

ORIGINAL

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

BELL SPORTS, INC.
811 Russell Avenue
Suite 300
Gaithersburg, MD 20879

Plaintiff,

v.

MICHAEL BEASLEY
1250 Lyman Avenue
Wayzata, MN 55391

Defendant

Case No.:

Case: 342962
NEW CASE
CV CLERK FEE- 80.00
NO LEGAL SERV 25.00
TOTAL 105.00
Res# NONE Ref# 33420
LEK LAS 311 # 1467
Jan 21, 2011 12:11 pm

2011 JAN 21 PM 12:05

FILED
COURT CLERK
MONTGOMERY COUNTY, MD.

COMPLAINT

COMES NOW, Plaintiff, Bell Sports, Inc. ("BSI"), by and through counsel, Shulman, Rogers, Gandal, Pordy & Ecker, P.A., and hereby files this Complaint against Defendant Michael Beasley ("MB"), and for cause states:

INTRODUCTION

1. Plaintiff BSI is a Maryland corporation with its principal place of business located in Montgomery County, Maryland. BSI is in the business of representing professional basketball players.
2. Joel Bell is a resident of Montgomery County, Maryland, and President of BSI.
3. Defendant, Michael Beasley, currently resides in Minnesota and is a player with the National Basketball Association's Minnesota Timberwolves.
4. On April 26, 2008, MB and BSI entered into a representation agreement ("Agreement") in which, in relevant part, MB agreed to pay to BSI a specified percentage of all

compensation received by MB pursuant to any “agreement, arrangement, or association which is entered into or on which negotiations substantially commenced during the term of the Agreement [and any extensions thereof] regardless of whether such compensation is paid during the term of this Agreement or thereafter.”

5. The Agreement provided that all compensation be paid to BSI and that BSI thereafter would deduct its fee and pay the balance to MB.
6. The term of the Agreement was for one year, and would continue for a subsequent year(s) unless either party in writing terminated it within 15 days of the anniversary date of the Agreement. If no such notification was received, the Agreement rolled over for another year.
7. The Agreement provided for venue in Montgomery County, Maryland, in the event of litigation between the parties and that Maryland law would apply.
8. In or around April 2008, BSI entered into negotiations with Adidas International Marketing B.V. (“Adidas”) for the use of MB, MB’s player endorsements and promotional appearances with respect to Adidas products and promotion of the Adidas brand.
9. Negotiations continued over the span of approximately five months, and by early September 2008, BSI and Adidas were near conclusion of a deal on behalf of MB.
10. Just prior to BSI’s consummation of the Adidas deal, which had effectively been fully negotiated, MB, without cause, wrongfully terminated the services of BSI as his agent with the sole intent to avoid paying the BSI commission.
11. Shortly thereafter, MB and Adidas entered into a contract for the use of MB, MB’s player endorsements and promotional appearances with respect to Adidas products and

promotion of the Adidas brand (“Adidas Agreement”).

12. Upon information and belief, the executed Adidas Agreement is substantially similar, if not close to identical, to that negotiated by BSI with the exception that the up-front fee owed to MB is greater while the overall term of the contract was reduced from four years as negotiated by BSI to three years (which two terms could easily have been modified by BSI).
13. In or about January 2009, BSI demanded payment owed to date from MB pursuant to the Agreement and the contract with Adidas. MB failed and refused to remit the amount owed.

COUNT I
Breach of Agreement (Failure to Pay Commission)

14. Plaintiff realleges and incorporates by reference the factual allegations of paragraphs 1-13 as if fully set forth herein.
17. Under the Agreement, MB has a duty to pay to BSI a specified percentage of all compensation received by MB from Adidas based on any “agreement, arrangement, or association which is entered into or on which negotiations substantially commenced during the term of the Agreement [and any extensions thereof] regardless of whether such compensation is paid during the term of this Agreement or thereafter.”
18. BSI substantially commenced negotiations with Adidas during the term of the Agreement.
19. Additionally, MB entered into the Adidas Agreement during the term of the Agreement; thus, as the Adidas Agreement was executed during the term, MB is obligated to pay BSI’s commission.
20. Despite the express terms of the Agreement, MB has breached his obligations by failing

and refusing to pay all amounts due to BSI under the Agreement and further by terminating his Agreement with BSI immediately prior to consummating a direct deal with Adidas upon substantially the same terms as those agreed upon between BSI, on behalf of MB, and Adidas.

22. As a result of MB's breaches, BSI has been and will continue to be damaged.

WHEREFORE, Plaintiff, Bell Sports, Inc., demands judgment against Defendant Michael Beasley for \$1,000,000, plus interest and costs and for any further relief that this Court deems just and proper.

COUNT II
Breach of Agreement (Good Faith and Fair Dealing)

23. Plaintiff realleges and incorporates by reference the factual allegations of paragraphs 1-22 as if fully set forth herein.

24. MB had an implied duty of good faith and fair dealing and was obligated to deal with BSI fairly and with honesty.

25. In breach of such a duty, MB, purposely and willfully, allowed BSI to substantially negotiate over the course of several months a contractual deal with Adidas upon terms satisfactory to him and thereafter to avoid the terms of the Agreement, specifically with respect to the payment of commission to BSI, terminated BSI immediately prior to formal execution of the deal.

26. MB unfairly and in bad faith terminated BSI for the sole purpose of avoiding payment of the earned fee to BSI.

27. As a result of MB's breaches, BSI has been and will continue to be damaged.

WHEREFORE, Plaintiff, Bell Sports, Inc., demands judgment against Defendant Michael Beasley for \$1,000,000, plus interest and costs and for any further relief that this Court deems

just and proper.

COUNT III
Quantum Meruit

28. Plaintiff realleges and incorporates by reference the factual allegations of paragraphs 1-27 as if fully set forth herein.
29. Pursuant to the Agreement, BSI, at the request and on behalf of MB, diligently negotiated over a period of several months an arrangement with Adidas, devoting substantial time and expense over the period, which time included repeated communications with Adidas executives to arrive at a satisfactory arrangement on behalf of MB.
30. After BSI performed the above services and pursued MB's interests, materially completing negotiations and bringing the Adidas Agreement close to the point of contract execution, MB thereafter, without cause, repudiated and terminated the Agreement between himself and BSI for the purpose of avoiding payment of commission owed.
31. BSI has repeatedly requested that MB pay it for the value of its services, but MB has refused.
32. BSI rendered valuable services to MB with the intention of receiving from MB, directly or indirectly, a percentage of compensation earned and/or received by MB. MB accepted these services, received the benefit of these services and knew that BSI expected to be paid for such services.
33. All services rendered by BSI to MB were rendered under such circumstances that MB knew BSI expected to be paid.

WHEREFORE, Plaintiff, Bell Sports, Inc., demands judgment against Defendant Michael Beasley for the value, quantum meruit, of services rendered to him in the amount of \$1,000,000, plus interest and costs, and for such other and further relief as this Court deems just and proper.

COUNT IV
Unjust Enrichment

34. Plaintiff realleges and incorporates by reference the factual allegations of paragraphs 1-33 as if fully set forth herein.
35. Prior to and after April 2008, BSI expended significant sums on behalf of MB in an effort to procure a lucrative marketing and endorsement opportunity for MB, including with Adidas.
36. The sums and effort expended by BSI conferred a benefit upon MB in the amount of at least \$1,000,000.
37. On or about September 2008, MB terminated BSI's representation of his interests and, shortly thereafter, directly or indirectly, entered into a lucrative arrangement with Adidas.
38. MB's acceptance and retention of the benefits conferred by BSI make it inequitable for MB to retain these benefits without payment of their value.

WHEREFORE, Plaintiff, Bell Sports, Inc., demands judgment against Defendant Michael Beasley in the amount of \$1,000,000, plus interest and costs, and for such other and further relief as this Court deems just and proper.

COUNT V
Specific Performance

39. Plaintiff realleges and incorporates by reference the factual allegations of paragraphs 1-38 as if fully set forth herein.
40. Pursuant to the Agreement, MB agreed that any compensation earned by him to which BSI is entitled to a specified percentage should be paid directly to BSI and BSI thereafter would deduct its percentage and remit the balance to MB.

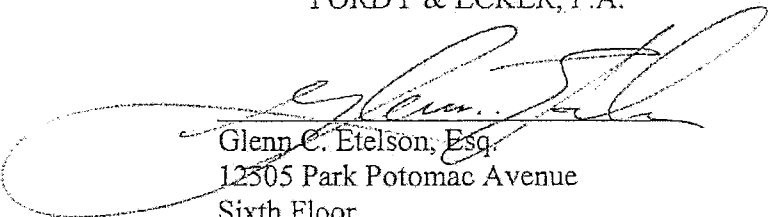
41. MB breached his contractual obligation by failing to instruct Adidas to send all compensation directly to BSI.
42. As a direct result of MB's failure, BSI has not received any compensation due to it and has no ability to obtain such compensation directly and is subject to the caprice of MB.
43. Consequently, BSI has and will continue to suffer damages.

WHEREFORE, Plaintiff, Bell Sports, Inc., demands judgment against Defendant Michael Beasley, ordering him to specifically perform the Agreement and instruct Adidas International Marketing B.V. to pay directly to Bell Sports, Inc., all compensation received or to be received by Michael Beasley, directly or indirectly, and enter judgment against Plaintiff for interest, and costs, and grant such other and further relief as this Court deems just and proper.

Date: 1/21/11

Respectfully Submitted,

SHULMAN, ROGERS, GANDAL,
PORDY & ECKER, P.A.



Glenn C. Etelson, Esq.
12305 Park Potomac Avenue
Sixth Floor
Potomac, MD 20854
(301) 231-0956
Attorney for Plaintiff