1	COURT OF APPEALS
2	STATE OF NEW YORK
3	 REVIS,
4	
5	Appellants,
6	-against-
7	SCHWARTZ,
	Respondents.
9	20 Eagle Stree Albany, New Yor February 9, 202
10	Before:
11	CHIEF JUDGE JANET DIFIORE
12	ASSOCIATE JUDGE JENNY RIVERA ASSOCIATE JUDGE MICHAEL J. GARCIA
13	ASSOCIATE JUDGE ROWAN D. WILSON ASSOCIATE JUDGE MADELINE SINGAS
14	ASSOCIATE JUDGE ANTHONY CANNATARO ASSOCIATE JUDGE SHIRLEY TROUTMAN
15	THE COLUMN SHIP THE TRUE THE T
	Appearances:
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20	MARIO AIETA, ESQ. DUANE MORRIS LLP
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23	
24	Cheryl Odo
25	Official Court Transcribe:



CHIEF JUDGE DIFIORE: Good afternoon, everyone. 1 2 Judge Rivera is appearing virtually today. The first 3 matter on our calendar this afternoon is appeal number 13, 4 Revis v. Schwartz. Counsel? 5 MR. LEVINSTEIN: May it please the court, may I 6 reserve two minutes of my ten? 7 CHIEF JUDGE DIFIORE: Two minutes, you said? 8 MR. LEVINSTEIN: Yes, please. 9 CHIEF JUDGE DIFIORE: MR. LEVINSTEIN: Thank you, Your Honor. 10 11 CHIEF JUDGE DIFIORE: You're welcome. 12 MR. LEVINSTEIN: May it please the court, Mark 13 Levinstein, law firm of Williams & Connolly in Washington, 14 DC, counsel for Mr. Revis and for Shavae, LLC. 15 The facts of this case are pretty simple. 16 Revis and Mr. Schwartz entered into two contracts, one 17 written and one oral, in 2007. Mr. Schwartz - - - Schwartz 18 claims that in 2015, Mr. Revis entered into a third 19 contract with Mr. Schwartz's company, Schwartz & Feinsod. 20 This dispute is about that third contract that Mr. Revis 21 claims he never entered into. 22 And so to start, the only written evidence of 23 that contract is in the record at page A-159. It's one 24 sentence. And I think it's important to just focus on what 25 that says. It's a sentence at the end of the healthy

beverage agreement, the last provision, that says, "It is acknowledged that the marketing fee and all other amounts payable hereunder to Darrelle Revis shall be paid by Steaz"

--- that's the other party --- "fifty percent to Shavae

LLC on the one hand" --- that's Mr. Revis' company --
"and fifty percent to Schwartz & Feinsod, Inc. on the other hand."

Now, that provision ended up in the agreement.

Mr. Revis claims he had no idea that was going to be in there and didn't agree to it. The basis for that provision, according to Mr. Schwartz, if you turn to page 92 of the record, in his affidavit, he says that Mr. Revis "was very much aware of" - - this is paragraph 9 on page A-92 - - "and specifically approved of the split of the fees earned on that contract between Revis, Revis' uncle and representative, Sean Gilbert, Schwartz Feinsod, and Zac Hiller, another certified contract advisor."

JUDGE GARCIA: Counsel, can I just stop you for a second here?

MR. LEVINSTEIN: Sure.

JUDGE GARCIA: You know, you're teeing this up very cleanly, and you know, this is about X contract, and it's a different contract, and it's on page 159. But I read your complaint, and the contracts talked about in the complaint seemed very fluid, let's say. And there's talk

about health beverages, and there's talk about this fifty percent, and there's talk about the two percent, and there's talk about - - and specifically, there's talk about the NFL contract with the Jets.

So if I'm a trial judge and I'm looking at that complaint, and now you're arguing, oh, no, no, we're only talking about this and this minor part of this minor - - - this other contract, I'm saying - - intertwined in here are allegations and damages requests that clearly relate to the contract over the player contract. Send this to the arbitrator, and I'll stay the rest of it and come back later. What's wrong with that? Isn't that what you really are getting because of the way you drafted your complaint?

MR. LEVINSTEIN: No, Your Honor, I don't believe so. I understand the question. But the only reference to the Jets contract, the SRA, which led to the Jets contract, is in the context that the only place that the prior written agreement is acknowledged - - -

JUDGE GARCIA: Well, I'm reading cause of action

MR. LEVINSTEIN: Yeah.

JUDGE GARCIA: - - - page A-35, which says - - - and it's an unjust enrichment claim that says, after this healthy beverage agreement, you continue to work on other endorsements and marketing deals and including negotiating



	Mr. Revis' March 2015 Contract with the New York Jets. So
2	are you telling us you're telling the court now,
3	here, you're not asking for any damages related to that
4	March 2015 contract?
5	MR. LEVINSTEIN: We're asking for unjust
6	enrichment relief and what the damages might be. We're not
7	bringing a claim under that agreement.
8	JUDGE GARCIA: So you will not be asking for
9	return of any monies paid to the defendants under the March
10	2015 agreement?
11	MR. LEVINSTEIN: No. Not for (inaudible) paid
12	under that agreement, no.
13	JUDGE GARCIA: No. So all your damages are
14	solely limited to the other contract?
15	MR. LEVINSTEIN: Correct, although we believe
16	that once he was fired, his right to continue getting paid
17	ended as of that date. But we're not
18	JUDGE GARCIA: So any money due under the other
19	contracts, including the Jet contract, wouldn't be payable
20	anymore?
21	MR. LEVINSTEIN: Correct. But
22	JUDGE GARCIA: So that's damages, really, that
23	flow from the Jets contract, I mean, by another name, but
24	it's clearly money that was paid under that contract. And
25	it seems a difficult argument to make that this is not

arbitrable because you're not seeking any rights under the contracts, but you're seeking damages, in effect, or return of money paid under that contract.

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MR. LEVINSTEIN: First, there are case law that says the mere fact that one dispute will have an effect on the other - - - we're not bringing it on the basis of any dispute about the contract, its terms, its negotiation, its so on. What we're saying is unjust enrichment and equitable remedy.

We can say it isn't fair that having defrauded a client, this person should be allowed to benefit, that that - - his concealment and his fraud was done in order to continue to get other benefits. And the mere fact that that might have a damage award here does not affect his right to get a judgment on the other claim. It simply means, whether it's in the form of punitive damages or it's in the form of other equitable relief, this could have other relief.

And there are a bunch of cases that say the mere fact that one contract might have consequences for another does not render the first contract arbitrable. So for example, if you had a bank that enters into agreement with a lender and does ten agreements, and there's a dispute about one of them that does not have an arbitration clause, but that if the plaintiff is successful, the decision may

be leading to something that puts that lender in default on a different agreement in which there is an arbitration clause.

So the decision in the first contract may clearly affect the other contract. But as a matter of contract interpretation, it does not make the first matter a dispute under the arbitrable contract. And there's no way that you can look at this healthy beverage agreement and think that Mr. Revis would have thought that he had agreed to arbitrate it. There's nothing in writing that says that. The healthy beverage agreement has no arbitration clause. And that's where you have to start. And - - -

JUDGE GARCIA: So just so - - - so I'm clear, a hundred percent clear, you are going to make no allegations or seek to prove no conduct related to the defendant's performance of the contracts with NFL teams?

MR. LEVINSTEIN: Correct. We are not challenging whatsoever the defendant's negotiation of that contract or the terms of that contract or anything having to do with his performance of the SRA or that issue with the Jets, no.

JUDGE WILSON: And so in the - - - in the eighth - - - over here. In the eighth cause of action, what is or are the contracts you're attempting to set aside as fraudulently induced?

MR. LEVINSTEIN: In the eighth contract, we're



1	saying that if he was supposed to be giving us legal
2	services again, whether contract 8 makes sense, I
3	understand, is questionable. But what the defense that
4	came back to us was, I've never been your lawyer; I've
5	never intended to be your lawyer.
6	JUDGE WILSON: Yeah. I'm just I'm looking
7	for a simple answer. What is the con as I read the
8	eighth count, you're trying, under the doctrine of
9	fraudulent inducement, to set aside some contract as having
10	been fraudulently induced. What is that contract?
11	MR. LEVINSTEIN: That contract is the contract
12	for the healthy beverage agreement, fifty percent
13	JUDGE WILSON: Just that?
14	MR. LEVINSTEIN: and the ten percent fees
15	that we allege were improperly invoiced. But that's all,
16	yes.
17	JUDGE WILSON: I'm sorry. The second one is the
18	oral contract?
19	MR. LEVINSTEIN: The other oral contract that
20	gave him ten percent fees. We found some invoices that
21	were submitted for the ten percent fee that were on things
22	he shouldn't have been paid for.
23	JUDGE WILSON: Right, but are you saying you were
24	fraudulently induced into that contract, or no?
25	MR. LEVINSTEIN: No.

1	JUDGE WILSON: Okay. So it's
2	MR. LEVINSTEIN: No.
3	JUDGE WILSON: as to as to the eighth
4	count, it's just the healthy beverage agreement?
5	MR. LEVINSTEIN: Correct.
6	JUDGE WILSON: Okay.
7	CHIEF JUDGE DIFIORE: Thank you, Counsel.
8	Counsel?
9	MR. AIETA: I think we started off with the
10	correct question. Apologies. Mario Aieta from Duane
11	Morris for the respondents.
12	We started off with the right question, which is,
13	what was in the complaint? What did the trial judge see
14	that resulted in this order? The trial judge was tasked
15	with looking at the pleadings and deciding if there's a
16	reasonable relationship between the dispute in the
17	pleadings and the subject matter of the contract that has
18	the arbitration clause.
19	CHIEF JUDGE DIFIORE: So the only question before
20	us, are you suggesting, is who gets to decide whether this
21	dispute falls within the arbitration clause, the court or
22	the arbitrator?
23	MR. AIETA: Absolutely, Your Honor. This is a
24	question where where arbitrability has to be decided
25	by the arbitrator. That's that's clear. Long line

of cases - - - and I don't believe my colleague disputes

them - - - holding that where the AAA arbitration rules are
integrated into the contract included by reference, that
makes the question of arbitrability a question that goes to
the arbitrator. The question - - -

JUDGE RIVERA: Yeah, but Counsel, if I can interrupt you, I'm on the screen.

MR. AIETA: Oh, sorry.

JUDGE RIVERA: Hello. No, that's all right.

Good afternoon. But those rules, the AAA rules, the NFL regs, all of that applies to the SRA and what's encompassed by the SRA. So isn't that really the problem, whether or not - - when it says this agreement and separate agreement, whether or not that, then, means that the SRA stands on its own, and the - - - this alleged oral agreement is not encompassed, even though referenced in the SRA? Isn't that really the only issue that we've got to figure out here?

MR. AIETA: I think that that's probably correct, Your Honor. That is the issue to grapple with. And - - - and the terms of the SRA themselves make it clear that it extends to this dispute. The SRA arbitration - - -

JUDGE RIVERA: Well, how is that, when it says this agreement is what's subject to arbitration, disputes arising and any questions/concerns arising related to the



SRA go to arbitration, and everything else is noted as a separate agreement? I mean, I think you've got sort of plain language that undermines your position. MR. AIETA: Two points, Your Honor. First of all, the plain language of the SRA actually says the applicability of the SRA - - -JUDGE RIVERA: Yes. MR. AIETA: - - is one of the issues that - -that will be arbitrated. That's in the arbitration clause, the applicability of the SRA. That clearly puts the applicability of the SRA, the question we're dealing with, into the hands of the arbitrator. Secondly, Your Honor, if you look at the complaint, what the trial court had to look at, there - - -JUDGE RIVERA: But let me ask you this.

JUDGE RIVERA: But let me ask you this. If there is no way to read the plain language as encompassing this oral agreement, then - - - it's a point well taken that you've made. Doesn't that remove this from the - - - this particular provision that the applicability of the SRA is -

MR. AIETA: I - - - I - - - I think you're under the structure of the SRA, and the actual facts as alleged in the complaint make it clear that it's reasonable to understand the SRA to apply to that agreement as well, and for a number of reasons, Your Honor.



First of all, the only place where the ten

percent provision appears is in the SRA. There is no other

- - other writing that embodies that ten percent.

Secondly, the line in the SRA that refers to the separate agreement says, marketing and endorsement. Doesn't say anything about legal services. Marketing and endorsement, of course, are the things that football agents, sports agents do for their clients.

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The - - - my colleague referred to two agreements. There are actually three agreements in the SRA. There's a third agreement which is attached, and that is a contract - - - it says, contract services. In that third agreement, my clients agreed to pay for Mr. Revis to go to a camp, before the big tryouts in February, in Indianapolis so he could improve his skills.

That - - - it's only two paragraphs. My clients agree to pay; Mr. Revis agrees to go. And if Mr. Revis switches agents, he'll have to pay my client back for the cost of that camp. Now, that's another agreement that clearly relates to the kinds of services a football agent performs for his clients, not a lawyer. So - - -

JUDGE WILSON: Let me try and ask you this.

Given the provision in the SRA, is there any agreement that

Mr. Revis and Mr. Schwartz could have entered into

thereafter that wouldn't be subject to an arbitrator



determining the scope of arbitration, and if so, how would you do that?

MR. AIETA: Sure, Your Honor. And there are, in fact, some examples of contracts between professional football players and agents where courts have rejected those as not being under the SRA. One that I can think of off the top of my head was an agreement between the agent and the football player for the football player to fund a nightclub that the agent was opening in China. That was not considered to be encompassed within the NFL regulations. And clearly, if Mr. - - -

JUDGE WILSON: And so why would the arbitration clause not read on that?

MR. AIETA: Because that had, on its face, reasonable interpretation. And if you look to Henry Schein, I would even say more than wholly and probable interpretation would tell you that that relationship is not about the agent-football player relationship.

There could be - - - and I believe, Your Honor, there could be a situation where Mr. Schwartz agreed to ask - - - to act as Mr. Revis' attorney in a football context.

That too would be subject to either the SRA or the NFLPA regulations. Attorney-client disputes are arbitrable in New York. Why not? It's the idea - - -

JUDGE RIVERA: Well, why - - - why - - - why



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doesn't, then - - - why doesn't the SRA, which is a 1 2 standard boilerplate form, say these agreements? Why does 3 it say this agreement? 4 MR. AIETA: Well, it does say - - - it says, at 5 times, agreement or contract. It does have - - -6 JUDGE RIVERA: Well, with respect to arbitration, 7 doesn't that only say this agreement, or did I miss 8 something? 9 MR. AIETA: Your Honor, it does - - - sorry. 10 me -11 JUDGE CANNATARO: It's paragraph 8. 12 MR. AIETA: Yeah, paragraph 8. It does say in 13 application or enforcement of this agreement for the 14 obligations of the party hereunder. The - - - I think you 15 can reasonably read - - - and that's even a higher standard 16 than I have to meet, but I believe you can reasonably read 17 this the way it's structured to suggest that here is the 18 representation agreement. This is about the representation 19 relationship between Mr. Schwartz and Mr. Revis.

Within that context, within that relationship,
here are services, paragraph 3, contract services. And one
of those contract services is you will negotiate - - - Mr.
Schwartz will negotiate for Mr. Revis his relationship with
an NFL club.

JUDGE RIVERA: Um-hum.

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MR. AIETA: What other services? There's a line there that says, combine camp. That's what I referred to. That's the separate agreement that follows at the end. And there's a line that says, marketing and endorsements. I think you can reasonably read this, Your Honor, to say that these are additional services that fall within the overall scope of the standard representation agreement - - -

JUDGE CANNATARO: So Counsel, can I - - -

MR. AIETA: - - - or the relationship.

here. If there were a marketing and endorsement contract attached, the one that's referred to in the SRA, actually attached to it, and that marketing and endorsement, which agreement didn't apply to negotiation of the player's contract, which I think is actually the case in this dispute, would it be your position here - - and that contract made no reference whatsoever to arbitration of disputes. Would it still be your position that any dispute arising under the marketing and endorsement contract would still be subject to arbitration under the SRA? I'm sorry. Yes, arbitration.

MR. AIETA: Under the NFLPA regulations, Your

Honor, more broadly. And yes, it would be my position that

it is - - that disputes arising under the marketing and

entertainment contract attached to the SRA would be



1 arbitrable or at least would have to be sent initially to 2 the arbitrator to determine whether or not they're 3 arbitrable. 4 JUDGE WILSON: And if Judge Cannataro's 5 hypothetical written contract depended - - - said, as to 6 this agreement, the parties do not wish to have arbitrators 7 determine the scope, would the NFL regulations 8 incorporating the AAA rules still refer this to the 9 arbitrator? 10 MR. AIETA: I don't think so, Your Honor, because 11 in that case, you'd have a clear articulation of the 12 parties' intent, and - - -13 JUDGE WILSON: And who - - -14 MR. AIETA: - - - and that is what my colleague 15 claims - -16 JUDGE WILSON: Right. And where does - - -17 MR. AIETA: - - - he's relying on. 18 JUDGE WILSON: And where does the burden lie 19 there? That is, who has to prove clear intent or lack of 20 clear intent? 2.1 MR. AIETA: An interesting question, Your Honor, 2.2 and I'm not sure that this court has quite pinned that down 23 yet. Under the Federal Arbitration Act, there are plenty 24 of cases making it clear that the party opposing

arbitration has the burden -

1 JUDGE GARCIA: Counsel - - -2 MR. AIETA: - - - once you identify - - -3 JUDGE GARCIA: I'm sorry. I know your light is 4 on, but with the Chief Judge's permission, could you - - -5 I think, originally, in your argument you had started to 6 talk about the complaint. 7 MR. AIETA: Yes, Your Honor. 8 JUDGE GARCIA: Can you finish that thought before 9 you sit down? 10 MR. AIETA: I can, quickly. There are two things I would like to point to, Your Honor. In paragraph 78 of 11 12 the complaint, which is at page A-32, this is the fourth 13 cause of action. It alleges that the agreement between 14 Schwartz and Revis provided for the ten percent contingent 15 fee and the two percent contingent legal fee on 16 compensation from employment by NFL teams. One contract 17 provided for the ten percent and the two percent, not two 18 contracts, not separate contracts. 19 Also, I would point to paragraph 21, which is on 20 page A-17 to A-18, where Mr. Revis alleges in his verified 21 complaint that the document he signed on January 18th, 22 2007, the SRA we're talking about, provided that Schwartz 23 would represent Revis as his attorney and contract advisor. 24 JUDGE GARCIA: Thank you.

Thank you.

MR. AIETA:

1 CHIEF JUDGE DIFIORE: Thank you, Counsel. 2 Counsel, your rebuttal? 3 MR. LEVINSTEIN: Yes. Quickly, the burden of 4 proof is on the party seeking arbitration: the matter of 5 American Centennial, Bowmer v. Bowmer, Primavera Labs v. Avon Products. 6 7 I'll be quick. The SRA is a very special 8 document. The NFLPA has no jurisdiction to tell players 9 what to do. Under the labor laws, only thing they can do 10 is negotiate a CBA that requires players what to do. 11 NFLPA regulations are regulations governing contract 12 advisors. They are simply rules that Mr. Schwartz has to 13 comply with if he wants to have the right to serve as a 14 representative of players in negotiating open provisions in 15 their CBA. 16 The idea is they could have negotiated all the 17 provisions of a player's contract. Instead, they create a 18 UPA and leave a few blanks. And in order to be the guy who 19 negotiates those, you need to be approved by the NFLPA. 20 That's their only jurisdiction. They can't require the 21 player anything about his other contracts. They can only 22 regulate the contract advisor. 23 JUDGE RIVERA: Oh, so Counsel - - - I'm on the 24 screen. 25 MR. LEVINSTEIN: Sorry.

JUDGE RIVERA: Sorry. Hello. So can you help me understand why does the SRA, then, provide for this reference to other agreements? What's the point of that if - - if you're correct and they're completely separate, they're not covered, certainly, by the arbitration provision, and they're not part of the SRA - - - the SRA, the separate agreement? What's the point of actually referring to them?

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MR. LEVINSTEIN: In paragraph - - - on page A-53, one of the requirements of a contract advisor, one of the things he has to do or not do, he can't condition the signing of a standard representation agreement upon the signing of a contract for other services. The goal is to make sure that contract advisor didn't violate the agreement by tying together his endorsement services, his financial services with the agreement to represent the player.

And the player certifies as well that, yes, I've agreed to do these other things with my agent, but it's got nothing to do with the SRA. They're not conditions. And in order to make sure the contract advisor's complying with number 22 on page A-53, they have that certification. And that's the only reason they're identified. And under their theory, not only would the arbitration clause, but all the other provisions of the SRA would have been put into this

oral agreement about the two percent. And that can't be right.

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As for that one paragraph of the complaint, let me just say it wasn't well drafted, but it was really referring to two agreements. One agreement, the SRA, was a valid contract but separate. And the agreement about the two percent, that's - - - that's there. It's not the only place it's evidenced.

For seven years, Mr. Schwartz submitted invoices consistent with the ten percent requirement. For ten years - - - I mean for seven years, he would say, you just got a contract from Nike; here was the payment; please send me ten percent of that. This is the first time that he not only moved to fifty percent but had the money go directly to him so Mr. Revis wouldn't know about it.

JUDGE WILSON: Chief, I have one quick question, if I might.

CHIEF JUDGE DIFIORE: Yes, please.

JUDGE WILSON: So one of the blanks left in the SRA is for choice of law. And the parties choose - - - chose Pennsylvania law, if I read that correctly, but this has all been briefed under New York law. How do we deal with that?

MR. LEVINSTEIN: The SRA is under Pennsylvania law because Mr. Schwartz was in - - - Mr. Revis was living



in Pennsylvania at the time. I don't think it's an agreement under Pennsylvania law, but it really doesn't matter. The question is whether - - - which agreement governs. And since that agreement's irrelevant - - - and I also think it's important that he didn't get sent to the AAA rules, commercial rules.

It's the labor relations rules that govern disputes between management and employees, and that's why we're in the ML - - - LMRA, because everyone understood it was limited to this labor context, where Mr. Revis had to sign that contract if he wanted anybody to represent him.

If he wanted to negotiate his own contract, he wouldn't be bound by any NFLP reg - - - PA regulations, and he could do it himself. But if he wanted to have anyone represent him, he had to sign this SRA with the contract advisor.

And lastly, the NFLPA regulations do not allow a company to be a contract advisor. It has to be a person. So the deal with Schwartz & Feinsod, once again, is an agreement so far out the realm of what anything involved here could be.

CHIEF JUDGE DIFIORE: Thank you, Counsel. (Court is adjourned)

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CERTIFICATION I, Cheryl Odom, certify that the foregoing transcript of proceedings in the Court of Appeals of Revis v. Schwartz, No. 13 was prepared using the required transcription equipment and is a true and accurate record of the proceedings. Class Odom Signature: Agency Name: eScribers Address of Agency: 7227 North 16th Street Suite 207 Phoenix, AZ 85020 February 16, 2022 Date:

