

# **ASSOCIATION OF ATHLETICS MANAGERS**

## **CODE OF CONDUCT**

### **INTRODUCTION**

The Athlete Representatives for Athletics (Track and Field) athletes has formed an organization known as the Association of Athletics Managers (hereinafter "AAM") to improve the professional status of the sport of athletics on a worldwide basis. With this in mind, the AAM has determined that we must formulate a program similar to those of the other professional sports in Europe and the United States which will allow for the policing and licensing of managers and agents. It is essential that the managers bind together to improve their status within the sport with the IAAF, meeting organizers and the athletes. Accordingly, the AAM and its members voted to formulate a set of rules and regulations for AAM Members, which is entitled Code of Conduct.

For an agent/manager to become an AAM member, he or she must follow the Code of Conduct. Membership is voluntary, but once an agent/manager joins, he or she can be expelled for failure to adhere to the Code of Conduct.

Our organization is dedicated to assisting athletes in acquiring the best possible individual representation. All agents/managers who become AAM members and adhere to this Code of Conduct will help improve the quality of the services that they provide to their athlete/clients, meeting organizers, the IAAF, and the sport in general.

Any agent/manager who has participated in the formation of the AAM and has accepted membership agrees to follow this Code of Conduct (hereinafter "Members").

### **CODE OF CONDUCT FOR AAM MEMBERS**

The AAM hereby adopts the following Code of Conduct to govern the representation of athletics athletes in contract negotiations with the promoters, corporations, endorsers, meet organizers, National Federations and the IAAF (hereinafter "Sponsors").

Membership to be an AAM member is voluntary. However, by adopting this Code, the Member recognizes the extreme importance of having an organization and a Code of Conduct for Managers and Representatives in obtaining quality representation for athletes in individual contract negotiations. The AAM therefore recommends that all athletes use only those representatives who are AAM Members in good standing, since it is in the athlete's best interests to do so.

Persons serving or wishing to serve as an AAM Member pursuant to this provision shall be

governed by this Code of Conduct and the AAM Bylaws. In addition, members must be IAAF approved AR's.

## SECTION 1: SCOPE OF CODE OF CONDUCT

For the purposes of this Code of Conduct, the term "Athlete" shall be defined as anyone eligible to participate in sanctioned track and field events throughout the world.

The following shall be considered activities or conduct by AAM members which are governed by this Code of Conduct.

- A. Negotiating compensation and other benefits for athlete/clients in individual contract negotiations with sponsors;
- B. Negotiating and drafting of special provisions which are inserted into the athletes' contract signed by athletes;
- C. The giving of advice, counsel and information to individual athletes and the sharing of information with the AAM in the context of negotiating with or preparing for negotiations with sponsors, or in enforcement of the contracts which the AAM member negotiates, within the constraints of any contract signed by the Athlete of an AAM Member;
- D. The handling of athletes' funds paid to or on behalf of athletes as compensation for their services and adhering to AAM fee compensation;
- E. Assisting Athletes and sponsors with transportation and visas when necessary.
- F. Any other activity or conduct which directly bears upon the AAM Member's integrity, competence, or ability properly to represent individual athletes in contract negotiations.

## SECTION 2: REQUIREMENTS FOR MEMBERSHIP

### A. Application

Any person desiring to obtain membership in the AAM must file a verified Application for Membership. The application for membership for anyone seeking to become an AAM member shall be a non-refundable application fee of five hundred dollars (\$500 US). Membership shall be granted hereunder to individual persons, not to any firm, company, corporation, or other entity. It is understood that individuals will have companies and with respect to this section, they and their

respective company is accepted as a member.

Each application shall be reviewed by a panel of the AAM known as the Membership Committee. Background checks including credit checks shall be conducted to determine the individual's status as a potential member.

After the background checks are completed, each applicant shall have his or her application presented to the next Full Meeting of the membership, at which time the applicant must secure a two-thirds (2/3) majority vote of the Full Meeting to gain membership status.

If an applicant is accepted, he will be informed by letter from the board and the annual dues of five hundred US dollars (\$500 US) shall be due immediately upon the acceptance by the applicant as a Member.

It is acknowledged that all parties who are Members as of December 1, 2004 are considered Charter Members of AAM and are excluded from the application process and application fee.

B. Compliance with the Code of Conduct

Upon the filing of an Application for Membership, the applicant shall be deemed to have voluntarily agreed that:

- (1) He or she shall follow this Code of Conduct, and shall not evade, violate, or circumvent, either directly or indirectly, this Code of Conduct; and
- (2) Any membership issued by the AAM hereunder may be revoked if it is discovered that the application contained false or misleading statements of a material nature.

C. Action on Application

Within sixty (60) days of the filing of an Application for Membership, the AAM shall complete the background checks on the applicant. This period may be extended for an additional thirty (30) days upon written notification to the applicant within the initial sixty (60) day period. Upon completion of the background checks, the application will then be presented to the full Membership for vote.

Grounds for denial of membership shall include, but not be limited to, the following:

- (1) Prior Conduct of the applicant involving fraud, misrepresentation, embezzlement, misappropriation of funds, or theft;
- (2) Making false or misleading statements of a material nature in the

- Application for Membership;
- (3) Not representing one (1) athlete in the top 10 or four (4) athletes in the top 30 on the IAAF World Ranking List;
  - (4) A person who tests positive and is convicted of a doping violation for which he or she serves a two-year ban or longer shall not be eligible for membership; and
  - (5) Any other conduct which adversely affects the competence, credibility, or integrity of the applicant in serving as an AAM Member.

If an Application for Membership is denied, the applicant may apply again at the first Full Meeting of the following calendar year, following the procedures outlined above.

#### D. Membership

Annual dues for each member shall be five hundred dollars (\$500 US), an amount which may be amended by a vote of a Full Meeting. Any Member who fails to make a timely payment of his/her membership dues and subsequently decides to become a member will be required to apply for membership and submit an application and the necessary fee.

In order to maintain a valid membership as an AAM Member, the Member must:

- (1) Pay to the AAM an annual membership fee of five hundred dollars (\$500 US) payable by March 1<sup>st</sup> of each year. In the event payment is not received by March 1<sup>st</sup>, a late fee shall be charged to the Member in the amount of Twenty Percent (20%) until June 1. If payment is not received by June 1 of any year, the late fee shall be Fifty Percent (50%) of the amount due. The Member may lose his or her membership status based on a review by the membership.
- (2) Attendance at the annual meeting of the Association, except in exceptional circumstances. In the event that a member fails to attend the annual meeting and has no valid reason he or she will be fined a penalty equal to the annual fees and also subject to the late fees set forth in D (1) above. Repeat offenders shall be referred to the Disciplinary Committee for further review and action such as fines and or dismissal from the AAM.

In the event that the Member's membership status lapses due to (1) or (2) of this Paragraph, the Member must apply for reinstatement to the AAM. The reinstatement will require payment of fees in arrears, if any, along with an additional five hundred dollar (\$500 US) penalty fee.

## SECTION 3: CODE OF CONDUCT

### A. Agreements Between Member and Athletes

#### (1) Form of Agreement

Any member who is requested by an athlete to act as his representative in individual contract negotiations with Sponsors shall first sign a written agreement with the athlete in the form approved by the IAAF and known as Appendix 3. This Agreement must include a statement of support by the Athlete for AAM proposals.

The Member hereby agrees that he or she will not enter into and will not seek to enforce any agreements which are not in writing or which are not in compliance with this Code of Conduct; and no Member shall seek to assert any claim for compensation on a basis other than what is specified in his or her written agreement with the athlete. All agreements shall bind members and the athletes they represent to submission of any disputes to arbitration as more specifically set forth herein.

#### (2) Member's Compensation

The AAM requires for all newly signed Athletes of any Member that the fee to be charged for negotiation for all services shall be fair and reasonable and shall include Athlete prize money from any IAAF competition, including IAAF Championships.

The compensation set forth above only applies to members if it does not effect or interfere with the laws of the respective country from which the member resides. Also, where Federations take part of the athletes prize money, the Member may reduce his fee by the reasonable amount to reflect the Federation take as long as both fees are fair and reasonable.

It is understood that if services other than meet negotiations are involved, i.e., accounting, investing, etc., then the athlete may agree to pay an additional sum based on flat fees and/or percentage of fees and bonuses. As for all other services, manager may charge industry standards up to thirty percent (30%) again as agreed to by the parties.

### B. Member Conduct

It is of utmost concern to the AAM, Athletes, the IAAF, and its Members Federations, that persons serving as AAM members and managers hereunder conduct themselves in a manner which will assure the most effective representation possible in athlete negotiations, and avoid any conflict

of interest which could potentially compromise the best interests of the athletes.

(1) General

Therefore, a Member agrees to:

- (a) Disclose upon request all information relevant to his or her qualifications to serve as a Member including; educational background, IAAF certification as an approved AR, special training, experience in negotiations, past representation of athletes, and relevant business associations or memberships in professional organizations;
- (b) Maintain the highest degree of integrity and competence in individual negotiations with Federations, Corporations, Sponsors and Promoters of track and field events;
- (c) Become and remain sufficiently educated in the areas of IAAF structure and economics, the Federation Rules and IAAF Bylaws, basic negotiating techniques and developments in sports law and related subjects;
- (d) Fully comply with applicable state, federal, international laws and IAAF regulations, including state statutes regulating agents.
- (e) Fully comply with the Code of Conduct, Bylaws and the amendments hereto;

(2) Improper and Prohibited Conduct

An AAM Member agrees that he or she shall not:

- (a) Engage in any activity which creates an actual or potential conflict of interest with the effective representation of athletes;
- (b) Fail to keep the athlete informed on a periodic basis of the developments in negotiation with Sponsors involving individual athletes, or concealing material facts from the athlete involved which relate to the subject of the individual negotiations in question; and
- (c) Engage in unlawful conduct and/or conduct involving material dishonesty, fraud, deceit, misrepresentation, or other conduct which

reflects adversely on his or her fitness as a Member or jeopardizes his/her effective representation of athletes.

- (d) An AAM Member agrees that he or she shall not:
  - (i) Cancel an appearance by any athlete in a meet except for "cause;"
    1. Injury;
    2. Requirement of Member Federation;
    3. Death, serious injury or illness to family member.
- (e) Promote drug use by an athlete;
- (f) Conceal knowledge of drug use by athlete; and
- (g) Enter any athlete in meets with knowledge that the athlete has used drugs in training.
- (h) Members will not represent any athlete who tests positive and is convicted of a doping violation for which he or she serves a two-year ban or longer.

(3) Improper Solicitation

An AAM Member agrees that he or she shall not:

- (a) Provide or offer to provide anything of significant value to an athlete in order to become the representative of such athlete;
- (b) Provide or offer to provide anything of significant value to any other person in return for a personal recommendation of the Member's selection by an athlete;
- (c) Provide materially false or misleading information to any person in the context of solicitation for selection as the representative of any athlete;
- (d) Use titles or business names which imply the existence of professional credentials which he or she does not actually possess.

- (e) Attempt to induce or induce the breach of a contract by an athlete with his or her manager.
  - (f) Negotiate or conduct contract negotiations with sponsors for an athlete under contract with another AAM member without the express written consent of the member.
  - (g) Make any direct or indirect contact with any athlete under contract with any other AAM Member.
- (4) Requirements of AAM Members to Inform Other AAM Members of Athlete Manager Changes
- (a) AAM Member who is contacted by an athlete under contract to another AAM Member must notify the affected Member verbally and in writing of athlete's contact as soon as practical.
  - (b) Members involved in athlete changes of management who are under contract are required to resolve compensation matters among themselves and the athlete. This shall include, but is not limited to, the presentation of the original manager to the new manager of a financial breakdown of monies owed to the original Member manager. In the event AAM members are unable to resolve these matters, Members will be required to submit the matter to Arbitration as set forth in Section 5.

#### SECTION 4: OVERSIGHT AND COMPLIANCE PROCEDURES

##### A. Disciplinary Committee

The AAM shall vote upon a five-person Disciplinary Committee which shall serve for a period of one year and shall be charged with the responsibility of overseeing disciplinary procedures against members who violate this Code of Conduct.

##### B. Complaint: Filing

Disciplinary proceedings against any Member shall be initiated by the filing of a written complaint against the Member by a Complaining Member of the AAM or an athlete represented by a AAM member. Complaints may also be filed by meeting organizers for improper conduct of an AAM member. Such Complaint shall be filed with the Disciplinary Committee and be based upon verifiable information.



The complaint shall be sent to the Member personally at his or her business address. The Complaint shall contain a specific description of the action or conduct giving rise to the complaint, and make reference to the Code of Conduct Section(s) alleged to have been violated.

A complaint must be filed with the Disciplinary Committee within one year from the date of the occurrence of the facts which give rise to the complaint, or within one year from the date on which the facts become known to the Complaining Member, Athlete or meet organizer whichever is later.

C. Answer

The member against whom the complaint has been filed shall have twenty eight (28) days in which to file a written answer to the complaint. Such answer shall be sent to the office of the AAM and the same will be given to the Disciplinary Committee for review. A copy of the answer will also be sent to the complaining party. The Answer must contain either admissions or denials as to the facts alleged in the complaint or a written statement answering the allegations, and shall also assert any facts or arguments which the Member wishes to state in his or her defense.

D. Disciplinary Action

Within thirty (30) days after receipt of the answer, the Disciplinary Committee shall, upon notice and hearing, unless the Member admits to improper conduct, inform the Member in question as to the nature of the discipline, if any, which the Committee intends 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 Member's file at AAM and IAAF offices.
- (2) Issuance of a formal letter of reprimand which may be made public;
- (3) Issuance of a fine to be paid to the AAM.
- (4) Issuance of a money award to the complaining party in the cause of action heard by the committee.
- (5) Suspension of membership rights.
- (6) Revocation of the membership hereunder.

The Disciplinary Committee may extend the time for determining disciplinary action beyond the thirty (30) day period referred to above by providing written notification to that effect to the Member; provided, however, that the Committee must inform the Member of its intended action no later than the sixtieth (60th) day following the AAM's receipt of an answer.

## SECTION 5: ARBITRATION PROCEDURE

Any dispute between Complaining Member and a Member concerning: (1) the conduct of negotiations by a Member, (2) the payment of fees due or allegedly due by any athlete to a Member, or (3) other activities of the Member within the scope of the Code of Conduct, shall be resolved by an Arbitration Panel of the AAM.

In the event the Member desires Arbitration, he or she may request an Arbitration Panel be named of the current AAM members. Selection of this panel shall be by blind draw of members present at the next Full Meeting.

The decision of the Arbitration Panel shall be binding upon both the Complaining Member and the Member against whom the Complaint was brought.

## SECTION 6: AMENDMENTS

This Code of Conduct may be amended from time to time by action of the AAM and its members only at a full meeting of the membership and following a two-thirds (2/3) affirmative vote.