Sports Negotiations: The Art of the Contract

Stephen W. Zucker

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MR. ZUCKER: It's always good coming back to DePaul where my legal career started. Although, I don't know if I can call myself a lawyer, at least not a practicing lawyer, because sports negotiations isn't really law; you really have to devote all of your time specifically to representing athletes.

The question I get asked the most when I speak at law schools, or speak in general, is how did I get into the business of sports representation. I think it's an interesting story, the road I took to becoming a sports agent. I never gave it too much thought while I was growing up. I grew up on the north side of Chicago and went to the University of Illinois for three years, then Roosevelt University, and then came to DePaul Law School. I was lucky to get in,[Laughter] I almost didn't. When I went to DePaul, there were no classes on negotiating, sports marketing, sports management, nothing

* These remarks were transcribed from a speech given by Mr. Stephen W. Zucker on sports negotiations as part of the Journal of Art and Entertainment Law Annual Speaker Series on February 11, 1997. The use of direct quotes is not necessarily intended to suggest these are verbatim statements made by the parties; rather, they merely suggest that someone is speaking. Acknowledgement should also be made to Ian Greengross, Senior Associate at Zucker Sports Management Group, for his help in compiling some of the data for the speech as well as his assistance in editing these remarks.

** Born and raised in Chicago, Illinois, Mr. Zucker attended University of Illinois for three years before receiving his B.A. from Roosevelt University and received his law degree from DePaul University College of Law in 1966. Mr. Zucker originally served as an Assistant Corporation Counsel for the City of Chicago, prosecuting many of the cases that arose during the Democratic National Convention of 1968. Mr. Zucker then became a successful criminal defense attorney defending, among others, Larry Flynt, publisher of Hustler magazine.

Mr. Zucker began his career in sports agency in 1984 by representing Jim.
like that. My mind was never into that area because there wasn’t an area of sports law. I developed an interest in criminal law and so I eventually became a criminal lawyer.

However, I started my legal career as a prosecutor for the City of Chicago at a pretty interesting time. It was the late ‘60’s, during the Vietnam war, the Democratic National Convention was being held in Chicago, and I was a legal advisor to the police, so I was on the scene trying to advise the police what they could and could not do. I didn’t do a very good job of that, [Laughter] it got a little out of hand for a while. At that time, all the civil rights cases were coming out of the South as a result of the marches, the bus-ins, and the sit-ins. All of those cases involved what the demonstrators could and could not do, vis-à-vis the public interest and the police. I advised the police that the demonstrators should be allowed to demonstrate to have a redress for their grievances to a certain extent, as long as they did not interfere with the public in general. I gained a great deal of experience. Most of the experience I gained was from being an intermediary and negotiating with the police and the demonstration leaders. I dealt with Abby Hoffman, Renny Davis, Tom Hyden, Jesse McMahon of the Chicago Bears. Soon after, Mr. Zucker formed Zucker Sports Management Group, a full service agency for professional sports figures and several prominent local broadcasters. Zucker Sports Management Group provides team contract negotiations, marketing, promotions and public relations services for its clientele.

Mr. Zucker has earned a reputation for integrity and innovation in the ever-changing sports representation business. His successful challenge of the NFL drug policy in court on behalf of Richard Dent of the Chicago Bears has established Mr. Zucker as a leader in the industry, helping Zucker Sports Management Group to become a premier sports representation firm. Mr. Zucker has set the industry standard for contract negotiations, making Deion Sanders the highest paid defensive back in history before ever playing a professional down, and guiding Quentin Coryatt to a record setting linebacker contract with the Indianapolis Colts. Over the last few years Mr. Zucker has had seven of his clients become the highest paid players in their respective positions at the time of signing their contracts. Among Mr. Zucker’s sports clients are Donnell Woolford, Chicago Bears; Kenny Lofton, Atlanta Braves; Carl Pickens, Cincinnati Bengals; Richmond Webb, Miami Dolphins; Bam Morris, Baltimore Ravens; Kevin Smith, Dallas Cowboys; Leroy Hoard and DeWayne Washington, Minnesota Vikings; and Linda Harvey-Wild, world ranked tennis star.
Jackson, Dick Gregory -- everybody who was really involved at that time. During the negotiations between the police and the demonstrators is when I developed my negotiation style. You have got to try to be nonconfrontational in a situation like that, so I had to think the middle ground, very much the way I do in negotiating today. I probably learned more about how to negotiate from those negotiations than anywhere else I could have learned.

I ended up prosecuting a number of the cases that arose out of the Convention, then I went in to private criminal practice, where I had some interesting cases. Just about the last case that I had as a criminal lawyer was reason enough for getting out of criminal law. The client was Larry Flynt, and it was a very bizarre, interesting situation. I got a call to come see a defendant in the Metropolitain Correctional Center lock up in Chicago. I went to see him about ten o’clock that night, where we met for the first time, and had about a five hour meeting; very bizarre. We went before a magistrate the next day on a hearing and Larry was held in contempt of court. The next day we had a contempt hearing before Judge William Bauer, who was the Chief Judge of the Seventh Circuit and a DePaul alumnus. They rolled Mr. Flynt in in his wheelchair and I was standing next to him. Larry had a blanket over his lap and was really behaving himself. He listened to the judge, and Judge Bauer read him the riot act. Judge Bauer said, “You’re not going to do this in my courtroom,” and for about twenty minutes he just lambasted Larry. The entire time Larry said, “Yes, your Honor. Yes, your Honor,” and finally Larry said, “Are you finished your Honor?” Judge Bauer said, “I’m finished.” Mr. Flynt rolled up in his wheelchair, whipped the blanket off, and he was naked from the waist down. He had a Russian flag, threw it at Judge Bauer, spat on him, called him a fascist SOB, and they rolled Larry out. [Laughter.] To this day, I don’t think Judge Bauer believes I didn’t have anything to do with it. [Laughter.] From there, I met Jim McMahon,[Laughter] so I was ready for McMahon.

Jim McMahon was my first athlete client, and it was interesting how I met him. My best friend is Rick Fizdale, who is now chairman of the board of Leo Burnett Advertising in Chicago. When we were nineteen, Rick moved down to Texas, went to University of Texas, and one of his fraternity brothers there was a guy named Jerry Argovitz. Jerry started as a dentist and then became a sports agent,
the normal route to becoming a sports agent. [Laughter.] Jerry became the biggest agent in the business, and one of his clients was Jim McMahon. Jerry came to Chicago when the Bears drafted McMahon, and they stayed at my house that night. From that, Jim and I became very good friends.

About a year later, Jerry bought a team in the United States Football League with Donald Trump. In fact, one of his clients was Billy Sims, who was a draft pick of the team that he owned, so he was an agent and also an owner. Jerry saw the conflict there and decided to get out of the business. Soon after, Jim McMahon came to see me. Jim said, “Steve, I want you to be my agent.” I said, “I’ve never done that before.” He said, “Well, I trust you. I just want you to do it.” So I contacted the Bears, and it took me about six months to finally negotiate Jim’s contract.

First of all, I had to learn what to do, where all the information was, and at that time there wasn’t that much information to be found. But we eventually did the deal for Jim and came out pretty well. Sure I made some mistakes, I guess I still make mistakes on contracts, but I think you always learn from the last contract that you have done. After I finished the contract, Jim signed it, and that night he came to my house. Jim said, “We haven’t talked about your fee.” I thought to myself, “You’re actually going to get paid for this?” and he gave me a fee, which he is still giving me to this day, which is a relatively high one. We have never had a written contract, it’s always been a handshake.

Getting into the business that way was a good way to do it because you have to look at your relationships with your players like they’re handshake deals. The written contracts that I have with my players are terminable on, I think the baseball one is on fifteen days notice, football is on five days notice, basketball may be on fifteen to twenty days notice, they are all very short notice periods. The union doesn’t let you lock the players up. The union really protects them, as they should. So it really has to be a handshake, and therefore, you have to have a great relationship with your players.

I have learned a lot in the way I have been in the business. At one point, I wanted to be the biggest person in the business. I had a lot of people working for me, and I would always look to the next client. Who’s going to be my next client? I got real big and I would have
this guy handle this person, somebody else handle somebody else, there was always somebody between me and the players, and finally, I just felt that this was not why I got into the business. I got in the business because of my love of sports and my relationship with Jim, so I decided to really scale down the number of employees and clients I had. Now, I have just a few employees and a few very good clients, and I just concentrate on those people with no one between myself and my clients. It’s really worked out great. It’s been a great run. I love my players. I love doing contracts. I wake up in the morning and I read the sports section in the newspaper. I take out a pencil and take notes. I actually do the same things that I would normally do if I wasn’t in the business of representing athletes. So it really has worked out very nicely in that way.

My philosophy on negotiations has always been the same, and that is to develop friendships with whomever I’m talking to, to always negotiate with a smile, to never get in a confrontational mode, never put the owners’ backs against the wall, always try to find that common denominator, what will tie me to that general manager or whomever I’m negotiating with, so we develop a friendship. Negotiations get pretty rough at times, but you always try to end it with a smile. I never, ever, raise my voice in a negotiation, and I’ve got a temper, but in my business I never let that show. That is something that you’ve really got to try to develop.

People ask, “Well, how do you get the contracts you get if you don’t hold players out,” which I normally don’t, “and get them done in a relatively short period of time?” A sports contract can be done in a couple hours if everybody gets on the same page. But what happens is that teams come in with the first offer, it’s usually low, then the agent and the player come back with a counteroffer and it’s usually too high, and it takes time to get to that middle ground. What I do, and I am one of the few agents that does this, if I have a contract proposal for a team, I give it to them first. I seldom wait for the team to present the first proposal, because I’ll set it at a level that I think is reasonable, I’ll back up with facts, and the team will understand where I’m coming from. Then, when they come back with their counteroffer, they’re not going to lowball me. They will come up with a reasonable offer. Therefore, the gap is usually not that great because we’re talking about reasonable and fair market value.
There’s always going to be a gap. In fact, if there’s not a gap, if a team representative says “yes” to my initial proposal, I know I’ve done something wrong. So I try to leave a little room in my initial proposal for error, but I try not to come down too much from that initial offer, and I’m known for that. Therefore, when I go in to negotiate a contract with a team, they know that they’re going to have to pay a certain amount, and that I’m not going to do a contract early if it is not right. Yet, you’ll have to be prepared to do a contract early. For example, representing a draft pick in football, everyone waits for that first contract to be done. It’s easy to do a contract as you go along, because there’s a thing called “slotting” in football. If you’re the tenth pick in the draft, you should get more than number eleven, and a little bit less than number nine, that’s how it generally goes. But if you’re going to go by that, then a player could probably do his own contract. I like to jump up a few slots.

Basically, you have to know what you are doing to be the first one to do the contract, and I have done it a number of times. I try to set the market, and then see if the contract will hold up. You really have to do your research. You have to know what is out there and you have to do things well in advance. You have to know when a television contract is coming up, when the salary caps are being renewed, what the salary cap is now, what it is going to be a year or two from now, and you plan ahead that way.

I am one of the very few agents who does all three major sports, and they are football, basketball and baseball for you hockey fans. [Laughter.] In baseball, you’ve got a situation now where they have had free agency for a long time. However, for the first three years of a player’s contract, the team controls everything; players cannot be free agents and cannot go to arbitration. You take what the team gives you, and almost every team gives you as little as they possibly can for the first three years. There is very little negotiating because the teams have all the marbles. However, if you offer to give up a year of arbitration, a couple teams, like the Chicago White Sox and the Seattle Mariners, will give you an incentive laden contract where you can make more money than the normal first three year guys. Yet I like to think the player is making a mistake if he takes that deal, because if you give up a year of arbitration, you’re giving up more than you’re probably going to make in those three early years. But a
lot of players need the money and the White Sox have been successful with that type of deal.

After three years, you have arbitration. Arbitration means you have one person hearing the case. The team offers a figure, the player offers a figure, and the arbitrator has to pick one or the other. The arbitrator cannot take the middle ground. That’s for negotiating. Most of your arbitration cases are settled right before arbitration, the team and the player get to a middle ground and agree. But if you actually go to arbitration, you roll the dice. Therefore, you never want to come in too high if you’re the player’s representative, and on the other hand, the team shouldn’t come in too low because then you’re taking a chance. So both sides try to get relatively close, and then the arbitrator takes one or the other.

Now with the new agreement in baseball that hasn’t quite been signed yet, you’ve got a situation where you’re going to have a luxury tax, which will effect the teams with the highest salaries. The effected teams will have to pay a tax which then goes in to a kitty and is then distributed among the smaller market teams. This is meant to level things out, so the “have’s” take care of the “have not’s.” I think it is a system that is going to work. Also, there are two expansion teams coming into the Major League this year and that’s going to change things because the expansion teams are starting from zero in salary, and you have the Cleveland Indians starting at tens of millions of dollars in salary. So they have got to watch what they do against the salary cap. I am aware of these changes because I have Kenny Lofton, who is the All-Star centerfielder with the Cleveland Indians, as a client and right now we are negotiating his contract. He’s a singles hitter, a stolen base guy, a great player who averages over .300, but he’s not a power hitter. And the only guys who get the best contracts in baseball are your power hitters or your pitchers. The highest paid singles hitter is probably Lenny Dykstra, and he gets about six million dollars a year. He gets by on that, but that’s all he gets. [Laughter.] Now with Lofton, we are in a situation where Cleveland just lost Albert Belle to the Chicago White Sox, I know we’re all happy about that, and he got a tremendous amount of money. One of the expansion teams is Arizona, and Kenny Lofton played basketball for Arizona University, he was on the Final Four team there, and he lives in Tucson. Now, we’re talking about
leverage. The Indians came to me, because they wanted to do Kenny’s contract, which I knew they would want to do. The Indians came with an offer, we knew it wasn’t nearly enough, and we told them we were not going to come back with a counteroffer. They got very upset with that and they went to the press and said, “Lofton is going to test the free agent market next year and he’s going to leave,” and that was the kind of atmosphere we wanted to create. We finally talked to the Indians and said, “Look, we’ll give you our offer and then we’ll give you a chance to match it.” We gave them a very, very high offer, kind of tacked to what Albert Belle is getting. They came back with a very substantial offer, but Kenny and I turned them down.

I have done some pretty good contracts, but I am only as good as the player I represent. My clients have to be great players and they have to be very strong, and if they will wait and let me do my job, we usually come out pretty well. And it is hard, I can’t believe Kenny’s doing it. But he knows what he wants and we’re trying to get it for him. We trying to get the Indians to add a year or two and maybe get around the low nines and then we’ll do the deal. However, because Kenny will be thirty one years old in May, it’s rough to get that extra year, its rough to get five years, but that’s basically the way it works.

With Arizona out there, it creates all the leverage for us, so we’re in great shape. We planned Kenny’s last contract to come up at this time, because we had an idea when expansion was going to come. So we tried to plan it that way to gain more leverage. It’s guesswork, sometimes you’re right and sometimes you’re a year or two off. This time we hit it just right. So now Kenny will probably get two to three million dollars more than he normally would have gotten if everything would have been level. That’s baseball, and I wish I had more baseball players. I concentrate on football basically, but after doing Kenny’s contract I may get into baseball a little bit more once the contract is announced. [Laughter.]

I also do a little bit of Basketball. I represented Daryl Dawkins in Europe and had a couple of “first rounders” in basketball, but now football free agency runs in to the basketball season, and I’ve really got to devote myself to my veteran football players. In fact, I don’t even go after the rookies too much anymore because the veteran market is where it’s at with the top players, and I really try to concentrate on them.
SPORTS NEGOTIATIONS

Football I can really go into detail with, it's what I know best and it is what I do every day. Football has a system where there is a draft, the top players are drafted, I'm sure you are all aware of it. There are seven rounds of the draft. The players that go in the first round get paid a lot of money, and the salaries decrease from there. However, there is only one pie, and now there is a rookie salary cap which makes it very interesting. Before the rookie salary crap, [Laughter] that's what it is, [Laughter], when I represented Deion Sanders in the draft of 1989, they didn’t have a salary cap. Deion was a player who I could really make the most of, you know we are talking about leverage because he could play baseball and football. I had never had a player hold out up to that point, Deion was the first one. Deion and I talked about it and decided to wait. Another one of my philosophies is that I never have a player with me at the negotiating sessions. There are a lot of reasons for that, but basically it's so we have a chance to meet later and discuss our next step and so we don’t have to answer their proposals immediately. I always keep my players out of there, but with Deion it was kind of different. I broke all my rules with Deion. Deion said “I want to be there when they make the offer.” He said “I’ll leave right after, I just want to hear what they’re going to offer.” I said “Okay.” So we flew down to Atlanta and there we met with the owner of the team (the Atlanta Falcons), the lawyer for the owner, the accountant for the owner, the general manager, the coaches, even the governor was there. They really wanted Deion. They made him an offer, a tremendous offer, he was the fifth pick of the draft and they made him an offer higher than the first pick the year before. Deion jumped up, and said “I guess you just want me to return punts,” and walked out. [Laughter.] It reminded me of Judge Bauer.

That was in June, and at the end of August, or the beginning of September, I was still negotiating while Deion was playing baseball for the New York Yankees. I continued to negotiate with the Atlanta Falcons, and finally, they began moving. We were getting to the point where we were real close, but all Deion wanted was a 100% increase over the year before and allowed to play baseball, all these wild things, and I just followed his lead. The Falcons weren’t quite there, so I said, “Look, you guys saw what he did to you in June when he walked out of the room.” Then I said, “This man’s crazy and he’s
worse to me. If you don’t give me this deal, we’re both out. He’ll fire me, I don’t know what’s going to happen. The man’s crazy.” So they gave me the deal.

Deion was in Seattle playing baseball at the time, so I called and reached him in the dugout. He got on the dugout phone, said okay to the deal, went up to the plate, struck out, said goodbye and shook hands with all his Yankee teammates (this was all on television, I watched it later), got on a plane, arrived in Atlanta, signed the contract and he went and ran for a touchdown the second time he touched the ball the following Sunday. He is the only person in the history of professional sports to hit a home run, which he did the night before the contract, and score a touchdown in the same week. That is what really got me involved in representing draft picks. Doing Deion’s contract really led to a lot of other draft picks. In fact, I had about thirteen first rounders after that, and it was really a lot of fun.

I think the best way to tell how I negotiate and what I do is by illustrating it through actual negotiations. I have a player by the name of Quentin Coryatt who is playing for the Indianapolis Colts right now. This contract is interesting because it was one where everything timed out just right. Remember, I said I like to plan things ahead, and we did his rookie contract in ‘92. He was the second player taken in the first round of the draft, and at that time, most first rounders did five year contracts and sometimes six year contracts. We had a feeling that free agency was going to come to football soon. We predicted free agency would arrive in four years, so we did a four year contract instead of a five or six year deal. As it turned out Quentin did his contract again last year, and not only was he the highest paid rookie in ‘92 and got a little over a four million signing bonus, he got another six million dollars to sign last year for a four or five year contract with Indianapolis.

I’ll now use another illustration. Earlier, I mentioned the salary cap, which is the fixed amount each season a team is allowed to pay all of its players for that season. The rookies also have a salary cap. In addition, football also has different designations on free agents. One player per team can be named a franchise player, and there are two kinds of franchise players. They are restricted and unrestricted. Furthermore, you have two transition players. The transition player
tag allows the team to match any offer made by another team for these two players. Transition players are free agents to the extent they can go out and get an offer from another team, but it's hard to get an offer because the other teams know the current team can match the offer. There are also three year restricted free agents. After three years, a player is allowed to go out and get an offer in the market and compensation is given to the team that he's on based on what their financial offer to him is. For example, if they offered the three year restricted free agent $361,000, that gives them whatever draft pick he was in the draft, they would get that in exchange if they lost him. $800,000 would give them to a first round pick, $900,000, these are round numbers, give them a right to a first and a third round.

Quentin was given the tag of a transition player, so the Colts had figured that they would hold on to him by just putting that tag on him. The Colts were pretty much right because no one went after Quentin except for one team. There were two expansion teams last year, which always helps. Jacksonville was one of the two and they were spending money pretty well. However, Quentin wanted no part of Jacksonville. He wanted to stay with Indianapolis. I had to beg him to get on the plane to Jacksonville. Indianapolis was offering him two million dollars a year with a million dollar signing bonus, five year deal. I said, "Just let Jacksonville make the offer and we can take it from there." Jacksonville offered Quentin three-and-a-half million dollars a year with a six million dollar signing bonus. We took the offer back to Indianapolis and the Colts matched it. That was all Quentin wanted was to go back to Indianapolis so he could go back to the playoffs, because Jacksonville wasn't going to make the playoffs. [Laughter.] Shows how smart he is. As you know, Jacksonville went to the playoffs and Indianapolis didn't. He really didn't want to make that move.

It makes it very hard when they have that restriction on them. Although the courts gave the players free agency and did away with the draft, the union gave this all back to the owners in their negotiation. One of the things which was given to the owners, and I talked about this earlier, is after three years a person is a free agent, but it really doesn't mean too much because of the restrictions based on the qualifying offers.

I also have a player, Carl Pickens, with the Cincinnati Bengals, who
has become a great receiver, maybe the best receiver in football right now, but a couple of years ago he was only a very good receiver. The Bengals made an offer to him, I think it was $750,000 a year for three years, and I said, “That’s ridiculous. He’s worth so much more.” The Bengals said, “Go out and get an offer.” No player in the history of football, including Emmitt Smith, had ever been able to go out and get an offer when they were given a qualifying offer where a team had to give a first and third rounder in exchange. There are two reasons why it had never been done before: nobody likes to pay that price, and they figure it’s a wasted exercise because even if they do make the offer, the Dallas Cowboys weren’t going to let Emmitt Smith go, and they figured Cincinnati wouldn’t let Carl go. So I had to convince the teams that they would. Cincinnati offered Carl $750,000, and I thought the way to make Cincinnati not match the other teams offer was to ask for a crazy amount of money, a real high number. Arizona offered Carl an average of $2.75 million. Two million dollars a year more than Cincinnati was offering on a four year deal. Eight million dollars more over four years. I got Arizona to make the offer, it was Buddy Ryan, and ten minutes later Cincinnati matched. That was the only time, before or since, that any first and third round price tag restricted player had ever gotten an offer. I think it would be hard to do again because Cincinnati matched so quickly. They were really trying to establish where they were coming from and that Arizona shouldn’t have done this in the first place.

Then, because of Quentin Coryatt’s contract, which was aired on ESPN, I got a call from a lineman with the Arizona Cardinals, Eric Swann, probably the best, or one of the best defensive tackles in the league. He had been named not just a franchise player, but the exclusive franchise player. No non-quarterback had ever been given this designation before, so Eric wasn’t even allowed to go out and get an offer. What happened is his prior agent didn’t know the Collective Bargaining Agreement, proving that it’s very important that, if you go into the business, you know all the guidelines and all of the rules, because to really protect your player you must know the rules. All the agents knew that there was a franchise designation that would cost two first rounders for a player to change teams, and that’s almost impossible, but there are teams that would probably have given up two first rounders for a player of Eric Swann’s caliber. His agent
overplayed his hand, he said, “Look, I’ve got five teams that will give up two first rounders, so go put any tag you want on him.” Arizona said, “Okay, we will,” and they did. What the agent did not know was that there is a subsection of the Franchise section, and it states that you can give a player the average contract with the top five players at the end of the free agent period. If you do it that way, then that player is your exclusive free agent, and he cannot even go out and get an offer. So Eric was gone. Eric, then, had his accountant call me up to ask if I could come out to Arizona. I met Eric in Arizona and he signed with me. In March, I went to the Cardinals and said, “What’s going on? You’ve got a very unhappy player,” and Arizona said, “We don’t care, here’s where we’re at.” After a couple of weeks I said, “Let me go and see if I can get a trade for you guys,” and I asked for their permission to talk around the league. I don’t think Arizona thought that I could do it, so they gave me the permission which was very foolish on their part for a couple of reasons.

I started calling all over the league and I found two teams that would go for it, particularly the Denver Broncos. Arizona was offering Eric a one year deal at the average of the top five which was between $2.5 million and $2.575 million. Arizona allowed me to talk to Denver, and Denver gave me an offer of $4.25 million a year for five years with a seven and a half million dollar signing bonus. I told this to Eric and he got all excited. Then, I told Arizona what their compensation would be: three starters including, Shannon Sharpe, who is a top tight end in football, a starting tackle, and a starting wide receiver, plus a first round draft pick and a second round draft pick. Arizona turned it down. We were both upset, but I started negotiating with them. I said, “This is wrong. You’re holding a guy for $2.5 million when he can go out and get $4.25 million, it’s just not right.” We negotiated, and this turned out to be another one of my holdouts. I don’t hold out very often, but when I do I like to come out ahead. Finally, at the end of August, they gave us a two year deal, three million dollars to sign and $3.5 million a year, which made him by far the highest paid defensive tackle in the league. Arizona’s allowing me to go to Denver is what got that contract, so we came out pretty well that time.

The only other contract that I wanted to mention was Michael Westbrook’s. He was a draft pick with the Washington Redskins and
I wanted to try to establish new ground with Michael. Wide receivers were never paid a whole lot of money, and they still are not relative to quarterbacks. Michael Westbrook was the fourth player selected in the draft, there was a quarterback in front of him and a quarterback in back of him. The number three and five draft picks were quarterbacks. I know that I told you I don’t like slotting, but I liked it in this case. [Laughter.] The quarterbacks got paid their money, the year before the Washington Redskins drafted Heath Schuler at quarterback and gave him a ton of money, so I wanted to get the same kind of money for Michael Westbrook. I started negotiating, and this was my fourth hold out. I’ve only had four hold outs, Jay Hilgenberg was the other one. I held Michael out all the way. The owner of the team is Jack Kent Cooke who is a billionaire, very strong willed man, who takes these negotiations very personal, and doesn’t like to lose a negotiation. However, I was dealing with the general manager of the Redskins, Charlie Casserly, and we had never really dealt before, but we developed a bond and a friendship. Steve said, “Just keep your mouth shut, don’t go to the press,” which I’m prone to do sometimes in negotiations, “and just keep it real quiet. I’ll tell you when we can push the button and try to get this deal done.” I trusted Charlie because of our relationship. He could have been hoodwinking me, but I felt he was telling it to me straight, so I waited. Charlie called me up and asked me to come to Washington. He said, “The old man has given me the okay.” We started to negotiate the contract, and we were going back and forth, back and forth, and just not getting anywhere. I was staying at a hotel in Washington and I said to Charlie, “I’m leaving town.” So I checked out of the hotel I was staying in, walked across the street, checked into another hotel, and the next day he called my office in Chicago to ask if I would come back to Washington. My office hooked me up with Charlie and I said, “Well, I don’t know if I can come back.” [Laughter.] Finally, I went over to the Redskins’ offices and got the deal done, which was really a very good deal because Michael ended up getting paid like a quarterback.

That is the negotiating part of the business. But probably the most fun I have ever had in this business has been with Jim McMahon. People always ask me who my favorite client is, and I love them all, but Jim McMahon and I have a real special relationship.
things that we did together in the mid 80's were just unbelievable. We had a lot of fun and Jim did a lot of endorsements. I remember one time Jim was doing an endorsement for Kraft Miracle Whip. He had used that product all his life, so we agreed on the contract, but we hadn’t signed it yet. Jim was to do the Oprah Winfrey show on the Friday after Thanksgiving and this is the only show that Oprah does that isn’t live, it’s taped live. Jim got there and I said, “I hope you’re going to talk about Kraft Miracle Whip.” Then during the taping, Oprah said, “Jim, I understand you just signed a contract with Kraft Miracle Whip.” Jim said, “Oh yeah, I love it. I’ve used that product all my life.” Then, he said, “but my wife Nancy hates it.” [Laughter.] So I was thinking Kraft is going to cancel the contract. I said to Oprah, “Oprah, you’ve got to straighten this out,” but she said, “We can’t take it out, it’s taped live.” So Oprah got Jim’s wife Nancy to come in and put her on for the next half hour. Oprah asked, “Nancy, you really don’t dislike Kraft do you?” And Nancy replied, “No, I just kid Jim about that all the time.” They really saved us. [Laughter.]

Another time Jim was supposed to do a photo shoot for the glamour issue of *Town & Country* magazine. We went to do the photo shoot and the photographer was Victor Skrebneski, the world famous photographer from Chicago. Victor said to me, “So Steve, do you have a jewelry deal for Jim?” I said, “No,” and Victor said, “That’s too bad, we could have featured it in the magazine.” I said, “I’ll be right back.” [Laughter.] I went down to Michigan Avenue, to Trabert & Hoeffer Jewelers to see my friend Donny Levinson. I said, “Do you have an Ebel Beluga watch.” That’s my favorite watch. Donny said “Yes,” so I asked if I could borrow one and he said, “Okay.” I went back to the photo shoot and I said to Jim, “Jim put this on.” Jim put it on and they took the pictures. I called Ebel the next day and said, “How would you like your Ebel Beluga watch featured in the glamour issue of *Town & Country* magazine, in a twelve page spread?” “Oh, we’d love it,” they said. We negotiated the deal, it turned out to be a pretty good deal too, and they said, “That’s great. Now when is the photo shoot?” I said, “That was last Thursday.” [Laughter.]

If you’re going to get into the business, learn golf. All the players love to play golf, and so do the general managers and the owners. It’s a really great way to get the owners, the general managers and the
players in a relaxed situation. I, of course, did not follow that advice and I’m not much of a golfer, but because of the nature of my business I get invited to some of the great golf courses. I get to play Augusta National, and all my golf buddies hate me for it. I went to play Augusta, and most of the caddies have been there for twenty or thirty years, and at about the sixteenth hole my caddie came up to me and said, “Mr. Zucker, I’ve been here for thirty years and you’ve taken me to parts of this course that I have never seen.” [Laughter.]

That is pretty much what I wanted to tell you about. What I want to do now is open it up for your questions. I love to answer questions, because I can see what is on your mind and get a feel for what you want to know about what I do. So just feel free to ask any questions.

QUESTION: How exactly do you find players? Do you go to colleges to find players or do players mainly come to you?

MR. ZUCKER: In college, you’re talking about college?

QUESTION: Actually, I want to know professionally.

MR. ZUCKER: Okay, let me give you a feel for that. I built my business through word of mouth, I started with Jim McMahon, and then I ended up with ten players on the Super Bowl Chicago Bears in the mid ‘80's. That all came from word of mouth. I was always there with Jim, one thing led to another, and he kind of opened the door for me. I really got an easy start in the business.

If you’re going to go after college players, which I did for twelve years, it is very, very competitive. You’ve got a couple thousand agents, most of them without clients, out there trying to get a player. They offer whatever they can offer, hundreds of thousands of dollars in loans. It’s a very dirty business. I would start by sending out a brochure when I could. Generally, I would send out a brochure around November. I would tell the players that I would like to sit down with them as soon as their collegiate athletic career is over, once their eligibility is over in January. Eighty percent of the players are gone by that time, because they’re all locked up with agents. Nobody plays by -- very few people play by -- the rules; agents and athletes. But that’s how I would contact them, however; most of the agents have runners that go to the universities while the kids are still playing ball, or the summer before, to contact them. It’s very difficult.
Let me tell you how I got Deion Sanders. I went down to the combine where all the college players have to go, at that time I had a player at the University of Florida, and I was talking to him and he introduced me to this friend of his. This guy was wearing gold like Mr. T, and I didn’t know what or who he was. I watched this guy go around the lobby with agents carrying his bags. Well, it turned out to be Deion Sanders. I went to meet Deion, and I said, “When you get serious about choosing an agent, I’d love to talk to you.” He later invited me to go down there, which was very lucky. You just never know how it’s going to happen and how you’re going to get a player.

Now that I mainly handle veterans, a lot of my business, if not all of my business, comes as referrals. For example, I just went out to the Pro Bowl last week to see three of my players that had made the team. I was there talking to them and about the second best defensive tackle in the country came up to us. He looked at Eric Swann, who I was standing with, and he said, “Eric how many Pro Bowls have you been to?” Eric said, “Two,” and he said, “Well, I’ve been to six, so why are you getting all the money?” Eric said, “You should have hired Steve in the first place,” because I came in second before with this guy. So now I have a chance to get him. That’s the first time I ever went to the Pro Bowl, because now I want to make myself visible. That is how I am recruiting now, just by referral and that is really about it. But if you are going to try to get college players, get a brochure, send it out, try to do it the right way because things will change in the business. It is taking a very long time, but it will clean up eventually.

QUESTION: The restrictions on free agents such as franchising and transition, do you negotiate those in contracts? Can you say in a contract that a team cannot designate the player a franchise player?

MR. ZUCKER: It’s never been tested. I think that it would probably be knocked out because it would be circumventing the agreement. Basically, I try to have an understanding with the team that they will not place one of these designations on him, and I expect them to live by it, but again, it’s not in writing so you never know. Management Council checks all professional contracts. It said it wouldn’t pass muster and I didn’t challenge it. We are happy with the agreement that we have. That’s a good question.

QUESTION: How discriminatory are you in terms of clients? Now
that you are so well established, have you ever turned down someone even though you know they are a great player and can make some big bucks because you have decided that you just do not want to deal with that guy?

MR. ZUCKER: Depends on how good he is. [Laughter.] I am not going to tell you that I would walk away from someone. I may not become best friends with him, but I am in the business and if it’s somebody who I feel I can do real well with and we can get along then I take him as a client. That is the main thing, if we get along, then we will be fine. If he’s got a bad reputation that doesn’t matter to me because I’ve always judged people on how they are with me. They could be a convicted whatever. If they are right by me, I’m fine with them. I don’t know that I would ever turn down a client based on the fact that I didn’t like him or I didn’t like his reputation. I’ve been lucky, and I think I’ve been lucky because like I said, most players are taking money, and most agents are offering money. But the young players that wait until their eligibility is over in January or February to sign with agents and get their parents involved in the process are, I think, a cut above the rest. They have character, and those are the players I have dealt with. So I have had some great, great players and I think I have been lucky that way.

QUESTION: Say Erik Williams of the Dallas Cowboys comes to you and wants you to negotiate his next deal. Is that someone who, because of the negative P.R., makes you say to yourself, “You know, I have enough good clients as it is, and I don’t want my name associated with someone like that.”

MR. ZUCKER: No, I personally would not turn him down because of that. One of the players I represent now is Bam Morris, he was with another agent before me. You have to get close to your players, and when you get to know them, you find there is a lot more that you need to know that isn’t in the newspapers. Bam happens to be a wonderful guy that maybe is taking a little longer to grow up than someone else, but I figure he may need me more than some of my other guys and I would probably devote more time to him. But no, I would not not take a client based on that.

QUESTION: I assume that most of your players get injured at some point in their careers or their careers end because of injury. What role do you play in terms of their careers ending? Does that possibility
play a part in the contracts you do?

MR. ZUCKER: Not in the contract so much, unless you can get the teams to agree to it. The main thing that I do is make sure my players are insured with Lloyds of London, particularly my football players. I forgot to mention that football contracts are not guaranteed except for a handful of quarterbacks. So you really need to get insurance. I had a player, Otis Wilson, with the Bears, and he had never really gotten a good contract. He hired me, we did a good contract, and I said to him, “I have got to get you insured, you are 31 years old. Otis said, “I don’t want to bother with that.” But I kept pressing him until I sent one of the clerks from the office up to Plattesville, where I had him fill out the insurance application. I called the insurance company, and said, “Bind him. We will get you the check next week.” They brought the application back to me on Thursday, and Saturday against Dallas he blew out his knee and his career was over. Otis tried to come back for a couple games with the Raiders, but his career was over and he got his full insurance policy. So now I always tell that story to the players. You also have to have some life after football. When a player gets thirty, thirty one, he ought to start thinking about that. So, if I can, I try to set them up with various companies that I know to try to get them set for life after football as best I can. You want to keep those friendships, because that’s what they are, friendships. I don’t look at the money aspect of the business, but I look at the relationships and I want to keep those even after their careers end. That is one of the greatest things about the business, you get to meet some pretty good guys, so I like to help them throughout their career.

QUESTION: My question is related to your compensation. It is my understanding that you are paid based on the contract that you have negotiated for a player, is that correct?

MR. ZUCKER: That’s right.

QUESTION: So my question is, is your pay based on what the player ends up getting or the value of the contract at the time of signing? For example, Dennis Rodman’s contract is now worth less because of his suspension, or for example, where someone else’s contract might be worth more because of a bonus or an incentive clause, how does that impact on your compensation?

MR. ZUCKER: I charge a player based on what he receives, signing
bonus, roster bonus, salary. I don’t usually get involved in charging for incentives, and I never charge for honors at all. So in the case of Rodman, if he gets paid less money, and if I was representing him, it would depend on what the reduction in pay was. If it was on his salary, it would cost me. If it was on his incentives, it wouldn’t make a difference in my compensation. But I think the money that he is losing is out of his incentive clauses which I wouldn’t have charged him for.

**QUESTION:** What kind of fee do you receive on an endorsement contract?

**MR. ZUCKER:** That depends, it runs anywhere in the area of 10 to 20%. Anywhere in that area. But I have gotten away from endorsements. I really need to concentrate on negotiating. I don’t get involved in endorsements like I used to.

**QUESTION:** Have you been involved in trading players between the Canadian Football League and the National Football League, and does that bring up any additional concerns in the contract drafting?

**MR. ZUCKER:** Not really because the dollars are so different with the CFL and the NFL. Usually when Canada signs a player they do it one year and an option and they will always hold them to that option, so it’s up to the team. If the team wants to get a guy a year early, they will negotiate with Canada to get them to give up their rights. In basketball, I had players in Europe that wanted to play in the United States and some of the teams will work that out.

**QUESTION:** How difficult is it to negotiate international contracts?

**MR. ZUCKER:** The only international contracts we do is with basketball, and it is a whole different business. You really have to learn it. I was in it to a small extent. I had a few contracts in Canada, but there are agents that make a business of it. So if I have a basketball player, I will call one of those guys, split the fee with them and let them take it because that is their expertise. I tried to do everything myself at first, but you learn what you can and cannot do.

I remember when Halle Berry came to me. She was living in Chicago, and she wanted me to represent her because she wanted to go to Hollywood as an actress. I told her no, because that is not what I do. And now, I’m kicking myself [Laughter.] But I finally learned to say no. I get all kinds of offers and propositions. I was representing race car drivers and race car owners and all kinds of
stuff, but I have tried to get away from that.

QUESTION: Regarding renegotiation of contracts, when can you do so and what is the basis for doing so?

MR. ZUCKER: I will never renegotiate a contract. I don’t believe in it. If a player signs a contract, he should live by that contract. The only time you make the exception is when the team comes to you and says, “We’d like to renegotiate.” For example, Bam Morris was signed for very little money this year and has a great deal for next year, but not anywhere near what he could get paid now. He will be a free agent after next year and the Baltimore Ravens have already contacted me. They said, “We want to redo the deal.” That is different. But morally, I would never, ever go to a team to say we want to renegotiate, ever.

QUESTION: The market seems really saturated with agents, is there room for people who are just getting started?

MR. ZUCKER: There is always room. There are many more agents than there are players, I would say there are a couple thousand football agents and there are maybe twelve or fourteen hundred players. Most of the players are represented by thirty-five agents who have probably 90% of the business, but there is always room. The best way to get into the business is to have a client. I was lucky, I started with Jim McMahon. That is the way to start. But you can start with a client that may be a free agent, get him a job, work hard for him, he makes the team, then by word of mouth, a teammate of his who is pretty good might go to you. So yes, I would say there is definitely room. In fact, even now we take usually three interns a semester at Zucker Sports to learn the business. I have put probably nineteen or twenty people in the business. Unfortunately, in the older days, most of them would take one of my clients with them, because I always had, like I said before, somebody in between myself and the player. And that is one of the lessons that I have learned.

QUESTION: Do you get involved at all in managing your player’s money?

MR. ZUCKER: No. That is a cardinal rule, and it is a rule I set the day I got in the business. In fact, my accountant at that time was a wonderful accountant, so I said, “Here’s Jim McMahon.” I will not touch it, and I don’t take a referral fee. I keep that totally separate. All the horror stories you hear in the business about players getting
ripped off by agents, are either crooked agents or guys that are just plain incompetent and are trying to manage their player’s money when they don’t know what they’re doing. So I always separate that. I tell the players that if you have somebody, “Wonderful. Just run it by me so I just can keep my eye on things for you.” I have three or four really good financial advisors across the country that I will recommend, but I do not take a referral fee.

**QUESTION:** Where do you get all your information? When you say you go into a contract negotiation you have based it on other players’ salaries, where does all that information come from?

**MR. ZUCKER:** From my wife. [Laughter.] She tells me everything that’s going on. [Laughter.] No, most of the information is from newspapers, sport magazines, and the union gives you printouts so you get an actual idea of what every player is getting paid. It helps, for example, that we just got a printout for last year’s salaries yesterday and free agency starts Friday. So I have a way of finding out myself, contacts with teams help, but you get a pretty good idea what the market is. Like I said, there are many times when you have to take what is out there and then set new ground. That is why I want to know what the top guys are getting and then I go from there.

**QUESTION:** Who are the toughest owners and the toughest teams to deal with?

**MR. ZUCKER:** Where is Lake Forest? [Laughter.] I would say in football, it is the teams that are owned by people who do not have another business to fall back on. For example, the Bears’ Michael McCaskey, that is his business. Mike Brown, with the Cincinnati Bengals, that is his only livelihood. Those are the two that jump out as being the roughest to deal with, but of course I learned by dealing with the Bears. I had a very, very good relationship with them and I still do, but I had a real bad time with the Jay Hildenberg contract a few years ago, but like I said, I always like to become friends with the managers and owners while putting your players first. The relationships that I create with owners and managers, I create for my players, and I do not look back on that.

**QUESTION:** Aside from the financial planning, do the players ask for a lot of personal advice from you?

**MR. ZUCKER:** Yes, that happens everyday. I am on the phone from the time I wake up until midnight or one in the morning with the
West coast guys. The phone is always ringing and it is always different things. When a player has problems, that is where my law background helps. Although I don’t try cases anymore, I still go before the commissioner for players and I unfortunately have had to do that a lot with some success. But there are many other things, such as buying a house, problems with a girlfriend or wife, where I am always stepping in there trying to help. If I have a player involved in a divorce, I try to mediate if I can, because you develop real good relationships with the wives. Generally, when you want to reach the player, it is usually the wife you reach first because the player is out practicing or playing. I hate to see any of my players’ marriages break up so I stick my nose in there and I have been successful a few times.

**QUESTION:** I think it is safe to say that the sport agent industry is a male dominated industry. How many women have you encountered as sports agents and do you see the industry opening up for women, particularly with the emergence of the professional women’s basketball association?

**MR. ZUCKER:** I saw it a long time ago. In fact, I had a woman, her husband, Tommy Clements, played for Notre Dame, and she was with me for a couple of years. I saw that as an area of growth but it has not been acted upon. There are maybe a couple of women in the business, but there should be a lot more. It is something that I have always looked at. If I could find the right women it makes a lot of sense because a woman can bring a different way of approaching things. There is no reason why more women are not in this business. I think women can deal with men sometimes better than men can deal with men and so there is no reason why they should not. Thank you. [Applause.]