

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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THE LEGACY AGENCY, INC. f/k/a
THE AGENCY SPORTS MANAGEMENT,

Plaintiff,

v.

MICHAEL W. CRONIN a/k/a MICK CRONIN,

Defendant.
-----X

Index No.:

Justice:

Date Filed:

COMPLAINT

Plaintiff, THE LEGACY AGENCY, INC. f/k/a THE AGENCY SPORTS
MANAGEMENT (“TLA”), by and through its undersigned attorneys, Wasser & Russ,
LLP, for its complaint against defendant MICHAEL W. CRONIN a/k/a MICK CRONIN
 (“CRONIN”) alleges as follows:

NATURE OF THE ACTION

1. This is an action seeking payment of Two Hundred Six Thousand Dollars
(\$206,000) in management fees for certain consulting and management services provided
by TLA to CRONIN since 2006. In addition, TLA seeks an accounting from CRONIN.

2. TLA brings this action to enforce its rights to payment for said
management fees against CRONIN under a certain Representation Agreement or,
alternatively in equity.

PARTIES, JURISDICTION & VENUE

3. Plaintiff TLA is, and at all times relevant hereto was, a leading, fully
integrated talent representation and sports marketing group duly organized and existing
under the laws of the State of Delaware, having its principal offices in New York, New
York, and qualified and registered to do business in the State of New York.

4. TLA is a wholly owned subsidiary of TLA Worldwide, plc.

5. Through a series of mergers and acquisitions in or about December, 2011 The Agency Sports Management merged into and sold/transferred certain assets to TLA, including but not limited to The Agency Sports Management's right, title and interest in and to CRONIN's management fees. By virtue of the merger and purchase TLA is the legal successor of The Agency Sports Management and the owner of The Agency Sports Management's right, title and interest in and to CRONIN's management fees.

6. Upon information and belief, defendant CRONIN is a natural person and, upon information and belief, a citizen of the State of Ohio residing in or around Cincinnati, OH.

7. Upon information and belief, defendant CRONIN is and has been the Head Men's Basketball Coach for the University of Cincinnati (the "University") since March 2006 and has offices located at the University of Cincinnati, 2751 O'Varsity Way, Suite 680, Cincinnati, OH 45221.

8. This Court has jurisdiction over CRONIN pursuant to CPLR § 302.

9. Venue in New York County is proper because TLA's principal offices are located in New York County pursuant to CPLR § 503.

BACKGROUND – COMMON ALLEGATIONS

The Representation Agreement

10. In or about 2006 CRONIN engaged TLA to advise and represent him in connection with the negotiation of an employment agreement with the University and related matters.

11. On or about November 29, 2006 TLA and CRONIN entered into an agreement memorializing CRONIN's engagement of TLA to consult with CRONIN ("Representation Agreement"). A true and correct copy of the Representation Agreement is attached hereto, marked Exhibit A and incorporated herein by reference.

12. Under the Representation Agreement CRONIN agreed to pay TLA four percent (4%) of the guaranteed compensation for the duration of his agreement to be the Head Men's Basketball Coach for the University in exchange for the consulting and management services provided by TLA. See Exhibit A.

13. Under the Representation Agreement, CRONIN agreed to pay TLA the agreed four percent (4%) management fees no later than December 1st each calendar year commencing on December 1, 2006. See Exhibit A.

14. Since 2006, TLA has performed valuable consulting and management services for CRONIN, including but not limited to negotiating CRONIN's employment agreement and subsequent amendments with the University and otherwise advising and consulting CRONIN with respect to the same.

15. Each year since 2006 TLA has billed CRONIN for the agreed four percent (4%) of CRONIN's guaranteed compensation arising out of his employment as Head Men's Basketball Coach for the University.

16. To date, the Representation Agreement has not been terminated, suspended or otherwise amended by CRONIN or TLA.

17. TLA performed all of its obligations under the Representation Agreement.

18. TLA is entitled to the agreed four percent (4%) management fee of the all guaranteed compensation (as defined in the Representation Agreement) paid by the University to CRONIN to date.

CRONIN'S Employment Agreement

19. CRONIN and the University entered into an employment agreement on or about March 24, 2006, whereby the University employed CRONIN as Head Men's Basketball Coach ("Employment Agreement"). A true and correct copy of the Employment Agreement is attached hereto, marked Exhibit B and incorporated herein by reference.

20. The Employment Agreement was subsequently amended on or about July 1, 2009, October 29, 2010, June 21, 2011, May 31, 2013 and June 23, 2014 to *inter alia*, extend the term of the Employment Agreement. True and correct copies of the July 1, 2009, June 21, 2011 amendments and the Amended and Restated Employment Agreement dated June 23, 2014 ("Amended Agreement") are attached hereto, marked Exhibits C, D and E respectively, and incorporated herein by reference.¹

21. TLA was involved on behalf of CRONIN in the discussions and negotiations resulting in the execution of the Employment Agreement and each subsequent amendment to the Employment Agreement, including the Amended Agreement, and otherwise advised CRONIN with respect to the Employment Agreement and each of the amendments that change or update the notice provisions, including the Amended Agreement.

¹ To date, TLA cannot locate a copy of the October 29, 2010 and May 31, 2013 amendments in its files.

22. In fact, TLA and its former employee Jordan Bazant are expressly listed as a party required to receive notice under the provisions of the Employment Agreement, as amended, and the Amended Agreement.

23. Under the Amended Agreement, CRONIN and the University extended the term of the Employment Agreement (and thereby CRONIN’s employment as Head Men’s Basketball Coach) to March 1, 2021.

24. Upon information and belief, under the Employment Agreement, as amended, CRONIN received the following guaranteed compensation for the following years:

Year 1 (Mar-11-Mar-12)	1,250,000
Year 2 (Mar-12-Mar-13)	1,350,000
Year 3 (Mar-13-Mar-14)	1,450,000
Year 4 (Mar-14-Mar-15)	1,800,000
Year 5 (Mar-15-Mar-16)	1,800,000
Year 6 (Mar-16-Mar-17)	1,800,000

25. TLA has fully performed its obligations under the Representation Agreement and has complied with all conditions precedent.

AS AND FOR A FIRST CAUSE OF ACTION
Breach of Contract

26. TLA repeats, reiterates and realleges each and every allegation set forth above as if set forth fully herein.

27. CRONIN currently owes TLA sums due pursuant to the Representation Agreement in an amount that cannot currently be precisely determined, but verily believed to be no less than Two Hundred Six Thousand Dollars (\$206,000) representing

four percent (4%) of CRONIN’s guaranteed compensation under the Employment agreement, as amended (the “Past Due Management Fees”).

28. TLA has demanded payment of said Past Due Management Fees due from CRONIN and CRONIN has failed and refused to pay the same.

29. CRONIN has not paid any part of the Past Due Management Fees, although payment has been demanded by TLA.

30. CRONIN has breached the Representation Agreement by failing and refusing to account for and pay all Past Due Management Fees due TLA under the Representation Agreement.

31. TLA has been damaged as a result of CRONIN’s breaches of contract in an amount to be determined at trial, but which in any event is no less than Two Hundred Six Thousand Dollars (\$206,000) for Past Due Management Fees, plus interest and costs and expenses herein.

AS AND FOR A SECOND CAUSE OF ACTION
Account Stated

32. TLA repeats, reiterates and realleges each and every allegation set forth above as if set forth fully herein.

33. TLA submitted to CRONIN the following invoices on or about the following dates (the “Invoices”), all of which were retained by CRONIN without objection, thus creating an account stated:

<u>Date</u>	<u>Invoice No.</u>	<u>Amount of Invoice</u>
6/30/14	6144	\$25,000
12/31/14	6228	\$25,000
6/29/15	8833	\$25,000

12/15/15	9892	\$25,000
6/1/16	10946	\$25,000
10/21/16	10947	<u>\$25,000</u>
TOTAL:		\$150,000

True and correct copies of TLA’s Invoices are attached hereto, marked Exhibits F, G, H, I, J and K, and incorporated herein by reference.

34. By reason of the foregoing there is due TLA from CRONIN the sum of One Hundred Fifty Thousand Dollars (\$150,000) together with applicable interest computed from the dates of TLA’s invoices.

AS AND FOR A THIRD CAUSE OF ACTION
For Breach of Fiduciary Duties

35. TLA repeats, reiterates and realleges each and every allegation set forth above paragraphs as if set forth fully herein.

36. This Third Cause of Action is plead in the alternative to TLA’s First Cause of Action for breach of contract to the extent the Representation Agreement is deemed or found to be unenforceable or not to cover the Past Due Management Fees.

37. CRONIN is a fiduciary in respect of the management fees due to TLA under the Representation Agreement, including Past Due Management Fees.

38. CRONIN has breached his fiduciary duties by failing and refusing to account for and pay the Past Due Management Fees due and owing to TLA.

39. TLA has been damaged as a result of CRONIN’s breaches of his fiduciary duties in an amount to be determined at trial, but which in any event is no less than Two Hundred Six Thousand Dollars (\$206,000) for Past Due Management Fees, plus interest and costs and expenses herein.

40. Upon information and belief, CRONIN's actions constitute willful misconduct and/or gross negligence in the performance of his obligations, as well as willful violations of the Representation Agreement.

AS AND FOR A FOURTH CAUSE OF ACTION
For An Accounting

41. TLA repeats, reiterates and realleges each and every allegation set forth above as if set forth fully herein.

42. Despite due demand, CRONIN has failed and refused to fully account for and pay the Past Due Management Fees due TLA under the Representation Agreement.

43. By reason of the foregoing, and pursuant to the Representation Agreement and common law, TLA is entitled to an accounting from CRONIN for all Past Due Management Fees due TLA, and for payment of all sums due on such accounting, in a sum which cannot now be precisely determined but which in any event is no less than Two Hundred Six Thousand Dollars (\$206,000) for Past Due Management Fees, together with all losses, costs and expenses of TLA in this action.

44. TLA has no adequate remedy at law.

AS AND FOR A FIFTH CAUSE OF ACTION

Quantum Meruit

45. TLA repeats, reiterates and realleges each and every allegation set forth above as if set forth fully herein.

46. This Fifth Cause of Action is plead in the alternative to TLA's First Cause of Action for breach of contract to the extent the Representation Agreement is deemed or found to be unenforceable or not to cover the Past Due Management Fees.

47. At the specific request of CRONIN, TLA acted as CRONIN's agent and provided CRONIN with valuable management and consulting services in connection with his employment by the University and the negotiation, entry into and subsequent amendments of CRONIN's Employment Agreement.

48. TLA expected to be paid for the management and consulting services it provided to CRONIN.

49. Although TLA provided said valuable management and consulting services to CRONIN, and CRONIN accepted the benefit of those services to obtain a lucrative Employment Agreement and several extensions thereof, CRONIN has failed and refused to pay TLA management fees due TLA for its services.

50. CRONIN knowingly accepted the benefit of TLA's services by virtue of entering into, amending and extending his lucrative Employment Agreement with the University and CRONIN received substantial compensation from the University as a result thereof.

51. As a consequence, TLA is entitled under *quantum meruit* to the reasonable value of its services, in an amount to be determined at trial but believed to be no less than Two Hundred Six Thousand Dollars (\$206,000) to date, plus interest and costs and expenses herein.

AS AND FOR A SIXTH CAUSE OF ACTION
Unjust Enrichment

52. TLA repeats, reiterates and realleges each and every allegation set forth above as if set forth fully herein.

53. This Sixth Cause of Action is plead in the alternative to TLA's First Cause of Action for breach of contract to the extent the Representation Agreement is deemed or found to be unenforceable or not to cover the Past Due Management Fees

54. TLA, in good faith, furnished valuable services to CRONIN.

55. TLA did so with the expectation of receiving payment for the services it furnished to CRONIN.

56. CRONIN accepted TLA's services and retained the substantial benefit thereof.

57. However, CRONIN has failed and refused to pay TLA for the services furnished and nonetheless retained the benefit of said services for his own advantage and monetary benefit.

58. Upon information and belief, CRONIN knowingly accepted the benefit of TLA's services resulting in CRONIN receiving compensation from the University aggregating \$9,450,000 since March 2011 as a result of the Employment Agreement, as amended and extended.

59. As a result of the foregoing, TLA has been damaged in an amount to be determined at trial, but in any event believed to be not less than Two Hundred Six Thousand Dollars (\$206,000), plus interest and costs and expenses herein.

WHEREFORE, TLA respectfully demands a Judgment of this Court in its favor against CRONIN for:

A. Compensatory damages on its First Cause of Action in an amount to be determined at trial, but in any event believed to be not less than Two Hundred Six Thousand Dollars (\$206,000), together with interest; and/or

B. Compensatory damages on its Second Cause of Action in an amount to be determined at trial, but in any event believed to be not less than One Hundred Fifty Thousand Dollars (\$150,000), together with interest; and/or

C. Compensatory damages on its Third Cause of Action in an amount to be determined at trial, but in any event believed to be not less than Two Hundred Six Thousand Dollars (\$206,000), together with interest; and/or

D. Judgment on the its Fourth Cause of Action compelling CRONIN to account to TLA for all compensation received by CRONIN from the University arising out of or related to the Employment Agreement, as amended; and/or

E. Compensatory damages on its Fifth Cause of Action in an amount to be determined at trial, but in any event believed to be not less than Two Hundred Six Thousand Dollars (\$206,000), together with interest; and/or

F. Compensatory damages on its Sixth Cause of Action in an amount to be determined at trial, but in any event believed to be not less than Two Hundred Six Thousand Dollars (\$206,000), together with interest;

G. The costs and disbursements of this action; and

H. Such other and further relief as the Court deems just, fair and proper.

Date: March 2, 2017
New York, New York

Respectfully submitted,
WASSER & RUSS, LLP

/s/ Adam H. Russ

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