



**LEOPOLDUS  
LAW**

THE ADVISOR'S GUIDE  
**TO PROTECTING  
YOUR ATHLETE  
CLIENTS**

*What every CPA, business manager, financial  
advisor, and agent needs to spot, and when to bring  
in counsel*

**BRANDON LEOPOLDUS, ESQ.**

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**YOU RUN FROM  
SMOKE. YOU DO  
NOT WAIT FOR  
THE FIRE.**

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**BRANDON LEOPOLDUS, ESQ.**

*Founder, Leopoldus Law, APC. Former professional baseball umpire.*

# YOU ARE THE FRONT LINE, AND YOU MAY NOT KNOW IT.

By the time an athlete has a lawyer in the room, they usually have a CPA, a financial advisor, an agent, and a business manager already. You are closer to the money, closer to the deals, and closer to the day-to-day than any lawyer will be. That means you are the person most likely to see a problem first, and the person best positioned to prevent it, if you know what you are looking at.

This guide is written for you, the advisor, not the athlete. It is a field manual for spotting the legal issues that sit inside your client's financial life, knowing the rule well enough to recognize the risk, and knowing exactly when to pull in counsel before a small problem becomes an expensive one. It is not here to turn you into a lawyer. It is here to make you the advisor who catches things, because that is the advisor who keeps clients and earns referrals.

**A single bad advisor contaminates everyone around the athlete. When a plan goes wrong, the whole team gets tarred, and the ones who saw the problem coming and said nothing are the ones who do not survive. Protecting your client is how you protect yourself.**

## BRANDON LEOPOLDUS, ESQ.

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*This guide is educational and written for the professional advisors who work with athletes. It is not legal or tax advice for any client's situation, and reading it does not create an attorney-client relationship with Leopoldus Law, APC. Some areas noted inside change constantly; confirm before you act.*

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**PROTECTING YOUR  
CLIENT AND  
PROTECTING  
YOURSELF**

**ARE THE SAME  
MOVE.**

THE ADVISOR'S GUIDE

# TABLE OF CONTENTS

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<b>1</b>	<b>THE FRONT LINE</b> <i>Why you see it first, four ways it goes wrong, and who does what</i>	<b>7</b>
<b>2</b>	<b>MONEY AND STRUCTURE</b> <i>Entity and structure, and the multistate tax trap</i>	<b>11</b>
<b>3</b>	<b>NIL AND REPRESENTATION</b> <i>The college-money maze, and the agent agreement</i>	<b>14</b>
<b>4</b>	<b>DEALS AND INTELLECTUAL PROPERTY</b> <i>Endorsement and sponsorship deals, and protecting the name</i>	<b>17</b>
<b>5</b>	<b>PROTECTING THE PERSON</b> <i>Image and reputation as an asset, estate planning, and incapacity</i>	<b>20</b>
<b>6</b>	<b>FAMILY AND SPECIAL CASES</b> <i>The prenup, the international athlete, and the youngest clients</i>	<b>23</b>
<b>7</b>	<b>VETTING, REFERRING, AND RED FLAGS</b> <i>How to build and protect the bench, and the checklist that catches trouble</i>	<b>27</b>
<b>8</b>	<b>THE LIFECYCLE AND THE FIELD</b> <i>Where risk lives at each career stage, the annual check-up, and stories from the field</i>	<b>31</b>

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*Followed by frequently asked questions, a glossary for advisors, common myths, and how to reach us.*

A man in a dark suit and light shirt is smiling and pointing towards a tablet held by another person. The background is dimly lit, suggesting an office or meeting room. The overall image has a dark, semi-transparent overlay.

# 1

**CHAPTER ONE**

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# **THE FRONT LINE**

*Why you see it first, four ways it goes wrong, and who does what*

# WHY YOU ARE THE FRONT LINE

## PROBLEMS LIVE IN THE GAPS BETWEEN ADVISORS

Think about the sequence of a young athlete's financial life. The money arrives suddenly and in a lump. The deals come fast, often from people who are very good at being liked. The athlete is young, busy, and surrounded by advisors who each see one slice of the picture. Nobody is standing at the center with the whole view, and problems live in the gaps between advisors.

You occupy one of those slices, and you occupy it more often than the lawyer does. You see the 1099 before anyone routes it through an entity. You see the deal before it is signed. You see the account the separate-property money is about to be commingled into. In almost every athlete disaster I have cleaned up, someone in your seat had a clear view of the problem months before it detonated.



### DID YOU KNOW?

The advisor who consistently catches things becomes indispensable, to the client and to the other advisors, who start sending their own clients your way. This guide is how you build that reputation.

# THE STAKES: FOUR WAYS IT GOES WRONG

CAUTIONARY TALES TEACH FASTER THAN ANY STATUTE

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## THE TOO-GOOD-TO-BE-TRUE PARTNERSHIP

A group flew young athletes out all expenses paid and partnered them into aviation and real-estate deals with back-dated returns and fictional write-offs. It collapsed; the man behind it was wanted by the FBI. When a return looks impossibly good, it is not a windfall, it is a fraud. Run from smoke; do not wait for the fire.

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## THE MONEY MANAGER AND THE DIVORCE

A client's divorce brought scrutiny to everything, and what fell out was a money manager who had quietly misdirected funds for years. Every advisor near that client got pulled into the mess by association. Transparency and clean records are the thing that protects you when someone finally looks.

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## THE HOUSE BOUGHT THE WRONG WAY

An athlete bought a home personally, then wanted it moved into an entity for privacy. Doing it after the purchase triggered cost a little planning before would have avoided. The cheapest time to structure anything is before the transaction.

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## THE TRUST THAT WAS NEVER FUNDED

A client paid for a sophisticated estate plan and never moved the assets into it. Nine figures of real estate sat outside the trust. The plan governed nothing, and the family went through the exact probate it was built to avoid. A plan is only as good as its funding.

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Four different disasters, one common thread. In each, an advisor with a clear view could have asked one question and changed the outcome. This guide is the set of questions.

# THE COORDINATION MAP: WHO DOES WHAT

THE BENCH WORKS ONLY WHEN EVERYONE STAYS IN THEIR LANE

ADVISOR	OWNS	HANDS OFF TO COUNSEL WHEN
<b>ATTORNEY</b>	Entities, contracts, IP, estate documents, disputes, compliance	— the destination for the handoffs below
<b>CPA / TAX</b>	Returns, the S-election, multistate filings, tax planning	A structure needs creating or changing, or a deal has legal terms
<b>FINANCIAL ADVISOR</b>	Investing, retirement vehicles, cash-flow planning	An investment is really a security, a venture, or equity-for-services
<b>BUSINESS MANAGER</b>	Bill-pay, budgeting, day-to-day money operations	A payment or term looks off, or money is about to commingle
<b>AGENT</b>	Playing and marketing deals, league relationships	A contract needs review, or fees or procurement raise a legal question

**One warning belongs at the center of the map:** be wary of anyone whose title has too many slashes in it. The person who says they can do the taxes and the investing and the legal work is not a convenience, they are a single point of failure with nobody checking them.

# 2

CHAPTER TWO

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## MONEY AND STRUCTURE

*Entity and structure, and the multistate tax trap*

# ENTITY AND STRUCTURE

## WHAT YOU WILL SEE

Off-field income arriving personally, in the athlete's own name: endorsement checks, appearance fees, camp revenue, social and media money, NIL. You will also see the athlete taking a straight 1099 with no entity behind it, or an entity that was formed and then ignored.

## THE RULE

An entity does not change who is taxed on wages, salary from a team cannot be routed away, because income is taxed to the person who earns it.<sup>1</sup> But off-field income the athlete controls can sit inside an LLC, which provides a liability shield,<sup>2</sup> and once the income is real, an S-corporation election is where the tax savings actually come from, by splitting a reasonable salary from distributions.<sup>5</sup>

## THE TRAP

A bare single-member LLC is thinner protection than clients think: courts have let creditors pierce one treated as an alter ego,<sup>3</sup> and have held the charging order is not always the exclusive remedy against a single member.<sup>4</sup> And once money hits the athlete's personal account as 1099 income, it is generally too late to route it through an entity for that year. Timing is everything, and you see the timing before the lawyer does.



### WHEN TO CALL COUNSEL

When off-field income approaches six figures, when a deal is about to be paid to an entity that does not exist yet, or when a single-member LLC holding real value needs hardening. If you are asking whether it is time, it is time.

# TAX: THE JOCK-TAX AND MULTISTATE TRAP

## WHAT YOU WILL SEE

A professional athlete earning in many states across a season, and a client who thinks they file one return where they live. You will also see athletes moving between high-tax and no-tax states without planning the move, and young earners who assume a hundred-dollar deal means a hundred dollars to spend.

## THE RULE

States tax a nonresident athlete on income allocated by "duty days," all the days worked across the season, not just game days. A city that taxed a visiting player by games played, rather than duty days, was held to have violated due process.<sup>6</sup> California built the modern duty-days method decades ago,<sup>7</sup> and it is why pros file returns in twenty or more states a year.

## THE TRAP

Residency planning done too late, or on paper only. An athlete who "moves" to a no-tax state but keeps voting, banking, and living in the old one has not moved, and the old state will send the bill. The other trap: the young athlete spending gross as if it were net. When they get a deal for a hundred dollars, they think they have a hundred dollars. They do not.

**THE CPA RUNS THE NUMBERS.  
COUNSEL BUILDS THE  
STRUCTURE THE NUMBERS  
REQUIRE.**

# 3

CHAPTER THREE

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## NIL AND REPRESENTATION

*The college-money maze, and the agent agreement*

# NIL AND THE COLLEGE-MONEY MAZE

## WHAT YOU WILL SEE

College and even high school athletes with two very different kinds of money: payments directly from their school, and deals with brands and collectives. You will see deal sheets, collective agreements, and a lot of confusion about which rules apply.

## THE RULE

The modern system was pried open by antitrust law, the NCAA is not exempt from the Sherman Act,<sup>8</sup> and settled into a two-bucket structure by the 2025 House settlement: capped direct revenue sharing from schools, and third-party NIL deals that, above a modest threshold, must clear a central clearinghouse for fair market value and a valid business purpose.<sup>9</sup> A college athlete also has an express right to earn NIL money and to hire representation.<sup>10</sup>

## THE TRAP

A deal that looks too generous for the work, a five-figure payment for a single post from a company with no reason to pay it, is exactly what the clearinghouse is built to catch, and getting it flagged can cost the athlete eligibility, not just the deal. The other trap is failing to route NIL income through an entity and plan for the tax. This is the fastest-moving area in this guide; the rules genuinely change season to season.



### WHEN TO CALL COUNSEL

Before any third-party NIL deal is signed, for fair-market-value and clearinghouse review, and whenever the college-money picture crosses state lines or into representation. Do not assume last year's rules still hold.

# THE AGENT AND REPRESENTATION AGREEMENT

## WHAT YOU WILL SEE

A representation agreement signed in a hotel lobby, a fee structure the client cannot fully explain, and a "manager" or "advisor" who is quietly getting the client endorsement work.

## THE RULE

Agents are heavily regulated for the athlete's protection: federal SPARTA and state athlete-agent laws like California's Miller-Ayala Act require registration and disclosures and prohibit inducements,<sup>11</sup> the players' unions cap fees on playing contracts, and procuring endorsement work is a licensed activity, an unlicensed person who procures deals can have the whole contract voided.<sup>12</sup>

## THE TRAP

Fees taken on money that is not the fruit of the agent's work, scholarships, education payments, and similar money that comes regardless of any deal, should not be feeding a commission. And "agent," "manager," and "licensed talent agent" are not interchangeable: a well-meaning advisor who starts procuring deals without a license can blow up their own compensation and the client's contract.

**BEFORE THE ATHLETE SIGNS  
WITH ANY AGENT,  
CONFIRM REGISTRATION AND  
VET THE FEES.**

# 4

CHAPTER FOUR

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## DEALS AND INTELLECTUAL PROPERTY

*Endorsement and sponsorship deals, and protecting the name*

# ENDORSEMENT AND SPONSORSHIP DEALS

## WHAT YOU WILL SEE

Brand deals of every size, often presented as simple and urgent, with a headline number and a stack of terms nobody read. You will see the check before you see the contract.

### THE RULE

An endorsement deal is a license of the athlete's right of publicity, the commercial value of their name, image, and likeness,<sup>13</sup> and it carries obligations beyond showing up: exclusivity that can lock the athlete out of a whole category, morality clauses that let the brand walk on bad behavior, and content-ownership terms that decide who controls the footage. Endorsers also have their own duty to disclose paid relationships under federal advertising rules.<sup>14</sup>

### THE TRAP

The headline number is not the deal, the rights granted are the deal. A long, broad, or exclusive license for a small fee, or a morality clause with no cure period, can cost the athlete far more than the payment is worth.

## / IN PRACTICE

*A brand offers a flattering five-figure fee for a "quick campaign," and buried on page four is a perpetual, worldwide license to the athlete's likeness. The fee is real. So is the giveaway.*

# INTELLECTUAL PROPERTY: NAME, BRAND, AND LIKENESS

## WHAT YOU WILL SEE

An athlete building a brand, a logo, a catchphrase, a name, without protecting any of it, usually right up until a breakout moment makes it valuable and someone else starts selling knockoffs.

## THE RULE

A personal name is treated like a descriptive mark and generally needs secondary meaning before it can be registered as a trademark, which fame supplies,<sup>15</sup> and separately, the right of publicity protects the commercial value of the athlete's identity, though it yields to news, transformative works, and public-affairs uses.<sup>16</sup> That value even outlives the athlete: publicity rights are descendible for decades after death.<sup>17</sup>

## THE TRAP

Waiting. The window to protect a brand is right before the world decides it wants one, and the athletes who wait find their name being sold by someone else. Filing early, in the right classes, on an intent-to-use basis if needed, is cheap; recapturing a name after it is famous is not.

**FLAG THE TRADEMARK EARLY.  
YOU WILL LOOK PRESCIENT A  
YEAR LATER.**

# 5

CHAPTER FIVE

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## **PROTECTING THE PERSON**

*Image and reputation as an asset, estate planning, and incapacity*

# IMAGE AND REPUTATION AS A FINANCIAL ASSET

## WHAT YOU WILL SEE

An athlete whose income depends on their image treating that image casually: uncontrolled private events, staff with no confidentiality obligations, and a social-media presence that can vaporize a sponsorship in an afternoon.

## THE RULE

Reputation is a financial asset, and the deals that fund an athlete's life are studded with morality clauses that let a brand terminate over conduct.<sup>13</sup> The right of publicity gives the athlete tools to control commercial uses of their identity, but it does not let them control the news or shut down commentary,<sup>16</sup> which makes prevention worth far more than any after-the-fact remedy.

## THE TRAP

One post, one photo of a competing product in frame after signing a deal, one leaked private moment, can trigger a morality clause and quietly lower the value of every future deal. Reputation, once damaged, is expensive and slow to repair, so the money is in prevention: event rules, staff NDAs, and controlled environments.



### WHEN TO CALL COUNSEL

When an athlete's profile is rising, to build the preventive infrastructure, and immediately when a reputational problem is developing, before it becomes public and before anyone posts about it.

# ESTATE PLANNING AND INCAPACITY

## WHAT YOU WILL SEE

A young, healthy client with real assets and often a family, and no estate documents, because "that is for later." You will see life insurance with the wrong beneficiary, a home outside any trust, and no plan for who decides if the athlete cannot.

## THE RULE

The core package is a revocable trust, a pour-over will, a durable financial power of attorney, and an advance health care directive. Property held in a revocable trust avoids probate,<sup>18</sup> the powers of attorney handle incapacity so a court does not, and the health care directive decides who makes medical calls. But a revocable trust is a privacy and probate tool, not an asset-protection tool; the settlor's creditors can still reach it during life.

## THE TRAP

The unfunded trust. A signed trust that never received the assets governs nothing. The other trap is framing this as being about death; the live issue for a young athlete is incapacity, a knee, a scan, a surgery, and who decides.

## / IN PRACTICE

*A healthy twenty-two-year-old signs a trust and never funds it. Two seasons later a car accident puts him in a coma with no financial power of attorney in place, and his family is in court seeking a conservatorship just to pay his bills. The documents existed. The follow-through did not.*



# 6

CHAPTER SIX

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## FAMILY AND SPECIAL CASES

*The prenup, the international athlete, and the youngest clients*

# THE PRENUP AND MARITAL PROPERTY

## WHAT YOU WILL SEE

A client getting married during their peak earning years, often without a prenup, and separate property, a pre-marriage signing bonus, an inheritance, a brand built before the marriage, about to be commingled into a joint account.

## THE RULE

In a community property state, everything earned during the marriage is presumptively half the spouse's. A prenup can re-characterize future earnings and protect the entity and brand, but only if it holds: it must be voluntary, and the law requires independent counsel or a written waiver and at least seven calendar days between presentation and signing.<sup>19</sup>

## THE TRAP

Two traps. First, the eve-of-wedding prenup, which the seven-day rule can void, so timing is everything and you often see the wedding date before the lawyer does. Second, commingling: separate property run through a joint account loses its character.

## IN PRACTICE

*A couple signs a prenup four days before the wedding, unrepresented on one side, to "just get it done." Years later it is challenged, and the seven-day gap that never existed becomes the thread that unravels it. Timing was the whole case.*

# THE INTERNATIONAL ATHLETE

## WHAT YOU WILL SEE

A foreign-born athlete, common in college and the pros, with income and family across borders, a visa that limits what they can do, and advisors reflexively applying a domestic playbook that does not fit.

### THE RULE

Cross-border athletes face three layers of tax at once, home country, United States, and the treaty that mediates them, and their visa status governs whether they can own or operate an entity at all. The domestic answers do not simply carry over, and structures that only work if nobody reads them are time bombs. This is genuinely specialized work.

### THE TRAP

Guessing. An advisor who assumes a foreign athlete can form and run an LLC the way a domestic one does, or who reaches for a domestic residency move without accounting for the visa and the treaty, can create an immigration or tax problem far worse than the one they were solving.

**DO NOT LET A WELL-MEANING  
DOMESTIC ANSWER  
CREATE AN INTERNATIONAL  
MESS.**

# THE YOUNGEST CLIENTS: YOUTH AND MINOR NIL

## WHAT YOU WILL SEE

Minors signing real contracts, parents making decisions with real financial stakes, and youth sports organizations that may be the athlete's first "employer." You will also see the temptation to over-structure a small deal.

## THE RULE

Minors cannot navigate contracts alone; a parent or guardian must be involved, and the paperwork has to account for the athlete's age. A youth sports body has a legal duty to screen the adults around children, a duty a court has already recognized,<sup>20</sup> which is a live issue for any client who owns or runs youth programs.

## THE TRAP

Over-structuring. A teenager with a single small sponsorship does not need a company and a complex plan, and the advisor who tells the family to slow down is doing better work than the one who sells complexity. The opposite trap is a foundation or charity pitched as a way to route NIL money or pay the family, which ends badly and is a firm no.

# 7

CHAPTER SEVEN

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## VETTING, REFERRING, AND RED FLAGS

*How to build and protect the bench, and the checklist that catches trouble*

# HOW TO VET AND REFER

## BAD ADVISORS DO NOT ANNOUNCE THEMSELVES

The other half of protecting your client is protecting the bench. Bad advisors do not announce themselves; they are charming, they are confident, and they are already in the room. Here is the discipline.

**1**

### **RUN FROM SMOKE**

You do not wait for the fire to develop. A return that is too good, a structure nobody can explain, a fee schedule that keeps growing, a person who resists a second opinion, these are smoke. Move before it becomes fire.

**2**

### **DISTRUST THE MULTI-HYPHENATE**

The advisor who does taxes and investing and legal work is a single point of failure. A healthy bench is independent professionals who check each other.

**3**

### **MATCH THE REFERRAL TO THE CLIENT**

The right lawyer for a nineteen-year-old's first NIL deal is not the right lawyer for a franchise purchase. Refer to the professional whose actual experience fits the matter.

**4**

### **VET BEFORE YOU REFER**

A poor referral does not just hurt the client, it contaminates you. Send clients only to professionals you have actually vetted, because your name goes with the referral.



### **MAKING THE HANDOFF WORK**

A good referral is warm and specific. Send counsel a short package: what you are seeing, the documents you already have, and the deadline you are worried about. Then stay in the loop: confirm the fix actually happened, and log it in the file.

# THE RED-FLAG CHECKLIST

*A scannable list. Any one of these is a reason to slow down and, usually, to call counsel.*

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- Off-field income arriving personally instead of through an entity.
- 1099 income about to hit personally with no structure in place.
- A "residency move" that is on paper only.
- An agent agreement signed without review, or fees on scholarship money.
- An endorsement deal signed for the headline number, unread.
- A rising athlete with no reputational infrastructure.
- A wedding on the calendar with no prenup.
- A minor signing a real contract, or a family sold a foundation.
- A single-member LLC holding real value with no hardening.
- A multistate athlete filing as if they owe tax in one state.
- A third-party NIL deal that pays far more than the work is worth.
- Someone procuring endorsement deals without a clear license.
- A valuable name or brand with no trademark, as a breakout approaches.
- Real assets or a family with no estate documents, or an unfunded trust.
- A foreign-born athlete being handed a domestic playbook.
- Any return or fee too good to explain, or advisor who resists a second opinion.

# THE ROUTING TABLE

WHEN ONE OF THESE TRIPS, HERE IS WHO OWNS THE FIX AND HOW FAST IT MOVES

ISSUE	WHO OWNS THE FIX	HOW URGENT
Off-field income arriving personally	Attorney and CPA	High, before year-end
Bare single-member LLC holding value	Attorney	High
Multistate tax exposure	CPA, with attorney on structure	Seasonal, plan early
A third-party NIL deal	Attorney	Before signing
An agent or representation agreement	Attorney	Before signing
An endorsement contract	Attorney	Before signing
No estate documents, or an unfunded trust	Attorney	Once there are assets or a family
A wedding with no prenup	Attorney	Months ahead
Anything too good to be true	A second opinion, then counsel	Immediately

# 8

CHAPTER EIGHT

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## THE LIFECYCLE AND THE FIELD

*Where risk lives at each career stage, the annual check-up, and stories from the field*

# THE CLIENT-LIFECYCLE PLAYBOOK

## DIFFERENT STAGES SURFACE DIFFERENT RISKS

STAGE	MOST AT RISK	THE ADVISOR'S MOVE
<b>High school / early NIL</b>	Over-structuring, foundation pitches, minor contracts	Keep it simple, involve the parents, flag anything real for counsel
<b>College / NIL</b>	Clearinghouse exposure, eligibility, tax	Route deals for review before signing; set the tax expectation
<b>Turning pro</b>	Entity timing, agent selection, multistate tax	Build the LLC and the tax plan together; vet the agent
<b>Peak earning</b>	Prenup, estate, image, brand, endorsement terms	Prenup before the wedding; fund the estate plan; protect the brand
<b>Transition / retirement</b>	Second-career income, loan-outs, IP that outlives the career	Repurpose the entity; protect the name; plan the descendible rights

# RUNNING AN ANNUAL LEGAL CHECK-UP

## THE SINGLE HIGHEST-RETURN HOUR YOU WILL SPEND ON THE RELATIONSHIP

- 1 Pull the file.** Gather entities, tax picture, active contracts, insurance, estate documents, and marital status in one place. You cannot spot a gap you cannot see.
- 2 Run the red-flag checklist.** Walk it line by line against this client. Anything that trips is a conversation, not a note for later.
- 3 Confirm the bench.** Is every seat filled by an independent professional? Is anyone holding too many seats, or unvetted?
- 4 Verify the structure is real.** An entity, a trust, a policy, none of it works unless it was funded, retitled, and maintained. Confirm the follow-through.
- 5 Look ahead twelve months.** A wedding, a baby, a home, a trade, a new deal, a move, a graduation. Each is a legal event in disguise.
- 6 Document and route.** Write down what you reviewed, what you flagged, and who you sent it to. That record protects the client, and it protects you.

Do this every year and you will catch problems while they are cheap, which is the only time they are cheap. You will also become the advisor the client cannot imagine replacing.

# FOUR SCENARIOS FROM THE FIELD

## THE ENDORSEMENT CHECK THAT ARRIVED BEFORE THE CONTRACT

A business manager received a wire and a one-page "confirmation" for a deal the athlete had agreed to over text. She paused, asked for the full agreement, and routed it to counsel. It granted a three-year exclusive license across an entire category with no cure period on the morality clause. It was renegotiated to one year, non-exclusive, before signature.

## THE MOVE THAT WAS NOT REALLY A MOVE

A newly drafted athlete told his advisor he had "moved" to a no-tax state, then mentioned his family, voter registration, doctors, and off-season home were all still in the state he grew up in. The advisor recognized a paper move is not a real move, and brought in counsel before the first big season.

## THE TRUST IN THE DRAWER

A CPA asked one follow-up question about a client's "handled" estate plan: was the house actually titled in the trust's name? It was not, and neither were two accounts, and the life insurance still named an ex-fiancée. The CPA routed it back to estate counsel for funding.

## THE DEAL THAT WAS TOO GOOD

A "can't-lose" investment, guaranteed returns, could not get a straight answer from anyone about where the returns came from. The business manager treated the confusion as the answer, slowed the client down, and got independent eyes on it. The structure turned out to be a fraud that later collapsed onto everyone who touched it.

*Composites, stripped of identifying detail. In each, the difference between a good outcome and a bad one was a single question asked in time.*

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THE ADVISORS WHO  
GET PULLED INTO  
DISASTERS ARE  
USUALLY THE ONES  
WHO **SAW A  
PROBLEM AND  
STAYED QUIET.**

---

**BRANDON LEOPOLDUS, ESQ.**

*The ones who raised it and papered the handoff are the ones who come out clean.*

# ENTITIES, DEALS, AND ADVICE

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**Q MY CLIENT ALREADY HAS A LAWYER. WHY DO I NEED THIS?**

**A** Because you see the problem first. The lawyer is not in the room when the deal arrives or the money lands; you are. This guide is about recognizing the issue in time to route it, not doing the legal work yourself.

---

**Q WHEN IS INCOME "REAL" ENOUGH TO JUSTIFY AN ENTITY?**

**A** As a rule of thumb, off-field income at or approaching six figures a year, especially from more than one source. Below that, it often is not worth the complexity. When you are genuinely unsure, that uncertainty is itself the signal to ask counsel.

---

**Q THE CLIENT WANTS TO SKIP THE PRENUP TO KEEP THE PEACE. WHAT DO I SAY?**

**A** That a prenup is a business plan for a business that happens to sit inside a marriage, and in a community property state, skipping it means the default rules split peak-years earnings in half. Frame it early, fairly, with independent counsel on both sides.

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**Q AN ADVISOR IS PITCHING MY CLIENT SOMETHING THAT LOOKS TOO GOOD. WHAT NOW?**

**A** You run from smoke. Slow the client down, get a second professional set of eyes on it before any money moves, and if the numbers only work because nobody looks closely, treat that as your answer.

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**Q THE CLIENT IS A FOREIGN NATIONAL. CAN I USE THE SAME PLAYBOOK?**

**A** No. Visa status and cross-border tax change the answers, sometimes completely, and a domestic structure can create an immigration or tax problem. Bring in counsel who actually does cross-border sports work, early.

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**Q HOW DO I PROTECT MYSELF IF A PLAN GOES WRONG?**

**A** Transparency and records. Document what you saw, what you flagged, and who you routed it to. The advisors who get pulled into disasters usually stayed quiet; the ones who raised it and papered the handoff come out clean.

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# EQUITY, NIL, AND JUDGMENT CALLS

**Q THE CLIENT WANTS TO TAKE EQUITY IN A BUSINESS INSTEAD OF A CASH FEE. ANY CONCERN?**

**A** Yes. Equity for services can turn an endorsement into a securities and tax question, tie the athlete's name to a venture they do not control, and create conflicts down the line. Route it to counsel before the athlete signs.

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**Q MY CLIENT IS IN COLLEGE AND THE NIL RULES CHANGED AGAIN. HOW DO I KEEP UP?**

**A** You do not keep up alone; you build the habit of re-checking before every deal, with counsel who tracks the changes. Treat any NIL rule you learned last season as expired until confirmed.

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**Q WHEN SHOULD I INSIST, RATHER THAN SUGGEST?**

**A** When the downside is irreversible or catastrophic: a contract about to be signed unread, money moving into a structure nobody can explain, a residency claim about to be made that is not true. On reversible items, suggest. On the ones that cannot be undone, slow the client down.

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**Q MY CLIENT'S MANAGER WANTS A CUT OF THEIR INVESTMENTS. IS THAT NORMAL?**

**A** It happens, but it gives the manager an interest in getting the client to invest, not necessarily an interest in investing well. Know exactly who is paid what, and get independent counsel on any deal where an advisor is also a beneficiary.

# A GLOSSARY FOR ADVISORS

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**ASSIGNMENT OF INCOME.** Income is taxed to the person who earns it; it cannot be shifted to an entity to avoid tax.

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**COMMINGLING.** Mixing separate property with community or business funds until it can no longer be traced.

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**DUTY DAYS.** The method states use to allocate a nonresident athlete's income across every state worked.

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**INDUCEMENT LETTER.** A personal guarantee a buyer requires from talent providing services through a loan-out.

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**MORALITY CLAUSE.** A contract term letting a brand terminate over conduct; the reason reputation is a financial asset.

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**PROCUREMENT (TALENT).** Getting someone employment; a licensed activity, so unlicensed procurement can void the contract.

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**S-CORPORATION ELECTION.** A tax election splitting a reasonable salary from distributions; where an entity's savings come from.

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**SPENDTHRIFT PROVISION.** Trust language keeping a beneficiary's share out of the reach of the beneficiary's creditors.

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**VEIL PIERCING.** When a court disregards an entity and reaches the owner personally, usually as an alter ego.

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**CHARGING ORDER.** A creditor's limited remedy against a member's LLC interest, weaker for a single-member LLC.

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**COMMUNITY PROPERTY.** Property acquired during marriage, owned equally and split at divorce absent an agreement.

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**FAIR MARKET VALUE (NIL).** The standard the clearinghouse applies to separate real endorsements from disguised pay-for-play.

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**LOAN-OUT COMPANY.** An entity that employs the talent and lends their services to a buyer.

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**POUR-OVER WILL.** A will sweeping anything left outside the trust into it at death; names guardians for minors.

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**RIGHT OF PUBLICITY.** The right to control and be paid for commercial use of one's identity; the basis of NIL and endorsements.

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**SECONDARY MEANING.** The public association a personal name needs before it can be registered as a trademark; fame supplies it.

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**TRANSMUTATION.** A written agreement changing the character of marital property, as in a postnuptial agreement.

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# COMMON MYTHS, AND HOW TO CORRECT THEM

*Confident wrongness is the most dangerous thing in the room.*

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**"An LLC saves me taxes."** Not by itself. Savings come from the S-election and the real business run through the entity, not the filing.

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**"I moved to a no-tax state."** If the client still lives, banks, and votes in the old state, it will send the bill with penalties. A move on paper is not a move.

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**"The agent's fee is standard."** Playing-contract fees are capped; marketing fees are not; scholarship money should never be commissionable. Check every time.

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**"The prenup can wait until closer to the wedding."** The seven-day rule and the eve-of-wedding problem make a late prenup fragile. Early is the only safe version.

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**"My foundation can pay my family."** A foundation used to route income or pay relatives ends badly and draws exactly the scrutiny it is meant to avoid. It is a hard no.

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**"A trust protects my money from creditors."** A revocable trust is a probate and privacy tool, not asset protection. Creditors can still reach it during life.

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**"It was a small bet, it does not count."** In NCAA wagering there is no minimum; the category of the bet drives the penalty. A twenty-dollar bet can cost half a season.

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**"I will handle the estate documents later."** The young athlete's real risk is incapacity, not death, and later is routinely too late.

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**"The endorsement number is good, I do not need to read the rest."** The rights granted are the deal. Exclusivity, term, and the morality clause routinely cost more than the fee.

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**"My advisor does everything, so I only need one person."** One person holding every seat means no one is checking anyone. A healthy bench is independent professionals.

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# WHAT TO DO NEXT

TURN THIS INTO A HABIT, NOT A ONE-TIME READ

- 1 Run your athlete clients against the red-flag checklist in Chapter 7. Anything that trips is a conversation.
- 2 Map each client's bench. If a seat is empty or a single person holds too many, that is a risk to address.
- 3 For anything you flag, route it to counsel who actually fits the matter, and paper the handoff.
- 4 Set expectations early on tax, entity timing, and the prenup, before the client needs them, not after.
- 5 Build a small, vetted referral network so you always have the right professional to call.

The advisor who catches things is the advisor who keeps clients and earns the referrals that grow a practice. Protecting your client and protecting yourself are the same move. That is the whole point.

## / WORKING WITH LEOPOLDUS LAW, APC

Leopoldus Law is a sports and entertainment firm. Sports clients only. No exceptions. Brandon works alongside the CPAs, business managers, financial advisors, and agents who surround athlete clients, stepping in when a matter needs a lawyer. If you would like a partner for that work, we are one phone call away.

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— ABOUT THE AUTHOR

# BRANDON LEOPOLDUS, ESQ.

Founder, Leopoldus Law, APC

**Brandon Leopoldus umpired professional baseball before he ever practiced law.** Five leagues. Seven playoff series. Two All-Star games. One championship series. That path, through the minor leagues and an Olympic family, is the lens he brings to every matter at Leopoldus Law, APC.

**100+**

ATHLETES ADVISED

**25+**

SPORTS

**3**

LEAGUES LAUNCHED

**6**

PRO TEAMS

**4**

GOVERNING BODIES

Brandon works alongside the CPAs, business managers, financial advisors, and agents who surround athlete clients, building the entities, contracts, intellectual property, and estate plans their work depends on, and stepping in when a matter needs a lawyer. He has worked with more than 100 athletes across more than 25 sports.

His practice reaches the whole business of sport. He has served twice as Interim General Counsel for D.C. United of Major League Soccer, advised U.S. Olympic governing bodies, and helped develop and launch three startup leagues. He sits on the Board of Directors of the Sports Lawyers Association and teaches Sports Law as an adjunct professor at Loyola Law School in Los Angeles. His commentary has run in Sports Illustrated, ESPN, Teen Vogue, and The Daily Journal.

It traces back to watching his sister become the first Elite-level gymnast in Colorado, and to years spent standing beside the advisors who make up an athlete's team. He lives in Los Angeles with his dog Harvey, named for the Hall of Fame umpire Doug Harvey.

# SOURCES & DISCLOSURES

## ENDNOTES

1. *Lucas v. Earl*, 281 U.S. 111, 114-15 (1930) (income is taxed to the person who earns it).
2. Cal. Corp. Code § 17703.04 (member liability); id. § 17705.03 (charging order remedy).
3. *Sky Cable, LLC v. DIRECTV, Inc.*, 886 F.3d 375, 385-89 (4th Cir. 2018) (reverse veil-piercing of a single-member LLC).
4. *Olmstead v. FTC*, 44 So. 3d 76, 78-83 (Fla. 2010) (charging order not the exclusive remedy against a single-member LLC).
5. I.R.C. §§ 1361-1362 (S corp election); id. § 1402 (self-employment tax); id. § 199A (QBI deduction).
6. *Hillenmeyer v. Cleveland Bd. of Review*, 144 Ohio St. 3d 165, 2015-Ohio-1623 (games-played taxation violated due process).
7. *Neuman v. Franchise Tax Bd.*, 208 Cal. App. 3d 972, 976-80 (1989) (duty-days allocation under Audit Ruling AR-125.1).
8. *O'Bannon v. NCAA*, 802 F.3d 1049 (9th Cir. 2015); *NCAA v. Alston*, 594 U.S. 69 (2021) (NCAA not exempt from the Sherman Act).
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10. Cal. Educ. Code § 67456 (Fair Pay to Play Act).
11. 15 U.S.C. §§ 7801-7807 (SPARTA); Cal. Bus. & Prof. Code § 18895 et seq. (Miller-Ayala Act).
12. *Marathon Entertainment, Inc. v. Blasi*, 42 Cal. 4th 974, 985-91, 997-98 (2008) (unlicensed procurement may void a talent contract).
13. Cal. Civ. Code § 3344 (statutory right of publicity; subdivision (d) exempts news and sports accounts).
14. 16 C.F.R. Part 255 (FTC Endorsement Guides; material connections must be disclosed).
15. 15 U.S.C. § 1052(e)(4), (f); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 876-77 (9th Cir. 1999).
16. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387, 391, 404-07 (2001) (transformative-work defense to publicity claims).
17. Cal. Civ. Code § 3344.1 (publicity rights of a deceased personality; descendible and transferable).
18. Cal. Prob. Code § 4600 et seq.; id. § 4124; id. § 18200; *Valentine v. Read*, 50 Cal. App. 4th 787, 793 (1996).
19. *In re Marriage of Bonds*, 24 Cal. 4th 1, 26-27 (2000); Cal. Fam. Code § 760; id. § 1615 (voluntariness requirements).
20. *Doe v. U.S. Youth Soccer Ass'n*, 8 Cal. App. 5th 1118, 1130-31, 1140-41 (2017) (duty to screen youth-sport volunteers).

## DISCLOSURES

This guide has been prepared by Leopoldus Law, APC for educational purposes and is written for the professional advisors who work with athletes. It is current as of mid-2026; several areas noted inside, NIL and college sports in particular, change rapidly. It is not legal or tax advice for any client's situation, and reading it does not make Leopoldus Law your lawyer or your client's lawyer.

Scenarios in this guide are composites drawn from multiple matters and altered so that no individual is identifiable. No result described here predicts or guarantees the outcome of any other matter. Confirm current rules and route matters that need a lawyer to counsel who fits them.

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