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# DAILY BUSINESS REVIEW

## SPORTS & ENTERTAINMENT LAW

# Heat guard's dad faces range of allegations

by Eric Kalis  
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While Miami Heat guard Mario Chalmers battles the Indiana Pacers in the National Basketball Association playoffs, his father faces a litany of allegations in a lawsuit filed by his former colleague at a Miami Beach sports agency.



Sugarman

Agent David Sugarman and Miami Beach companies SugarTime Inc. and SugarTime the Sports Agency LLC filed a complaint May 21 in Miami-Dade Circuit Court against Ronnie Chalmers, a former managing member of the agency where Sugarman is chief executive officer. Sugarman said they split shares 50-50.

Allegations in the seven-count suit include breaches of fiduciary duty, contract and covenant of good faith and fair dealing; defamation; and trade libel. Sugarman and the companies seek \$19,640 in damages for expenses Chalmers allegedly did not cover during his three-month stint at the agency, additional actual and compensatory damages and an injunction to prevent Chalmers from being an agent until a one-year noncompete agreement expires.

The case was assigned to Judge Jorge E. Cueto. No hearings have been scheduled, and Chalmers has not responded to the lawsuit. An email message to Chalmers was not returned by deadline.

Chalmers is a former director of basketball operations at the University of Kansas, where Mario Chalmers spent three years and led the basketball team to a national championship in 2008. Ronnie Chalmers signed a deal with SugarTime last December to serve as managing member and split agency shares with the company, according to Sugarman's lawsuit.

The problems apparently started

### CASE AT A GLANCE

■ **Case Name:** David Sugarman, SugarTime and SugarTime the Sports Agency v. Ronnie Chalmers

■ **Case Number:** 2013-18087-CA-01

■ **Court:** Miami-Dade Circuit Court

■ **Allegations:** Sugarman accuses Chalmers of misappropriating "confidential, property and trade secret information" of the sports agency and illegally competing against the agency.

■ **Details:** Chalmers, father of Miami Heat guard Mario Chalmers, was once a managing member and shareholder of Sugarman's Miami Beach-based agency.

when Chalmers did not cover his half share of \$39,280 in agency expenses. During his time with the agency, Chalmers allegedly held meetings in New York without Sugarman's knowledge to try to raise capital for the agency and "was spreading false and defamatory information about plaintiffs to others outside" the agency, Wolfe Law Miami attorney Darren A. Heitner wrote in the complaint. Heitner and Richard C. Wolfe represent Sugarman and the companies in the case.

Heitner

The defamation claim stems from a conversion Chalmers had with a "then-potential employee" who took potshots at Sugarman's character.

"That potential employee contacted Sugarman directly to inform him of those false and disparaging statements," Heitner noted.

Additionally, Chalmers "sabotaged the signing of a potential client from a university in Florida by forgetting the player's name when speaking to the player's head coach," according to

Heitner, who noted Chalmers also failed to show up for an important April 17 meeting with a potential client.

That day, surveillance videos at the agency caught Chalmers and "an accomplice" taking unspecified items from the Miami Beach office without Sugarman's knowledge, the complaint said. A day later, Chalmers notified Sugarman of his resignation from the agency via email.

To date, Chalmers has returned "a minimal amount of documents," but Sugarman and the companies believe he still has important agency documents.

The lawsuit also claims Chalmers kept recruiting basketball players after quitting in violation of a noncompete clause.

"Since the termination of his ownership of stock in the agency, Chalmers has continued to recruit C.J. Leslie, Willie Cauley-Stein, Ben McLemore" and several other professional prospects, according to Heitner.

If Cueto approves the injunction, Chalmers would not be allowed to work as an agent until next April.

Sugarman "basically put all of his trust in Ronnie Chalmers," Heitner said Friday during a phone interview.

"Even though it was a short duration of time, the damage is tremendous," he said. "The industry knew about this association. My client was relying on Ronnie to recruit potential clientele, including but not limited to his own son."

Sugarman is open to a potential settlement with Chalmers, Heitner said.

"Our position from day one has been that we would love to settle this outside the courtroom," he said. "We engaged in good faith settlement discussions, but unfortunately there were certain points we could not agree upon."

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