

Kevin Rooney v. Michael Tyson

A Group Presentation

By:

Adam McDaniel

Cody Small

Livanna Anderson

The Facts

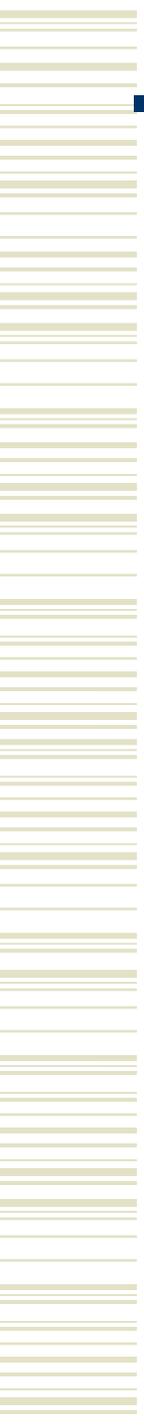
- ◆ In 1980, Tyson (at the age of 14) was placed under the supervision of D'Amato, a boxing star and his manager.
- ◆ When Tyson's mother died in 1983, D'Amato became his legal guardian
- ◆ When Tyson began his boxing career, Rooney and D'Amato agreed that Rooney would be Tyson's personal trainer, and be unpaid until Tyson became professional

The Facts...cont.

- ◆ The two agreed that Rooney would be his trainer as long as Tyson was a professional fighter
- ◆ Rooney trained Tyson 28 months unpaid. In 1985, Tyson became popular and D'Amato died and James Jacobs became his new manager
- ◆ Rumors started to float around that Rooney would be replaced, Tyson authorized Jacobs to tell reporters that Rooney would be Tyson's trainer as long as Tyson was a professional fighter

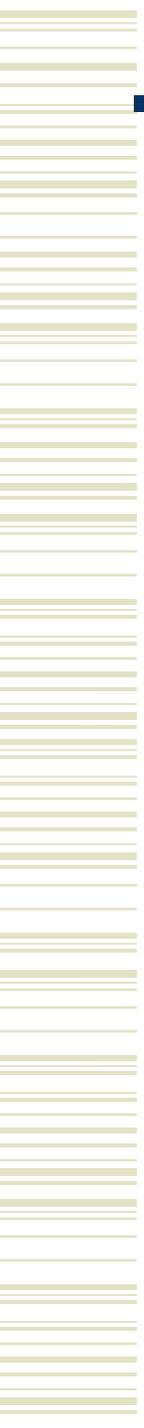
The Facts...cont.

- ◆ In 1988, Rooney read in a paper that he was no longer Tyson's personal trainer. Tyson formally terminated the relationship later that year
- ◆ Rooney sued over the oral agreement in 1983
- ◆ The jury awarded Rooney compensation, but the District Court granted Tyson a post trial motion for matter of law, and dismissed the case. Rooney appeals.



Terms to Consider

- ◆ Definite: Having distinct limits
- ◆ Indefinite: Not having limits



Conflict

- ◆ Is there a definite term for Rooney's employment?
- ◆ Is Rooney entitled to compensation?
- ◆ Can Tyson terminate the relationship for his betterment?
- ◆ Is there a contract that is enforceable in either party's favor?
- ◆ Is their sufficient consideration if there is a contract?

Tyson/Circuit Court's POV

- ◆ The terms in which Rooney was hired should be indefinite
- ◆ If this is so, Tyson can terminate Rooney 'at will', under New York State law

Rooney/Court of Appeals' POV

- ◆ Rooney claims that there is an oral contract between Tyson and him regarding his future employment
- ◆ He states that the terms in this agreement are definite
 - “...as long as Tyson is a professional fighter”

Misc. POV's

◆ Economical

- A lot of employment agreements are indefinite. If not, a lot of ill suited workers could still retain jobs or compensation for unwanted performances

◆ Social

- Employers should be bound by their agreements if they set definite terms. Some employees/agents rely on such terms.

Concepts

- ◆ At-Will Employment
 - When a contract/employment sets indefinite terms, the employment is said to be “at will”.
 - This means that the either party can terminate the employment
 - Tyson was trying to prove that Rooney was employed with indefinite terms

Concepts..cont.

- ◆ Indefinite vs Definite
 - Employment/Contracts that do not have set terms, including duration and frequency of pay, are indefinite.
 - Employment that gives terms (and under New York law, even the slightest terms) means it is definite.

Concepts...cont.

◆ Statute of Frauds

- Under the statute of frauds, any contract which has definite terms that last longer than a year must be in writing to be valid
- One would think that this should include Tyson and Rooney's agreement, but Tyson's professional career could've ended within a year

Cited Cases

- ◆ *Arentz v Morse*: plaintiff tried to prove he was employed for life, failed.
- ◆ *Wieder v Skala*: definite employment doesn't implicate at-will presumption
- ◆ *De Petris v Union Settlement Assn.*: any indefinite employment is terminable by either party
- ◆ *Murphy v American Home Prod.*: general hiring that is indefinite is 'at will'
- ◆ *Watson v Gugino*: general hiring is employment where nothing is said to its duration or frequency of payment

The Judgment

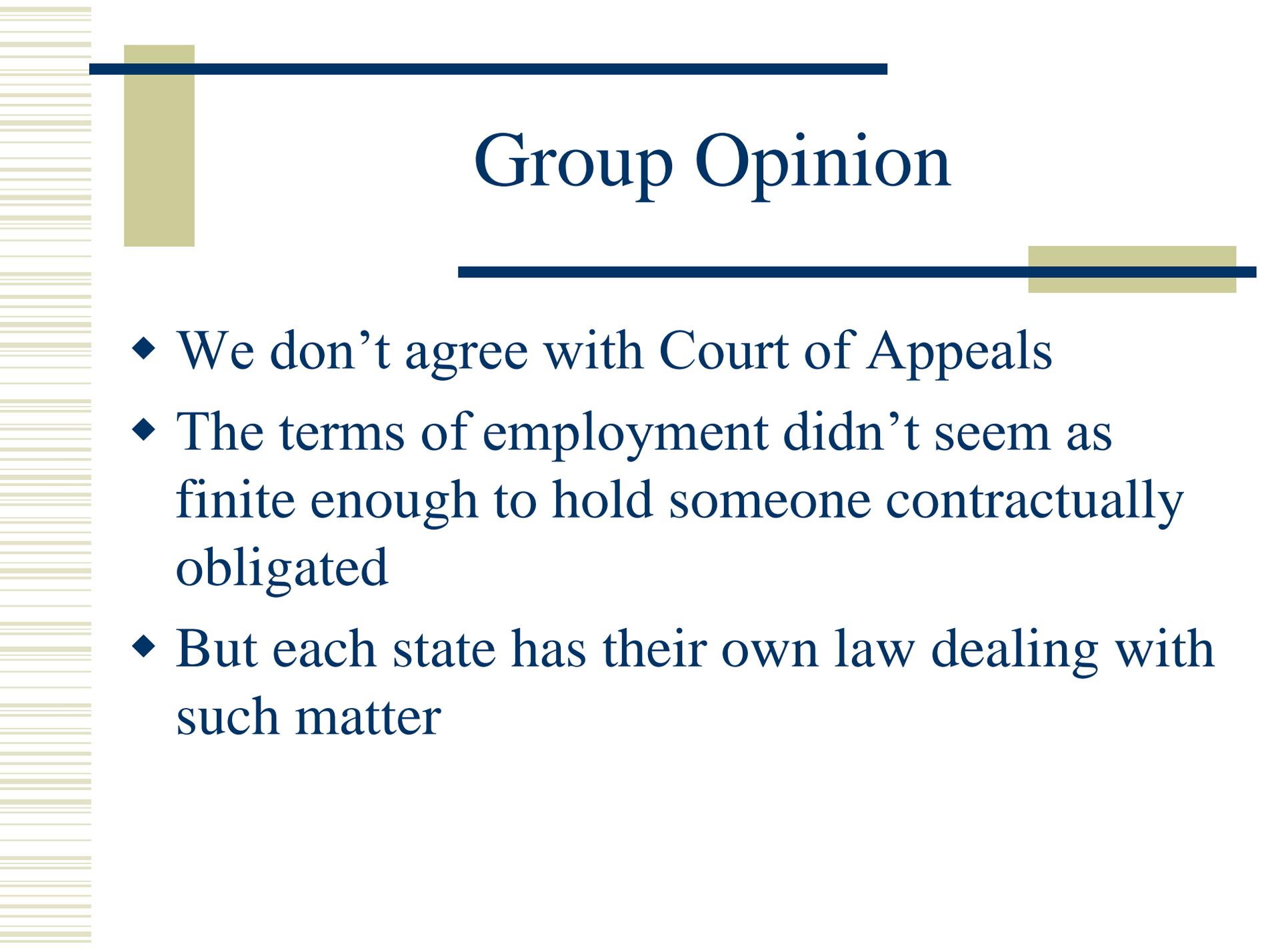
- ◆ Ruled in favor of Rooney
- ◆ Found that the terms of employment were defined
- ◆ Though the times are not predictable or calculable, they are legally limited and have objective benchmarks
- ◆ Whenever Tyson stops boxing professionally is when the employment/contract ends
- ◆ Just the slightest amount of consideration is needed for this type of contract, but rarely is a contract like this found voidable because of consideration

Implications

- ◆ Tyson has to pay Rooney \$4.4 million in compensation
- ◆ Case defined definite employment as a contract that could end not as a result of death, retirement at old age, and or bankruptcy
- ◆ If employment is set for a duration of time that is definite, the employer may not terminate the employee

Implications...cont.

- ◆ Employers should get, in writing, the terms laid out for employment, whether it be definite or indefinite
- ◆ Employees shouldn't rely on oral agreements for a contract of employment if it is expected to last a long time



Group Opinion

- ◆ We don't agree with Court of Appeals
- ◆ The terms of employment didn't seem as finite enough to hold someone contractually obligated
- ◆ But each state has their own law dealing with such matter



The End

Thank you for your time

Any Questions?