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-----X Index No. 3466-C COMMISSIONER MIKE D. Date: June 3, 2009 League Type: 11-Team, NL Only League Petitioner, Dispute: Collusion Claims and Attempt to Impeach a League Officer - against -Judge: Marc Edelman (Chief Justice) SWEATY BASEBALLS & JEW DADDYS THE COURT DOES NOT FIND SUFFICIENT EVIDENCE OF Respondent. **COLLUSION BETWEEN THE** OWNERS OF SWEAT BASEBALLS AND JEW DADDYS

THE COURT <u>DENIES</u> THE COMMISSIONER'S REQUEST TO IMMEDIATELY REMOVE JOEL F. AS DEPUTY COMMISSIONER; HOWEVER, IT <u>ORDERS</u> A VOTE ON ALL LEAGUE OFFICERS TO TAKE PLACE FOLLOWING THE 2009 SEASON

ISSUES PRESENTED

This case arises out of allegations made by Mike D. (commissioner of the KISFBL) that the league's deputy commissioner (Joel F.) engaged in collusion with the owner of a third team in the KISFBL league. Although the KISFBL league constitution does not have a formal arbitration cause, the parties have decided, by separate agreement, to allow SportsJudge.com to conclusively resolve their dispute. Specifically, SportsJudge.com has been charged to resolve the following two issues:

- 1. Has Joel F., in his capacity as owner of the Jew Daddys, illegally colluded with the owner of another team, the Sweaty Baseballs?
- 2. Irrespective of the finding above, may Mike D. require Joel F. to immediately step down from his post as deputy commissioner?

BACKGROUND & FACTS

The KISFBL is an NL-only fantasy baseball league based out of Atlanta, GA. The league is currently in its fifteenth season. Since the league's inception, Mike D. has served, under his own mandate, as the league commissioner. For the past few seasons, Mike D. has appointed Joel F. to assist him as the league's deputy commissioner. Both Mike D. and Joel F. are also team owners in the league. Joel F.'s team is known as the Jew Daddys.

Prior to the 2009 season, the KISFBL had an opening for a new team to join the league. Without a clear owner in mind, Joel F. recommended one of his friends. That friend ultimately became the owner of the Sweaty Baseballs.

For the first two months of the 2009 season, Mike D. had no major concerns about the existing friendship between the owners of the Jew Daddys and the Sweaty Baseballs. Indeed, many owners in the league have longstanding friendships. That is the very nature of fantasy sports.

However, on May 28, 2009, Mike D. became suspicious of Joel F. based on a series of events that took place. First, at 7:42 P.M., the Sweaty Baseballs attempted to drop Atlanta Braves pitcher Kenshin Kawakami from their team and replace him with Florida Marlins pitcher Dan Meyer; however, moments later, the Sweaty Baseballs realized that this transaction was illegal and reversed it. Then, at 9:00 P.M., the Jew Daddys, who pursuant to league rules had room to add a player, claimed Meyer. Just more than an hour later, at 10:03 P.M., the Jew Daddys traded Meyer to the Sweaty Baseballs for Kawakami (the player the Jew Daddys sought to originally drop). Mike D. believes these teams were "colluding" in violation of their league constitution by ultimately getting Meyer onto the Sweaty Baseballs roster, even though the Sweaty Baseballs would unable to independently sign this player.

With respect to allegations of "COLLUSION" or "UNFAIR TRADE," the KISFBL's league constitution states as follows:

[Collusion or unfair trades will] not be tolerated. If 4 teams (Not including the two teams involved with the trade) have a problem with a trade within 24 hours of notification between the 2 teams then the trade is null and void. If 2 teams have a problem with the trade then both sides of the trade will be notified to see if the trade can be rectified so that no one has a problem. If collusion is suspected the league commissioner has the right to call an immediate vote of the remaining managers to call for a solution. Majority rules. Any teams convicted of doing an unfair trade will not be able to do any additional trading for the rest of the season with each other. Should two managers be convicted of an unfair trade, then those two managers will not be allowed to trade with each other the rest of the season."

Although Mike D. had no formal evidence of collusion between the Jew Daddys and the Sweating Balls, he believes that collusion should be inferred from the circumstances given the nature of the trade and the preexisting relationship between the owners of these two teams.

Ultimately, Mike D. wants this court to enter a ruling of collusion against Joel F., and remedy the situation by ordering Joel F. to step down from his post as deputy commissioner. Joel F., meanwhile, disputes Mike D.'s collusion claim and requests the right not to step down as deputy commissioner.

ANALYSIS & DISCUSSION

I. <u>Is there sufficient evidence to conclude that Joel F. engaged in illegal collusion?</u>

The term "collusion" in its purest sense means nothing more than an agreement, usually secret, made amongst two or more parties. However, not all agreements amongst team owners are "collusion," as the term is defined by the KISFBL constitution. Rather, the language in the KISFBL constitution seems to outlaw a far more narrow category of activities—those where two teams reach an agreement with the underlying motivation of at least one team owner to not to act in his own best interest.

This view makes sense in light of the goals and purpose of fantasy baseball. Indeed, as this court in an earlier case, *Team Anadrol v. Vegas Baby & Flathead Yankees*, Index No. 955-C (Nov. 4, 2007), held as follows:

It is the overarching principle of fantasy sports that each contestant's objective is to maximize his own performance. If this principle were rejected, fantasy sports—which involves sophisticated games of negotiation, prognostication and statistics—would deteriorate into nothing more than near-Ponzi schemes of side-dealing, trickery and deceit. This transformation would be a death-blow to the game of fantasy baseball, because few contestants would never want to compete in a game where a seemingly hard-earned victory could be stripped away by a last-minute side arrangement.

Id. at 2.

Here, although neither Mike D. nor Joel F. dispute that there was an agreement between the Sweaty Baseballs and the Jew Daddys that involved the trade of Dan Meyer, there is simply no evidence, beyond the highly circumstantial type, to support the claim that the trade of Meyer from the Jew Daddys to the Sweaty Baseballs was consummated for any reason other than to make both teams better, in each team owner's reasonable opinion. Indeed, Sweaty Baseballs ultimately acquired a player on the free agent wire that Sweaty Baseballs was not able to otherwise select due to the league's rules. Meanwhile, Jew Daddys acquired from Sweaty Baseballs a player that he claimed to prefer. There are no league rules that directly prevent a player from signing a free agent and then immediately trading that player to another team. *See generally Big Red Rockers v. Big City Bombers*, Index No. 101 (Aug. 14, 2004); *Commissioner v. Foilage & W.P.*, Index No, 991-T (Oct. 7, 2007) (a trade shall be upheld if it reasonably benefits both teams).

Because the current value of both players in this deal—Meyer and Kawakami—is so low, it would be a miscarriage of justice to conclude that this trade represents anything more than the independent decisions of two owners, each trying to maximize their own positioning in the standings. In addition, even if the Court's view of the evidence here proves not entirely correct, this error would prove to be *de minimis*.

Of course, no \$15 review of any collusion allegations is ever perfect, and, of course, a full legal trial on the merits could turn up more evidence than would be found in this court's bona-fide yet truncated discovery process. Nevertheless, given that Mike D.'s allegations of collusion are limited, it would be improper to impute the intent to collude based on these few circumstantial facts alone, as well as the insignificant and seemingly equal value of the players involved in this trade. Hence, here the court finds insufficient evidence of collusion against Jew Daddys or Sweaty Baseballs to render a formal finding of wrongdoing against either team.

II. May Commissioner Mike D. order Joel F. to immediately step down as deputy commissioner?

The next issue for this court to consider is whether, in light of the above findings, Commissioner Mike D. is within his rights to immediately remove Joel F. from his role as deputy commissioner. Once again, this court thinks not.

Even if this Court found collusion between the Sweaty Baseballs and Jew Daddys, it would have to grapple with the difficult issue of whether, pursuant to the language in this league's constitution, whether Mike D. could have ordered Joel F. to immediately step down as deputy commissioner. Indeed, according to the league constitution, the league commissioner may impose a series of enumerated punishments against a team owner that is found to have colluded or made an unfair trade. However, loss of an officer title is not among those listed punishments. *See generally Hermann's Head v. Commissioner of Yale Football League*, Index No. 247 (Sept. 1, 2006) (in a dispute over league rules, language in the league constitution trumps all else). Luckily, for this court, however, it did not find collusion. Thus, it does not have to reach a ruling on this issue at this time.

Nevertheless, even though no finding of collusion was reached, the KISFBL league constitution is still troublingly silent on how league members may appoint or remove a league officer—thus requiring us to infer into the league constitution out own default rules, developed based on our view of best practices in the fantasy sports industry. *See Commissioner v. Teams 1, 2, & 3,* Index No. 2559-T (Dec. 4, 2008) (explaining that where a league constitution is silent on a particular issue, the SportsJudge.com courts can implement default rules based upon their view of best practices and industry standards). One of these default rules is the requirement that a fantasy baseball leagues vote over their officers every reasonable number of years. While no specific term lengths work best, some form of a democratic process, at a minimum, is required.

While it is not for the court to say whether or not Joel F. is a worthy deputy commissioner of the KISFBL league, the league certainly needs a way of holding its leaders accountable for their conduct. Thus, to allow for an appropriate check and balance on all officer conduct, this court orders that the KISFBL must hold a vote on all its officers (including both the

commissioner and deputy commissioner) at the end of the 2009 season. Unless the league members vote to implement alternative language into their league constitution prior to the end of the 2009 season, this court will interpret the term of both the commissioner and deputy commissioner to be one year, and the selection of officers to be voted upon by team owners during each year's off-season.

CONCLUSION

For the foregoing reasons, this Court (1) rejects the finding of collusion against Joel F., owner of the Jew Daddys, and (2) rejects the immediate removal of Joel F. from the post of deputy commissioner. This Court further orders a vote on all league officers at the conclusion of the 2009 season. The issue of whether Joel F. will retain his deputy commissioner status for the 2010 season will ultimately be decided by KISFBL league members via the democratic process.