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Storm Damage

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The disclosure that the Melbourne Storm has been guilty of breaching the salary cap for five years is not only devastating news for the code of rugby league, but may also have some far reaching consequences for players, players agents and sponsors.

Sports lawyer at **msl | michael sing lawyers**, Anton A Richardson, commented "the fall-out may be a complex and disastrous web of legal issues such as the taxation consequences of any undisclosed income by individual players and their agents, as well as examining players rights against agents who may have provided advice on receiving income or benefits and not disclosing it."

"There may also be some criminal proceedings against those who were involved in the deception," he said.

"Sponsors of players and the club may want to terminate contracts, as well as sue for damages for breach of contract, misleading and deceptive conduct under the Trade Practices Act," said Mr Richardson.

"One might imagine that a sponsor who has spent a sum of money would want to be assured of a return by good promotion of their products, branding and image," he continued.

This type of disaster may have quite a reverse effect, and may cause many sponsors to think carefully not only about whether to continue with sponsorship, but also whether there has been damage done to their own image.

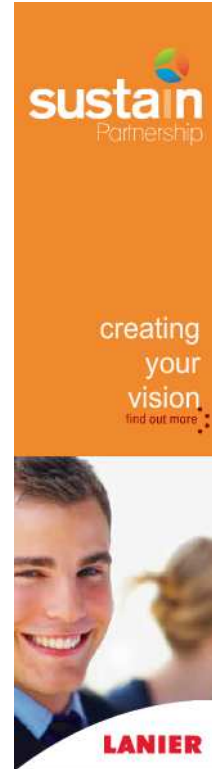
In effect this would be similar to the Tiger Woods syndrome, where many sponsors withdrew their sponsorship to avoid negative image branding.

Players themselves may also feel aggrieved if they have relied upon the advice of their agents, in negotiations and as a result, find themselves embroiled in controversy which will have financial and career repercussions.

"Worse still, if players were aware of the deception, then this could lead to them being banned from the League," said Mr Richardson.

Anton A Richardson works closely with a wide range of sporting professionals and those associated with the sporting industry. **msl's** sports law department has represented world champion sports personalities, world tour organisations, national and state teams, sport management firms and event management firms.

msl is an award winning full-service law firm with offices in Brisbane and on the Gold Coast. To find out more information on the business of sport and sports law visit www.mslawyers.com.au or contact **msl** on 07 5597 8888.



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