



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Commerce, Consumer Protection, and Housing,  
Judiciary and Hawaiian Affairs, and  
Ways and Means

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by

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HB 2440 HD 2 Relating to the Uniform Athlete Agents Act

Chair Menor, Vice Chair Baker, and Member of the Committee:

Thank you for this opportunity to testify in support of House Bill 2440 HD 2 on behalf of the University of Hawai'i and its respective athletic departments at Mānoa and at Hilo, and respective Athletic Directors Herman Frazier and Kathleen McNally.

My name is Ryan Akamine. I am an Associate General Counsel from the University of Hawai'i Office of Vice-President of Legal Affairs and University General Counsel.

The University of Hawai'i strongly supports enactment of the Uniform Athlete Agents Act ("UAAA") because of the potential for athlete agents to cause serious problems for student-athletes from the University of Hawai'i and for the University of Hawai'i itself with the National Collegiate Athletic Association ("NCAA") and athletic conference regulators.

The NCAA organization is strongly in favor of this legislation being passed in Hawai'i. As of March 14, 2006, the UAAA had been passed in 34 states, the District of Columbia and the U.S Virgin Islands. Five states had existing, non-AAA laws designed to regulate athlete agents. Hawai'i is currently one of 12 states and one territory with no existing law to regulate athlete agents. I repeat, Hawai'i is one of 12 states without any laws to regulate athlete agents.

I have personally spoken with representatives in the Office of Government Relations and the Agent Gambling and Amateurism Division of the NCAA to confirm the NCAA's ongoing commitment in support of enactment of the UAAA.

Why are colleges and universities concerned about athlete agents? You know why. In today's society, professional athletes are highly compensated and most have agents that perform valuable services. The illicit practices of some of these agents, would-be agents and their runners have caused serious problems for student-athletes

and educational institutions as these agents aggressively pursue the substantial fees that accompany the representation of professional athletes.

Unregulated agents, motivated largely by financial considerations, are willing to use any means necessary to represent a student-athlete who has even a remote chance of playing professional sports. They frequently employ tactics that involve secret payments or gifts, including cars, cash and clothing, to the athlete, undisclosed payments to friends and relatives who may be in a position to influence the athlete, unrealistic promises, and considerable arm twisting.

Significant damage can result from these impermissible and oftentimes illegal practices. Impermissible benefits provided by agents violate NCAA rules and may result in (1) student-athlete ineligibility for participation in NCAA competition, and (2) harsh penalties on the team and the university, including the imposition of NCAA sanctions that have resulted in the repayment of monies received from NCAA championship competition, forfeiture of contests and other penalties. Student-athletes may also be enticed to pursue a professional career and leave school early only to later realize that their agent gave them bad advice.

The State of Hawai'i needs to enact the UAAA. Currently, our State does not have any law to regulate athlete agents or to even identify who they are. House Bill No. 2440 HD 2 has many important features:

The adoption of the UAAA will help achieve a uniform set of athlete agent regulations that will establish a clear, single set of standards for agent conduct. The act is designed to provide protection for student-athletes as it outlines what is improper agent conduct, and provides protection for the University of Hawai'i as well as Hawai'i's other colleges that have athletes who could pursue a professional sports career as it provides the educational institutions with the right to pursue a civil lawsuit against an agent who causes a school to suffer damages as a result of the agent's violation of the UAAA.

The UAAA will provide important consumer information for student-athletes, parents and institutions, as they will have access to the detailed information contained in the agent application. The UAAA will also provide for strong penalties. The UAAA contains criminal, civil and administrative penalties that can be imposed against those who violate provisions of the act.

But, as currently drafted, House Bill No. 2440 HD 2 also has a curious and disappointingly negative feature as well. That is an enactment date of 2020. Should House Bill No. 2440 HD 2 be adopted with the current enactment date, the benefits of the bill will not be realized. Therefore, the enactment date should be changed back to the original date contained in HD 1.

In conclusion, the University of Hawai'i and Athletic Directors Herman Frazier and Kathleen McNally strongly urge the State of Hawai'i to adopt House Bill No. 2440 HD 2, and enact the UAAA as swiftly as possible. The UAAA is strongly supported by the NCAA and its 1,000 member institutions and conferences. The

potential penalties to student-athletes and the University of Hawai'i in the event that there is a violation of NCAA rules and regulations pertaining to the conduct of athlete agents are severe. As you know, we now have many more student-athletes attracting national attention, and having professional aspirations. The UAAA will provide necessary protections for the State of Hawai'i's student-athletes and institutions while also providing a consistent, uniform, cost-effective regulatory system for agents to conduct their business.