

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION MEMORANDUM

To: Club Owners

Club Presidents

Club General Managers

Club Counsel

From: Jeff Pash

Date: October 20, 2022

Subject: System Arbitration Filing: NFLPA Collusion Claim

The NFL Players Association ("NFLPA") has initiated a system arbitration proceeding before System Arbitrator Christopher F. Droney alleging that the member Clubs and the League have violated Article 17 of the Collective Bargaining Agreement ("CBA") by colluding to prevent Clubs from offering players fully-guaranteed contracts.

The NFLPA bases its claim on the fact that no other quarterback or high-profile player has signed a fully-guaranteed contract after Browns' quarterback Deshaun Watson signed his contract last March. The NFLPA argues that "[t]he expectation was that fully-guaranteed contracts would now become the competition driven norm for the top players in the League, including quarterbacks, negotiating new contracts." The pleading fails to explain the basis of their alleged expectation. The NFLPA further contends that, before and during the August 9 ownership meeting, NFL owners and/or League executives discussed not agreeing to any additional player contracts with fully-guaranteed salaries.

The NFLPA is not exercising its right to seek to terminate the current CBA even if a violation is established but, instead, has asked the arbitrator to award damages and permit certain quarterbacks who have been adversely affected by the collusive agreement to terminate their current player contracts.

We are aware of no evidence supporting these collusion claims, which we will vigorously oppose.

Please be reminded that the CBA provides that all proceedings before the System Arbitrator are **strictly confidential**. Accordingly, Club personnel should not make any public comment regarding the proceeding or any of the NFLPA's claims. Please also note that a litigation hold notice to Club Counsel is forthcoming.

We will keep you apprised of future developments in this matter. Please direct any inquiries or questions related to this proceeding to Larry Ferazani, Sean Casey, Molly Delaney or David Bayer at the Management Council.