

*Memo of Understanding vs. Comprehensive Contract: Best Practices in Signing College Coaches*

David P. O'Brien, Esq., Drexel University Sport Management

Timothy J. O'Brien, Esq., Libby O'Brien Kingsley, LLC

Vickie Sarfo-Kantanka, Esq., Libby O'Brien Kingsley, LLC

The recent lawsuits filed against each other by both former head basketball coach Billy Gillispie and the University of Kentucky over the issue of the enforceability of a memorandum of understanding raises difficult legal issues and practical business questions. Although the matter was ultimately settled at a significant cost to each party, the facts of the dispute are worthy of further review. Gillispie sued the school seeking at least \$6 million he says was owed on his deal after being fired without cause. Gillispie was working under a memorandum of understanding, but hadn't signed a formal contract during the two years he coached the Wildcats. His one-page termination letter concluded Gillispie was not a "good fit" for the school, and it specifically cited his failure to come to an agreement on a full employment contract after receiving many drafts from the institution. The University of Kentucky claimed that the two-page memorandum of understanding Gillispie signed after his hiring in 2007 was not the equivalent of a full contract. Many institutions have utilized this same approach when signing their coaches. Whether the memorandum of understanding is a valid contract or the constant counter offers made by Gillispie demonstrate that a meeting of the minds never existed, will be examined. Best practices, however, dictate that Kentucky should never have let itself be placed in this position by insisting that a contract be fully executed before announcing Gillispie's hiring. Certainly in the media spotlight of a major coaching hire, the technical language of a contract seems insignificant. The general terms and conditions always seem more important, and neither side has time for the details of contract language; and, yet, as we see with this case, the heart of the deal resides in the details. This paper will explore the legal and business arguments on both sides of this issue and will outline some best practices for institutions to follow when signing high profile college coaches.