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# Education

## Education; contracts between sports agents and student athletes—cause of action for violation of NCAA rules

NEV. REV. STAT. § \_\_\_\_ (new).  
AB 563 (Sader); 1989 STAT. Ch. 382

Chapter 382 regulates contractual relationships<sup>1</sup> between student athletes<sup>2</sup> attending a National Collegiate Athletic Association<sup>3</sup> (NCAA) member institution<sup>4</sup> and sports agents.<sup>5</sup> The contract must be in writing, signed by both the athlete and the agent, and notarized.<sup>6</sup> The contract must also contain a warning notice indicating that a student athlete might lose college eligibility by signing a contract.<sup>7</sup> The agent must notify the representatives of the athlete's university of the existence of the contract.<sup>8</sup> Chapter 382 provides that the athlete has a non-waivable right to rescind the contract,<sup>9</sup> and that if the

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1. See 1989 Nev. Stat. ch. 382, sec. 3, at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.) (contractual relationship is defined as an agreement to attempt to secure employment as a professional athlete, to provide material assistance in furtherance of the athlete's professional career, or to represent the athlete in furtherance of the athlete's professional career).

2. See *id.* sec. 9, at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.) (definition of student athlete).

3. See *id.* sec. 7, at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.) (definition of National Collegiate Athletic Association).

4. See *id.* sec. 6, at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.) (definition of institution).

5. *Id.* secs. 10-11, at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.). See *id.*, sec. 8 at \_\_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_.) (a sports agent is a person who solicits a student athlete to enter into a contractual relationship). An attorney acting as legal counsel is exempt from this provision. *Id.*

6. *Id.* sec. 11, at \_\_\_\_ (enacting NEV. REV. STAT. \_\_\_\_.). A notarized copy of the contract must be given to the athlete. *Id.* at \_\_\_\_.

7. *Id.* at \_\_\_\_\_. The warning notice must contain a specified warning in general conformance with a statutory format. *Id.*

8. *Id.* There is some ambiguity as to who are the representatives of the university. *Id.* The language of the warning notice itself seems to provide that the representatives consist of the president and athletic director of the athlete's institution, and the head coach of that institution for each athletic event in which the athlete participates. *Id.*

9. *Id.* The athlete may rescind the contract by providing written notice to the agent within 20 days of either signing or the notification of the representatives of the institution. *Id.*

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athlete rescinds or the contract is declared void, any consideration the athlete received will be considered a gift from the agent.<sup>10</sup>

Chapter 382 creates a new cause of action for institutions against persons who cause or aid in causing violations of NCAA rules.<sup>11</sup> These persons are liable to the institution if they knew or reasonably should have known that a rule was being violated, or if the violation was a contributing cause of a disciplinary action.<sup>12</sup> Damages are based upon lost revenues, including lost television contracts, ticket sales, and income from post-season activities.<sup>13</sup>

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10. *Id.* If the agreement fails to contain the warning notice, or if the agent fails to notify the representatives of the institution, the agreement is void. *Id.*

11. *See id.* sec. 10, at \_\_\_ (enacting NEV. REV. STAT. § \_\_\_\_). A person who is employed by either the NCAA or the institution maintaining the action, and acting within the scope of their employment, is exempt from this chapter. *Id.*

12. *Id.* The action may be maintained if there is disciplinary action by the NCAA against either the institution or the athlete, or by the institution against the athlete. *Id.*

13. *Id.*