

## REGISTRATION REQUIREMENT

An in-state athlete agent must register with the Commission prior to directly or indirectly serving or offering to serve as an athlete agent in the Commonwealth.

An out-of-state athlete agent must register with the Commission if the agent through direct or indirect contact recruits or solicits an individual or student athlete to enter into an agency contract or who procures, offers, promises or attempts to obtain employment for an individual or student athlete with a Pennsylvania professional sports team as a professional athlete in the Commonwealth where any of the following conditions apply-

- the athlete agent is a resident of the Commonwealth
- the athlete is a resident or is attending an institution of higher education in the state
- the professional sports team has its home field or its corporate headquarters in the state

The only exception to the registration requirement is that an unregistered out-of-state agent or person may act as an athlete agent in the state before being registered for all purposes except signing an agency contract if the following conditions are met-

- a student athlete or another acting on behalf of the student athlete initiates contact with the person
- within seven days after an initial act as an athlete agent, the person submits a registration application to the Commission
- the unregistered out-of-state agent or person has never had registration under this law or Act 2 of 1998 revoked by the Commission

Any agency contract resulting from conduct in violation of this section is void and would require the athlete to return any consideration received under the contract.

## INITIAL APPLICATION PROCEDURE WITH BONDING

An initial registration application must be submitted on a Commission supplied form (which is available on-line) and must be accompanied by the following:

- \$200 for an initial application for registration of an individual or sole proprietor or \$400 for a partnership, association, corporation or other legal entity
- a \$100 processing fee
- the results of a criminal background check and a completed affidavit. (Both forms are available on-line)

All fees are payable to "The Commonwealth of Pennsylvania."

An applicant must execute and file a surety bond or an alternate security with the Commission of not less than \$20,000. (Bond form available on-line)

A certificate of registration will be valid for two years.

"In Lieu of" Registration Procedure for Out-of-state Agents Registered in Another State within the last Six Months

An out-of-state agent may submit a copy of an application and a valid certificate of registration or licensure from another state in lieu of submitting an initial application if the application to the other state:

- was submitted within six months preceding the submission of the application in the Commonwealth and the applicant certifies the information contained in the application is current
- contains information substantially similar to or more comprehensive than that required in an application submitted in this Commonwealth
- was signed by the applicant
- the unregistered out-of-state agent has never had registration issued under this law or Act 2 of 1998 revoked by the Commission

\*\* Please note that all out-of-state agents following this "in lieu of" procedure must also submit the results of a criminal background check, an executed affidavit, an executed surety bond or an alternate security of not less than \$20,000 and a copy of his/her out-of-state application and certificate of registration or licensure. In addition, the Commission may require the agent to submit additional information if the application does not contain information that is at least as comprehensive as the Commission's own form.

Fees under this "in lieu of" procedure are : \$150 for an application for registration based upon a certificate of registration or licensure issued by another state for an individual or sole proprietor and \$300 for a partnership, association, corporation or other legal entity. A \$100 processing fee must also be included.

## **RENEWAL APPLICATION PROCEDURE WITH BONDING**

A renewal registration application must be submitted on a Commission supplied form (which is available on-line) and must contain or be accompanied by the following:

- current information on all matters required in the original registration,
- \$200 for an application for renewal of registration for an individual or sole proprietor or \$400 for a partnership, association, corporation or other legal entity, and
- a \$100 processing fee, and
- the results of a criminal background check and a completed affidavit. (Both forms are available on-line)

All fees are payable to "The Commonwealth of Pennsylvania

A renewal applicant must execute and file a surety bond or an alternate security with the Commission of not less than \$20,000. (Bond form available on-line)

A renewed registration will be valid for two years

"In Lieu of" Renewal Procedure for Out-of-state Agents Registered in Another State w/i last Six Months

An out-of-state agent may submit a copy of an application for renewal of registration or licensure in another state and a valid certificate of registration from the other state in lieu of submitting a Commission renewal application if the application to the other state:

- was submitted within the last six months and the applicant certifies the information contained in the application for renewal is current,
- contains information substantially similar to or more comprehensive than that required in an application for renewal submitted in this Commonwealth,
- was verified by the applicant and the unregistered out-of-state agent has never had registration issued under this law or Act 2 of 1998 revoked by the Commission

\*\* Please note that all out-of-state agents following this "in lieu of" procedure must also submit the results of a criminal background check, an executed affidavit, an executed surety bond or alternate security of not less than \$20,000, and a copy of his/her out-of-state application for renewal of registration or licensure and valid out-of-state certificate of registration or licensure. In addition, the Commission may require the agent to submit additional information if the application does not contain information that is at least as comprehensive as the Commission's own form.

Fees under this "in lieu of" renewal procedure are : \$150 for an application for registration based upon a certificate of registration or licensure issued by another state for an individual or sole proprietor or \$400 for a partnership, association, corporation or other legal entity. A \$100 processing fee must also be included.

## ACCEPTANCE AND DENIAL OF REGISTRATION

The Commission shall issue a certificate of registration to a person:

- who complies with the application requirements outlined above or properly follows the “in lieu of” procedure,
- who is 21 years or older,
- who is of good moral character and
- who neither at the time of application nor within ten years prior to the time of application has been finally found to have participated in any conduct that led to the imposition of sanctions against an individual or student athlete, institution of higher education or professional sports team by any association or organization that establishes rules for the conduct of amateur or professional sports.

The Commission may refuse to issue a certificate of registration if the Commission determines that the applicant has engaged in conduct that has a significant adverse effect on the applicant’s fitness to serve as an athlete agent considering the following:

- whether the applicant has made a materially false misleading, deceptive or fraudulent representation as an athlete agent or in the application.
- engaged in conduct that would disqualify the applicant from serving in a fiduciary capacity,
- engaged in a prohibited act outlined in Section 3313,
- had a registration or licensure as an athlete agent suspended, revoked or denied or been refused renewal or registration or licensure in any state, or
- engaged in conduct that significantly adversely reflects on the applicant’s credibility, honesty or integrity.

In making the determination, the Commission must consider:

- how recently the conduct occurred,
- the nature of the conduct and the context in which it occurred and
- any other relevant conduct of the applicant.

The Commission shall not issue a registration or renew a registration of a person who has been convicted of any of the enumerated criminal offenses or any comparable offense in another jurisdiction within ten years of the date of application, including, among others, any drug related offense, criminal solicitation, murder, kidnapping, rape, indecent assault, and theft by extortion.

The Commission shall not issue a registration or renew a registration of a person who has been found by the Commission to have engaged in the activities of an athlete agent in the Commonwealth without being properly registered within 12 months prior to the date of application.

## PROHIBITED ACTS

An athlete agent may not do any of the following:

- initiate contact with a student athlete unless registered under this part,
- refuse or willfully fail to retain or permit inspection of the records required by Section 3312 (relating to Required records),
- violate Section 3301 (relating to Athlete agent registration) by failing to register,
- provide materially false or misleading information in an application for registration or renewal of registration,
- predate or postdate an agency contract,
- fail to notify a student athlete prior to the student athlete's signing an agency contract for a particular sport that the signing by the student athlete may make the student athlete ineligible to participate as a student athlete in that sport,
- enter into an oral or written contract or professional sport services contract with a student athlete before the student athlete's eligibility for collegiate athletics has expired,
- before the student athlete's eligibility for collegiate athletics has expired, give, offer or promise anything of value to a student athlete, any member of his/her immediate family as defined in the Act, or any individual who substantially contributes to the economic support of the student athlete if the individual contributed 25 percent or more to the student athlete's support as defined in the Act,
- give, offer or promise an oral or written contract which would require the athlete agent to give, offer or promise anything of value to any employee of an institution of higher education in return for a referral of a student athlete by the employee,
- engage in the activities of an athlete agent without a current registration, and
- violate any provision of this part or regulation of the Commission.

The Commission is authorized to do the following, among others, to properly enforce the law:

- to issue an immediate cease and desist order against an athlete agent who has been found preliminarily by the Commission to have committed a violation of 18 Pa.C.S. §7107 (relating to unlawful actions by athlete agents) or a violation of this chapter and requires the Commission to conduct a hearing within 20 days of issuance to determine whether the cease and desist order should be dissolved or made permanent,
- to suspend, revoke, restrict or otherwise limit registration or refuse to renew a registration for conduct that would have justified denial of registration under Section 3304(a) (relating to denial of registration) subject to the requirement that the Commission provide proper notice and an opportunity for a hearing under 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies), and

- to take reciprocal disciplinary actions on the basis of a disciplinary or corrective action having been taken against the athlete agent in another state, territory, possession or country, a branch of the Federal Government or by an athletic association.

### **STUDENT ATHLETE PROVISIONS**

The contract for student athletes must be in a required format, including that it must contain a warning in boldface type in capital letters to student athletes entering into the contract that:

- he/she may lose their eligibility to compete as a student athlete in their sport if they sign the contract.
- he/she must inform their athletic director, if they have one, and the Commission within 72 hours after entering into an agency contract.
- he/she may cancel the contract within 14 days after signing it without necessarily reinstating their eligibility.
- providing that a copy of the contract must be provided to the student athlete and that a contract not in conformity is voidable by the student athlete.

Both the athlete agent and the student athlete must notify the athletic director of the educational institution and Commission of the existence of a contract within 72 hours after entering into an agency contract or before the next scheduled athletic event in which the student may participate.

A student athlete may cancel an agency contract by giving notice in a record to the athlete agent of the cancellation within 14 days after the contract is signed; providing that the student athlete may not waive his right to contract cancellation; and providing that if a student athlete cancels an agency contract, the student athlete is not required to pay any consideration under the contract or to return any consideration received from the agent to induce the student athlete to enter into the contract.

An educational institution has a right of action and may be awarded damages against an athlete agent or a former student athlete.

## **MISCELLANEOUS PROVISIONS**

An athlete agent must retain certain records (including the name and address of each individual represented by an athlete agent) for a period of five years and such records must be open to Commission inspection during normal business hours.

The Commission may assess a civil penalty against an athlete agent not to exceed \$25,000 per violation and to give the Commission the right to apply for injunctive relief.

An immediate family member is exempt from the registration and bonding requirements of the law.

The Commission must maintain a record of all persons registered under this chapter in its office and shall be open to public inspection and copying upon payment of a nominal fee for copying the record.

No registration issued under this chapter shall be assignable or transferable and in the event of a corporate change of status, the entity must register within ninety (90) days.

## HIGHLIGHTS OF SIGNIFICANT DEFINITIONS

“Agency Contract”- Any contract or agreement in which an individual or a student athlete authorizes or empowers a person to negotiate or solicit on behalf of the individual or the student athlete one or more professional sports services contracts.

“Athlete Agent”- A person who enters into an agency contract with an individual or a student athlete or directly or indirectly recruits or solicits an individual or a student athlete to enter into an agency contract....

“Contact”- A communication, direct or indirect, between an athlete agent and an individual or a student athlete...including by telephonic, facsimile or other electronic method, mail, electronic mail or personal means.

“Professional Sports Services Contract”- A contract or agreement under which an individual is employed or agrees to render services as a player on a professional sports team, with a professional sports organization or as a professional athlete.

“Student Athlete”- An individual who engages in, is eligible to engage in or may be eligible in the future to engage in any intercollegiate sport, if an individual is permanently ineligible to participate in a particular intercollegiate sport, the individual is not a student athlete for purposes of that sport.