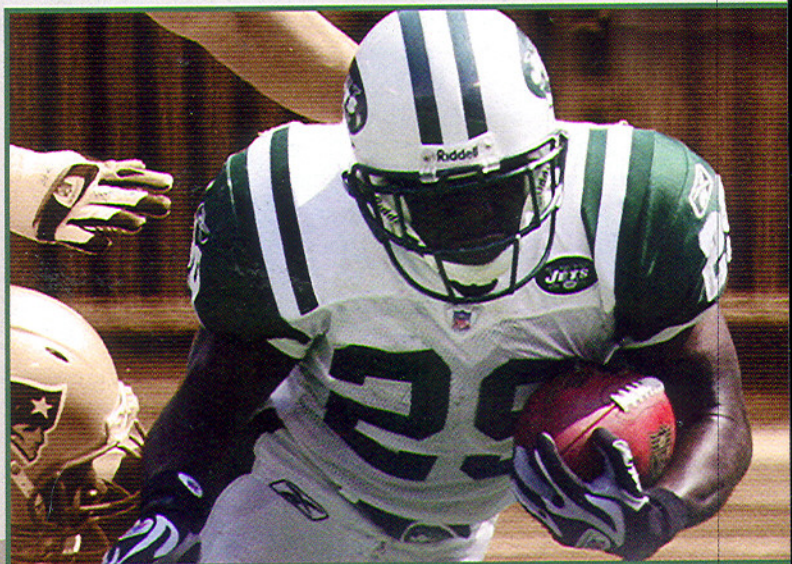


**HANDLE WITH CARE:** New York Jets running back Leon Washington has teamed up with Merrill Lynch financial adviser Diane Miller to sensibly invest his earnings for the long run. Miller is certified by the National Football League's Financial Advisers Program, which was set up after agent scandals left some former players destitute. At right, Washington rumbles for a first down against the New England Patriots last September.



# Sportsmanlike Conduct

NFL players know football, but need help handling their sudden wealth. The result: a union-sponsored designation program that may be duplicated in other sports leagues.



by Ron Panko

In her previous career, financial adviser Diane Miller was a psychiatric nurse. She was shocked one day when a patient, a former professional football player, had to sell his Super Bowl ring because he was broke.

"That experience really stayed with me," said Miller, now with the Global Wealth Management division of Merrill Lynch at its office in Garden City, N.Y. "When I finished my training program, the instructors told us to try to focus on a couple of niches about which we could become passionate. And I thought 'these players really needed help.'"

Today, Miller is a successful adviser in her niche—providing comprehensive financial planning, including insurance, to players in the National Football League. She has

19 clients on 10 NFL teams through the Financial Advisers Program set up by the NFL Players Association, the league's labor union. The program requires financial professionals to register with the union, meet certain requirements and undergo background checks.

One of Miller's rising stars is undoubtedly New York Jets running back and kick returner Leon Washington, No. 29. Drafted out of Florida State in 2006, in two seasons he's already scored seven touchdowns and last year averaged five yards per carry.

Heading into his third pro season,

Washington has staked his fortunes to Miller's expertise.

"Number one, I trust you 100%," he told her during a recent planning session. "I know you're always going to put

► **The Issue:** Young pro athletes need protection from incompetent financial advisers.

► **What Happened:** With the help of their union, NFL players have created a program to screen financial advisers.

► **Watch For:** Other professional sports leagues to institute similar programs, which could provide more opportunity for financial professionals.



## Agent/Broker

my finances in the right position. And you're preparing me for my future, on and off the field."

Since it started accepting advisers in 2002, the Financial Advisers Program has been embraced both by players fearful of being cheated and by teams with vested interests in their athletes.

NFL players may epitomize power and confidence on the football field, however some are vulnerable young men in the field of finance. All too often, they've fallen victim to inept or malicious advisers, to family and friends out to extract some of the stars' newfound wealth, or to their own excessive spending or generosity.

One of the most notorious cases involved sports agent William "Tank" Black, who was sentenced to jail in 2002 for defrauding client-athletes of millions of dollars in multiple investment schemes and was earlier convicted of money laundering. His clients included wide receiver Ike Hilliard of the New York Giants and running backs Fred Taylor of the Jacksonville Jaguars and Duce Staley of the Philadelphia Eagles.

It was the players themselves who asked the union to create a vetting system for financial advisers, similar to the agent-certification program already in place, said Dana Hammonds, director of the Financial Advisers Program. The players voted to create the program in March 2000; it started taking applications in 2001.



Arielle Baio for Best's Review

**FIRE CHIEF:** With a host of current and former Giants as clients, adviser Paul Felsen protects athletes from "getting burned." He's sometimes amazed that players can live large, yet have no liability protection against being baited. "They think they're bullet-proof," Felsen says.

The most significant challenge facing new players is what Hammonds describes succinctly as "sudden wealth."

"When you come out of college, even if you have some form of financial training, there's not really much that can prepare you for earning \$200,000 to millions of dollars," she said. "And it's not just the money, but

a budget and teach him to live below his means.

"I always talk to them about plan A and plan B," she said. "Only a few players are going to play 15 or more years, like Brett Favre or Jerry Rice. So plan B assumes they won't ever get another NFL paycheck."

The average NFL career is 3.5 years, she said.

Miller sets up direct deposits of paychecks into a Merrill Lynch account and then segregates the money three ways: Some goes into a debit card account for monthly spending; some money is available for spending during the season; and the rest is for long-term savings.

"I want guys to be in better shape coming out of football than going in," she said. "They have virtually nothing when they go in, so if a guy comes out and has a lot of debt, he's in worse shape."

Imposing financial discipline is a common battle that all program advisers face. Their clients, after all, are young men—many from impoverished backgrounds—with their first big contract.

The player's impulse is to spend. A hot item is a Cadillac Escalade SUV selling for about \$80,000, said Richard Kagawa, a program adviser from Huntington Beach, Calif. Players may buy two or three luxury cars, along with lots of jewelry for their wives or girlfriends, mothers and themselves. And houses; some want to buy houses for their mothers.

"Once they get money, everyone in the world who is a relative or friend feels they're entitled to be supported or helped by this pro athlete," said Paul Felsen, a New Jersey-based program adviser. "It's difficult for him to say no. But guys are getting better at it, because they see other guys getting burned."

#### The Adviser's POV

While advising an NFL player might sound like a fun and lucrative job, some in the program point out that isn't really the case financially, at least not yet.

Miller has been in the program



"We're not trying to be all to everybody. I don't know everything about law or insurance, but I can bring in a guy who does."

—Steven Piascik,  
*Piascik & Associates*

Player participation in the program is voluntary. The players association does not actually recommend advisers, but identifies those that have met the requirements, passed a background check and been accepted. Hammonds estimated that at least half of the league's 1,800 players use the program, selecting from about 500 registered advisers.

the notoriety. It's like a lottery winner. Your name is published; it's public information in newspapers and on the Internet. There are a lot of different things pulling these individuals."

Criminal activity is hardly the only threat to players; there's also what they do to themselves. Miller's top goal for every new player is simple: Get him on





Player participation in the Financial Advisers Program is voluntary. At least half of the league's 1,800 players use the program, selecting from about 500 registered advisers.

—Dana Hammonds,  
*NFL Financial Advisers Program*

since 2003, but only now is she starting to make money. She spent nearly two years talking with coaches and retired players before getting her first client.

"Once I knew what I was doing, I started calling around and introducing myself and getting to know the right people," she said. "It's a very small world, and if you take on a client and do the wrong thing, and blow him up, you're out."

Helping young players create budgets didn't bring in much income, but now that Miller has clients who have been in the league for a couple of years, do not have debt and are making more money, they're ready to invest in bonds, equities and annuities.

"So I did it the right way, and now it's starting to become a moneymaker," she said.

Kagawa, president of Capital Resources and Insurance, entered the program at its outset. Despite holding four prestigious credentials—CFP, CLU, ChFC and LUTF—he has only one client, but is finally positioned to gain more.

"Everybody goes into this thing thinking the players are going to fall out of the sky," he said. "It's been terribly frustrating for me, but it's added to my knowledge of the wealthy and of sports. So I've stayed with the program, I've rooted around, and some agent finally cold-called me to say he's looking for a financial planner."

Kagawa's client is a 22-year-old who tithes to his church. Although he earns the NFL's minimum salary, he still wanted a new Cadillac Escalade SUV, but Kagawa talked him down to a used GMC Denali. The vehicle was "all blinged out, except for TVs," Kagawa said, and it wasn't the "right" color, but his player bought it for \$22,000—about 25% of the new Escalade's price.

Advisory niches help. Felsen, a prop-

erty/casualty broker and president of Felsen Insurance Services in Denville, N.J., is a longtime Giants season ticket holder. He became friends with players in the 1980s and '90s, including linebacker Gary Reasons and running back Ottis Anderson—both of whom have two Super Bowl rings.

Those friendships got Felsen involved in writing homeowners and auto insurance for many Giants players, a few coaches and even a team vice president. Player-clients include Michael Strahan of the current Super Bowl champion team, and former Giants Jesse Armstead, Jason Schorn, Michael Barrow, Sam Garnes, Will Allen and Ron Dixon.

Other clients are Mike Waufler, a defensive line coach, and Pat Hanlon, a Giants vice president and director of public relations.

"Players were calling us and asking for insurance," Felsen said. "It is really self-propagating and self-fulfilling. We solicit them, but our name is so strong with them that we get tremendous referrals."



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—Richard Kagawa,  
*Capital Resources and Insurance*

Felsen said he applied for the adviser program when it was created, but since he is not credentialed in financial planning or investments, he had to argue his case. He finally was accepted—after a long wait.

Players often are badly in need of insurance, particularly homeowners.

"In looking at what insurance these guys had, I found it was very

poorly done," Felsen said.

"Most guys didn't have their jewelry insured," he said. "They'd buy a condo or a small home and not even insure it because at the time of closing, no bank ever said they had to have insurance. It's hard to believe, but we had guys sitting with half-million-dollar homes and no insurance."

Players had no excess liability policies either, even though they are often liability targets. "They don't see it as a need," said Felsen. "They think they're bullet-proof."

At clubs and restaurants, players are constantly being baited, Felsen added. And if somebody gets into an automobile accident with a professional athlete, it's like winning the lottery; the other driver sues for amounts with as many digits as telephone numbers, he said.

Another successful program adviser, Steven Piascik, has taken advantage of both a marketing niche and a history of working with players before the inception of the program.

He is president of Piascik & Associates, a CPA firm outside Richmond, Va., that specializes in tax consulting. He and his staff of 22 professionals do a brisk business because athletes have to file tax returns in every state in which they play.

"Most CPAs are comfortable filing in two or three states per year, but we file in 45 states, both business and personal returns," he said.

Athletes represent about 15% of the firm's business volume. Dozens are NFL players, but others are from the National Basketball Association, Major League Baseball and the National Hockey League. Piascik also has track and field athletes, including Olympians, and professional golfers as clients.

Piascik's value proposition is that he will drive down players' effective tax



## Agent/Broker

rates three to six percentage points, or tens of thousands of dollars a year.

"We do that not only through continuous communication with them," he said, but also by giving them organizer tools to document expenses and retain receipts. The firm charges a flat fee and has toll-free telephone numbers so that players aren't reluctant to stay in touch. Piascik also travels extensively to visit with his clients, he said.

Piascik said he's "a big believer" in working with other professionals on behalf of clients, whether he or the client brings them in. "We're not trying to be all to everybody," he said. "I don't know everything about law or insurance, but I can bring in a guy who does."

Sometimes, a financial adviser can even improve an athlete's play on the field. That happened last year to Miller, whom a coach had called when the star of his team was in a slump.

The coach, whose identity Miller would not reveal, told her the player's agent had called him to say the player was so stressed financially that it was

affecting his play. The player was reportedly in debt, could not say no to family requests for money and couldn't even pay his agent, Miller said.

Miller met with the player in the coach's office, worked out a budget, put together a "game plan," and talked about how to handle family requests for money. She even offered to get involved with the family. The consultation worked.

"He's been playing phenomenally, is sticking to his budget and isn't spending money," said Miller. "His financial situation is 100% different than it was six months ago. It's been good for me because now I have a reputation with the team. And the player's agent has started referring players to me."

While breaking into the NFL's program can be challenging, financial advisers may soon have more opportunities in other sports.

"Other leagues will soon do this," said Miller. "They've been talking to the NFL, and they're very interested because they have to protect their guys. I believe basketball, baseball and

hockey want to do the same type of program, and they will probably pick those of us that are registered and make us their first group.

"It's long overdue," she said. "I give the NFL a lot of credit for doing this." **BR**



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