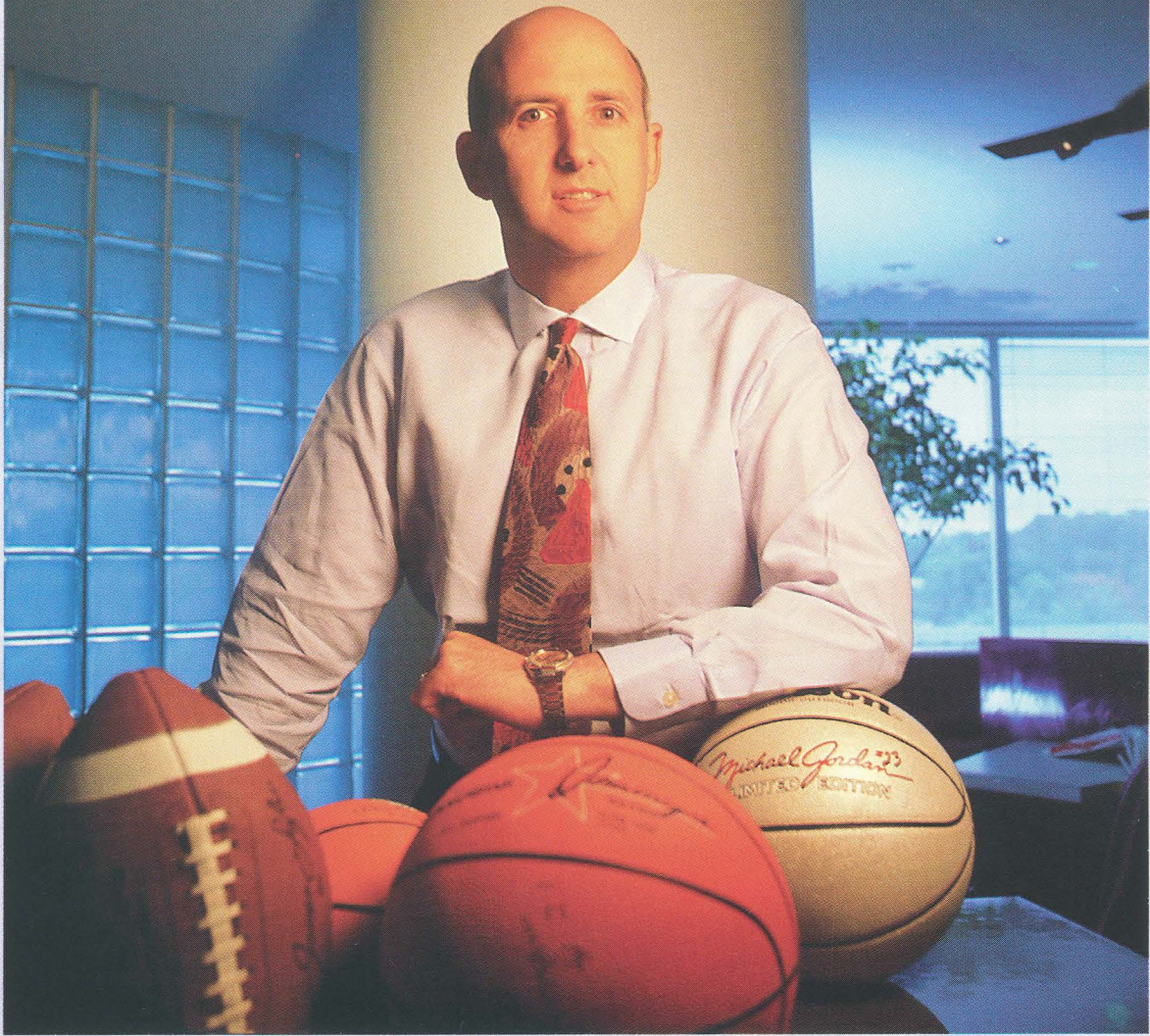


Hill: Falk's Land

KATHERINE LAMBERT



# FALK'S LAND

**BY GETTING TOP BUCKS FOR THE NBA ELITE,**

**SPORTS AGENT DAVID FALK HAS BECOME**

**KING OF THE CONTRACT COURT.**

*By Bob Hill*



## FEATURE

## BASKETBALL

MUGGSY BOGUES  
CHARLOTTE HORNETS

SHAWN BRADLEY  
PHILADELPHIA 76ERS

REX CHAPMAN  
WASHINGTON BULLETS

CALBERT CHEANEY  
WASHINGTON BULLETS

JOHNNY DAWKINS  
PHILADELPHIA 76ERS

PATRICK EWING  
NEW YORK KNICKS

DANNY FERRY  
CLEVELAND CAVALIERS

ERIC FLOYD  
SAN ANTONIO SPURS

ARMON GILLIAM  
NEW JERSEY NETS

BOBBY HURLEY  
SACRAMENTO KINGS

MICHAEL JORDAN  
CHICAGO BULLS (RETIRED)

STACEY KING  
CHICAGO BULLS

JEFF MALONE  
UTAH JAZZ

TRAVIS MAYS  
BOSTON CELTICS

RODNEY MCCRAY  
CHICAGO BULLS

XAVIER MCDANIEL  
BOSTON CELTICS

ALONZO MOURNING  
CHARLOTTE HORNETS

DIKEMBE MUTOMBO  
DENVER NUGGETS

KEN NORMAN  
MILWAUKEE BUCKS

JOHN PAXSON  
CHICAGO BULLS

GLEN RICE  
MIAMI HEAT

DENNIS SCOTT  
ORLANDO MAGIC

JOHN STOCKTON  
UTAH JAZZ

JOHN THOMPSON  
GEORGETOWN UNIVERSITY COACH

BUCK WILLIAMS  
PORTLAND TRAIL BLAZERS

REGGIE WILLIAMS  
DENVER NUGGETS

**T**he call came from an L.A. Gear executive in Munich to a well-appointed office in Washington, D.C. David Falk answered, exchanged pleasantries, hoisted one leg over the side of a deep-seated leather chair, then began talking the language he knows best—the language of athletes, contracts, endorsements, and bigger-than-life bucks.

*"I don't know whether he's worth \$2.8 million a year. I'm not even sure he's worth \$2 million. . . . What's that? Do you think it's worth killing the deal over \$100,000 a year? I don't. . . . You've got to think about how this is going to look. You know me. I don't do business like some other people. I only work certain ways."*

Falk works as the headline act at the nation's most lucrative sports agency practice, Falk Associates Management Enterprises, or FAME. His clientele consists mainly of high-profile athletes, primarily basketball players, most notably the recently retired Michael Jordan. Falk will tell you that he too is a star. He says he's the best agent in basketball and that he has the track record to prove it.

"I can measure myself by deals I've done in the past," says Falk. "I can determine whether or not I've done a good job by my own standards."

Those standards are high, says Bob Woolf, a Falk competitor whose clients include Larry Bird and the Ismail brothers, Rocket and Qadry. "David always does a wonderful job for his clients," says Woolf. "The only misgiving I have about David is that I didn't hire him when he applied for a position with me after law school. He's tremendous at what he does."

## THE MOST CRITICAL DECISION

facing many of today's megastar professional athletes is deciding which agent to choose from the legion of sharply dressed, promise-the-world suitors who come knocking. The proper agent can help make a frontline player millions for his physical talent and millions more through endorsements. A lesser agent can fumble both ends of the deal.

When 7-foot-6 basketball player Shawn Bradley needed an agent, he sifted through information on dozens

of candidates, then hired a man he'd never met or spoken with.

He hired Falk, whose 25 basketball clients have an average contract approaching 5 years and \$13 million.

"Our players are the highest paid players in the league, and that's a widely known fact," says Falk. "I have represented one out of every four players taken in the top four picks of the NBA draft since the lottery started [in 1985]. I've represented the most first round draft picks, by far, in the last 15 years. I won't say I have a monopoly, but it's an entrenched position. Our niche is representing superstar rookies, and Shawn Bradley picked us because of our reputation."

Bradley and Falk met for the first time in June. A month later, Falk successfully negotiated the richest contract in sports history for Bradley, who signed a \$44 million deal with the Philadelphia 76ers. By September, Falk had signed his other new basketball clients—rookies Calbert Cheaney of the Washington Bullets and Bobby Hurley of the Sacramento Kings—to deals totaling more than \$34 million.

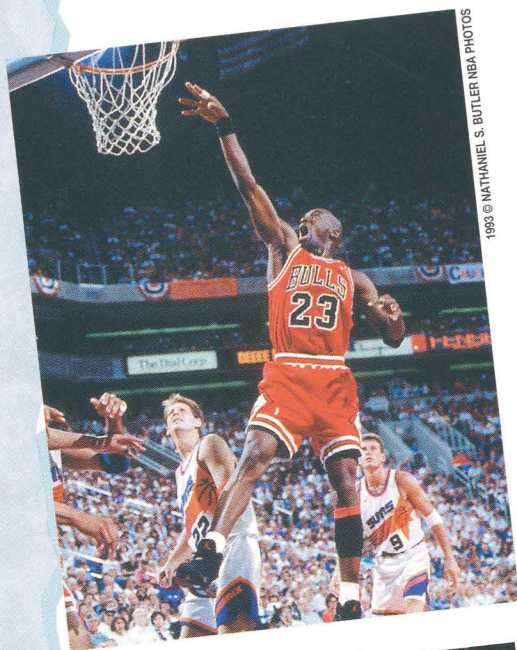
Falk's take on the Bradley, Cheaney, and Hurley deals? Since an agent typically earns 5 percent of a player's contract, it could be in the neighborhood of \$4 million.

The magnitude of such numbers is old hat for Falk, whose centerpiece client, Jordan, reportedly earned \$30 million to \$40 million a year in salary and endorsements before announcing his basketball retirement in September. Falk represented Jordan during his entire nine-year professional career, and is the person most responsible for turning Jordan into Mr. Madison Avenue. In turn, Jordan's incredible visibility as both a virtuoso basketball player and product endorser made Falk a star.

"My relationship with Michael has certainly publicized my success more than any other player I've represented," admits Falk, who continues to oversee Jordan's marketing deals. "Our partnership has been successful for both of us. Despite the fact that there are individuals out there who think anybody could have done this for Michael, he doesn't think so and that's gratifying."

"David's been with me the whole





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David Falk's clients include the recently retired Michael Jordan (top) and newly enriched Shawn Bradley.

way," Jordan has said, "and I owe him a lot."

**FALK'S RELATIONSHIP WITH** Jordan began in 1984, the year he negotiated the monumental Nike deal. In exchange for the marketing services of Jordan, a rookie yet to play his first professional game, Falk demanded that prospective shoe companies provide a signature shoe, a line of apparel, a royalty on each item sold, and a huge promotional budget to make the project work. Such demands were unheard of in 1984, particularly for an athlete in a team sport, and an African American at that. Corporate America doubted such a person could succeed as a national product endorser.

Falk approached several shoe companies. Converse and Adidas said no, Nike said yes, and the rest is marketing history. The entire deal was worth between \$70 million and \$100 million. ProServ, the sports management firm where Falk worked until 1992, received a 20 percent commission. Jordan got \$7 million plus incentives. Nike got more than it ever dreamed possible: the company made \$130 million from first-year sales of Air Jordan sneakers, which, incidentally, were named by Falk.

The Nike deal put in motion the events that led Falk and Jordan to sign endorsement deals with the likes of McDonald's, Coke, Hanes, Gatorade, Wilson, and Wheaties. Along the way, Falk and Jordan went from business associates to close friends. Falk has become Jordan's staunchest supporter, and says he was prepared to sue the National Basketball Association on Jordan's behalf last spring when it considered possible action against Jordan because of his gambling.

"People said, 'My God, David. You can't sue the league. You'll be an out-cast,'" says Falk. "I feel if that's what the situation dictates and that's what is in Michael's best interests, that's what I have to do. I'd go to the mat for him or any of my clients, and they know that."

Falk also supported Jordan's stunning decision to retire from basketball. "Retirement was something he'd been thinking about for the last three years," says Falk. "When he did, I urged him to leave the door open so he could return in six months or 18 months if he got his motivation back. I think it's unlikely that he will return, but you never know."

**LONG BEFORE AMERICA EVER** wanted to Be Like Mike, Falk was an economics major at Syracuse University. He hung out with several SU basketball players, was best of friends with team star Greg Kohls, and traveled to many of the team's road games. He graduated with honors in 1972, went on to law school, then entered the sports agent industry, which, in 1975, was still in its infancy. At that time it was not unheard of for athletes to negotiate their own contracts, and typical annual salaries didn't approach \$100,000.

Today's average NBA player makes more than \$1 million a year, and Falk has played a leading role in pushing salaries to such stratospheric levels. His greatest hits include Danny Ferry's \$37.5 million deal with the Cleveland Cavaliers, Patrick Ewing's \$36 million contract with the New York Knicks, the \$26 million contracts between Jordan and the Chicago Bulls and Alonzo Mourning and the Charlotte Hornets, and the Bradley deal.

Falk admits these and other fat contracts have helped distort the market, but he's not about to apologize. He believes that marquee players are what make the NBA successful, and that they should be paid handsomely by league teams, which average more than \$100 million in worth.

Although Falk doesn't limit himself to representing basketball players or even athletes (he represents 11 professional football players and markets entertainers such as country artist Billy Ray Cyrus and rap star Heavy D), basketball is his specialty. And when it comes to negotiating basketball deals, Falk says his goals aren't just monetary. Although his clients have signed the richest contracts in NBA history four different times, Falk also covets creativity. As a nego-



## FOOTBALL

**ERIC BALL**

CINCINNATI BENGALS

**HORACE COPELAND**

TAMPA BAY BUCCANEERS

**CHRIS DOLEMAN**

MINNESOTA VIKINGS

**BOOMER ESIASON**

NEW YORK JETS

**DWIGHT HOLLIER**

MIAMI DOLPHINS

**ETHAN HORTON**

LOS ANGELES RAIDERS

**DESMOND HOWARD**

WASHINGTON REDSKINS

**GREG JEFFRIES**

DETROIT LIONS

**RONDELL JONES**

DENVER BRONCOS

**JAMES LOFTON**

PHILADELPHIA EAGLES

**CHRIS SLADE**

NEW ENGLAND PATRIOTS

## ENTERTAINERS

**BILLY RAY CYRUS**

MERCURY RECORDS  
COUNTRY ARTIST

**HEAVY D**

MCA RAP ARTIST

**THREE TIMES DOPE**

ARISTA RECORDING ARTIST

tiator, he considers himself more of an artist than a mechanic. The typical agent signs his rookie player to a contract that falls somewhere between that of the players drafted immediately before and after him. Not Falk.

"What I enjoy doing is something different," says Falk, whose best-known contract involved Ewing. "We invented the concept of the voidable option, where a player signs a long-term contract but has an option to terminate a contract early if the market changes."

In 1985, Ewing signed a 10-year, \$31 million contract, by far the richest in league history at that point. Included was a clause that Ewing remain among the league's four highest-paid players for the duration of the deal. Six years later, Ewing's contract was surpassed by four players and the Knicks had to renegotiate or lose their all-star center to another team. They re-signed Ewing for \$6 million a year.

Such ploys have earned Falk considerable wealth and notoriety. He has been called the second most powerful person in the NBA (by a former league executive), the 15th most powerful person in all of sports (by *Sport* magazine), and a variety of unprintable names (by various team executives). He has, not surprisingly, a reputation as a demanding contract negotiator, a shark when it comes to gaining leverage and dollars. Falk will do whatever is necessary to land the biggest contract, selling hype, collegiate statistics, marquee value, image, and team need. If Falk is a little pushy, maintained *Sports Illustrated* in a 1992 profile, then Madonna is a little brash.

"He's an incredibly bright person who knows the market, knows the value of his players, and by and large secures that value and then some," says John Nash, general manager of the NBA's Washington Bullets.

How tough is Falk? "He's the kind of guy who would take a blowtorch through a wax museum, paint passing markers on mountain roads, and call the city allergy clinic and invite everyone in the waiting room to go on a hayride," says Pat Williams, general manager of the NBA's Orlando Magic. "Seriously, he's a guy who fights for every dollar. He works hard, he's dili-

gent, he's relentless. He's built quite a track record and clubs respect him."

**FAME'S OFFICES ARE ON THE** eighth floor of the Chevy Chase Pavilion, an upscale mall located on the border of the District of Columbia and Maryland. Falk's home is in nearby Rockville, Maryland. He spends most of his time on the phone or en route to some other city. Though he has two daughters and is married to the former Rhonda Sue Frank, SU class of 1974, his job is an overwhelming part of his life. What free time he has is largely spent playing tennis, computer games, or his 12-string Yamaha guitar—his favorite riffs come from the likes of Neil Young and the Eagles—or memorizing facts, such as the last 37 Heisman Trophy winners, a feat for which he has no explanation.

He maintains a close relationship with many of his clients, two of whom are godfathers to his children. Ewing has an off-season home nearby and visits occasionally during the summer. When Jordan sought company after his father's murder last summer, Falk and business partner Curtis Polk spent a weekend alone with him. "I was touched that he would feel comfortable having me with him," says Falk.

"David has a true passion for what he does and the people he works closely with," says Polk. "Few people I know love what they do as much as he does. And to feed that love, he's always looking for the next challenge."

Two years ago that passion led him to entertain a prospective client from a Chicago hospital bed. After lifting weights with Jordan one day, Falk developed a blood clot near his collarbone. After the clot was dissolved, Falk remembered that baseball player Hal Morris was in town to see him. Rather than cancel the meeting, Falk invited Morris to the intensive care unit.

"I pitched him for four hours," says Falk. "I thought it was one of my best deliveries. I was relaxed and focused. He was a little disoriented. I think he couldn't believe I was pitching him from a hospital bed."

That Morris eventually chose to sign with another agent was only momentarily distressing to Falk, whose world is filled with athletes to chase and contracts to settle. ■