SPORTS LAW
FINAL EXAMINATION

Commissioner Foley December 18, 2002

INSTRUCTIONS

Greetings beloved students! I'll keep this short, but please read these instructions and the exam questions, carefully.

The exam consists of three parts. Part One is one Essay Question. Part Two is nine "Short Answer" Questions. Part Three is one "Extra Credit" question for your enjoyment.

Feel free to refer to your casebook and statutory materials, as well as any notes you took in class or in preparation for this exam. The essay fact pattern, **alone**, contains sufficient information for you to respond to the essay question. If you feel it is necessary to assume any additional facts to respond, please identify all such assumed facts.

Part #1 is valued at 50%.

Part #2 is valued at 50%.

Write your responses in the bluebooks provided. Don't forget to write your exam number on each bluebook. You may write as much as you wish on the essay question but you will receive **no** credit for mere verbosity. Your essay response will be evaluated based upon:

1. Your demonstrated ability to identify and analyze disputed legal and factual issues (including providing "major" **case** and **statutory** citations where appropriate); and

2. Your demonstrated knowledge of the legal processes to be used to resolve these disputes or otherwise protect the interests of the parties.

Good luck and happy holidays!

PART ONE – ESSAY (1 question)

I. The Facts

The League

The Croquet Leaguers of America Society (CLAS) is the only professional croquet league in the United States. Incorporated in 2001, the CLAS's first season ran from May 1, 2002 to September 30, 2002. The CLAS is the brainchild of croquet visionary (and independently-wealthy mallet heiress) Muffy Muffington. Ms. Muffington is determined to bring croquet into the mainstream of US athletics as indicated by her catchy marketing motto "Croquet: Not just for rich people anymore". As Muffington was quoted in Croquet Illustrated "I had a revelation in a hotel bar one night where I was amazed to see a bunch of non-trust funders enjoying the Westminster Dog Show on something called ESPN. 'Goodness gracious', I thought, ' if they'll watch us play with our dogs they'll probably watch us play croquet too'".

Muffington is the sole owner of the CLAS, which has entered into individual franchise agreements with 10 Club franchisees located across the U.S. Each individual Club franchisee is a member of the 10-person Board of Directors of CLAS. The CLAS has a television contract with fast-growing cable caster OSPN (Obscure Sports Network). The CLAS receives 10% of this national television revenue with the remaining 90% divided equally among its 10 Club franchisees. Club ticket and licensing revenue is not shared resulting in significant differences in gross revenue among the 10 CLAS franchises.

Prior to the 2002 season the CLAS oversaw a six-round, sixty-person, "Player Draft" with each CLAS Club franchise selecting 6 U.S. amateur croquet Players for its Player Roster. One purpose of the Player Draft was to prevent any one Club from obtaining all of the best Players. As mandated by the CLAS constitution, all 60 Player contract negotiations and contract signings were handled exclusively by the CLAS, which required each Player to sign a standard form contract with the CLAS. The CLAS Form Player Contract was for one year, renewable annually by the CLAS, and provided for all Players a "Set Salary" of $10,000 per year of CLAS experience up to a maximum salary of $50,000. Under Ms. Muffington's business plan Player payroll expenses needed to be kept at a minimum for an initial 5-year start-up period. After five years the CLAS intended to "reexamine" it's Form Contract and consider increasing the maximum Player salary.

Pursuant to the CLAS Constitution, prior to the 2003 season (and every CLAS season thereafter) a three round Player draft was to be held to let the Club franchises select additional Players as necessary.

The Players

During the 2002 season one Player, the eighth generation croquet champion Chauncy Wickett (the proud descendant from a long line of Wicketts) emerged as the CLAS's first superstar and with his help the CLAS became the highest rated programming on OSPN, even more popular than curling or street luge! CLAS's 2002 gross revenues exceeded projections by 25%, with an even greater increase now expected for the 2003 season. When his CLAS contract was renewed for 2003 for a paltry $20,000 per season, Wickett asked Muffington if he could see the financial records of the CLAS and its Club franchises. Muffington simply pointed to the "Set Salary" provision of the Form Player Contract and condescendingly replied, "I told you last year, we cahn't afford to pay more. And Chauncy, we don't care what you do we're not showing our financial books to you, a mere **employee**".

Stung by Ms. Muffington's disparaging characterization and faced with four more years of insultingly low remuneration, Wickett and his five teammates got together with "15 or 20" CLAS Players from other Clubs. All agreed that "it is imperative that we discuss this matter with legal counsel post haste".

II. Your Task

It is December 18, 2002. CLAS Player Chauncy Wickett is on the phone. "I say, this legal business is rather tricky excrement. My fellow Players and I need your help in outwitting that dreadful Ms. Muffington and her CLAS franchisees. Pray tell young chap, what are our legal options?"

Write a memo to Mr. Wickett and his croquet colleagues, advising them **in detail**:

1. What are the best legal strategies the Players could use to protect their interests?

2. What arguments could the Players make to support their legal strategies?

3. What arguments could the CLAS and its Club franchises make in response?

4. What would be the likely outcome of the Players' legal strategies?

PART TWO – SHORT ANSWER (9 questions)

(answer in one or two sentences – maximum)

Question 1

As you know, the case of *Law v. NCAA* was decided prior to the US Supreme Court's decision in *Brown v. Pro Football*. If *Law* had been decided after the Supreme Court's decision in *Brown*, would the result in *Law* have been different? Please answer "yes" or "no" and then briefly explain your answer.

Question 2

As you also know, Major League Baseball and the MLB Players Association recently agreed on a new collective bargaining agreement that provides for a "Luxury Tax" to be imposed on Club's with gross player payrolls of over $117 million per season. From a **legal** perspective, why would the Players Association insist on including a provision that the **final** year of the collective bargaining agreement **not** include a Luxury Tax?

Question 3(a) and (b)

For antitrust purposes what are the two "types" of NCAA regulations?
Which of these two types is more likely to withstand a challenge under the antitrust laws? Please briefly explain why.

Question 4

What case could be called the "Declaration of Independence" for Major League Baseball Players. Please briefly explain your answer.

Question 5

Name a significant legal issue that is currently "unsettled" in antitrust law. By "unsettled" I mean "has not been dispositively decided by the US Supreme Court".

Question 6

From a **legal** perspective what is the most significant phase of the collective bargaining process. Please briefly explain your answer.

Short Answer (continued)

Question 7

Suppose you have a Players Union in a sport with very **high** salaries, **liberal** free agency provisions and an **expired** collective bargaining agreement. From a **legal** perspective what would be the Players Union's greatest fear in this situation?

Question 8

Complete this analogy:
The Cleveland Pipers were to Dick Barnett as _____ was to Brian Shaw.

Question 9

Name 3 Current Event topics (not including the one mentioned in Question 2 above) that we discussed in Class this semester.

Super Bonus Extra Credit (5 points)

What section of the NLRA authorizes the NLRB to bring a "10(j) injunction".