

The Contract with the Agent

The NFLPA Standard Representation Agreement is standard form contract players' sign with agents. It is a bare bones agreement that authorizes the agent to “represent, advise, counsel, and assist the player in negotiation, execution and enforcement of his playing contract(s) . . .”

What else does it do?

It should specify the services provided by the agent beyond contract negotiation. Agents may ask you to enter into agreements for other types of services: make sure those agreements are rolled into this agreement. Some services you may want handled by someone other than your agent (financial planning and accounting, and estate planning). Other services might be also handled by this agent (endorsements, career and post career counseling, marketing and insurance).

It sets the term limit of the agreement: when the agent starts working for you, when he stops.

It sets the amount the player compensates the agent (3% of player's compensations for each season he plays—**but you can negotiate a lesser amount**).

It sets how the player compensates the agent.

- Fee types:
 - Contingent (percentage)
 - Time
 - Flat
 - Combination

If you settle on the contingent method, do not allow the agent to take the full percentage up front. Fees should be paid on an annual percentage of the player's earning—and only after he has actually earned the money.

It sets the kinds and amounts of expenses for which the player will reimburse the agent (generally “reasonable and necessary” communication and travel expenses incurred “**in connection with the negotiation**” of the player's contract. **This is paragraph 6 on the agreement. You should ask your agent to remove this.**

It should also specify the expenses the agent is willing to pay: Preparation for combine and interviews, for example is something you should ask him to pay for. If on the other hand he promises to arrange combine/interview preparation, make sure your contract is clear on who pays.

It may contain an **exclusivity clause**. This gives the agent the right to a percentage of all the player's playing contracts and endorsements—even if he's fired and another agent negotiates the contracts.

Beyond the NFLPA SRA

Agents may want you to enter into other relationships that may not be specified in writing but are legally binding:

Borrower/Lender: Don't accept upfront money from your agent before you have a contract and before you have been paid. It will generally be considered a line of credit and you will have to pay it back, even if you don't get signed by a club.

Power of Attorney: Under no circumstances should you give an agent your power of attorney. That's the quickest way to lose what money you make in the NFL.

Review of Things to Watch and Other Important Tips (will be given to each senior student-athlete after Auburn game):

1. Do not sign any separate agreements, unless they are referred to as a supplement in the NFLPA Standard Representation Agreement.
2. Make sure the services that the agent will provide are agreed upon and in writing—and in the contract. If not, agent will bill you for all services provided not listed in the agreement.
3. **IMPORTANT:** Paragraph 6 in NFLPA Standard Representation Agreement (SRA) – Expenses – Have the agent take out of the SRA. Any good agent will not have a problem with this.
4. Make sure that you do not take a REFERRAL for a financial advisor or financial planning from the agent. Find a separate financial advisor. The PSCP can help in that area. You do not want your agent also handling your money. You want your agent to double check your financial advisor and your financial advisor to double check the agent. This arrangement protects you from being taken advantage of by one or the other party. Your agent will recommend a referral program. Find a separate advisor or financial planning firm.
5. Request Agent to Defer Agent Commissions and % of signing bonus to January 1 of the following year - This is a TAX BREAK. Agent will hedge, because they want their money right away; however, it is a tax break for you. This information was brought to the attention of the Panel by a sport agent and also by a financial advisor that we trust. Another reason to keep the agent and financial advisor separate, tax implications.
6. Agent should pay for training for combines – Make sure it is in writing in the SRA.
7. See if agent will pay for interview training – helps out in interview with NFL teams.
8. Have agent prepare you for the personnel test (Wonder Lic test, checklist of what to do, what not to do).
9. Agent should prepare you on preparation for new lifestyle.
10. Do not take lines of credit, jewelry, car or other expensive “gifts” prior to signing the contract and receiving the signing bonus. Mostly they aren’t gifts, but loans. Unless you’re willing to pay the agent back for these things, don’t take them under any condition. (And don’t take them even though the agent “guarantees” that you will go high in the draft. The AGENT CAN’T MAKE THIS PREDICTION EITHER. ONLY YOU WILL DETERMINE WHERE YOU ARE DRAFTED ON DRAFT DAY. If you need a credit line for necessary expenses (i.e., rent, current bills, etc.) make sure you know what the terms are. And again no big expenses until the “ink hits the NFL contract.”
11. Agent should sign you to Disability Insurance.
12. TIP: Owners of NFL teams do not listen to agents, why would they? Agent is biased. Agent can’t predict draft order. Assume two rounds lower than projected.
13. Do not sign partial or full power of attorney to anyone. You are the CEO of your own company. The agent works for you. The financial advisor works for you. This is why you pay the agent a % or fee.
14. Make sure the agent is BONDED. A bond is a form of insurance that provides some protection for you if the agent mishandles his funds or services provided. This is an important factor to consider in evaluating the safety of trusting an agent with substantial amounts of money, including financial advisors.
15. **Have someone knowledgeable (preferably an attorney of yours—not the agent’s—choice) read any agreement before you enter into with your agent. If the agent has a problem with this, then he isn’t going to represent your interests well and is only in the deal for himself.**