



NBPA Regulations Governing Player Agents

AS AMENDED FEBRUARY 2018

NBPA REGULATIONS GOVERNING PLAYER AGENTS

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Introduction

These Regulations govern Player Agents who provide representational services to Players (including “rookies”) by conducting individual contract negotiations with National Basketball Association (“NBA”) teams, assisting or advising in connection with such negotiations, and/or administering, advising, or enforcing agreements reached as a result of those negotiations. These Regulations were first promulgated by the Officers and Player Representatives of the National Basketball Players Association (“NBPA”) in 1986 and have remained in effect with modifications in 1991, 2016 and 2018.

A

THE NBPA'S OBJECTIVES IN ESTABLISHING RULES FOR CERTIFYING AND REGULATING PLAYER AGENTS

The NBPA's primary objectives in promulgating, maintaining, amending and enforcing these Regulations include the following:

- (1) To establish and enforce minimum requirements to become a certified Player Agent;
- (2) To afford each Player the opportunity to select a certified Player Agent who, in turn, has agreed to comply with these Regulations, to represent or advise Players as a fiduciary with honesty, competency and loyalty, and act consistent with the Player's membership in a collective bargaining unit;
- (3) To make available to each Player a comprehensive disclosure of facts relevant to the ability of an individual to serve in the critical role of a fiduciary, thereby affording the Player the opportunity to make well informed decisions about his important choice of a Player Agent;
- (4) To establish and enforce uniform standards of conduct and fiduciary responsibility applicable to all certified Player Agents, which has become increasingly important because the business of many Player Agents has become international in scope and the promulgation of a host of different—often conflicting—laws and rules issued by federal, state and local authorities designed to regulate the conduct of sports agents in general; and
- (5) To provide Players and Player Agents with an expeditious, fair, informal, cost efficient and exclusive procedure for resolving any dispute concerning their relationship, transactions or contractual obligations.

B

THE NBPA'S AUTHORITY TO REGULATE PLAYER AGENTS

The basis of the NBPA's authority to adopt and enforce these Regulations is its status, conferred by federal labor law, as the exclusive bargaining representative for all Players including rookies. Section 9(a) of the National Labor Relations Act provides, in relevant part:

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

Consistent with that federal labor law, labor organizations such as the NBPA are authorized to adopt and enforce reasonable rules and regulations, such as these Regulations, provided that they further the labor organization's legitimate self-interests. That governing principle has been recognized and agreed upon by the NBA (acting for and on behalf of its member teams) in its collective bargaining agreement with the NBPA and is set forth in Article XXXVI:

Player Agents

Section 1 | Approval of Player Contracts

The NBA shall not approve any Player Contract between a player and a Team unless such player (a) is represented in the negotiations with respect to such Player Contract by an agent or representative duly certified by the Players Association in accordance with the Players Association's Regulations Governing Player Agents and authorized to represent him, or (b) acts on his own behalf in negotiating such Player Contract.

Player Agents (Article XXXVI, Continued)

Section 2 | Fines

The NBA shall impose a fine of \$50,000 upon any Team that negotiates a Player Contract with an agent or representative not certified by the Players Association in accordance with the Players Association's Regulations Governing Player Agents if, at the time of such negotiations, such Team either (a) knows that such agent or representative has not been so certified, or (b) fails to make reasonable inquiry of the NBA as to whether such agent or representative has been so certified. Notwithstanding the preceding sentence, in no event shall any Team be subject to a fine if the Team negotiates a Player Contract with an agent or representative designated as the player's authorized agent on the then-current agent list provided by the Players Association to the NBA in accordance with Section 5 below.

Section 3 | Prohibition on Players as Agents

For purposes of negotiating the terms of a Uniform Player Contract or otherwise dealing with a Team over any matter, players are prohibited from (a) representing other current or prospective NBA players as an agent certified under the Players Association's Regulations Governing Player Agents, or (b) holding an equity interest or position in a business entity that represents other current or prospective NBA players as an agent certified under the Players Association's Regulations Governing Player Agents.

Section 4 | Indemnity

The Players Association agrees to indemnify and hold harmless the NBA, its Teams and each of its and their respective past, present and future owners (direct and indirect) acting in their capacity as Team owners, officers, directors, trustees, employees, successors, agents, attorneys, heirs, administrators, executors and assigns, from any and all claims of any kind arising from or relating to (a) the Players Association's Regulations Governing Player Agents, and (b) the provisions of this Article, including, without limitation, any judgments, costs and settlements, provided that the Players Association is immediately notified of such claim in writing (and, in no event later than five (5) days from the receipt thereof), is given the opportunity to assume the defense thereof, and the

NBA and/or its Teams (whichever is sued) use their best efforts to defend such claim, and do not admit liability with respect to and do not settle such claim without the prior written consent of the Players Association.

Section 5 | Agent Lists

The Players Association agrees to provide the NBA League Office with a list of (a) all agents certified under the Players Association's Regulations Governing Player Agents, and (b) the players represented by each such agent. Such list shall be updated once every two (2) weeks from the day after the NBA Finals to the first day of the next succeeding Regular Season and shall be updated once every month at all other times.

Section 6 | Confirmation by the Players Association

If the NBA has reason to believe that the agent representing a player in Contract negotiations is not a certified agent or is not the agent authorized to represent the player, then the NBA may, at its election, request in writing from the Players Association confirmation as to whether the agent who represented the player in the Contract negotiations is in fact the player's certified representative. If within three (3) business days of the date the Players Association receives such written request, the NBA does not receive a written response from the Players Association stating that the agent who represented the player is not the player's certified representative, then the NBA shall be free to act as if the agent is the player's confirmed certified representative.

THE NBPA'S REASONS FOR THE 2016 AND 2018 AMENDMENTS

Given that over thirty (30) years have elapsed since the initial promulgation of these Regulations, the NBPA Executive Committee concluded that the time was ripe to review and analyze the experiences that both they and the Players they represent had in connection with the services provided by their Player Agents. Those experiences demonstrated that amendments to these Regulations were warranted to better reflect the reality of the business between Players and Player Agents, including the role played by recruiters and other employees in assisting Player Agents in soliciting and/or retaining Players as clients and the additional services provided by individuals such as financial advisors, investment managers, and tax consultants that has become an integral part of Player representation. In conducting this review the NBPA also had the distinct benefit of comparing the regulatory systems that its sister professional sports unions (MLBPA, NFLPA, and NHLPA) had adopted as well as learning from the experiences they had in administering and enforcing them.

As a result of this extensive undertaking, the Executive Committee and Board of Player Representatives decided to amend the Regulations in the manner set forth in the sections that follow. At bottom, however, the fundamental principles underlying these Regulations remains constant. As the exclusive bargaining representative of the Players, the NBPA retains the right to conduct all individual Player negotiations with NBA Teams as well as the right to delegate to Player Agents its statutory authority to represent Players in conducting and/or assisting in those negotiations and thereafter in administering and enforcing them, subject to the NBPA's added right to impose reasonable requirements applicable to Player Agent conduct. In turn, the NBPA

requests and requires under these Regulations that the Player Agent accept as a threshold that he has a singular duty to act as a fiduciary; to unconditionally serve to protect the interests of the Players he¹ represents; and to perform those services with honesty, integrity, competence, transparency, and free of any conflicts—real or apparent. This is at once a major commitment but one that the NBPA has determined to be the sine qua non for any individual first in obtaining and thereafter in maintaining certified status. Once the 2016 Amendments were enacted, the NBPA further analyzed how the new Regulations affected both Players and Player Agents, which Regulations needed further clarification, and which existing Regulations needed to be revised, resulting in the 2018 amendments.

¹ Throughout these Regulations references to “he” or “his” shall apply equally to she/her.

SECTION 1

Scope of Regulations

No person (other than a Player representing himself) shall be permitted to conduct individual contract negotiations on behalf of a Player (including a rookie)² and/or assist in or advise with respect to such negotiations with NBA Teams after the effective date of these Regulations unless he (1) is a currently certified as a Player Agent pursuant to these Regulations, and (2) has a current Standard Player Agent Contract (“SPAC”) signed with the Player³ (See Section 4).

The activities or conduct of Player Agents that are governed by these Regulations include, but are not limited to: The providing of advice, counsel, information or assistance to Players (including rookies) with respect to negotiating their individual contracts with NBA Teams and/or thereafter in enforcing those contracts; the conduct of compensation negotiations with the NBA Teams on behalf of individual Players; and any other activity or conduct which directly bears upon the Player Agent’s integrity, competence or ability to properly represent individual Players and the NBPA in individual contract negotiations.

All provisions of these Regulations, including this one, may be amended by the Officers and Player Representatives of the NBPA periodically as they deem appropriate.

² Throughout these Regulations the term “rookie” shall mean any Player who has not played in the NBA in any season prior to entering into his first contract with an NBA Team.

³ Throughout these Regulations all references to “Players” also shall apply to “rookies,” unless expressly stated otherwise.

SECTION 2

Requirements for Certification

Any person who wishes to perform the functions of a Player Agent described in Section 1 must be certified by the NBPA, pursuant to the following procedure:

A

APPLYING FOR CERTIFICATION

To apply for certification as a Player Agent, an individual must complete the Application for Certification as an NBPA Player Agent (“Application”) and pay the nonrefundable application fee. The Application must be submitted in accordance with the instructions provided on the NBPA website. The mere filing of the Application does not constitute certification of a Player Agent.

To be eligible for certification, the applicant must have received a degree from an accredited four year college or university, provided that the NBPA, in its unreviewable discretion, may accept relevant negotiating experience to substitute for any year(s) of formal education. Only individuals are eligible to be certified; the NBPA will not entertain any Application filed in the name of any corporation, company, partnership or other business entity. There is no limit on the number of individuals in any one corporation or other business entity who are eligible for certification.

The NBPA will review the Application and perform a background investigation. In addition, the NBPA may request further written materials from the applicant and/or conduct whatever further investigation it deems appropriate, including an informal conference with the applicant. The applicant must also pass a written exam administered by the NBPA. The exam will focus on key provisions of the Collective Bargaining

Agreement, these Regulations, and other relevant matters to ensure that a certified Player Agent is able to provide high quality representation to his clients. The NBPA will provide a preparation course for applicants.

The signing and filing of an Application constitutes the applicant's agreement to comply with and be bound by these Regulations, including the exclusive arbitration remedy set forth in Section 5, and that the failure to comply in any material respect with any provision of these Regulations shall constitute grounds for denial, revocation, or suspension of his certification or other disciplinary action.

B

GROUNDS FOR DENIAL OF CERTIFICATION

Given the important function that Player Agents perform for the individual Player(s) they represent, it is the NBPA's intention in promulgating these Regulations to ensure that only those persons who can reasonably be expected to faithfully carry out those important fiduciary responsibilities will be entitled to certification. Consistent with this objective, the NBPA is authorized to deny certification to any applicant who:

Fails to properly complete the Application, including the necessary release and disclosure form(s);

Fails to cooperate with the NBPA in its processing of his Application;

Makes false or misleading statements of a material nature in the Application;

Misappropriates funds, or engaged in other specific acts of financial malpractice such as embezzlement, theft or fraud, which would render him unfit to serve in a fiduciary capacity on behalf of Players;

Engages in any other conduct that reflects adversely on his credibility, integrity or competence to serve in a fiduciary capacity on behalf of Players;

Refuses to swear or affirm that he will comply with these Regulations and any amendments thereto and that he will abide by the fee structure contained in the SPAC incorporated into these Regulations.

Fails to obtain a passing score on the Agent Exam.

C

APPEAL FROM DENIAL OF CERTIFICATION

In the event an Application is denied pursuant to this Section, the applicant shall be notified in writing appeal by prepaid certified mail (or similar means such as Federal Express) and via email of the reasons for the denial, except for failure to pass the Agent Exam which may be done by email only. The applicant may appeal such action to the Arbitrator appointed pursuant to Section 5 of the Regulations; provided that such appeal must be initiated by filing a written notice of appeal by prepaid certified mail (or similar means such as Federal Express) and via email upon the NBPA and the Arbitrator within thirty (30) days of receipt of the notice denying his Application. The appeal shall be processed and resolved in accordance with the arbitration procedures set forth in Section 5, paragraphs D through F of these Regulations. The appeal to arbitration shall constitute the exclusive method of challenging any denial of certification.

D

SUSPENSION OR REVOCATION OF CERTIFICATION

At any time subsequent to granting certification to a Player Agent the NBPA can, based upon information brought to its attention or acting on its own initiative, propose suspending

or revoking such certification on any ground that would have provided a basis for denying certification in the first place (see Section 2.B), for conduct prohibited in Section 3.B.1-20 of these Regulations and/or non-compliance with the obligations contained required in Section 3.A of these Regulations.⁴ Any such proposed suspension or revocation must be sent by prepaid certified mail (or similar means such as Federal Express) and via email. The Player Agent may appeal any such proposed suspension or revocation by complying with the procedure for invoking arbitration as set forth in Section 6.B-G. The appeal to arbitration shall constitute the exclusive method of challenging any proposed suspension or revocation of certification.

E

FORM OF CERTIFICATION

Upon approving an Application as a Player Agent, the NBPA shall provide the applicant with a written certification by prepaid certified mail (or similar means such as Federal Express) and via email.

The applicant will thereupon be authorized to serve as a Player Agent in conducting individual Player negotiations with NBA Teams and/or assisting in or advising with respect to such negotiations.

In granting certification, the NBPA shall not be deemed to have endorsed any particular Player Agent; and, in no event, shall the grant of certification be deemed to impose liability upon the NBPA for any acts or omissions of the Player Agent in providing representation to any Player.

F

EXPIRATION OF CERTIFICATION

In order to prevent automatic expiration of certification, a Player Agent must negotiate and execute a contract for a Player with an NBA Team⁵ at least once during any five (5)

year period. For any Player Agent certified on or before July 1, 2016, the applicable five year period will begin on July 1, 2016. For any Player Agent certified thereafter, the applicable five (5) year period will begin on the July 1 of the full first Season the Player Agent is certified. A Player Agent whose certification lapses under this provision must reapply as a new applicant under the procedures set forth in these Regulations to regain his certification.

⁴ In the extraordinary circumstances where the Disciplinary Committee's investigation discloses that the agent's conduct is of such a serious nature as to justify immediately invalidating his certification, the Disciplinary Committee is authorized to take such action. In such event, the agent may appeal that action in the same manner as he could appeal from a proposed suspension or termination set forth in Section 6.

⁵ For clarity, the Player Agent's name must appear on the Agent Certification page of the contract.

SECTION 3

**Standard of Conduct for
Player Agents in Providing
Services Governed by
These Regulations**

As described throughout these Regulations, one of the objectives of the NBPA in issuing these Regulations is to enable Players to make informed selection of Player Agents and to ensure that the Player Agents shall provide to the individual Players whom they represent effective representation at fair and reasonable rates that are uniformly applicable.

A

GENERAL REQUIREMENTS

Consistent with this objective, a Player Agent shall be required to:

- 1 | Disclose on his Application and thereafter upon request of the NBPA all information relevant to his qualifications to serve as a Player Agent, including, but not limited to, background, special training, experience in negotiations, past representation of professional athletes, and relevant business associations or memberships in professional organizations;
- 2 | Pay the annual agent fees no later than the first of July every year for the upcoming season.
- 3 | Attend a NBPA seminar each year, except when the NBPA determines not to require the attendance of its experienced Player Agents at any seminar;

- 4 | Comply with the maximum fee amounts in Section 4 of these Regulations, the SPAC and all other provisions of these Regulations, and any amendments thereto;
- 5 | Advise a Player and report to the NBPA any known violations by an NBA Team of a Player's individual contract or the CBA generally;
- 6 | Within 48 hours, provide the NBPA with a copy, via email, of any fully executed SPAC. It is the Player Agent's responsibility to maintain and/or produce the original copy of such SPAC, upon request by the NBPA;
- 7 | Provide on or before April 1 of each succeeding year, to each Player who he represents, with a copy to the NBPA, an itemized statement ("Fee Disclosure Form") covering the period January 1 through December 31 of the immediately prior year which separately sets forth both the fee charged to the Player for, and any expenses incurred in connection with the performance of, the following services: (a) individual Player salary negotiations, (b) the management of the Player's assets, (c) the provision to the Player of financial, investment, legal, tax and/or other advice, and (d) any other miscellaneous services;
- 8 | Permit a person or firm authorized by a Player who is a former or current client to conduct an audit, upon request, of all relevant books and records relating to any services provided to that Player;
- 9 | Notify the NBPA within thirty (30) days of any significant changes in your status relevant to your

continuing to be certified as a Player Agent. Specifically the Player Agent is required to notify the NBPA, via email of:

- (a) Any change involving employment status that has taken place since the filing of the Application;
- (b) Any change in the Player(s) that a Player Agent represents;
- (c) Any disciplinary proceeding that has been initiated against the Player Agent, or any formal charge or complaint filed against the Player Agent in his personal and/or professional capacity (including any criminal charges or civil claims) since the filing of the Application;
- (d) Any changes regarding the Player Agent's contact information;

- 10** | Provide on or before April 1 of each year to the NBPA (with a copy to each player that he currently represents) the information set forth in Sections 10-12 of the current Application;
- 11** | Provide the NBPA with all materials that the NBPA deems relevant with respect to any investigation conducted by the NBPA and in all other respects cooperate fully with the NBPA;
- 12** | Properly monitor and supervise all employees or associates who provide a Player Agent with any services in connection with the representation of a Player. Conduct by an employee or associate of a Player Agent that would violate these Regulations shall be deemed to be conduct of the Player Agent and shall subject that Player Agent to discipline under these Regulations;

13 | In connection with payments for assistance in recruiting any Player:

- (a) Prepare a Recruiter Disclosure Form disclosing any other individual, firm, or organization to whom you have paid or promised to pay money or any other thing of value (excluding any other Player Agent whose name appears on the SPAC) in return for recruiting or helping to recruit a Player to sign a SPAC;
- (b) Provide a copy of that Recruiter Disclosure Form to the Player in advance of signing that Player to a SPAC so as to allow the Player adequate time to consider the information before the Player signs the SPAC;
- (c) Have the Player sign the Recruiter Disclosure Form acknowledging that he is aware of the payments and that he approves of them;
- (d) Submit a copy of that Recruiter Disclosure Form along with the SPAC to the NBPA as required by Section 3.A.6;
- (e) Submit to the NBPA an updated Recruiter Disclosure Form if any information changes.

For clarity, a family member or any other person with a pre-existing relationship with a Player (or firm or organization where such family member or person has a financial interest) may not be used as a Recruiter.

Any conduct by an individual, firm or organization listed as a Recruiter for a Player Agent on the Recruiter Disclosure Form required by this Section 3.A.13 that would violate these Regulations shall be deemed to be conduct of the Player Agent and

shall subject that Player Agent to discipline under these Regulations;

- 14 | Comply with all written policies that may be issued from time to time by the NBPA.

B

PROHIBITED CONDUCT SUBJECT TO DISCIPLINE

To further effectuate the objectives of these Regulations, Player Agents are prohibited from:

- 1 | Representing any Player in individual contract negotiations with any NBA Team unless the Player Agent (a) has a current certification, and (b) has a current SPAC signed with each such Player;
- 2 | Providing or offering a monetary inducement (other than a fee less than the maximum fee contained in the SPAC) to any Player (including a rookie) or college athlete to induce or encourage that person to utilize his services;
- 3 | Providing or offering money or any other thing of value to a member of a Player's family or any other person for the purpose of inducing or encouraging the Player to utilize his services or for the purpose of inducing or encouraging that person to recommend that a Player (including a rookie) or college athlete utilize the services of the Player Agent, except as permitted under Section A(13) above;
- 4 | Providing materially false or misleading information to any Player (including a rookie) or college athlete in the context of seeking to be selected as a Player Agent for that individual or in the course of representing that Player as his Player Agent;

- 5 | Engaging in conduct which violates any NCAA regulations;
- 6 | Holding or seeking to hold, either directly or indirectly, a financial interest in any professional basketball team or in any other business venture that would create an actual conflict of interest or the appearance of a conflict of interest between the individual Player and his Player Agent;
- 7 | Representing the General Manager or coach of any NBA Team (or any other management representative who participates in the team's deliberations or decisions concerning what compensation is to be offered to individual Players) in matters pertaining to his employment or any other matters in which he has any financial stake in or association with any NBA Team; provided, however, that this provision does not prohibit two individuals within the same agency from separately representing a Player and a coach/GM, provided notice is given to the Player that another agent with the agency represents a coach/GM;
- 8 | Engaging in any other activity which creates an actual or potential conflict of interest with the effective representation of Players; provided that the representation of two or more Players on any one NBA Team shall not itself be deemed to be prohibited by this provision;
- 9 | Soliciting or accepting money or anything of value from any NBA Team under circumstances where to do so would create a conflict or an apparent conflict with the interests of any Player he represents;
- 10 | Negotiating and/or agreeing to any provision in a Player contract which deprives that Player of any benefit contained in any Collective Bargaining Agreement between the NBA and the NBPA;
- 11 | Negotiating and/or agreeing to any provision in a Player contract or side letter agreement which directly

or indirectly violates any stated policies, rules, or requirements established by the NBPA;

- 12 | Concealing material facts from any Player whom the Player Agent is representing which relate to the subject of the individual's contract negotiation;
- 13 | Failing to advise the Player and failing to report to the NBPA any known violations by an NBA Team of a Player's individual contract or the CBA generally;
- 14 | Engaging in unlawful conduct and/or conduct involving dishonesty, fraud, deceit, misrepresentation, or other conduct which reflects adversely on his fitness as a Player Agent or jeopardizes the effective representation of Players;
- 15 | Breaching the provisions of the SPAC that the Player Agent is required to enter into pursuant to these Regulations; provided, however, that grounds for discipline shall not exist when, in the circumstances of a particular case, there was a reasonable basis for doubting whether the Player Agent's conduct was in breach of the SPAC;
- 16 | Indirectly circumventing the fee limits of the SPAC by knowingly and intentionally increasing the fees that he had charged or otherwise would have charged the Player for other services, including but not limited to: financial consultation, advice concerning money management, and/or negotiating endorsement agreements on behalf of Players;
- 17 | Violating the provisions of the SPAC whereby the Player Agent agrees to resolve all disputes involving the meaning, interpretation, application or enforcement of that agreement exclusively through arbitration and not to initiate any lawsuit for breach of contract against the Player;

- 18 | Agreeing to split fees with another Agent without completing Exhibit A of the SPAC;
- 19 | Assigning rights to receive fees pursuant to a SPAC without completing Exhibit B of the SPAC; and,
- 20 | Violating any of the requirements of Section 3.A.1-14 or Section 4.A. A Player Agent who engages in any prohibited conduct defined above shall be subject to discipline in accordance with the procedures of Section 6 of these Regulations.

C

MISCELLANEOUS

In addition to refraining from the foregoing prohibited conduct, the NBPA further expects that every Player Agent will carry out the representational services covered by these Regulations with the highest degree of professional competence and integrity. The NBPA likewise expects that to achieve and maintain high quality performances every Player Agent, at a minimum, will take the necessary steps to become knowledgeable about the NBPA's structure, the economics of the industry, applicable Collective Bargaining Agreements, basic negotiating techniques, and all areas of the law relevant to his professional duties. If, after these Regulations become effective, the NBPA determines that there is a need to impose additional requirements with respect to the quality of Player Agent performance, the NBPA reserves the right to amend these Regulations accordingly.

SECTION 4

**Standard Player Agent
Contract; Maximum Fees**

A

STANDARD FORM

To qualify to perform the services of a Player Agent under these Regulations, in respect to an individual Player, a person must satisfy two prerequisites: (1) he must be certified; and (2) he must have a current NBPA Standard Player Agent Contract (“SPAC”) signed with the Player. Retyped contracts will not be accepted.

A copy of the executed SPAC shall be sent via email by the Player Agent to the NBPA within 48 hours of execution. The NBPA may designate specific person(s) to receive SPACs.

The Player Agent is responsible for maintaining and/or producing the original copy of such SPAC, upon request by the NBPA.

Any agreement between a Player Agent and a Player entered into after the effective date of these Regulations which is not in writing or which does not meet the requirements of these Regulations shall be of no force and effect, and no Player Agent shall have the right to assert any claim against the Player for compensation on the basis of such purported contract.

Any SPAC entered into after the effective date of these Regulations shall include a provision whereby either party may terminate that agreement upon fifteen (15) days written notice to the other party. Any such notice must be signed by the terminating party in order to be effective. A copy of the written notice must be sent to the NBPA by prepaid certified mail (or similar means such as Federal Express) or via email. The fifteen (15) day notice period may be shortened

by the parties by agreement, or absent agreement of the parties, upon a showing of exigent circumstances made to the Arbitrator.

B

PLAYER AGENT COMPENSATION

The maximum fees which the Player Agent may charge or collect shall be as follows:

- 1 | If the Player Agent negotiates a Player contract whereby the Player receives only the minimum compensation under the NBA-NBPA Collective Bargaining Agreement applicable for the playing season or seasons covered by the individual contract, the Player Agent shall receive, no greater than, a fee of two percent (2%) for each such season, unless the Player and the Player Agent have agreed to a lesser percentage.

For clarity, when determining whether the Player has earned in excess of his applicable minimum compensation, the fee for each season is determined on an individual season basis. It is of no consequence on fees for future seasons, that a Player received more than his applicable minimum compensation in any other season of the Player contract. For example, if a Player signs a three-year player contract whereby the compensation in Year-1 is in excess of his applicable minimum compensation and the compensation in Years 2 and 3 is only his applicable minimum compensation, then the Player Agent may charge a fee of, no greater than, 4% on Year-1 and 2% on Years 2 and 3.

- 2 | If the Player Agent negotiates a contract whereby the compensation the individual Player receives is in excess of the minimum

compensation applicable under the NBA-NBPA Collective Bargaining Agreement for one or more playing seasons, the Player Agent shall receive, no greater than, a fee of four percent (4%) of the compensation negotiated for the Player for each playing season, unless the Player and the Player Agent have agreed to a lesser percentage.

- 3 |** Notwithstanding Section 4.B.2 above, if the Player is a rookie drafted in the first round of the NBA Draft who receives compensation in accordance with the “Rookie Scale” set forth in Article VIII of the CBA, the Player Agent shall receive, no greater than, a fee that is the higher of (i) 4% of the compensation in excess of the 80% amount that is guaranteed under the Rookie Scale; or (ii) the amount payable under subparagraph (A) above by a rookie who receives only the minimum compensation under Article II, Section 6(B) of the Collective Bargaining Agreement, unless the Player and the Player Agent have agreed to a lesser percentage.

In computing the maximum allowable fee, the term “compensation” shall include base salary, signing bonus and any performance bonus actually received by the Player. No other benefits negotiated on behalf of the individual Player shall be taken into consideration – including, but not limited to, the value of a personal loan, an insurance policy, an automobile, or a residence, etc.⁶ Any portion of a fee based on Player compensation that is unascertainable at the time the Player contract is negotiated (e.g., a performance bonus) shall not be collected by the Player Agent until the Player has received such compensation.

It is the intent of these Regulations that the Player Agent

⁶ The amount of the Agent’s fee shall not be affected by the fact that the Player received a guaranteed contract from an NBA Team.

shall not be entitled to receive any fee for his services until the Player receives the compensation upon which the fee is based. Consistent with this objective, a Player Agent is prohibited from including any provision in a SPAC with a Player whereby the Player becomes obligated to make any fee payment to the Player Agent in advance of the Player receiving the compensation upon which the fee is based. However, in promulgating these Regulations, the NBPA recognizes that in certain circumstances a Player may decide that it is in his best interest to pay his Player Agent's fee in advance of receiving any compensation – whether it be his salary for the current playing season or deferred compensation.⁷ Accordingly, it is the intent of these Regulations that an option be accorded to the Player to make advance fee payments to his Player Agent if the Player chooses to do so. In any such situation the Player Agent is authorized to accept the advanced payment.

⁷ With respect to deferred compensation, the Agent shall only be entitled to a fee based on the present value of that compensation.

SECTION 5

Arbitration Procedures

In establishing this new system for regulating Player Agents it is the intention of the NBPA that the arbitration process shall be the exclusive method for resolving any and all disputes that may arise from denying certification to an applicant or from the interpretation, application or enforcement of these Regulations and the resulting SPACs between Player Agents and individual Players. This will ensure that those disputes – which involve essentially internal matters concerning the relationship between individual Players, the NBPA in its capacity as their exclusive bargaining representative, and Player Agents performing certain delegated representative functions relating particularly to individual Player compensation negotiations – will be handled and resolved expeditiously by the decision-maker established herein, without need to resort to costly and time-consuming formal adjudication.

The provisions of this Section shall apply with respect to three types of disputes that may arise under these Regulations;

- 1 | The NBPA denies an Application and the applicant wishes to appeal from that action;
- 2 | A dispute arises with respect to the meaning, interpretation, or enforcement of a SPAC (described in Section 4) entered into between a Player and the Player Agent; and
- 3 | A dispute arises between two or more Player Agents with respect to their individual entitlement

to fees owed, whether paid or unpaid, by a Player who was jointly represented by such Player Agents. In such cases, at the Player's option, any fees paid or payable by the Player after the dispute arises shall be placed in escrow pending final resolution of such dispute, and paid out of escrow in accordance with the Arbitrator's decision.

With respect to any dispute that may arise pursuant to paragraph (1) above, the procedure for filing an appeal and invoking arbitration is set forth in these Regulations in Section 2.D. Once arbitration has been invoked, the procedure set forth in subparagraphs D through F, below, shall apply. With respect to any dispute that may arise pursuant to paragraph (2-3) above, the following procedures shall apply:

A

FILING

The arbitration of a dispute under subparagraph (2-3) above shall be initiated by the filing of a written grievance either by the Player or the Player Agent.

Any such grievance must be filed within thirty (30) days from the date of the occurrence of the event upon which the grievance is based or within thirty (30) days from the date on which the facts of the matter become known or reasonably should have become known to the grievant or within thirty (30) days from the effective date of these Regulations, whichever is later. A Player need not be under contract to an NBA Team at the time a grievance relating to him hereunder arises or at the time such grievance is initiated or processed.

A Player may initiate a grievance against a Player Agent if he (i) sends the written grievance by prepaid certified mail (or similar means such as Federal Express) to the Player Agent's business address or by personal delivery at such

address, and via email to the email address on file with the NBPA, and (ii) sends a copy to the NBPA by prepaid certified mail (or similar means such as Federal Express) and email.⁸ A Player Agent may initiate a grievance against a Player if he (i) sends a written grievance by prepaid certified mail (or similar means such as Federal Express) to the Player or by personal delivery of the grievance to the Player, and via email to the email address on file with the NBPA, and (ii) furnishes a copy thereof to the NBPA by prepaid certified mail (or similar means such as Federal Express) and email. A Player Agent may initiate a grievance against another Player Agent if he (i) sends a written grievance by prepaid certified mail (or similar means such as Federal Express) to the Player Agent or by personal delivery of the grievance to the Player Agent, and via email to the email address on file with the NBPA, and (ii) furnishes a copy thereof to the NBPA by prepaid certified mail (or similar means such as Federal Express) and email.

The written grievance shall set forth in plain and understandable terms the facts and circumstances giving rise to the grievance, the provision(s) of the agreement between the Player and his Player Agent(s) alleged to have been violated, and the relief sought. Any relevant documents relied on in the grievance should be attached thereto.

B

ANSWER

The party against whom a grievance has been filed (“the respondent”) shall answer the grievance in writing by prepaid certified mail (or similar means such as Federal Express) or personal delivery, and email within thirty (30) calendar days of receipt of the grievance. The Answer shall admit or deny

⁸ For clarity, in the event a party receives the grievance by one means only (i.e., email) and acknowledges its receipt, such acknowledgement will not relieve the other party of the obligation to file under both manners described herein. This footnote applies in all instances whereby two means of notice are required.

the facts alleged in the grievance and shall also briefly set forth the reasons why the respondent believes the grievance should be denied. The respondent must also provide a copy of his Answer to the NBPA by prepaid certified mail (or similar means such as Federal Express) and email at the same time. Once the Answer is filed, the NBPA shall promptly provide the Arbitrator with copies of the grievance and Answer and all other relevant documents. If an Answer is not filed within this time limit, the Arbitrator, in his discretion, may issue an order where appropriate, granting the grievance and the requested relief upon satisfactory proof of the claim.

C

ARBITRATOR

The NBPA has selected skilled and experienced person(s) to serve as the outside impartial Arbitrator(s) for all cases arising hereunder.

D

HEARINGS

The Arbitrator shall schedule a hearing on the dispute in New York City, except that the parties may mutually, with the consent of the NBPA, agree on Chicago or Los Angeles. At such hearings, the parties – i.e., the Player and the Player Agent⁹ – may appear in person or by counsel or other representative. The parties to the dispute and the NBPA, as well, will have the right to present, by testimony or otherwise, any evidence relevant to the grievance. Within thirty (30) days after the close of the hearing, the Arbitrator shall issue a written award. That award shall constitute full, final and complete resolution of the grievance, and will be binding upon the Player and the Player Agent(s) involved. Given the uniquely internal nature of any such dispute that may be presented to the Arbitrator, it is the NBPA's intention that an award issued by the Arbitrator not be subject to judicial review on any grounds.

⁹ In an appeal from a denial of certification, the parties will be the Player Agent and the NBPA.

E

COSTS

Each party will bear the costs of its own witnesses and counsel. Costs of arbitration, including the fees and expenses of the Arbitrator and court reporter, will be borne equally between the parties to the grievance; provided, however, the Arbitrator may assess some or all of the party's costs to an opposing party if he deems a party's conduct to be frivolous. If the Arbitrator grants a monetary award, it shall be paid within ten (10) days, unless otherwise stated by the Arbitrator.

F

TIME LIMITS

The time limits of this Section may be extended only by written agreement of the parties.

SECTION 6

Oversight and Compliance Procedure

A

DISCIPLINARY COMMITTEE

The NBPA Executive Committee shall serve as the Disciplinary Committee, assisted by the NBPA Executive Director (or designee), Director of Security, and Legal Department. In this capacity, it shall have the authority and responsibility of initiating and then presenting disciplinary cases against Player Agents who violate these Regulations. In carrying out this function the Committee may also have the assistance of its outside legal counsel.

B

COMPLAINT; FILING

Disciplinary proceedings against any Player Agent shall be initiated by the filing of a written complaint against the Player Agent by the Disciplinary Committee when it has reasonable cause to believe that the Player Agent has violated these Regulations. The Disciplinary Committee may act on the basis of its own knowledge or on the basis of information obtained from any person having knowledge of the action or conduct of the Player Agent in question, including, but not limited to, Players, NBPA staff, or other persons associated with professional or intercollegiate basketball. The Complaint shall be sent to the Player Agent by prepaid certified mail (or similar means such as Federal Express) addressed to the Player Agent's business office, or may be hand-delivered to the Player Agent personally at his business address, and via email. The Complaint shall set forth the specific action or conduct giving rise to the Complaint and cite the Regulation(s) alleged to have been violated.

A Complaint must be filed by the Disciplinary Committee within six (6) months from the date of the occurrence which gave rise to the Complaint, or within six (6) months from the

date on which the information sufficient to create reasonable cause became known or reasonably should have become known to the Disciplinary Committee, whichever is later. The filing deadline shall be extended by any new information disclosed to or discovered by the Disciplinary Committee, which it could not have reasonably obtained beforehand.

C

ANSWER

The Player Agent against whom the Complaint has been filed shall have twenty (20) days in which to file a written Answer to the Complaint. Such Answer shall be sent by prepaid certified mail (or similar means such as Federal Express) and email to the Disciplinary Committee at the offices of the NBPA. The Answer must admit or deny the facts alleged in the Complaint, and shall also assert any facts or arguments which the Player Agent wishes to state in his defense.

D

PROPOSED DISCIPLINARY ACTION

Within thirty (30) days after receipt of the Answer, the Disciplinary Committee shall inform the player agent in writing (by prepaid certified mail) of the nature of the discipline, if any, which the Committee proposes¹⁰ to impose, which discipline may include one or more of the following:

- 1 | Issuance by the Committee of an informal order of reprimand to be retained in the Player Agent's file at the Committee's offices;
- 2 | Issuance of a formal letter of reprimand which may be made public;
- 3 | Imposition of a fine of up to \$100,000 payable

¹⁰ If the Committee already has invalidated the Player Agent's certification (see note 4), the same appeal procedure as contained herein shall apply.

within thirty (30) days of the imposition of such fine to the NBPA Foundation;

- 4 | Restitution to the Player as appropriate under the circumstances;
- 5 | Suspension of a Player Agent's certified status for a specified period of time during which he is prohibited from representing the NBPA in conducting individual contract negotiations for any Player or assisting in or advising with respect to such negotiations; and
- 6 | Revocation of the Player Agent's Certification hereunder.

E

APPEAL

The Player Agent against whom a Complaint has been filed under this Section may appeal the Disciplinary Committee's proposed disciplinary action to the Arbitrator by filing a written Notice of Appeal with the Arbitrator within twenty (20) days following his receipt of notification of the proposed disciplinary action.

Within thirty (30) days of receipt of the Notice of Appeal, the Arbitrator shall set a time and place for a hearing on the appeal, which hearing shall take place in New York City, unless the parties mutually agree upon Chicago or Los Angeles.

The failure of a Player Agent to file a timely appeal shall be deemed to constitute an acceptance of the proposed discipline which shall then be promptly administered.

F

CONDUCT OF HEARING

At the hearing of any appeal, the Committee shall have the burden of proving by the preponderance of the evidence the allegations of its Complaint. The Committee and the Player Agent shall be afforded a full opportunity to present, through testimony or otherwise, their evidence pertaining to the charge(s) and defense(s) of the alleged violation(s) of the Regulations. The hearing shall be conducted in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association. Each of the parties may appear with counsel or a representative of its choosing. The hearing will be transcribed.

At the close of the hearing or within thirty (30) days thereafter, the Arbitrator shall issue a decision on the appeal, which decision shall either affirm, vacate or modify the proposed action of the Disciplinary Committee. The Arbitrator shall decide two issues: first, whether the Player Agent has engaged in or is engaging in prohibited conduct as alleged by the Committee; and second, if so, whether the discipline proposed by the Committee is reasonable in the circumstances of the case under review. If he decides both questions affirmatively, he shall issue an order affirming the proposed discipline; if he decides that the Player Agent has not engaged in any prohibited conduct, the Arbitrator shall issue an order vacating the proposed discipline and dismissing the case; and, if he decides the first question affirmatively but concludes that the proposed penalty is unreasonable, the Arbitrator shall issue an order modifying the penalty (provided, however, that no modification can result in the imposition of more severe discipline than that proposed by the Committee).

G

TIME LIMITS; COST

Each of the time limits set forth in this Section may be extended by mutual written agreement of the parties involved. The fees and expenses of the Arbitrator will be paid by the NBPA. Each party will bear the costs of its own witnesses and counsel, etc.

SECTION 7

Notice; Effective Date; Amendment

All notices to the NBPA must be:

- 1 | Sent by prepaid certified mail (or similar means such as Federal Express) to:

National Basketball Players Association
ATTN: Legal Department
1133 Avenue of the Americas, 5th Floor
New York, NY 10036

and/or;

- 2 | Sent by email to: Legal@nbpa.com

These Regulations shall become effective on February 16, 2018.

These Regulations may be amended periodically by the action of the Officers of the NBPA and the Player Representatives.



For more information, please contact us.

National Basketball Players Association

T 212 655 0880 | F 212 655 0881 | nbpa.com