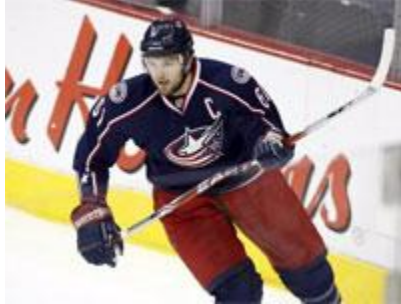


THE COLUMBUS DISPATCH

Jackets players try to avoid financial slipups that often beset athletes

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By [Tom Reed](#)



Blue Jackets captain Rick Nash is comfortable knowing that every time he steps on the ice, an opponent wants a piece of him.

The young multimillionaire is less at ease in a social setting when approached by someone extending a smile, handshake and business proposition.

At least twice a month, Nash estimates, he is asked to invest in projects ranging from real-estate development to restaurants.

In hockey, the perennial star knows the reputations and tendencies of opponents such as the Detroit Red Wings, who will play the Blue Jackets in Nationwide Arena tonight. In the financial sector, he has no scouting reports.

"Somebody is always asking to invest in this and help in that," Nash said. "It's tough to be the bad guy, so it's nice to have someone you can trust, an adviser who can help you with decisions."

One of the most crucial decisions pro athletes make is choosing who, if anyone, manages their money.

Players concede that the events of the past year -- Wall Street's near-collapse, the saga of rogue investor Bernard Madoff and alarming statistics about athletes going broke -- underscore the importance of keeping a close watch over their riches.

Sports personalities with more money than business acumen long have been prime marks. But a wealthmanagement adviser whose firm's clients include pro athletes said they increasingly are targets because of the current credit crunch.

"This is a time when entrepreneurs are having trouble getting money," said Gary J. Marcinick, an executive vice president of Columbus-based Budros Ruhlin & Roe, one of the nation's top independent, fee-only wealth-management firms.

"Athletes offer easy access to unencumbered capital. (Some investors) keep their fingers crossed that the athletes don't drill deep and do their due diligence."

Tracing money trails and performing background checks are rarely top priorities for athletes focused on keeping their jobs and enjoying the spoils of celebrity.

History yields a long list of bad investments and poor choices made by pro athletes. For example:

- Alan Eagleson, the first high-profile hockey agent and former director of the National Hockey League Players Association, ripped off scores of players, including famed client Bobby Orr.
- Seven current and former NFL players are among 3,000 investors bilked in a \$100 million Canadian Ponzi scheme.
- Former Jackets center Sergei Fedorov, who won a lawsuit against a Michigan financial adviser, is trying to recoup \$60 million that he says was swindled from him.
- Former Jackets Michael Peca, Bryan Berard and Darryl Sydor are among 19 current and former NHL players suing a Las Vegas golf-resort developer who they say duped them out of \$25 million. Peca and Berard reportedly lost \$700,000 apiece.

"At the end of the day, you've really got to get to know these people personally," Peca said. "You just can't go on track records; they can be misleading."

Blue Jackets defenseman Mike Commodore says there always will be some risk, regardless of how well an athlete thinks he knows the person managing his money.

He cited the case of Madoff, whose Ponzi scheme defrauded thousands of investors, including friends, of untold billions.

"It's easy to get in bad habits when you are young," said Commodore, 30. The financial adviser "talks to you, and you have no idea what he's saying. You don't pay attention; you don't check (investments) online. More often than not, things will work out fine, but they could blow up in your face."

Jonathan Weatherdon, a spokesman for the NHL Players Association, said the league and the association jointly offer a pre-draft orientation program to top prospects that includes financial-planning and wealth-management sessions.

The NFL Players Association is launching a similar initiative aimed at helping players budget their money, avoid fraud and prepare for retirement. According to Sports Illustrated, 78 percent of former NFL players retired for at least two years are bankrupt or under financial stress because of divorce or joblessness.

Meanwhile, the NBA Players Association estimates that about 60 percent of its players endure financial hardship within five years of leaving the game.

Former NBA star Antoine Walker, who earned \$110 million over a 12-year career, has been pursued by creditors for unpaid debts totaling \$4 million. He was arrested in Las Vegas in July for writing bad checks at a casino.

Walker's story serves as a cautionary tale about a lifestyle of excess that included cars, jewelry and a mansion for his mother, complete with 10 bathrooms and an indoor swimming pool.

Dallas Cowboys linebacker Bobby Carpenter, a former Buckeye, wonders who is advising players on such purchases. He arrives at work each day driving a Chevrolet Tahoe into a parking lot that features a couple of \$100,000 vehicles.

"Some guys think they are going to play forever, but (they) can be out of the league within two years," Carpenter said. "My dad (Rob) played for 10 years and taught me the value of not spending a lot of money."

Marcinick uses a \$20,000 Rolex watch as an example of how investing money, rather than spending it on luxury items, pays off. He said a 20-year-old athlete who puts that amount into a diversified stock portfolio can reap nearly \$1 million by age 60 based on historical returns.

Most athletes have a financial adviser, but the people serving in that capacity vary widely.

Several Blue Jackets said they allow relatives or family friends to manage their money. Other players are represented by large sports agencies that handle all their financial matters, including bill and mortgage payment.

Marcinick and hockey player agent Tom Laidlaw expressed concern about family members and friends running an athlete's finances. Most are well-meaning, they said, but rarely possess the business acumen to properly manage and invest large sums.

Nash perhaps takes the most diverse approach: His agent, financial adviser, accountant and lawyer all work for separate companies -- to maximize the checks and balances.

"It's tough for us because we are not as educated as someone who went to college for five years or something like that," Nash said. "In saying that, I try to educate myself as much as possible on how my money works and what it's doing."

Laidlaw and Marcinick agree that hockey players with multimillion-dollar contracts needn't make high risk investments.

Carpenter, though, said some athletes don't make a distinction between reckless play on the field and off.

"Pro athletes are inherently risk-takers -- it's the nature of our profession," he said. "Taking low risks doesn't excite some guys; it doesn't give them a rush. They wind up getting into a venue where they have no experience."

Marcinick advises his clients not to give entrepreneurs "the Heisman (stiff arm)" but to direct proposals to his firm.

Nash and several other Jackets say they trust their money men. That doesn't stop them, though, from checking their accounts online several times a week.

"When you come from not having much money and suddenly it's coming in, you want to keep an eye on it," Nash said. "You hear all the horror stories about athletes getting ripped off. It's important to stay on top of it."

"It's nice to have someone you can trust, an adviser who can help you with decisions." — Rick Nash

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