoned Mrs. Rogers nearly daily. Bolar also provided small gifts and services to Reggie and his family.

12. Near the end of November, 1986, Healy started his own campaign to "recruit" Reggie as a client. Healy visited Mrs. Rogers at her home in Sacramento, California, and gave her his "sales pitch" in support of his candidacy to be Reggie's agent. Healy thereafter called Mrs. Rogers three of more times per week, in his efforts to secure Reggie as a client.

13. During approximately the first week of December, 1986, Bolar and Norby Walters visited Reggie and his family at their home in Sacramento. Walters introduced himself as an agent for numerous famous black musical artists. Walters took the family to dinner and returned to their house to speak to them. He delivered his "sales pitch" stating how flattered to have to the opportunity to speak with them and that he was honored that he might act as Reggie's agent.

14. At the climax of his "sales pitch" Walters produced a contract and a stack of money out of his briefcase. Stating "I came prepared" Walter spread $5,000 cash across the floor of the Rogers' livingroom. Walters showed the contract to Reggie and his family members and explained that it was dated January 2, 1987, so that Reggie would not lose his amateur standing until after the end of the collegiate football season. Walters assured the Rogers that Reggie's accepting the $5,000 and signing of the contract were neither unlawful nor in violation of N.C.A.A. rules because the effective date of the transaction would be January 2, 1987, the date on the contract. Bolar also assured the Rogers that the January 2, 1987, dated on the contract was valid and appropriate, and that he was certain that signing the contract and accepting the money would not violate the law nor the N.C.A.A. rules. Walters and Bolar then stepped outside to allow the Rogers to decide if Reggie should sign.

15. Despite extreme financial hardship at that time, as neither the family nor Reggie had any income, Reggie decided not to sign the contract. For the next week, Bolar continued to press Reggie to sign, playing on the family's economic hardship as justification for taking the money.

16. On or about December 13, 1987, Reggie finally succumbed to Bolar's pressure: he signed the contract with Walters and took the $5,000. Reggie immediately sent some money to his mother to pay outstanding bills, and put the remainder in a savings account. Reggie specifically asked Bolar if signing the contract would affect his college eligibility and Bolar told him that the post-dating of the contract protected his eligibility.

17. About three days after signing the Walters contract, Reggie determined that he felt the he had been unduly pressured and influenced by Bolar into signing the contract. Reggie decided to rescind the contract with Walters, and contacted the only sports lawyer he knew, Healy, to advise and assist him regarding the Walters contract.

EXHIBIT

18. Reggie told Healy that he was uncomfortable with the Walters contract, that he wanted to give the money back to Walters and rescind the contract. Healy consulted an attorney with Reggie who drafted a letter to Walters rescinding the contract.

19. Reggie wanted to return the money to Walters but was unable to because he had already given some of the money to his mother. Healy told Reggie he would lend the money to Reggie. Healy, Reggie's lawyer, directed Reggie to sign a Note for the loan in favor of Healy's associate, Dan Green. Healy told Reggie that the loan was not violative of any rule and would not endanger Reggie's collegiate eligibility, but as an added precaution, Reggie should sign the Note to Green, not Healy.

20. Once Healy got involved with Reggie regarding the Walters contract, he took it upon himself to get involved as Reggie's lawyer regarding other aspects of Reggie's personal business. Healy, in attempting to sign Reggie as his client to negotiate Reggie's NFL contract, used his position as a lawyer to Reggie as leverage to induce Reggie to sign up with him. Healy made benefits he had provided Reggie, including but not limited to, the Dan Green Note.

21. On or about January 20, 1987, Reggie signed a contract with Healy in response to the pressure applied by Healy to make Reggie feel guilty and ungrateful for the things Healy had done for him. Thus, Healy, acting as Reggie's lawyer, extracted Reggie's signature on an agent contract, by abusing his position of trust as Reggie's lawyer.

22. By February 9, 1987, Reggie realized he felt abused and unfairly treated by Healy. Reggie had reached the conclusion that Healy had manipulated him to Healy's benefit, not Reggie's. Acting on his sense of betrayal, Reggie sent Healy a letter dismissing Healy as his agent.

23. Upon receipt of the termination letter from Reggie, Healy commenced frequent and harassing telephone calls to Reggie's family. Healy threatened Reggie to his family members stating that Reggie would be sued in Federal Court, that Reggie would have to pay three agents' fees unless he went back to Healy and that Reggie would incur "$35,000 to $40,000" in attorney's fees.

24. Mrs. Rogers, Reggie's mother, found these telephone calls particularly frightening and upsetting. On or about March 3, 1987, Reggie agreed to continue with Healy in order to relieve his mother's anxiety and put an end to the barrage of telephone calls and threats from Healy.

25. After the pressure from Healy subsided, Reggie realized the Healy had again taken advantage of him. On or about March 15, 1987, Reggie again terminated his relationship with Healy and secured the services of another agent.

26. Healy is not presently, and never has been registered in the State of California as an athlete agent.

27. Norby Walters is not presently and never has been registered in the State of California as an athlete agent.

28. Professional Sports Management, Inc., is not presently and never has been registered in the State of California as an athlete agent.

29. World Sports & Entertainment, Inc., is not presently and never has been registered in the State of California as an athlete agent.

COUNT I

(Declaratory Relief on the Healy/PSM Contract)

30. Plaintiff hereby realleges and incorporates by reference the allegations of Paragraphs 1 through 29, inclusive, of this complaint.

31. An actual controversy has arisen and now exists between plaintiff and defendants Healy and PSM concerning their respective rights under the purported contract of March 3, 1987, in that plaintiff contends said purported contract is void and of no legal consequence because it was entered in violation of Sections 1546, 1530, 1530.5 and 1531 of the California Labor Code, and plaintiff contends additionally that he never freely consented to said contract in that his signature was obtained through fraud, breach of fiduciary duty and duress. Defendant contends that the purported contract is valid and enforceable.

32. Plaintiff desires judicial determination of his rights and duties and a declaration that the purported contract of March 3, 1987 is invalid, void and of no legal effect.

33. Judicial declaration of the rights and duties of the parties to the March 3, 1987 contract is necessary because plaintiff at this time must authorize an agent to negotiate his contract to play professional football and the unsettled state of affairs regarding his relationship with these defendants inhibits his progress in said negotiations.

COUNT II

(Declaratory Relief on the Walters/WSE Contract)

34. Plaintiff hereby realleges and incorporates by reference the allegations of Paragraphs 1 through 29, inclusive, of this complaint.

35. An actual controversy has arisen and now exists between plaintiff and defendants Walters and WSE concerning their respective rights under the purported contract of January 2, 1987, in that plaintiff contends said purported contract is void and no legal consequence because it was entered in violation of Sections 1546, 1530, 1530.5 and 1531 of the California Labor Code, and plaintiff contends additionally that he never freely consented to said contract in that his signature was obtained through fraud and duress. Defendant contends that the purported contract is valid and enforceable.

36. Plaintiff desires judicial determination of his rights and duties and a declaration that the purported contract of January 2, 1987 is invalid, void and of no legal effect.

37. Judicial declaration of the rights and duties of the parties to the January 2, 1987 contract is necessary because plaintiff at this time must authorize an agent to negotiate his contract to play professional football and the unsettled state of affairs regarding his relationship with these defendants inhibits his progress in said negotiations.

COUNT III

(Against Healy for Breach of Fiduciary Duty)

38. Plaintiff hereby realleges and incorporates by reference the allegations of Paragraphs 1 through 29, inclusive of this complaint.

39. At all times relevant herein, Healy was the agent of WSE and acting within the scope of said agency when acting as alleged herein.

40. By virtue of his role as lawyer to plaintiff, and by virtue of the trust and confidence of plaintiff towards him, Healy was a fiduciary to plaintiff at all times relevant herein after December 13, 1986.

41. As a fiduciary to plaintiff, Healy had a duty of utmost loyalty and fidelity to plaintiff and an obligation not to exploit plaintiff's trust and confidence.

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42. Healy breached his fiduciary duties to plaintiff by, among other things:

a) Fraudulently representing to plaintiff that the "loan" to pay back Walters was not in violation of N.C.A.A. rules;

b) Advising plaintiff to sign a note to Dan Green in order to mask the "loan" from Healy;

c) Unduly pressuring plaintiff and endeavoring to promote feelings of guilt in plaintiff in order to obtain plaintiff's signature to the January 20, 1987 contract; and,

d) Fraudulently threatening and intimidating plaintiff's family with threats of lawsuits, attorney fees and having to pay fees to multiple agents in order to induce plaintiff's agreement to employ Healy.

43. As an actual and proximate result of Healy's intentional, purposeful and malicious conduct as alleged herein, plaintiff had suffered damages of mental and emotional distress and lost opportunity with other agents in an amount to be determined at trial but not less than $300,000.

44. Healy breached his fiduciary obligations to plaintiff purposefully, intentionally and maliciously in order to benefit himself at the expense of plaintiff. Healy's purposeful, intentional and malicious acts in breach of his duties as lawyer, confident and fiduciary to plaintiff justify an award of punitive damages against Healy in the amount of $1,000,000.

COUNT IV

(Against Walters and WSE for Fraud)

45. Plaintiff hereby realleges and incorporates by reference the allegations of Paragraphs 1 through 29, inclusive, of this complaint.

46. The representations of Bolar and Walters regarding the legitimacy of the post-dated contract alleged in Paragraphs 14 and 16 were false, in the signing of the contract and receipt of the $5,000 were acts in violation of N.C.A.A. rules.

47. Plaintiff entered the Walters contract only upon his reasonable reliance upon the representations of Bolar and Walter that agreeing to the contract and accepting the $5,000 did not violate N.C.A.A. rules, and Reggie would not have signed the contract or accepted the money if he had known the truth.

48. As an actual and proximate result of the purposeful, intentional and malicious acts of Walters, WSE and their agents as alleged herein, plaintiff has suffered damages of mental and emotional duress, loss of reputation and goodwill and lost business opportunities in an amount to be proved at trial but not less than $400,000.

49. Defendants Walters and WSE and their agents acted as alleged herein purposefully, intentionally and maliciously in order to cause harm to plaintiff and to allow them leverage to coerce plaintiff to their will. Walters' and WSE's purposeful, intentional and malicious acts justify an award of punitive damages of $1,000.000.

WHEREFORE, plaintiff prays for judgment as follows:

1. For a declaration that the contract between Healy/PSM and plaintiff as heretofore described is void and of no force or effect;

2. For a declaration that the contract between Walters/WSE and plaintiff as heretofore described is void and of no force or effect;

3. Against Healy and PSM:

a) Special, general and consequential damages in an amount not less than $300,000:

b) Punitive damages of $1,000,000;

c) For costs of suit; and,

d) Such other and further relief as the court deems proper.

4. Against Norby Walters and WSE:

a) Special, general and consequential damages in an amount not less than $400,000;

b) Punitive damages of $1,000,000;

c) For costs of suit; and,

d) Such other and further damages as the court deems proper.

DATED: May 7, 1987

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Edward Vincent King, Jr.
Attorney for Plaintiff
Reggie Rogers

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