

1 **LEWIS BRISBOIS BISGAARD & SMITH LLP**
SHANE SINGH, SB# 202733 SHANE SINGH, SB# 202733
2 E-Mail: Shane.Singh@lewisbrisbois.com
ROBERT SARKISIAN, SB# 327364
3 E-Mail: Robert.Sarkisian@lewisbrisbois.com
Sacramento, California 95833
4 Telephone: 916.564.5400
Facsimile: 916.564.5444
5
6 Attorneys for Petitioners, California Sports
Management, Inc., and Gregory Maroni

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8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

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11 CALIFORNIA SPORTS MANAGEMENT,
INC. and GREGORY MARONI,

12 Petitioners,

13 vs.

14 NEFTALI FELIZ ANTONIO,

15 Respondent.
16

CASE NO.

**CALIFORNIA SPORTS MANAGEMENT,
INC., AND GREGORY MARONI'S
NOTICE OF PETITION AND PETITION
TO VACATE ARBITRATION AWARD**

1 **TO RESPONDENTS AND THEIR COUNSEL OF RECORD:**

2 PLEASE TAKE NOTICE that Petitioners Gregory Maroni and California Sports
3 Management, Inc., will and hereby do petition and move this Court, pursuant to 9 U.S.C. §§ 6 and
4 10, for an order vacating the arbitration award served on March 12, 2020, in favor of respondent
5 Neftali Feliz Antonio. Notice of the date and time of the hearing on this matter, which will be
6 heard at the Robert T. Matsui United States Courthouse, 501 I St, Sacramento, CA 95814 will be
7 provided as soon as the above-referenced Court assigns this matter to a judge so that Petitioners
8 may request a hearing.

9 The Petition is based on this Notice, the attached Petition to Vacate, the Declaration of
10 Shane Singh In Support Of Petitioner's Petition to Vacate, the complete files and records in this
11 matter, and upon such further oral and documentary evidence as may be presented at the time of
12 the hearing in this matter.

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14 DATED: June 18, 2020

LEWIS BRISBOIS BISGAARD & SMITH LLP

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By: /s/ Shane Singh, Esq.

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Shane Singh
Attorneys for Petitioners, California Sports
Management, Inc., and Gregory Maroni

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INTRODUCTION

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2 Major League Baseball Players Association (hereinafter, “MLBPA”) is the governing body
3 overseeing the MLB and its members. The MLBPA has promulgated Agent Regulations
4 (“Regulations”) to govern the conduct and transactions of Players, Player Agents, and Applicant’s
5 seeking to become Player Agents. These Regulations also enumerate the procedures for filing and
6 resolving grievances, which includes mandatory arbitration.

7 California Sports Management, Inc., Greg Maroni (collectively, “Petitioners”) and Neftali
8 Feliz Antonio (hereinafter, “Respondent”) participated in such a mandatory arbitration to resolve a
9 dispute relating to a non-payment of settlement funds. However, the corresponding grievance was
10 untimely filed that unfairly prejudiced Petitioners. In his arbitration award, Arbitrator Michael
11 Gottesman (hereinafter “Gottesman”) completely disregarded the untimely filing, inexplicably
12 determined Petitioners suffered no harm as a result of Respondent’s untimeliness, and effectively
13 ignored the provisions of the contract entered into between Petitioners and Respondent.
14 Therefore, Petitioners respectfully request that this Court vacate Arbitrator Gottesman’s award in
15 favor of Respondent.

PARTIES

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17 California Sports Management, Inc. (hereinafter, “CSM”), is a California Corporation with
18 its principal place of business in Sacramento, California. On September 25, 2019, CSM filed an
19 Election to Dissolve, ceased all business operations, and thereafter dissolved as a functioning
20 California Corporation. Declaration of Shane Singh (“Singh Dec.”) at para. 8.

21 Gregory Maroni is a resident of Sacramento, California. Mr. Maroni was a registered
22 Player Agent certified by the Major League Baseball Players Association and served as the
23 President and Chief Executive Officer of CSM. As a Player Agent, Mr. Maroni began
24 representing Respondent in 2007. Mr. Maroni has since allowed his Player Agent status to lapse,
25 is no longer an active Player Agent, and discontinued his representation of Respondent in 2015.
26 Although Respondent later sought the Petitioners services at the beginning of the 2017 season, he
27 again terminated his representation relationship at the end of the season.

28 Petitioners are informed and believe, and based therein allege that Respondent is a

1 professional baseball player currently residing in Seattle, Washington¹. In the Arbitrator's Award,
2 Arbitrator Gottesman awarded Respondent \$468,333.33.

3 JURISDICTION AND VENUE

4 This Court has subject matter jurisdiction over this Petition because the amount in
5 controversy exceeds \$75,000 and because California Sports Management, Inc., and Gregory
6 Maroni are citizens of different states than Mr. Feliz. A district court has proper venue to
7 adjudicate a petition to vacate an arbitration award in any district in which venue is proper under
8 the general venue statute, 28 U.S.C. § 1391. *See Cortez Byrd Chips, Inc. v. Bill Harbert Constr.*
9 *Co.*, 529 U.S. 193, 195 (2000); *Textile Unlimited, Inc. v. A. BMH Co., Inc.*, 240 F. 3d 781, 784
10 (9th Cir. 2001). Venue is proper in this Court because a substantial part of the events or omissions
11 giving rise to the claims occurred in this district. 28 U.S.C. § 1391(b)(2).

12 STATEMENT OF FACTS

13 A. The Settlement and Release Agreement

14 Petitioner is a talent management agency that represents professional athletes of various
15 sports, including baseball. On March 13, 2017, Petitioners and Respondent entered into a
16 Settlement and Release Agreement (hereinafter "Agreement") that released Petitioners from any
17 and all liability relating to their representation of Respondent. Singh Dec. at para. 2. The
18 Agreement specified that California law would govern any and all disputes. *See* Ex. 2 at p. 4.

19 Pursuant to the Agreement, Petitioner was required to pay Respondent \$1,000,000.00
20 according to the following pay schedule: \$300,000.00 on March 3, 2017; \$100,000 on July 1,
21 2017; \$200,000 on November 1, 2017; \$100,000 on April 1, 2018; \$200,000 on July 1, 2018; and
22 \$100,000 on December 1, 2018. Ex. 2 at p. 1. In return, Respondent agreed to "fully and finally
23 release all actual and potential claims" he may have had against Petitioner prior to the effective
24 date of the Agreement. Ex. 2 at p. 2. Thereafter, Petitioner made the following payments:
25 \$300,000 on March 1, 2017, \$100,000 on July 1, 2017, and \$200,000 on November 1, 2017.

26 _____
27 ¹ Petitioner's belief is based on Respondent's Wikipedia page at
28 <https://en.wikipedia.org/wiki/Neftali%20Feliz>

1 Petitioner did not make the April 1, 2018 payment, and stopped making payments moving
2 forward. However, it was not until December 31, 2018, that Respondent filed a grievance with the
3 MLB, nearly 10 months after the non-payment occurred. Singh Dec. at para 3.

4 **B. Major League Baseball Grievance Procedure**

5 Section 7(B) of the MLB Agent Regulations governs all grievances between Player Agents
6 and Players². See MLBPA Regs., Section 7(A). In order to invoke the mandatory arbitration
7 procedures required by the MLBPA, the Grievant must file and serve a written grievance with the
8 MLBPA and serve a copy on any opposing party. *Id.* All grievances must be filed and served
9 with the MLBPA within one hundred and eighty (180) days from the later of the date of the
10 occurrence, or the date on which the facts giving rise to the grievance became known. *Id.* at
11 Section 7(A)(6). The party opposing the grievance must then file an Answer, which in turn
12 garners a Reply from the filing party. *Id.* at Section 7(A)(5). After the grievance, answer, and
13 reply are filed, the grievance is submitted to arbitration. *Id.* at Section 7(A)(8).

14 **C. MLB Arbitration and Award**

15 As mentioned above, Respondent inexplicably waited until December 31, 2018 to file his
16 grievance. See Singh Dec. at para. 3. His grievance alleged, amongst other things, that Petitioner
17 breached the terms of the settlement agreement by failing to pay the April 1, 2018 installment. On
18 September 19, 2019, Petitioners filed an Answer alleging various affirmative defenses, including
19 that the grievance was barred by the applicable statute of limitations³. Singh Dec. at para. 5.

20 Major League Baseball appointed Michael H. Gottesman as the arbitrator for this dispute.
21 Singh Dec. at para. 6. After reviewing the Grievance and Answer, Gottesman requested that both
22

23 ² Petitioners request that this Court take judicial notice of the MLBPA Regulations Governing
24 Player Agents found at . Judicial notice of these Regulations is appropriate because it is not
25 subject to reasonable dispute and can be accurately and readily determined from sources whose
accuracy cannot reasonably be questioned. See Fed. R. Evid. Code 201(b)(2).

26 ³ Petitioners also filed a counterclaim against Jeffrey J.A. Hinrichsen, the agent Respondent
27 retained after leaving CSM. The substance of that counterclaim is irrelevant for the purposes of
this Petition.

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1 parties submit dispositive motions outlining their positions as it relates to the Agreement. *Id.* The
2 Parties' Motions can be summarized as follows:

3 Respondent's argued in their Motion for Summary Judgment that Petitioners breached the
4 settlement agreement by failing to make the April 1, 2018 payment. Singh Dec. at para 6.

5 Respondent's Motion included a called for punitive damages to be awarded against Petitioner. *Id.*

6 Petitioner's argued in their Motion for Summary Judgment that if a breach did occur, the
7 breach occurred on April 1, 2018. Singh Dec. at para 6. Therefore, Respondent's grievance was
8 not timely filed and time-barred by the MLBPA regulations.

9 On March 12, 2020, Gottesman submitted his Order in which he found for the
10 Respondents. Singh Dec. at para. 7. In his Order, Gottesman found that although the Grievance
11 was in fact untimely filed, that Respondent should still recover on principles of equitable tolling.
12 In a footnote in the Order, Gottesman does not deny that a claim can be barred for untimeliness; he
13 simply decided that Respondent can skirt these provisions in the Regulations. Moreover, although
14 Gottesman acknowledges that punitive damages are never appropriate in breach of contract cases,
15 he nevertheless issues punitive damages disguised as "prejudgment interest," which he all but
16 admits is the case.

17 LEGAL STANDARD

18 The district court may vacate an arbitration award when "the arbitrators exceeded their
19 powers." 9 U.S.C. § 10(a)(4). Arbitrators exceed their powers "when the award is 'completely
20 irrational' or exhibits a 'manifest disregard of the law.'" *Aspic Engineering & Constr. Co. v. ECC*
21 *Centcom Constructors LLC*, 913 F.3d 1162, 1166 (9th Cir. 2019). "An award is completely
22 irrational only where the arbitration decision fails to draw its essence from the [parties']
23 agreement." *Id.* (quotation marks omitted).

24 "An arbitration award draws its essence from the agreement if the award is derived from
25 the agreement, viewed in light of the agreement's language and context, as well as other
26 indications of the parties' intentions." *Id.* (quotation marks omitted). An arbitrator may enforce a
27 plausible interpretation of a contract. *See id.*; *Pac. Motor Trucking Co. v. Auto. Machinists Union*,
28 702 F.2d 176, 177 (9th Cir. 1983). "What an arbitrator may not do, however, is disregard contract

1 provisions to achieve a desired result.” *Aspic Engineering*, 913 F.3d at 1166; *see also id.* at 1168
2 (vacating arbitration award because arbitrator exceeded his authority by disregarding contract
3 provisions and entering award that directly conflicted with them). “An award that conflicts directly
4 with the contract cannot be a ‘plausible interpretation’” and should be vacated. *Pac. Motor*
5 *Trucking*, 702 F.2d at 177.

6 ARGUMENT

7 A. California Law Allows Parties to Negotiate Certain Terms, Including Statute 8 Of Limitations

9 According to the MLB Collective Bargaining Agreement, all Players and certified Player
10 Agents agree to abide by the MLBPA regulations when drafting and entering into contracts.
11 Under California law, it is well-established that parties to a contract “may agree to a provision
12 shortening the statute of limitations, ‘qualified, however, by the requirement that the period fixed
13 is not in itself unreasonable or is not so unreasonable as to show imposition or undue advantage.’”
14 *Wind Dancer Prod. Group v. Walt Disney Pictures*, 10 Cal.App.5th 56 (Cal. App. 2d Dist. 2017).

15 This Agreement was governed by California law, and therefore allowed the Parties to
16 change the statute of limitations. Section 11 of the Agreement clearly states that California law
17 would govern any disputes arising from the Agreement. *See* Ex. 1 at p. 5. Therefore, the Parties
18 were free to shorten or lengthen the statute of limitations as they saw fit.

19 B. The MLBPA Agent Regulations Provide Rules That Govern the Conduct of 20 Player Agents

21 Regardless of whether the MLBPA Agent Regulations are considered “default rules” or
22 “immutable rules,” the Regulations supplement all transactions involving Player Agents. “Default
23 rules fill the gaps in incomplete contracts; they govern unless the parties contract around them.
24 Immutable rules cannot be contracted around; they govern even if the parties attempt to contract
25 around them.” Robert Gertner & Ian Ayres, *Filling Gaps in Incomplete Contracts: An Economic*
26 *Theory of Default Rules*, 99 *Yale L.J.* 87, 88 (1989).

27 The MLBPA lays forth the purpose behind these Regulations, which is to govern all
28 activities by Player Agents and players and ensure prompt conflict resolution. Section 1(A) of the

1 Regulations states that one of the primary objectives in enforcing the Regulations is: “to ensure
2 **uniformity and consistency** in the rules and standards applicable to Player Agents, whose
3 business activities are often national or international in scope, notwithstanding the different, and
4 sometimes inconsistent laws, rules and regulations of the many national, state, and local
5 jurisdictions that might otherwise govern these activities....” MLBPA Regs., section 1(A).
6 Moreover, the Regulations are meant to “provide Players, Player Agents and Expert Agent
7 Advisors with fair, cost-effective and **expeditious** procedures for privately resolving any disputes
8 concerning their relationships, **transactions or contractual obligations.**” (emphasis added), *Id.*
9 In drafting these Regulations, the MLBPA expressly states that their intent behind the Regulations
10 is to make sure that all Parties involved are governed by the same body of laws, and that all
11 disputes are solved in a prompt, expeditious manner. In doing so, the MLBPA clearly intended for
12 these Regulations to govern all transactions and contractual obligations between Players and
13 Player Agents, and intended for these Regulations to be implicitly included.

14 In harmonizing the purpose of the MLBPA Regulations and California law, it is evident
15 that all claims must be brought within 180 days pursuant to section 7(A)(6). Because the
16 Agreement does not contain timing language that differs or contradicts the timing language found
17 in Section 7(A)(6), and because the MLBPA intended for the Regulations to govern all
18 transactions, 180 days is the applicable Statute of Limitations to bring any claims regarding the
19 Agreement. Section 7(A)(6) makes it clear that “any grievances or counterclaim[] must be filed
20 with the MLBPA...within one hundred and eighty (180) days....” Therefore, the Parties and
21 MLBPA intended for the applicable statute of limitations to bring grievances arising out of this
22 Agreement to be 180 days.

23 **C. Arbitrator Gottesman Blatantly Disregarded the Provisions of the Agreement**

24 By disregarding the statute of limitations agreed to by the Parties and instituted in the
25 MLBPA Regulations, Arbitrator Gottesman effectively disregarded an integral provision in the
26 Agreement. As mentioned above, “[w]hat an arbitrator may not do...is disregard contract
27 provisions to achieve a desired result.” *Aspic Engineering*, 913 F.3d at 1166. It is clear Arbitrator
28 Gottesman did just that in finding for the Respondents.

1 As previously discussed, California law allows for contracting parties to shorten or
2 lengthen the time to bring a claim arising out of that contract, which is exactly what happened
3 here. The MLBPA effectively included into every transaction involving Player Agents a 180-day
4 statute of limitations for Parties to the transaction to bring any grievances that arise out of that
5 transaction. The situation at hand is exactly the type of transaction that the MLBPA Regulations
6 were meant to apply to. Petitioners and Respondent entered into a Settlement and Release
7 Agreement on March 13, 2017. Included in that Agreement was the MLBPA Agent Regulations'
8 180-day statute of limitations, where any grievances arising out of the Agreement must be brought
9 within that time frame or is otherwise waived. Here, Respondent surpassed these 180-days by
10 over 3 months, which is clearly outside the statute of limitations. By allowing Respondent to file
11 his untimely grievance, Arbitrator Gottesman effectively disregarded both the MLBPA
12 regulations, and a contract provision in the Agreement. Therefore, the Gottesman decision must
13 be vacated.

14 Notwithstanding Gottesman's disregard of the contract's implied provisions, Petitioners
15 nevertheless suffered prejudice from the untimely filed grievance. California Sports Management,
16 Inc., was in the process of dissolving, and during that process the managers were evaluating
17 potentially outstanding claims, including the Agreement with Respondent. At that time, CSM was
18 aware of their outstanding payments to Respondent, but were unsure whether Respondent intended
19 to file a grievance seeking the remainder. Due to this uncertainty, Petitioners had to delay
20 dissolution until the statute of limitations for the grievance passed, which resulted in the
21 expenditure of more operational expenses which could have been avoided had Respondent filed in
22 a timely manner. Moreover, Petitioners were deprived of the finality and expeditious resolution
23 process that the MLBPA Regulations intended. Therefore, Petitioners were necessarily prejudiced
24 by Respondent's delay in filing.

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CONCLUSION

For the reasons stated above, this Court should enter an order vacating the arbitration award for Neftali Feliz Antonio.

DATED: June 18, 2020

LEWIS BRISBOIS BISGAARD & SMITH LLP

By: /s/ Shane Singh, Esq.
Shane Singh
Attorneys for Petitioners, California Sports
Management, Inc., and Gregory Maroni