



April 15, 2015

TESLAW E-Newsletter

April 15, 2015

Issue No. 14

Dear Members,

Thanks to everyone who attended and assisted with the TESLAW SXSW Mixer – the event is bigger and better each year. In addition, TESLAW introduced a new line of T-shirts themed “Because Everyone is Working on a Screenplay” to accompany the popular Rock Star Attorney T-shirts. Both will be available at the [State Bar of Texas Annual Meeting](#) in San Antonio, where on June 18, 2015, TESLAW will host a three-hour ethics CLE presentation, with panels on music, sports and film/TV. We look forward to seeing you there.

Very truly yours,

[Craig Crafton](#), Chair

[Entertainment and Sports Law Section](#)

Spotlight on Pete Reid

As an honors student at the Edinburgh Law School in Scotland, [Pete Reid](#) was awarded an international scholarship to study law at the University of Texas. In 2010, Reid returned to Austin to open up his own practice specializing in commercial litigation and sports law.

But there were a few stops along the way.

After graduation, Reid went to work in government for the Texas Legislative Council and for The Scottish Parliament as a clerk for the Education, Culture and Sport Committee. In 2004, Reid moved to New York, passed the NY bar, and began working at a midtown litigation firm. During his time in NYC, Reid practiced

in the areas of real estate litigation, medical malpractice, and sports law. Reid's most memorable NY case was his successful representation of the builders of the controversial "[ground zero mosque](#)."

After gaining valuable experience as a New York litigator, Reid decided it was time to move back to Austin and open up his own practice in the areas of sports and entertainment. Reid represents a variety of sports teams and athletes, and counts the [Austin Aztex](#) soccer team as one of his clients.

Reid's passion for soccer can be seen in his [YouTube commercial](#), where Reid bicycle-kicks a goal while wearing a three-piece suit. Lexis Nexis blogged that Reid's commercial was "arguably the greatest lawyer commercial ever." The commercial was given positive reviews on Fox News, Buzz Feed, and Above the Law.

Aside from his law practice, Reid contributes to the blog, [DearScotland.com](#), which spotlights Scottish music, sports, film, literature, and culture.



Major League Soccer and its Players' Union Reach New Collective Bargaining Agreement

by [Phil McNicholas](#)

On December 7, 2014, the LA Galaxy defeated New England Revolution to win Major League Soccer's championship, known as the MLS Cup. Almost immediately thereafter, league executives and the league's players union, [Major League Soccer Players Union](#), or MLSPU, began negotiating a new collective bargaining agreement ("CBA"). The previous CBA had taken effect in 2010 and was scheduled to expire on January 31, 2015. The sides set out with a goal of reaching a new agreement before the 2015 season began on March 6, 2015.

Several issues quickly arose in negotiations which indicated that a new deal might not be reached in time and that a player strike could ensue. The root of the issues was the League's tremendous growth since the 2010 CBA had been signed, and the MLSPU, well aware of this growth, desired a fair share of the much larger pie. More specifically, the players demanded raising the salary cap, increasing the minimum per-player salary and introducing free agency to the League. Per the 2010 CBA, the minimum salary for an MLS player was only \$36,500 in 2014 and players' salaries were capped at \$3.1 million. Also unique from all other major American sports leagues, the 2010 CBA and the MLS do not allow its players to choose which franchise to join when their contracts expire.

During CBA negotiations, MLSPU members informed the media that if they did not obtain free agency increases through collective bargaining, they would consider filing an anti-trust lawsuit against the [MLS](#) to obtain such rights. Previous U.S. court decisions involving professional sports leagues have consistently awarded athletes a right to free agency, holding that league owners cannot collude to reduce salaries. The MLS, however, is designed with the specific goal of avoiding anti-trust litigation. Unlike other professional sports leagues, the MLS is a "single-entity" structure whereby the League itself owns all of the teams, and team "owners" merely license franchises from the league. The League contends that since all of the teams are owned by the League, there can be no collusion to drive salaries down since an entity cannot collude with itself. One court ruling which commented on the League's design was *Fraser v. MLS*, in which the Sixth Circuit Court of Appeals noted that the MLS's structure is like a hybrid of a single-entity structure and a joint venture of independent, competing businesses. However, the League's "single-entity" defense to anti-trust litigation has never been directly upheld or rejected by a U.S. court.

Ultimately, on March 4, 2015, the League and the MLSPU agreed to a new collective bargaining agreement without any lawsuits filed – just two days before the start of the 2015 season. The players did not obtain unlimited free agency as they had hoped for; they settled for limited circumstances in which a player of a certain age with a certain number of years of experience in the MLS may select the team he joins after his contract expires. They also obtained an increase in minimum salary to \$60,000, and the salary cap will increase by about \$200,000 each season over the course of the 2015 CBA. While the MLSPU did not obtain the perfect outcome, it views the 2015 CBA as a step in the right direction and is hopeful that the next round of CBA negotiations in five years will further increase players' benefits and their access to free agency.

Phil McNicholas is an associate with Kessler Collins P.C. in Dallas. He focuses his practice primarily on civil litigation with a specific focus on sports-related clients and issues. Representative matters include representing professional sports franchises in ownership transfers, negotiation of stadium leases, collaboration with league executives, and league compliance-related issues. He is a member of TESLAW, the Sports Lawyers Association, and the Dallas Bar Association's Sports and Entertainment Law Section. His firm, Kessler Collins, represents a wide variety of domestic and foreign business clients, both public and private, in litigation and transactions.

Practice Document

Please find attached to our April E-Newsletter a [Personal Release](#) for an unpaid non-employee adult or minor being filmed provided by Ronda Litwin. Ronda is the co-founder and managing member of [Litwin Law Group, PLLC](#) where she practices entertainment law with a focus on film and television. Additionally, she practices business law, appellate law, and estate planning. Ronda can be reached via [email](#).

Send questions, comments, and submissions for the TESLAW E-Newsletter to [Victoria Helling](#), E-

Newsletter editor in chief.

[State Bar of Texas](#) | 1414 Colorado St., Suite 500 | Austin, TX 78701 | [Privacy Policy](#)

Note: You have received this email from a [section of the State Bar of Texas](#). If you no longer wish to receive emails from any section of the State Bar, please [go here to opt-out](#).

If you prefer not to receive any further email from State Bar of Texas, please [unsubscribe here](#).

