

BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF
MARYLAND,
3300 Metzert Road
Adelphi, Maryland 20783

and

UNIVERSITY OF MARYLAND,
COLLEGE PARK,
Main Administration Building
College Park, Maryland 20742

Plaintiffs,

v.

ATLANTIC COAST CONFERENCE,
4512 Weybridge Lane
Greensboro, North Carolina 27407

Serve on:
John D. Swofford
Commissioner
4512 Weybridge Lane
Greensboro, North Carolina 27407

Defendant.

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COMPLAINT

The Board of Regents of the University System of Maryland (“Board of Regents”) and the University of Maryland, College Park (“Maryland”), Plaintiffs, by their counsel, sue the Atlantic Coast Conference (“ACC”), and state:

* IN THE
* CIRCUIT COURT
* FOR
* PRINCE GEORGE’S COUNTY

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* Case No. _____

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INTRODUCTION

1. Maryland has been a member of the ACC since the founding of the Conference in 1953. Despite this long and proud history, facing significant economic challenges in its athletic department, evaluating the impact of the radical realignment of colleges and universities in the country's major athletic conferences that has occurred over the past several years, and committed to providing its students and faculty with the highest level of academic, educational, and research opportunities, on November 19, 2012, Maryland publicly announced its intention to join the Big Ten Conference beginning on July 1, 2014.

2. The move to the Big Ten Conference will provide financial security to, and permit Maryland to sustain, its intercollegiate athletic programs, which must be self-sustaining and self-supporting and may not receive any tuition funds or state appropriations. The move will also significantly enhance the academic, educational, and research opportunities available to Maryland's students and faculty. Joining the Big Ten Conference will enable Maryland to become a member of the Committee on Institutional Cooperation ("CIC"), a premier consortium of outstanding institutions comprised of the Big Ten universities and the University of Chicago. Membership in the CIC will significantly enrich research and collaboration opportunities for Maryland's students and faculty and thereby enhance Maryland's ability to attract and retain exceptional students and top-notch faculty. While a break with tradition is never easy, Maryland's decision to join the Big Ten Conference in 2014 is in the best interests of its students, student-athletes, and faculty, as well as the taxpayers of the State of Maryland.

3. Nonetheless, immediately after Maryland's announcement, the ACC took steps designed to deny Maryland these athletic, academic, and financial benefits and to penalize Maryland for its decision, with the goal of impeding Maryland and deterring other members

from leaving the Conference. Specifically, the ACC imposed on Maryland a withdrawal penalty of \$52.26 million (the “Withdrawal Penalty”) purportedly authorized by the ACC Constitution and Bylaws (collectively, the “ACC Constitution”). The ACC claims that the Withdrawal Penalty constitutes “liquidated damages.” In fact, the Withdrawal Penalty bears no relation to actual damages (if any) to the ACC from Maryland’s withdrawal. To the contrary, the ACC nearly tripled the penalty for leaving the conference, without basis, analysis or justification, in September 2012 (shortly before Maryland’s announcement) through a purported amendment to the ACC Constitution. In addition to lacking any legitimate economic justification, that amendment, which Maryland and one other ACC member institution opposed, failed to comply with the notice and procedural requirements of the ACC Constitution and is therefore null and void.

4. The ACC has also ignored and breached the ACC Constitution in its urgency to punish Maryland and deter further withdrawals from the Conference. By its plain terms, the ACC Constitution provides that amendments do not take effect until the beginning of the next fiscal year *following* their adoption. Even if the September 2012 increase in the Withdrawal Penalty had been validly adopted (and it was not), that amendment could not take effect until July 1, 2013. Nonetheless, the ACC purported to apply the September 2012 amendment and imposed the Withdrawal Penalty immediately by withholding from Maryland more than \$3 million of Maryland’s share of conference revenues, and by making clear its intention to withhold *all* future conference revenues due to Maryland until the Withdrawal Penalty is paid in full.

5. The ACC has also penalized Maryland by excluding it from participation in Conference meetings and by barring its coaches from participation in meetings dealing with

competition, scheduling, and planning with respect to individual sports. The ACC has done all this even though Maryland remains a member of the ACC. The ACC's actions are unlawful and tortious, and constitute an illegal restraint of trade. The ACC's illegal, retaliatory, and anticompetitive conduct threatens irreparable harm to Maryland's student-athletes, student and alumni fan base, faculty, athletic competitiveness, and reputation.

6. Maryland brings this action to prevent this harm and to force the ACC to adhere to its legal obligations, including the contractual obligations arising from the ACC Constitution. Maryland seeks a declaratory judgment pursuant to § 3-406 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for the purpose of determining a question of actual controversy between the parties. Maryland also seeks compensatory and punitive damages to remedy the ACC's breach of contract and the ACC's tortious interference with prospective economic advantage, and an award of treble damages, civil penalties, injunctive relief, and attorneys' fees and costs to remedy the ACC's violations of the Maryland Antitrust Act, Md. Code Ann., Commercial Law §§ 11-204, 11-209.

PARTIES

7. The Board of Regents is the governing body of the University System of Maryland and controls the affairs of the University of Maryland, College Park. The Board of Regents is an instrumentality of the State of Maryland. Title 12 of the Education Article of the Annotated Code of Maryland establishes the University System of Maryland as an instrumentality of the State of Maryland to "foster the development of a consolidated system of public higher education, to improve the quality of education, to extend its benefits, and to encourage the economical use of the State's resources." The offices of the University System of

Maryland are located in Adelphi, in Prince George's County, and the Board of Regents conducts meetings there.

8. Maryland is the flagship institution within the University System of Maryland. College Park is located in Prince George's County.

9. Defendant ACC is an unincorporated association that governs, regulates and promotes, through the sale of television broadcasting rights, sponsorships, and other promotional benefits, certain intercollegiate athletic competitions among its member institutions, generating substantial revenues. The Conference currently consists of 12 member institutions of higher education from seven States, including the State of Maryland. The current members of the Conference are Maryland, Boston College, Clemson University, Duke University, Florida State University, Georgia Institute of Technology ("Georgia Tech"), University of Miami, University of North Carolina, North Carolina State University, University of Virginia, Virginia Polytechnic Institute and State University ("Virginia Tech"), and Wake Forest University. Each of these institutions is a member of the ACC unincorporated association and a participant in this joint venture.

10. Even though the ACC seeks to impede, punish, and penalize Maryland for its decision to join the Big Ten Conference, the ACC has been a very active participant with respect to the significant realignment of the country's major athletic conferences that has taken place during the past several years. Specifically, Syracuse University and the University of Pittsburgh will withdraw from the Big East Conference to join the ACC in 2013. The ACC has also announced that the University of Notre Dame will join as a participant in all Conference-sponsored sports with the exception of football, for which it will play five ACC teams per season. And, in a meeting from which Maryland was excluded without any authority for such

exclusion under the ACC Constitution, ACC presidents and chancellors voted on November 28, 2012, to admit the University of Louisville, which will join the Conference in 2014.

11. The ACC derives substantial revenue through its business dealings, including advertising, promotion, merchandising, marketing, broadcasting, and events conducted, within the State of Maryland. Among other things, the ACC sponsors, hosts, and generates income from athletic events held in Prince George's County. Each of the member institutions in the ACC has athletic teams that compete in events in Maryland.

JURISDICTION AND VENUE

12. The Circuit Court for Prince George's County has general and specific personal jurisdiction over the parties to this action and venue is appropriate because the parties have systematic and continuous contacts in this jurisdiction and a substantial part of the acts and omissions giving rise to the causes of action pleaded in this Complaint occurred in this jurisdiction.

13. On November 26, 2012, the ACC filed an action against Maryland and the Board of Regents in Guilford County, North Carolina (the "North Carolina Action"). In the North Carolina Action, the ACC seeks a declaration that the Withdrawal Penalty is a valid and enforceable obligation of Maryland.

14. On January 18, 2013, the Board of Regents and Maryland filed a motion to dismiss the North Carolina Action for lack of personal jurisdiction. The Board of Regents and Maryland have not waived their sovereign immunity and are not subject to suit in the courts of the State of North Carolina. No discovery or other substantive proceedings have occurred in the North Carolina Action. The pendency of the North Carolina Action presents no impediment to

the prosecution of this action or to an award of the injunctive, declaratory, and monetary relief that the Board of Regents and Maryland demand here.

FACTUAL ALLEGATIONS COMMON TO ALL COUNTS

The Competitive Landscape for Universities and Athletic Conferences

15. Maryland, like many universities across the United States, offers intercollegiate athletic activities for its student-athletes. Unlike professional sports leagues, universities have primary and significant functions that are not related to the athletic activity; these functions include academics, research and public service. This distinction between professional sports and academic institutions has been recognized by the United States Supreme Court in *National Collegiate Athletic Association v. Board of Regents of the University of Oklahoma*, 468 U.S. 85 (1984).

16. Universities compete with each other in many ways. Most obviously, universities compete for students. They also compete with one another for faculty and faculty resources, research opportunities and grants, presidents, chancellors and other high-ranking university administrators, alumni giving, fundraising and endowments. Universities also compete in athletics. They compete not only for victories in athletic contests, but with respect to recruitment of student-athletes, employment of coaches, athletic directors and other athletic department personnel, sales of tickets, broadcasting rights, school merchandise, and other promotional and advertising rights. In this sense, universities, including each of the members of the ACC, are horizontal competitors. An agreement among these universities not to compete, for example, with respect to the recruitment of faculty members or students or not to offer scholarships to certain groups of students would be an illegal restraint of trade.

17. Certain rules of play must be established in order to conduct sporting events between athletic teams from various universities. The rules of intercollegiate athletic competitions are typically set by the National Collegiate Athletic Association (“NCAA”). The NCAA is an association in which Maryland, the other ACC institutions, and numerous other colleges and universities in the United States are members. It promulgates rules on such topics as size of court or field, number of players on a team, rules for scoring and penalties, number of years a student-athlete is eligible to compete, permissible forms of recruiting, limits on athletic scholarship terms, and numerous other aspects of college sports. The NCAA also distinguishes between athletic programs as Division I, Division II, and Division III and sets specific conditions applicable to institutions depending on the Division in which they fall. This action is not a challenge to any NCAA rule or regulation or to its standards for Division membership.

18. In addition to the overarching NCAA association among universities offering intercollegiate athletic programs, almost all NCAA universities have also associated to form athletic conferences for at least one sport. Members of an athletic conference typically share the same NCAA designation (*i.e.*, Division I, II, or III). The ACC is such an association; it is a Division I conference consisting of the universities identified in Paragraph 9.

19. A collegiate athletic conference such as the ACC is a form of joint venture. The member universities associate in order to provide certain joint services necessary for the success of the particular athletic conference, but a conference does not require the membership or cooperation of all NCAA institutions. Such joint services include logistical and operational matters, such as scheduling games or matches and hiring and assigning referees. They typically also include significant revenue-generating activities such as selling broadcasting rights for

conference events, hosting a conference tournament and engaging in other joint promotional activities that increase the public recognition of the conference's member institutions.

20. Conference play requires the athletic teams (including teams for non-revenue-generating sports) of the member universities to travel to compete at athletic events at the sites of other member universities. As a result, conferences typically draw their members from a geographic area within which each member's teams can travel economically and without undue interruption of the student-athletes' academic responsibilities. In addition to geographical proximity, conferences or divisions within athletic conferences often include universities that offer historic and/or regional rivalries that are of great interest to the alumni and fan base of the respective institutions (*e.g.*, Duke vs. North Carolina, Ohio State vs. Michigan).

21. As an association, a conference such as the ACC acts as an instrument of, and pursuant to the instructions of, its members – members who, as described above, compete with each other with respect to students, faculty, academics, fundraising, and other matters. Despite their status as direct competitors both on and off the field, a conference's member universities may need to decide certain matters jointly, such as how to share the revenues from a conference tournament, what share of ticket receipts are given to the visiting team, whether to accept a proposed conference broadcasting contract, or what to pay conference administrators. While these activities may be legitimately undertaken by the members of a conference/association in order to promote the joint venture's success, the conference (acting through its members, or only some of them) may not take actions or adopt restrictions that unreasonably restrain trade and unreasonably restrict competition among universities or among different conferences.

Competition Among Conferences and Realignment

22. Competition is not limited to members of the same conference, who compete both on and off the field. Each conference, as a joint venture of the university members, competes in many ways with other conferences (typically joint ventures among a separate and distinct set of other universities). Conferences (or associations of member schools) compete for member schools, sales of tickets, sale of broadcasting rights, advertising and sponsorships, and opportunities for their members to compete in lucrative athletic contests, such as the Bowl Championship Series in football and the NCAA men's and women's basketball tournaments.

23. There exists a market in which intercollegiate athletic conferences compete for member institutions. Conferences often leverage broadcasting revenues to enhance the attractiveness of their athletic associations to prospective members. Various conferences have recruited and added member institutions to create or maintain appealing rivalries and enhanced competition, in order to increase fan interest, broadcasting ratings, and sponsorship appeal, with the goals of improving the product offerings of the conference, increasing revenues to the conference and its members, and enhancing its members' reputations and brands.

24. Changes in the alignment of colleges and universities within athletic conferences have occurred with increased frequency in recent years. Within 2012 alone, major revisions in membership occurred or were announced not only with respect to the ACC, but also in other collegiate athletic conferences.

25. The rapid conference realignment that has occurred in recent years (and that is likely to continue, absent unreasonable restraints on competition) has enabled institutions of higher learning to enhance the academic, athletic, and research opportunities available to their

students, student-athletes, and faculty through both increased revenues and enhanced visibility and reputational benefits.

26. Conference realignment is a method by which an academic institution can enhance its reputation and brand and its ability to attract student-athletes, students, faculty, and coaches. Realignment also presents an opportunity for universities to join conferences with universities with common attributes and missions.

27. Conference realignment creates conferences that are more appealing to intercollegiate athletics fans, which results in greater competition and greater benefits to consumers from the products offered by those conferences. Realignment of conferences creates the opportunity to attract to conference athletic events fans and consumers who are otherwise not following intercollegiate athletics.

28. Both historically and recently, the ACC has been an active participant in the market to recruit universities to become athletic conference members by aggressively pursuing and adding members. The ACC was founded in 1953 by seven universities that all left the Southern Conference. Shortly thereafter, the University of Virginia also withdrew from the Southern Conference to join the ACC. In 1971, the University of South Carolina withdrew from the ACC and later joined the Southeastern Conference. Thereafter, Georgia Tech, once part of the Southeastern Conference and a charter member of the Southern Intercollegiate Athletic Association, joined the ACC. In 1991, the ACC extended membership to Florida State, a charter member of the Dixie Conference and former member of the Metropolitan Collegiate Athletic Conference.

29. The ACC's membership remained the same until approximately 2004, when the ACC initiated the most recent trend of conference realignment. That year, the University of

Miami and Virginia Tech left the Big East Conference to join the ACC. One year later, Boston College followed.

30. Recently, the ACC has been extremely active in the market for new conference members. In 2012, Syracuse University and the University of Pittsburgh announced that they will withdraw from the Big East Conference and join the ACC in 2013. On September 12, 2012, the ACC announced that the University of Notre Dame will join the conference by 2015 for all conference-sponsored sports except football (although Notre Dame has agreed to play five ACC football teams each season). Most recently, on November 28, 2012, ACC presidents and chancellors voted to admit the University of Louisville (in a meeting from which Maryland was improperly and illegally excluded). Louisville is scheduled to leave the Big East and become an ACC member in 2014.

31. Pursuant to Section IV-3(g) of the ACC Constitution, each of these new members has been required to pay a fee to the ACC in order to join the conference. On information and belief, the ACC has imposed an entry fee of approximately \$2 million with respect to the institutions that agreed to join the ACC in 2012.

32. Upon information and belief, the ACC continues to consider and solicit other institutions to join the Conference.

Maryland Is a Highly Attractive Candidate in the Market for Conference Membership

33. Several factors make Maryland an attractive candidate to intercollegiate athletic conferences that are seeking new members. Foremost among these is its long-standing tradition of athletic success and academic excellence.

34. With respect to athletics, Maryland teams have won national championships in football, men's basketball, women's basketball, men's lacrosse (10), field hockey (8), women's

lacrosse (11), men's soccer (3), and acrobatics and tumbling (4). Maryland is one of only three NCAA members to have won national championships in men's basketball, women's basketball, and football. In 2011-2012, 19 of Maryland's varsity teams earned trips to post-season competition. More than 40 Maryland student-athletes have participated in the Olympics. Since 2009, Maryland has increased its overall student-athlete Graduation Success Rate ("GSR") each year. Maryland's 83% GSR in 2012 was its highest ever and above the national average.

35. Maryland's history of academic and research excellence is equally impressive. Maryland boasts four Nobel Prize winners since 1997 and is known for its advanced research and educational expertise. Maryland's faculty features five Pulitzer Prize-winning faculty members and more than 40 members of the U.S. National Academies. Maryland has 30 academic programs ranked among the U.S. News Top 10 and 71 academic programs in the U.S. News Top 25. Maryland is first among top public universities with respect to the graduation of African Americans and ranks 37th among global universities, 28th among U.S. universities and 12th among U.S. public universities. Maryland's close proximity to Washington, D.C. and the nation's largest concentration of federal research facilities, has made it a leading partner on cutting-edge, high impact issues such as climate change, advanced language skills, food safety, and nutrition.

36. Maryland's location also makes it a highly desirable candidate for conference membership. Combined, the Washington, D.C. and Baltimore markets represent the fourth largest television broadcasting market in the United States.

37. As a prominent Division I university with a rich athletic history, including athletic teams that have competed for and won national championships in multiple sports, Maryland's interests require that its athletic teams compete in a highly-competitive conference whose

members are highly-competitive in a wide variety of sports. Athletic success against highly-competitive (and thus popular, well-known, and highly-visible) opponents maximizes Maryland's ability to recruit student-athletes, coaches and other athletic personnel, to generate fan and alumni interest, to generate ticket, broadcast, merchandise, and sponsorship revenue, and to enhance the university's name-recognition and reputation. Additionally, the competitive strength of Maryland's opponents is an important factor in several key ranking indices for intercollegiate athletics, including football and basketball rankings. As a result, certain less-competitive conferences would not be attractive to Maryland and would not present viable options.

38. At the same time, the cost and academic disruption of lengthy travel for student-athletes limits the number of conferences that present a realistic option for Maryland. Schools evaluate the benefits and costs when deciding the conference they wish to join.

**The Athletic, Academic, and Financial Benefits Motivating Maryland's
Decision to Join the Big Ten Conference**

39. Dedicated to its statutory mission, Maryland is consistently driven to expand and heighten the level of the academic, educational, and research opportunities available to its students and faculty, all the while serving as a good steward of, and making the most economical use of, the resources provided by the State and its taxpayers.

40. In November 2012, the President of Maryland concluded that Maryland's mission would be best served, and the interests of its students, student-athletes, faculty, alumni, and Maryland taxpayers would be best served, by joining the Big Ten Conference. To that end, on November 19, 2012, the Board of Regents endorsed the decision of Maryland to join the Big Ten Conference in 2014.

41. While many factors influenced this important decision, three stand out. First, the Big Ten Conference is highly competitive in numerous sports and can provide Maryland superior competitive opportunities, visibility, and reputational benefits that are superior to those available from the ACC. Second, membership in the Big Ten Conference brings with it academic and research resources that are vastly superior in comparison to the ACC and that will enrich the experience of Maryland's students and faculty and help fulfill the University's core academic mission. Third, membership in the Big Ten Conference will provide Maryland with superior economic benefits and permit it to stabilize initially, and ultimately enhance, the overall competitiveness and breadth of its athletic offerings.

42. Participation in the Big Ten Conference will enhance the competitive opportunities available to Maryland's athletic teams. During the 2011-2012 season alone, the Big Ten claimed seven team national championships. Among other things, as a member of the Big Ten, Maryland will have the opportunity to engage in conference play with the storied Big Ten football and basketball programs. Enhanced competition on the field will likewise enhance Maryland's ability to compete off the field for the best student-athletes, coaches, and athletic department personnel, as well as for fan and alumni loyalty and support.

43. Membership in the Big Ten Conference, and the enhanced competitive opportunities that it will provide to Maryland, will increase Maryland's national visibility and reputation in the field of intercollegiate athletics and beyond. For example, Maryland's entry into the Big Ten will restore a geographic rivalry with Penn State, a historic athletic powerhouse. Becoming a part of the Big Ten will also expand Maryland's presence, visibility, and reputation beyond the mid-Atlantic region.

44. Maryland's presence and reputation will be further enhanced as a result of the Big Ten Network ("BTN"), the first national television network owned by an intercollegiate athletic conference. The BTN reaches 51 million homes in the United States and Canada through agreements with more than 300 cable, satellite, and telecommunications providers, and is available internationally in 20 countries. The BTN broadcasts a wide array of athletic competitions including, in addition to football and basketball, wrestling, baseball, women's softball, men's and women's soccer, ice hockey, track, swimming, lacrosse, golf, cross country, gymnastics, volleyball, as well as special programming and conference-wide meets. Beyond the BTN, the Big Ten's broadcast and media agreements with various networks (such as ABC and ESPN) provide the conference with broad national media exposure in multiple sports. Indeed, upon information and belief, the Big Ten Conference's broadcasting contracts generate more revenue than those of any other conference in the United States.

45. Upon information and belief, as a result of these and other factors, Maryland's move to the Big Ten Conference will result in a greater total output of NCAA athletic-related products, including but not limited to broadcasts, sponsorships, ticket sales, school and conference merchandise, and number of student-athletes than would occur if Maryland were to remain a member of the ACC. Upon information and belief, the move will lead to an increase in the number of student-athletes and teams competing for Maryland in intercollegiate athletics over and above the number if Maryland were to remain in the ACC.

46. Membership in the Big Ten Conference brings with it academic and research resources that are vastly superior in comparison to the ACC and that will enrich the experience of Maryland's students and faculty and help fulfill the University's core academic mission. For example, Big Ten universities outpace the members of any other conference by providing more

than \$136 million in direct financial aid to nearly 10,000 student-athletes. Further, the Big Ten has the highest number of ranked graduate school programs among all conferences. Its thirty top-25 programs in the fields of law, medicine (research and primary care), business, engineering, and education place the Big Ten first among all conferences.

47. Furthermore, membership in the Big Ten Conference brings with it membership in the CIC, a premier consortium of outstanding institutions consisting of the Big Ten universities and the University of Chicago. Membership in the CIC will significantly enrich academic, research and collaborative opportunities for Maryland's students and faculty, enhancing Maryland's ability to compete for, attract and retain exceptional students and faculty. Membership in the ACC does not afford its members anything comparable to the CIC. Additionally, as a part of the Big Ten and CIC, Maryland will be able to utilize the collective purchasing power of the member schools, resulting in lower costs for items such as academic journals and laboratory equipment.

48. Membership in the Big Ten Conference will provide Maryland with superior economic benefits and permit it to initially stabilize, and ultimately enhance, the overall competitiveness and breadth of its athletic offerings, providing long-term financial security and sustainability to Maryland's athletic programs. Maryland's intercollegiate athletic programs are self-sustaining, meaning that they must generate their own operating revenues. In recent years, Maryland has operated its athletic programs at a deficit. As a result, Maryland spends significantly less per student-athlete than every other ACC member. Indeed, severe budget shortfalls forced Maryland to eliminate seven teams in 2012 (men's cross country, men's indoor track, men's swimming and diving, men's tennis, women's acrobatics and tumbling, women's

swimming and diving, and women's water polo) in order to balance its budget and attempt to remain competitive in the remaining sports.

49. By moving to the Big Ten, Maryland will significantly increase the revenue generated by its athletics department, enhancing Maryland's ability to compete on the field and permitting Maryland to sustain and ultimately enhance the athletic opportunities available to its student-athletes. Upon information and belief, the Big Ten pays annual distributions to its member schools well in excess of the revenue distributions made by the ACC to its members. On information and belief, this trend will continue and the gap between revenue distributions to Big Ten members and ACC members will widen in the coming years.

The ACC's Attempts to Punish Maryland and Deter Others

50. The ACC, acting as a joint venture of universities that compete with Maryland, is attempting to deny Maryland these significant athletic, academic and financial benefits by preventing Maryland from leaving the Conference or, alternatively, to impede and to penalize Maryland for its decision to join the Big Ten Conference in order to deter other institutions from withdrawing from the ACC. The ACC is attempting to do this by imposing the Withdrawal Penalty, despite the fact that it is void and unenforceable under the ACC Constitution; by withholding Maryland's share of conference revenues (and announcing its intention to withhold all future revenues due Maryland until the Withdrawal Penalty is paid in full), even though Maryland had not yet formally withdrawn from the ACC; and by denying Maryland (and its athletic teams) equal treatment and access with respect to ACC meetings, proceedings and decision-making. These actions are anticompetitive and unreasonable restraints on trade, violate the ACC Constitution and threaten irreparable injury to Maryland and its students, faculty, alumni, fans and other consumers.

The ACC Constitution

51. The ACC purports to operate under a Constitution and Bylaws, pursuant to which Conference members have agreed to conduct the ACC's business affairs. True and correct copies of the most recent Constitution and Bylaws made available to Plaintiffs are attached to this Complaint as Exhibits 1 and 2 and incorporated herein by reference.

52. The ACC Constitution states: "It is the purpose and function of this Conference to enrich and balance the athletic and educational experiences of student-athletes at its member institutions, to enhance athletic and academic integrity among its members, to provide leadership and to do this in a spirit of fairness to all." Among the stated aims of the Conference set forth in the ACC Constitution are to "[e]ncourage responsible fiscal management and further fiscal stability," "[p]rovide leadership and a voice in the development of public attitudes toward intercollegiate sports," and "[p]romote mutual trust and friendly intercollegiate athletic relations between member institutions."

The ACC's Adoption of the Withdrawal Penalty in Violation of the ACC Constitution

53. While simultaneously recruiting new members, the ACC, acting as a joint venture, has attempted to prevent its existing institutions from leaving the Conference. On or about September 11, 2012, in a vote of its Council of Presidents conducted in violation of the ACC Constitution, a number of the member universities of the ACC purported to amend Section IV-5 of the ACC Constitution and approve the Withdrawal Penalty, which would impose on any member that withdraws from the Conference a penalty in an amount equal to three times the Conference's total operating budget. Upon information and belief, the ACC proposed that Section IV-5 be amended to read: "Upon official notice of withdrawal, the member will be subject to a withdrawal payment, as liquidated damages, in an amount equal to three times the

total operating budget of the Conference (including any contingency included therein), approved in accordance with Section V-1 of the Conference Bylaws, which is in effect as of the date of the official notice of withdrawal. The Conference may offset the amount of such payment against any distributions otherwise due such member for any Conference year. Any remaining amount due shall be paid by the withdrawing member within 30 days after the effective date of the withdrawal.”

54. At present, the Withdrawal Penalty equals \$52,266,342.00. Upon information and belief, the \$52,266,342.00 Withdrawal Penalty would constitute the largest payment ever made by any member institution to leave any athletic conference. In contrast, the Big Ten, the Pac-12 and the SEC assess no exit fee on withdrawing members. Even for those conferences that require withdrawal payments, the ACC’s excessive Withdrawal Penalty would be multiple times larger than that of any other intercollegiate athletic conference.

55. The ACC’s members, acting as a joint venture of competing universities, approved the amendment and the Withdrawal Penalty over the objection of Maryland and one other member and in violation of the requirements set forth in the ACC Constitution for amending the ACC Constitution.

56. Specifically, Section X-1 of the ACC Constitution requires that any proposed amendment “be submitted, in writing, four weeks before the meeting, through the commissioner to the Constitution and Bylaws Committee for review.”

57. Section X-1 further requires that the ACC commissioner “send complete copies of the proposed amendments to all members at least fifteen (15) days before the meeting” at which such amendments will be considered.

58. Neither the ACC commissioner nor the ACC complied with the requirements of Section X-1 of the ACC Constitution with respect to the purported amendment of Section IV-5 and approval of the Withdrawal Penalty. Nonetheless, the ACC's members (other than Maryland and one other member) voted to adopt the proposed amendment and approve the Withdrawal Penalty.

59. Maryland, through its President, Wallace D. Loh, opposed and voted against the amendment to Section IV-5 and the Withdrawal Penalty. Maryland has not assented to the purported amendment or the Withdrawal Penalty.

60. As a result of the ACC's failure to adhere to the requirements of Section X-1 of the ACC Constitution, the purported amendment of Section IV-5 and the Withdrawal Penalty are null, void and without effect. Nonetheless, the ACC has taken action to enforce the Withdrawal Penalty against Maryland, including, as described below, withholding Maryland's distributions of conference revenues.

The Withdrawal Penalty Lacks Any Economic Basis or Justification

61. The purported amendment to Section V-1 of the ACC Constitution characterized the Withdrawal Penalty as "liquidated damages." In fact, the Withdrawal Penalty of three times the Conference's total operating budget bears no justifiable relationship to the amount of damages, if any, which the ACC would incur upon Maryland's withdrawal from the Conference and has no economic basis or justification.

62. The lack of any economic basis or justification for the Withdrawal Penalty is demonstrated by, among other things, the fact that:

- a. At no time before the September 11, 2012 vote, did the ACC (or the ACC commissioner) provide to its members any calculation or estimate of damages the

Conference would incur as a result of the withdrawal of a single member from the Conference.

b. Maryland has never received from the ACC or any other ACC member any calculation or estimate of the damages the Conference would incur from the withdrawal of a single member from the Conference.

c. Upon information and belief, no ACC member has received from the ACC any calculation or estimate of the damages the Conference would incur from the withdrawal of a single member from the Conference.

d. At no time before the September 11, 2012 vote, did the ACC (or the ACC commissioner) provide to its members any explanation or analysis with respect to the need to adopt the proposed amendment to Section V-1 and impose the Withdrawal Penalty in an amount equal to three times the Conference's total operating budget.

e. At no time before the September 11, 2012 vote did any member of the ACC provide to Maryland an explanation or analysis with respect to the need to adopt the proposed amendment to Section V-1 and impose the Withdrawal Penalty in an amount equal to three times the Conference's total operating budget.

f. The only rationale for the Withdrawal Penalty ever expressed in Maryland's presence was a statement made by the athletic director of another ACC member at a meeting of ACC athletic directors that the Withdrawal Penalty was needed to stop members from leaving the Conference.

63. The ACC will not suffer damages (if it suffers any damages at all) in an amount remotely approaching the amount of the Withdrawal Penalty. In fact, the \$52,266,347.00

Withdrawal Penalty amounts to more than three times the 2013 projected annual distribution of conference revenues to each ACC member.

64. The \$52,266,342.00 Withdrawal Penalty exceeds the entire budget for all of Maryland's intercollegiate athletic programs for the 2013 fiscal year.

The ACC's Illegal Application of the Amendment and Withholding of Distributions

65. Even if the September 11, 2012 amendment establishing the Withdrawal Penalty had been validly enacted (and it was not), the ACC has violated the ACC Constitution and acted tortiously and in an anticompetitive manner by attempting to enforce the amendment and the Withdrawal Penalty before they could become effective under the ACC Constitution and by withholding Maryland's distributions of conference revenues at a time when Maryland remains a member of the ACC and before Maryland has provided official notice of its intent to withdraw under the ACC Constitution.

66. Section X-2 of the ACC Constitution provides that "[a]ny amendments to the Constitution and Bylaws are effective July 1 following enactment, unless provided otherwise."

67. On information and belief, the purported amendment to Section V-1 of the Constitution presented for vote at the September 11, 2012 meeting did not expressly provide for an effective date different than that set forth in the ACC Constitution. As a result, neither the amendment nor the Withdrawal Penalty can become effective until July 1, 2013.

68. Notwithstanding the clear language of the ACC Constitution, the ACC has applied the amendment and attempted to enforce the Withdrawal Penalty by withholding more than \$3 million in distributions owed to Maryland in December, 2012 and asserting its intent to withhold all future distributions from Maryland until the Withdrawal Penalty has been paid in full.

69. Moreover, under the ACC Constitution, the timing of a member's withdrawal from the Conference is determined by the date when the member provides "official notice of withdrawal." Section IV-5 of the ACC Constitution prescribes the only method for voluntary withdrawal from the ACC: "to withdraw from the conference a member must file an official notice of withdrawal with each of the conference members and the commissioner on or before August 15 for the withdrawal to be effective June 30 of the following year." Only at that point does the withdrawing institution become subject to a withdrawal payment under the ACC Constitution, and only at that point does the ACC Constitution permit the Conference to "offset the amount of such payment against any distributions otherwise due such member for any Conference year."

70. In short, under the ACC Constitution, the withdrawing member is not subject to a withdrawal penalty and may not have its distributions of conference revenue withheld in order to satisfy a withdrawal penalty until that member provides "an official notice of withdrawal," and the withdrawing member remains, in all other respects, a member of the ACC, entitled to all rights and privileges of a member, until its actual withdrawal date.

71. Maryland has not filed an official notice of withdrawal. Although Maryland has announced its intention to join the Big Ten Conference in 2014, a public announcement does not constitute the official notice under Section IV-5 of the ACC Constitution. Maryland has not yet determined when it will provide official notice of its intent to withdraw from the ACC.

72. Except for certain specifically defined revenues (not at issue here), the ACC Constitution and Bylaws provide for the equal distribution of ACC revenues to its members. None of the exceptions to this rule of equal distribution permits the ACC to withhold a member's

share of conference revenues simply because that university's leadership determined that it is in the best interest of that member to join a different conference in the future.

73. Nonetheless, the ACC wrongfully withheld from Maryland and retained Maryland's share of the conference revenues distributed in December 2012. Maryland's share was \$3,067,255.27. The ACC acknowledged this improper action, and stated its intent to withhold from Maryland and retain all future distributions, in a letter dated December 14, 2012. This action by the ACC breached the ACC Constitution and was retaliatory, tortious and anticompetitive.

74. When the ACC wrongfully withheld the December 2012 payment due to Maryland, the Conference was aware that Maryland had a policy that required the university to fund its intercollegiate athletic programs from revenues generated by the intercollegiate athletic department. The ACC also knew that Maryland had budgeted the receipt of ACC distributions in its athletic department budget. The ACC further knew that Maryland's athletic department depends on the ACC revenues to meet its expenses and fund its intercollegiate athletic programs, including the payment of coaches' salaries, travel expenses for teams and athletic scholarships for its student-athletes.

75. By withholding revenue distributions from Maryland, the ACC (and the members of the ACC who supported the Withdrawal Penalty) have endeavored to make Maryland's athletic teams less competitive within the Conference. As a member of the ACC, Maryland's teams are obligated by the ACC Constitution to field teams in scheduled athletic competitions to compete against their ACC counterparts. The other ACC members enjoy the full benefits of ACC membership including receipt of substantial distributions that are now being withheld from

Maryland. The ACC has tilted the playing field and has injured and will continue to injure Maryland and its student-athletes.

76. The refusal of the ACC to distribute the revenue due and owing to Maryland as an ACC member institution means that the university's intercollegiate athletics department will be forced to operate in a deficit in 2013. No other appropriated sources of revenue stand available to Maryland's intercollegiate athletics department to make up for the deficit caused by the ACC's refusal to distribute to Maryland its share of conference revenues in December, 2012 or subsequently.

77. Cuts to planned athletic expenditures would be to the detriment of student-athletes and the overall competitiveness and reputation of Maryland's intercollegiate athletics program. Such reductions in expenditures could affect not only Maryland's short term on-field competitiveness, but also its ability to maintain its athletic facilities at a level needed to compete most effectively for Division-I student-athletes.

78. The ACC and each of the other members of the ACC are aware that significant budget cuts in intercollegiate athletic programs can put into jeopardy the competitiveness of teams. Universities that have experienced the elimination of a Division-I sport for even a single season have experienced the difficulty of regaining a highly competitive team. The ACC and each of its members also know that significantly weakening Maryland's athletic programs will undermine Maryland's ability to compete with other ACC members for student-athletes, coaches, sponsorship opportunities and other financial and reputational benefits that Maryland derives from its intercollegiate athletics programs.

The ACC's Unequal and Disparate Treatment of Maryland

79. The ACC has not only discriminated against Maryland financially to penalize Maryland for the public announcement of its intention to join the Big Ten Conference in 2014; the ACC has also denied Maryland certain rights and privileges to which Maryland is entitled as a member of the ACC and to which it will remain entitled until it actually withdraws from the ACC.

80. Although Maryland's investigation is continuing, Maryland is aware that the ACC, on behalf of the members that supported passage of the Withdrawal Penalty, has excluded Maryland official designates from Conference meetings held in November and December 2012 and excluded Maryland coaches and athletic staff from meetings dealing with ACC athletic competitions.

81. On December 13, 2012, Maryland sought assurances from the ACC that the Conference will treat Maryland as a full member, including by paying the university all regular distributions of fiscal year 2013 Conference revenue, projected by the ACC to total approximately \$16 million. Defendant ACC has failed and refused to provide these assurances. Rather, the ACC announced to all ACC member institutions its intent to pay all members *except* Maryland the revenue distributions due to be paid in equal amount to all members of the Conference.

82. In addition, Maryland President Wallace D. Loh has not been notified of or asked to participate in ACC Presidents' activities and decisions. Dr. Loh was neither notified of, nor participated in a vote of the Conference Presidents on the decision to admit a new ACC member institution, the University of Louisville, on or about November 28, 2012.

83. Nothing in the ACC's Constitution permits the Conference to discriminate in its treatment of member institutions. Maryland has not filed an official notice of withdrawal with the Commissioner and remains a member of the ACC entitled to all rights, privileges, duties and obligations owed by the ACC to its members.

84. By discriminating against Maryland and not permitting Maryland to be a full and equal member of the ACC, the ACC intends to tilt the playing field further and render Maryland's athletic teams less competitive with respect to the teams of those members who do enjoy all of the rights and privileges of ACC membership.

**Adoption and Application of the Withdrawal Penalty Constitutes
Anticompetitive Joint Action of the ACC's Members**

85. The adoption of the Withdrawal Penalty and the imposition of that penalty to attempt to cripple the competitiveness of Maryland's athletic teams represent the joint action of the ACC members who voted in favor of that policy and authorized the action. This joint action by the member institutions of the ACC is a horizontal agreement among competitors that unreasonably restrains trade. As noted above, Maryland neither voted in favor of nor supported the Withdrawal Penalty adopted by other ACC members. Moreover, the Withdrawal Penalty was not adopted in accordance with the ACC Constitution. Neither the adoption of the Withdrawal Penalty fee nor the ACC's method of extracting the Withdrawal Penalty falls within any semblance of a policy or conduct required for the success of any legitimate ACC joint venture activities. The ACC's extraction of the Withdrawal Penalty while Maryland remains a member of the ACC is not reasonably ancillary to any legitimate joint conduct by the ACC and its association members. Indeed, the ACC's imposition of the Withdrawal Penalty at the same time that the ACC requires an entry fee of only \$2 million demonstrates that the ACC fears competition; that the ACC wants to prevent other conferences from competing for and offering

pro-competitive opportunities to the ACC's current members; and that the ACC wants to deter current ACC members from considering moving to another conference that might – with the addition – present an even stronger conference offering in comparison to the ACC and that might appeal to more fans, sponsors and broadcasters than are currently attracted to NCAA athletic events. There is no pro-competitive reason to justify the exit fee of this magnitude or the ACC's actions in cutting off Maryland from funds to which Maryland is entitled as a current ACC member.

86. The fact that the size of the Withdrawal Penalty approximates the total spending by Maryland on *all* of its athletic programs in 2013 demonstrates, on its face, the anticompetitive intent and the implausibility of any purported legitimate reason for certain members of the ACC to adopt the Withdrawal Penalty and limit the options of universities such as Maryland to compete.

87. The fact that the Withdrawal Penalty is three times the 2013 projected distribution to an ACC member institution demonstrates, on its face, the anticompetitive intent of ACC members and the intent to weaken Maryland as a competitor – both on the field and in competition for student-athletes, coaches and sponsorship opportunities – while benefitting the remaining ACC members.

88. The magnitude of the Withdrawal Penalty, a penalty adopted by competing universities who might otherwise compete to seek more appealing, more economically efficient and more pro-competitive memberships in other conferences, reflects an agreement among those competitors to adopt a penalty so great that, as a practical matter, it prevents existing members of the ACC from pursuing affiliations that could lead to increased quality and quantity of intercollegiate athletics.

89. Adopting a fee of this magnitude and refusing to pay Maryland its regular distributions of Conference revenue before Maryland has even provided official notice of its intent to withdraw from the ACC further evidences that the ACC and the members who supported the Withdrawal Penalty are not acting in an economically rational manner for a group purporting to support the competitiveness of a conference.

90. By withholding revenue rightfully owing to Maryland and imposing the Withdrawal Penalty, the ACC is adopting a course of action to render Maryland's athletic teams less competitive within the Conference. Members of a conference have an interest in having each member of the conference be a strong competitor that will enable the conference events to have greater entertainment appeal and attraction due to the uncertain outcome of an athletic event. Furthermore, with strength of schedule now a factor in the consideration for teams receiving invitations to the NCAA basketball tournament and to BCS football rankings, action by a conference and some its members that intentionally weakens the athletic programs of another conference member makes no economic sense. Instead, the conduct undertaken by the ACC is consistent with an effort to suppress and limit competition among conferences and teams as universities such as Maryland consider whether another conference may best serve the students, faculty, alumni and research activities of the university. The adoption of the draconian Withdrawal Penalty and the attempt to eliminate a principal source of the funding for Maryland's athletic programs are more consistent with a desire by the ACC (and those ACC members who supported the Withdrawal Penalty and the withholding of payments owed Maryland) to send a warning to any other members of the ACC that might be considering leaving the ACC because they are unhappy with the leadership or direction of the conference or because they believe that

another conference offers better opportunities and advantages for the institution, students, student-athletes and fans.

COUNT I
(Declaratory Judgment)

91. Plaintiffs repeat and incorporate by reference the allegations contained in paragraphs 1 through 90, as if fully set forth herein.

92. The September 11, 2012 amendments to Section IV-5 purporting to approve the Withdrawal Penalty are null, void, invalid and unenforceable, because they were adopted in contravention of the ACC Constitution. Upon information and belief, the proposed amendment to Section IV-5 was not submitted, in writing, four weeks before the September 11, 2012 meeting, through the ACC commissioner to the Constitution and Bylaws Committee for review. Additionally, complete copies of the proposed amendment were not sent to Maryland or, upon information and belief, to all other ACC members at least 15 days before that meeting.

93. The Withdrawal Penalty is not enforceable as liquidated damages. To the contrary, the Withdrawal Penalty is illegal, unenforceable and void as a penalty. The ACC has never made any credible effort to estimate what, if any, reasonable damages the Conference would incur as the result of any single member's withdrawal. Rather, its arbitrary and capricious Withdrawal Penalty stands solely as a penalty and punitive measure aimed at discouraging and preventing members from withdrawing from the ACC, and was established for that very purpose. Upon information and belief, no institution of higher education that has withdrawn from one athletic conference to join another has ever paid an exit fee remotely approaching \$52,266,342.00 to do so. As a result, the Withdrawal Penalty is not valid liquidated damages provision but rather is an illegal and unenforceable penalty.

94. The amendment and the Withdrawal Penalty could not be effective under the ACC Constitution before July 1, 2013.

95. An actual controversy of a justiciable issue exists between the parties. The ACC contends that the amendments to Section IV-5 purportedly adopted by the Conference on September 11, 2012 are valid and enforceable and that the Withdrawal Penalty is enforceable as liquidated damages. In addition to the public statements to that effect, the ACC has withheld monies properly due and owing to Maryland, purportedly in satisfaction of the Withdrawal Penalty. This genuine controversy between Plaintiffs and the ACC involving the rights and liabilities of the parties under the ACC Constitution lies within this Court's jurisdiction, and the controversy may be determined by a judgment of this Court.

WHEREFORE, Plaintiffs respectfully request:

- a. That this Court determine the rights and liabilities of the parties with respect to the subject ACC Constitution;
- b. That this Court find and declare that the Withdrawal Penalty set forth in Section IV-5 of the ACC Constitution is invalid and unenforceable;
- c. That this Court find and declare that Section IV-5 of the ACC Constitution was not properly amended and, therefore, is invalid;
- d. That this Court find and declare that, even if properly adopted, Section IV-5 of the ACC Constitution would apply only to ACC members that provide official notice of withdrawal from the conference on or after July 1, 2013;
- e. That this Court find and declare that Maryland is entitled to and should receive its share of all distributions of Conference revenues, including, but not limited to, the payment of \$3,067,255.27 that the ACC withheld in December, 2012;

f. That the ACC be enjoined from denying Maryland all of its rights as an ACC member; and

g. That Plaintiffs be granted costs and such other and further relief as this Court may deem just and proper.

COUNT II
(Breach of Contract)

96. Plaintiffs repeat and incorporate by reference the allegations contained in paragraphs 1 through 95 above, as if fully set forth herein.

97. The ACC Constitution constitutes a contract to which Maryland, the ACC and the remaining members of the ACC are parties.

98. The ACC has breached its obligations to Maryland under the ACC Constitution by, among other things, withholding and retaining Maryland's share of conference revenue in the amount of \$3,067,255.27, denying Maryland, its student-athletes, coaches and athletic staff equal access and treatment as a member of the ACC, and improperly purporting to adopt an amendment to Section IV-5 regarding the withdrawal of member institutions on September 11, 2012, and purporting to apply and enforce that amendment and the Withdrawal Penalty before its effective date under the ACC Constitution.

99. Maryland has performed and satisfied its obligations under the ACC Constitution (and any ancillary agreements). Any and all conditions precedent to the performance and enforcement of the ACC's obligations to Maryland under the ACC Constitution have been satisfied or waived.

100. As a result of the ACC's breaches, the purported amendment to Section IV-5 of the Constitution purportedly adopted by the Conference on September 11, 2012, is *void ab initio*.

101. As a direct and proximate result of the ACC's breaches, Maryland has been damaged.

WHEREFORE, Plaintiffs respectfully request:

a. That this Court enter judgment in favor of Plaintiffs in the amount of all compensatory damages, which are not less than \$3,067,255.27, plus interest;

b. That the ACC be enjoined from denying Maryland all of its rights as an ACC member; and

c. That Plaintiffs be granted costs and such other and further relief as this Court may deem just and proper.

COUNT III

(Violation of the Maryland Antitrust Act, Md. Code Ann., Comm. Law § 11-204)

102. Plaintiffs repeat and incorporate by reference the allegations contained in paragraphs 1 through 101, as if fully set forth herein.

103. The actions by the ACC, as an association of the various other member institutions that compete with Maryland, have had an anticompetitive effect and distorted competition in a number of relevant antitrust markets.

104. As described above, by exacting the Withdrawal Penalty and refusing to pay Maryland amounts owed Maryland, the ACC's actions adversely affect competition in the markets in which conferences compete for university members and in which universities compete for membership in conferences. In addition, the ACC's conduct also adversely affects relevant markets for providing educational services and athletic competitions for student-athletes and for providing athletic events for consumers of intercollegiate sporting events. Further, the ACC's conduct reduces competition in the relevant market for coaches of intercollegiate sports.

The ACC's conduct distorts the market and adversely affects competition in each of these markets.

105. From the perspective of a prospective Division I conference member such as Maryland, geographic and competitive considerations limit the number of conferences that fall within the relevant market. In the context of realistic conference opportunities for Maryland, the ACC has market power.

106. The ACC's adoption and implementation of an excessive, unreasonable, and punitive Withdrawal Penalty constitutes an agreement, combination or conspiracy among the ACC and the members voting in favor of the draconian fee that unreasonably restrains trade. The ACC's Withdrawal Penalty and withholding of funds owed to Maryland reflect a horizontal agreement among the member universities of the ACC, with the ACC policing and enforcing the anticompetitive restraint. The establishment of this exorbitant penalty goes well above and beyond what is necessary to compensate the ACC for the loss of any member or the amount needed to continue the Conference's operations. The measure is solely punitive and was approved by the ACC and its members with the sole anticompetitive intent to prevent institutions from leaving the Conference.

107. The ACC's Withdrawal Penalty will have an anticompetitive effect and will unreasonably restrain trade in relevant antitrust markets (including the markets for conferences seeking member universities and universities seeking to affiliate with conferences) and will result in a chilling effect on the ability of intercollegiate athletic conferences to build teams and promote their member institutions. But for the ACC's actions, the relevant markets would be competitive. The purpose and intent of the Withdrawal Penalty is to prevent schools from leaving the Conference, thereby restricting schools from improving their performance on the

field and in all of the relevant markets. The ACC and its members know that by denying Maryland funds it is due as an ACC member and by imposing the Withdrawal Penalty, they will be eliminating a significant portion of the revenues that Maryland uses for its athletic teams that compete with the teams of those ACC member universities. The ACC and its members also know that the effect of their conduct will be to benefit the other ACC members while significantly weakening Maryland as a competitor – both on the field and in recruiting student-athletes and coaches. This conduct by the ACC and its members, effected by an agreement of horizontal competitors, unreasonably restrains competition in the relevant markets by distorting the markets and interfering with the most efficient allocation of athletic program outputs. A weakening of Maryland athletics or a reduction in the quality of Maryland teams as a result of the ACC’s Withdrawal Penalty and withholding of funds due to Maryland will harm consumers who are fans of Maryland athletic teams in the Washington-Baltimore area and will also harm consumers of the Big Ten Network by reducing the quality of play and popularity of televised sporting events involving Maryland.

108. The ACC’s adoption of the Withdrawal Penalty and attempt to enforce the Withdrawal Penalty and cut off ACC membership benefits owed to Maryland are per se illegal under the Maryland Antitrust Act and/or illegal under a “quick look” in that the restrictions reflect an agreement among competitors to impose a restriction on another competitor that is not reasonably ancillary to the legitimate purposes of the ACC joint venture. The anticompetitive effects of the Withdrawal Penalty are obvious and the ACC can provide no pro-competitive justification sufficient to defend the exorbitant fee. In the alternative, the joint action in adopting the Withdrawal Penalty and seeking to impose it against Maryland is illegal under the Rule of Reason. The fact that the ACC has market power over existing members of the ACC is

demonstrated by its ability to use or threaten to use the Withdrawal Penalty to prevent universities from leaving the ACC or to significantly weaken member institutions that opt to leave the ACC and join another conference.

109. Under the Maryland Antitrust Act, any member of an illegal conspiracy is jointly and severally liable for three times all damages incurred as a result of the illegal conduct. Each of the members of the ACC is a competitor of Maryland in a number of ways, including as to the recruitment of faculty, student-athletes, non-athlete students, research grants and as to the sale of sponsorship and advertising and ticket sales. The adoption of the Withdrawal Penalty that would wipe out nearly the entire intercollegiate athletic budget of Maryland by a vote of competitors of Maryland, to be enforced by the ACC, is illegal under the Maryland Antitrust Act. The ACC, as a participant in that conspiracy, is jointly and severally liable for the entire amount of damages (trebled) plus attorneys' fees. An injunction against the ACC would have the effect of stopping the illegal conduct.

110. As discussed above, as a result of the ACC's anticompetitive actions, consumers are harmed by deterioration in the quality of goods and services; by not receiving the most efficient, desirable, and effective intercollegiate leagues, conferences, and competitions; and by any increases in price or other fees needed to offset the financial penalty imposed by the ACC. In addition, Maryland has incurred and will incur substantial damage and injury from any resulting curtailment of its intercollegiate athletic programs and its ability to compete and participate in various markets.

111. Under § 11-209(b)(4) of the Commercial Law Article of the Annotated Code of Maryland, Plaintiffs are entitled to treble damages as a result of the actions of Defendant ACC.

112. Section 11-209(b)(3) requires that the Plaintiffs be awarded costs and reasonable attorney's fees if an injunction is issued.

WHEREFORE, Plaintiffs respectfully request that this Court:

a. Enter judgment in favor of Plaintiffs and award damages \$156,799,026.00, constituting a multiple of three times the amount of compensatory damages;

b. Permanently enjoin Defendant ACC from engaging in the unreasonable restraint of trade in violation of the Maryland Antitrust Act and, specifically, enjoin the ACC from withholding funds owing to Plaintiffs and from otherwise harming Maryland; and

c. Award the Plaintiffs costs, reasonable attorneys' fees, and such other and further relief as this Court may deem just and proper.

COUNT IV
(Tortious Interference with Prospective Advantage)

113. Plaintiffs repeat and incorporate by reference the allegations contained in paragraphs 1 through 112, as if fully set forth herein.

114. The ACC's attempt to amend the ACC Constitution and adopt the Withdrawal Penalty, actions to enforce the Withdrawal Penalty by withholding distributions of Maryland's share of Conference revenues, and denying Maryland equal access and treatment as a member of the ACC constitute intentional, deliberate and willful acts calculated to cause damage to Maryland in the conduct of its lawful affairs and business.

115. The actions of the ACC are intentional, willful, and calculated to cause damage to Maryland's lawful business affairs, including its ability to conduct its athletic affairs on level financial and competitive playing fields. The ACC's conduct was perpetrated with the intentional and improper purpose of causing damage and was without justifiable cause.

116. As a result of the ACC's tortious and wrongful misconduct, Maryland has suffered and will continue to suffer damages.

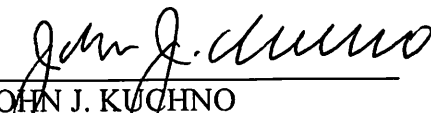
WHEREFORE, Plaintiffs respectfully request:

a. That this Court enter judgment in favor of Plaintiffs for their compensatory damages in an amount to be proven at trial, and punitive damages, plus interest; and

b. That Plaintiffs be granted costs and such other and further relief as this Court may deem just and proper.

Respectfully submitted,

DOUGLAS F. GANSLER
Attorney General of Maryland

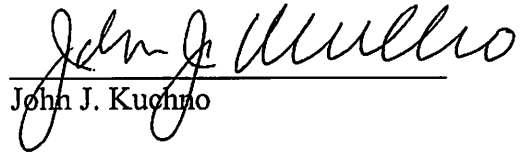


JOHN J. KUCHNO
MATTHEW J. FADER
Assistant Attorneys General
200 St. Paul Place, 20th Floor
Baltimore, Maryland 21202
Tel.: (410) 576-6300
Fax: (410) 576-6955

Attorneys for Plaintiffs, the Board of Regents
of the University System of Maryland and the
University of Maryland, College Park

DEMAND FOR JURY TRIAL

Plaintiffs, the Board of Regents and Maryland, respectfully request a trial by jury as to all matters for which a right of trial by jury is available.



John J. Kuchno

EXHIBIT 1

ATLANTIC COAST CONFERENCE

CONSTITUTION

[Note: For your convenience, any changes in the 2012-13 ACC Constitution have been underlined.]

Article I. NAME

The name of this association shall be the Atlantic Coast Conference, hereinafter referred to as the Conference.

Article II. PURPOSE

Section II-1. General Purpose.

It is the purpose and function of this Conference to enrich and balance the athletic and educational experiences of student-athletes at its member institutions, to enhance athletic and academic integrity among its members, to provide leadership and to do this in a spirit of fairness to all. The Conference aims to:

- a. Enhance the academic and athletic achievement of student-athletes;
- b. Increase educational opportunities for young people;
- c. Foster quality competitive opportunities for student-athletes in a broad spectrum of amateur sports and championships;
- d. Promote amateurism in intercollegiate athletics;
- e. Coordinate and foster compliance with Conference and NCAA rules;
- f. Stimulate fair play and sportsmanship;
- g. Encourage responsible fiscal management and further fiscal stability;
- h. Provide leadership and a voice in the development of public attitudes toward intercollegiate sports;
- i. Address the future needs of athletics in a spirit of cooperation and mutual benefit of the member institutions; and
- j. Promote mutual trust and friendly intercollegiate athletic relations between member institutions.

Section II-2. Principle of Equity.

The Conference and its member institutions assert the value of intercollegiate athletics to all individuals. The Conference and its member institutions are committed to providing equitable opportunities as required by law for participation in competition, administration and governance in a spirit of fairness for all. Structure, programs, legislation, services and policies of the Conference and its member institutions shall affirm those principles.

Article III. INSTITUTIONAL CONTROL

There shall be institutional responsibility and control of intercollegiate athletics at member institutions. Each institution is responsible for conducting its intercollegiate athletics program in compliance with rules and regulations of the NCAA and the Conference. The institution's chief executive officer is ultimately responsible for the administration of all aspects of the athletics program, including approval of the budget and audit of all expenditures.

The institution's responsibility for the conduct of its intercollegiate athletics program includes responsibility for the actions of its staff members and for the actions of any other individual or organization engaged in activities promoting the athletics interests of the institution.

Article IV. MEMBERSHIP

Section IV-1. Current Membership.

The Conference is composed of the following institutions:

Boston College
Clemson University
Duke University
Florida State University
Georgia Institute of Technology
University of Maryland

University of Miami
University of North Carolina
North Carolina State University
University of Virginia
Virginia Polytechnic Institute & State University
Wake Forest University

ATLANTIC COAST CONFERENCE

Section IV-2. Required Teams.

Each member institution shall have a men's and women's basketball team, a football team, and either a women's soccer team or a women's volleyball team.

Section IV-3. Admission of New Members.

- a. Prior to considering admission of new members, the Council of Presidents shall consider the desirability of expansion. The ramifications of conference revenues, scheduling, student-athlete welfare and the pool of prospective members may be considerations among other issues. A favorable vote of three-fourths of the total members of the Council of Presidents is required on the willingness of the Council to consider expansion before the conference can proceed to consider any candidate institutions.
- b. New members must be proposed for admission by three members of the Council of Presidents, one of which must be from the prospective member's state, if applicable.
- c. Upon proper nomination for admission as outlined in (b), an expression of interest for admission by the prospective member institution with requested data shall be received by the Conference office. The data will be distributed to the chief executive officers, faculty representatives and athletics directors of all conference members.
- d. The prospective member shall submit to the Conference additional information regarding the institution's academic and athletic cultures. Information shall include, but is not limited to the most recent report of the accrediting agency for colleges and universities, the Equity in Athletics Disclosure Act (EADA) report, and the NCAA Committee on Athletics Certification report.
- e. A favorable vote of three-fourths of the total members of the Council of Presidents is required to extend an invitation for membership to the Conference.
- f. Participation by the new member in Conference revenues will be determined at the time of admission.
- g. Upon the admission to the Conference, a new member shall pay a fee to the Conference of at least an amount covering payment for a proportionate share of the ownership of all real and personal properties held in the name of the Conference.

Section IV-4. Expulsion/Suspension/Probation of Members.

A member institution may be expelled, suspended or placed on probation by the Conference only upon the favorable vote of three-fourths (excluding the member under consideration) of the members. To expel means a complete severance from the Conference in all sports. To suspend means a temporary severance under stated conditions from the Conference in one (1) or more sports.

Among the reasons a member institution may be expelled, suspended or placed on probation for good cause is if it no longer participates in one or more sports which are required for membership in the Conference or if the member is required by the NCAA to discontinue such required sport because of violations of NCAA regulations or becomes incompatible with the objectives of the Conference.

In the event of expulsion, the Conference must provide the member institution with the specific reasons for expulsion and one year notice (on or before August 15 of any year in which event the expulsion shall be effective the following June 30). The institution will be assessed or paid a proportionate share of the fixed liabilities or assets of the Conference and will receive a proportionate share of that year's distribution.

In the event of suspension or probation, the Conference may enforce penalties immediately.

In any sport in which a member is ineligible for postseason play because of violations of NCAA or Conference regulations, the member may be suspended in that sport. If suspended, the member shall not be eligible for the Conference championship in that sport. The institution may be required to forfeit its share of any or all Conference revenues generated by that sport.

ATLANTIC COAST CONFERENCE

Section IV-5. Withdrawal of Members.

To withdraw from the conference a member must file an official notice of withdrawal with each of the conference members and the commissioner on or before August 15 for the withdrawal to be effective June 30 of the following year.

Upon official notice of withdrawal, the member will be subject to a withdrawal payment, as liquidated damages, in an amount equal to one and one-quarter (1¼) times the total operating budget of the Conference (including any contingency included therein), approved in accordance with Section V-1 of the Conference Bylaws, which is in effect as of the date of the official notice of withdrawal. The Conference may offset the amount of such payment against any distributions otherwise due such member for any Conference year. Any remaining amount due shall be paid by the withdrawing member within 30 days after the effective date of withdrawal. The withdrawing member shall have no claim on the assets, accounts or income of the Conference. (Revised: September 2011)

Article V. VOTING DELEGATES

The members of this Conference shall be entitled to one vote each. The voting delegate shall be the representative of the member institution, appointed by the president, or by the duly constituted authority of the institution, and shall be a regular full-time member of the faculty at the time of appointment or an administrative officer in that institution. The voting delegate shall be one whose primary duty is not in athletics. *(Revised: May 2008)*

Article VI. OFFICERS

Section VI-1. Officers.

The officers of the Conference shall be a president, a vice-president and a secretary-treasurer. The above officers must be voting delegates of their institutions.

The president shall be the official representative of the Conference in all relations concerning intercollegiate athletics and, in cooperation with the Commissioner, shall foster compliance with all NCAA and Conference rules and regulations. The president shall preside at all meetings of the Conference, shall appoint standing and special committees after consulting with the chair of the Athletics Directors Committee and the Commissioner, and shall be an ex-officio member of all committees of the Conference. The president shall assure that proper notices of Conference meetings be given to the members and that an agenda be prepared for each meeting. The president shall have such other powers and duties as are normal and incident to such office (see General Policies & Procedures, Article X, regarding the President's Award). *(Revised: April 2008)*

The vice-president shall perform the duties of the president, until the next election, in the latter's absence or disability, or when the presidency is vacated.

The vice-president shall assist the president in the performance of Conference business when necessary and shall have other powers and duties as may be conferred by the president or by the Conference.

The secretary-treasurer shall have supervisory responsibility of all records of the Conference, shall review the records of all meetings of the Executive Committee, shall report at each regular meeting the decisions of the Executive Committee rendered since the last regular meeting, and shall submit at the annual meeting a detailed statement of all receipts and disbursements of Conference funds. All accounts are to be audited by a certified public accountant.

Section VI-2. Election of Officers.

Officers of the Conference shall be elected at the meeting in May and shall continue in office from July 1 through June 30. Candidates for office must have served a minimum of two (2) years as a voting delegate to be eligible for an office.

Officers shall be elected according to a rotation determined by constituent members and on file in the Conference office. Generally, each year, the current vice-president becomes the new president and the current secretary-treasurer becomes the new vice-president. A new secretary-treasurer is nominated and elected based on who is next in line for the position according to the Conference rotation.

If the president's position becomes vacant during the middle of a term of office, the vice-president shall assume the presidency of the Conference. If deemed necessary by the president, other vacant offices occurring between the meetings of the Conference shall be filled by the Executive Committee.

The Executive Committee shall approve any needed adjustments to the rotation cycle. A new member to the Conference shall be added to the end of the rotation cycle. *(Revised: May 2006)*

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Article VII. COUNCIL OF PRESIDENTS

The Council of Presidents shall be composed of the chief executive officer from each member institution and shall have the complete responsibility for and authority over the Atlantic Coast Conference. The Commissioner shall serve on the Council as an ex-officio, non-voting member.

The chair of the Council shall rotate among the voting membership on an annual basis and shall be chosen from an institution other than those already represented on the Executive Committee.

The Council shall meet once in the fall (the second Tuesday and Wednesday in September) and once during the Men's or Women's Basketball Conference Championship, alternating annually. The meeting during the Championship shall also include the faculty athletics representatives, athletics directors and senior woman administrators.

Article VIII. EXECUTIVE COMMITTEE

The Executive Committee shall be composed of the president, the vice-president, the secretary-treasurer, the immediate past president, and the chair of the Council of Presidents. In the event the immediate past president ceases to be a representative of the Conference, a member-at-large shall be chosen by the Conference to serve on the Executive Committee. The Commissioner and the chair of the Athletic Directors shall serve as ex-officio members without vote.

The Executive Committee shall transact the necessary business of the Conference between regular meetings of the Conference, subject to approval of the voting delegates at the next regular or special meeting. The Executive Committee is also charged with overseeing the management and operation of the Conference in accordance with its Constitution and Bylaws.

A member institution may appeal to the Conference any decision or action of the Executive Committee.

The Executive Committee may establish changes in the procedures for the general conduct of the Commissioner's office.

The Executive Committee shall meet at least two (2) weeks prior to the May meeting to review the budget prepared by the Commissioner and recommend a budget for the forthcoming year to the membership for approval at the May meeting. The Executive Committee shall conduct a mid-year budgetary review.

Article IX. COMMISSIONER

There shall be a Commissioner who shall be elected by a vote of three-fourths of the Council of Presidents at any regular or special meeting. The Commissioner shall serve as the chief administrative officer of the Conference and shall be responsible to the Executive Committee. The Commissioner shall ensure adherence to the principles of the Constitution and Bylaws by all members of the Conference.

The Commissioner shall perform such duties as are prescribed in the Bylaws and such other duties as may be prescribed by the Executive Committee. The Commissioner shall have the powers necessary for the effective performance of the Commissioner's duties.

Article X. AMENDMENT

Section X-1. Amendment Procedures.

This Constitution may be amended at any regular or special meeting by three-fourths of the members. The proposed amendment shall be submitted, in writing, four weeks before the meeting, through the commissioner to the Constitution and Bylaws Committee for review. The Commissioner shall send complete copies of the proposed amendments to all members at least fifteen (15) days before the meeting.

Section X-2. Effective Date.

Any amendments to the Constitution and Bylaws are effective July 1 following enactment, unless provided otherwise.

EXHIBIT 2

ATLANTIC COAST CONFERENCE

BYLAWS

[Note: For your convenience, any changes in the 2012-13 ACC Bylaws have been underlined.]

Article I. SPORTSMANSHIP PRINCIPLE

It shall be the responsibility of each member institution to insure that all individuals associated with the athletics program of that institution conduct themselves in a sportsmanlike manner when representing their university. Unsportsmanlike conduct, when demonstrated by any party associated with a member institution, will not be tolerated and may subject the individual to disciplinary action. The member institution with which the individual is associated may also be subject to disciplinary action if it is found that the institution's actions, or failure to act, substantially contributed to the individual's misconduct. The duties with regard to sportsmanship of member institutions, the Commissioner, coaches, student-athletes, band members, cheerleaders, mascots and officials are elaborated in the Sportsmanlike Policy in the Sports Operation Code.

Public criticism of officials or comments evaluating the officiating of particular contests is not in the best interest of intercollegiate athletics. Institutional personnel are prohibited, therefore, from commenting on officiating, other than directly to the Conference office. (See Article I in the Sports Operation Code for the Sportsmanlike Policy.)

Article II. NCAA REGULATIONS

The Conference and each of its member institutions shall be members of Division I Football Bowl Subdivision of the NCAA. Member institutions are bound by NCAA rules and regulations, unless Conference rules are more restrictive.

Article III. OFFICE OF THE COMMISSIONER

Section III-1. Duties of the Commissioner.

The Commissioner's duties shall include:

- a. **CHIEF ADMINISTRATIVE OFFICER.** Serve as the chief administrative officer of the Conference.
- b. **CONFERENCE RULES AND REGULATIONS.** Interpret and enforce all rules and regulations of the Conference and of the NCAA. This responsibility includes, but is not necessarily limited to, broad discretionary powers to supervise investigations, hold hearings and impose temporary or permanent measures against member institutions, personnel, and student-athletes for conduct judged to be in violation of the spirit as well as the letter of Conference Constitution and Bylaws. The above shall be carried out under procedures as set forth in the Conference Bylaws.
- c. **EQUITY.** Implement and advocate the principle of equity.
- d. **COMMITTEE MEMBERSHIP.** Serve as an ex-officio, nonvoting member of the faculty athletics representative's, Executive and athletics director's committees, Council of Presidents and all other Conference committees.
- e. **MEETINGS.** Issue the call for regular and special meetings of the faculty athletics representatives, athletics directors and the Executive Committee. Make arrangements for the meetings of these groups, and for such meetings of the coaches or other employees of the athletics administration as may be authorized by the athletics directors, and be responsible for the publication and distribution of all minutes setting forth actions by any of these groups.
- f. **CONSTITUTION AND BYLAWS.** Reprint the Constitution and Bylaws from time to time as may be necessary, and distribute copies as appropriate to each member institution's chief executive officer, faculty athletics representative, athletics director and senior woman administrator.
- g. **ATHLETICS PROBLEMS.** Study athletics problems of the Conference, offer advice and assistance in their solution, and encourage and promote friendly relations among the member institutions, student-athletes and alumni.
- h. **OFFICIATING.** Assign football and basketball officials for all games between member institutions. Assignments also may be made for non-conference football and basketball games and for other sports when requested. The Commissioner is authorized to expend funds from his budget for the improvement of officiating.

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i. **AWARDS AND TROPHIES.** Purchase awards and trophies presented by the Conference.

j. **PUBLICITY.** Conduct, through the print and electronic media, periodicals, various meetings and the general service of the Conference office, a continuing educational program to promote the development of better sportsmanship, respect for the amateur spirit, and understanding of the values of competitive athletics, and exert all reasonable effort to acquaint the public with the ethics and high ideals which motivate the Conference in its conduct of intercollegiate athletics.

k. **INCOME PRODUCING PROJECTS.** Initiate and formulate, for the Conference, income producing projects.

l. **SCHOOL VISITS.** Visit each Conference school at least once each year to inquire into and observe the operation of its intercollegiate athletics program.

m. **ASSISTANCE TO NON-MEMBERS.** Stand ready to render assistance to non-member institutions when solicited.

n. **CONFERENCE EMPLOYEES.** Select and engage assistants and employees to assist in carrying out the above described activities; to choose titles for conference employees; and to fix their compensation within the limits of the approved budgets.

o. **EXECUTE CONTRACTS.** Unless otherwise provided in the Bylaws, the Commissioner has the power to execute contracts.

p. **CONFERENCE BUDGET.** Present a budget for consideration to the Executive Committee at least two weeks prior to the May meeting of the Conference. This budget requires Conference approval.

q. **OTHER DUTIES.** Perform such other duties as the Council of Presidents, faculty athletics representatives, the athletics directors or the Executive Committee may direct or as required in Articles VIII and IX in this section.

Section III-2. Commissioner's Contract.

The Commissioner shall be paid a salary to be determined by the Conference. The term of the contract, including fringe benefits, shall be recommended by the Executive Committee and approved by two-thirds of the members of the Council of Presidents.

Section III-3. Office of the Commissioner.

The Office of the Commissioner shall be located at a place designated by the Conference.

Article IV. GOVERNANCE

Section IV-1. Organization.

Each member institution will have one representative with voting power in each of the following governance groups:
(Adopted: May 2009)

- a. Council of Presidents
- b. Faculty Athletics Representatives
- c. Directors of Athletics
- d. Senior Woman Administrators

Section IV-2. Structure.

The Council of Presidents shall have the complete responsibility for and authority over the Conference. The Executive Committee shall transact the necessary business of the Conference between regular meetings of the Conference, subject to approval of the voting delegates at the next regular or special meeting, as well as oversee the management and operation of the Conference in accordance with its Constitution and Bylaws. The faculty athletics representatives, as voting delegates,

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per Article V of the Constitution, shall take final action on conference matters only during joint business sessions. See the governance structure detailed in Appendix I of this section. *(Adopted: May 2009)*

Section IV-3. Conference Meeting Dates and Sites.

The faculty athletics representatives, athletics directors and senior woman administrators shall hold the annual Conference business meeting in May. Business meetings are also held in October and December. *(Revised: May 2009)*

a. COUNCIL OF PRESIDENTS. The Council shall meet once in the fall and once during the Men's or Women's Conference Basketball Championship, alternating annually. The meeting during the Championship shall also include the faculty athletics representatives, athletics directors and senior woman administrators.

b. REGULAR MEETINGS. All of the governance groups shall meet three times each year in October, April and May. Each group shall meet separately before convening in a joint business session.

c. FALL MEETINGS. This regular annual meeting of the faculty athletics representatives, athletics directors and senior woman administrators shall be held in October at the institution of the current conference president.

d. LEGISLATIVE MEETING. Annually the faculty athletics representatives and senior woman administrators shall meet jointly in December, at the site of the ACC Football Championship Game, to discuss and formulate conference positions on proposed NCAA legislation.

e. WINTER MEETINGS. Annually the faculty athletics representatives and the athletics directors shall meet separately and jointly in January/February.

f. APRIL MEETINGS. This regular annual meeting of the faculty athletics representatives, athletics directors and senior woman administrators shall be in April and shall coincide with the ACC Post-Graduate Scholar-Athlete Banquet.

g. SPRING MEETINGS. This regular annual meeting of the faculty athletics representatives, athletics directors and senior woman administrators shall be held in May.

h. ADDITIONAL MEETINGS. Additional meetings may be called by the president or Commissioner as deemed necessary or pursuant to written request of not less than two-thirds of the members. In either case, the call shall state the reasons for the meeting. The site of the meeting will be determined by a vote of the Conference. Conference business may also be conducted by teleconference when authorized by the president or Commissioner.

Section IV-4. Quorum.

To constitute a quorum for the transaction of business at a meeting of the Conference, two-thirds of the member institutions must be represented by voting delegates.

Article V. FINANCES

Section V-1. Conference Budget.

The Finance Committee, comprised of one representative from each member institution, shall participate with the Conference office staff and Commissioner in preparing the annual operating budget for the forthcoming year. Once this budget process is complete, the Committee will request that the Commissioner forward the final draft budget to the Executive Committee and all twelve (12) institutions for review at least two (2) weeks prior to the May meeting of the Conference. The Executive Committee will recommend the final budget for approval at that meeting. The Conference budget shall include a ten (10) percent contingency amount. *(Editorial Revision: 2008)*

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Section V-2. Distribution of General Revenue.

The Conference shall distribute its revenue, including but not limited to revenue from television receipts, Conference championships, participation in preseason or postseason competition, and interest from Conference funds on deposit, according to the provisions set forth in this Article.

Before distributing the revenue to each institution, the Conference shall deduct the funds reserved for the budget for the following year, including the ten percent contingency amount. Unless otherwise specified in this Article, the remainder of the Conference revenue shall be divided equally among the Conference members and distributed in shares to each member by June 1, or the first business day following June 1, in accordance with the distribution plan approved annually by the Executive Committee.

Any distributable funds not received in the Conference office by June 1 will be distributed equally upon receipt.

If income sources do not provide necessary funds for the operation of the Conference office, an assessment shall be levied upon the member institutions in equal amounts.

Section V-3. Conference Reserve.

The Conference shall maintain a reserve equaling one times the Conference approved annual operating budget. Any distribution of excess funds to the member schools shall be equal and calculated annually based on the Conference's annual audited financial statements as follows: *(Revised: October 2008)*

1. Total unrestricted net assets, net of property and equipment, less accumulated depreciation.
2. Less the reserve as defined above.

Section V-4. Postgraduate Scholarships.

The Conference shall add the money received from player of the game awards presented during televised Conference football and men's basketball games and other money as determined by the Executive Committee to the funds used for the Conference Postgraduate Scholarships.

The scholarships are awarded to student-athletes who have completed their undergraduate degrees and who plan to attend a graduate program within three (3) years.

Section V-5. Employee Insurance.

The Conference shall be insured against dishonesty and theft by the Commissioner and any Conference employee and the cost of the insurance shall be paid from Conference funds.

Section V-6. Indemnification and Liability.

The Conference shall indemnify the faculty athletics representatives, the chief executive officers, the athletics directors, the senior woman administrators, the Commissioner, and the Conference staff against all costs (including attorney's fees), expenses, judgments, fines, and other amounts reasonably incurred by any or all such persons, or any of them, in connection with any claim, demand, suit, or proceeding, civil or criminal, arising out of and related to the interpretation or enforcement of the Conference rules where the person to be indemnified acted in good faith and in a manner reasonably believed by such person to be in the best interest of the Conference and to be authorized by the rules of the Conference.

Section V-7. Distribution of Revenue from the NCAA Men's Basketball Championship.

All receipts from the NCAA Men's Basketball Championship (six-year performance history and broad base programs) will be divided equally among the member institutions after payments to the participating teams as outlined below.

A team participating in the first round of the Men's Basketball Championship will receive \$40,000. A team participating in the second/third rounds will receive \$40,000. Any team advancing beyond the third round and playing east of the Mississippi will receive an additional \$45,000. Any team advancing beyond the third round and playing west of the Mississippi will receive an additional \$55,000. If a team advances to the Final Four, it will receive an additional \$85,000 if playing east of the Mississippi and \$95,000 if playing west of the Mississippi.

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A team participating in the Women's Basketball Championship will receive \$25,000. A team advancing to the Regional will receive an additional \$25,000 (for a total of \$50,000). If a team advances to the Final Four, it will receive an additional \$50,000 (for a total of \$100,000). Exception: if an ACC team hosts a first and second round site, and their team plays at that site, the institution would not receive the initial supplemental distribution. *(Adopted: October 2007, Editorial Revision: 2011)*

Section V-8. Distribution of Revenue from the National Invitational Tournaments.

A team participating in the preseason or the postseason National Invitational Tournaments shall keep all game receipts.

Section V-9. Distribution of Revenue from Postseason Football Games.

All receipts from postseason football games will be divided equally among the member institutions after payments to the participating teams. Expense allowances will be provided to all teams participating in a postseason bowl game. The base expense allowance for all Conference bowl games is \$1.1 million. BCS bowl games' base expense allowances range from \$1.7 million to \$2.1 million depending on the bowl game. Amounts are then adjusted in increments of \$25,000 depending on travel distance between the institution and the bowl game site. Actual expense allowances are described in Appendix II of this section. *(Revised: December 2005, May 2008, May 2010; NCAA Revision: 2008)*

Should a team participate in a game not specified in Appendix II, distribution and expenses will be determined at a meeting of the Conference. Conference schools who participate in post-season bowl games are responsible for the sale of the first 6,000 tickets. After 6,000 tickets, the Conference will share in the expense of unsold tickets (calculated at the lowest ticket price available) as follows:

- a. From 6,001 through 7,000 tickets, the Conference will pay 50% of ticket cost.
- b. From 7,001 through 8,000 tickets, the Conference will pay 75% of ticket cost.
- c. From 8,001 through the contracted guaranteed amount of tickets at the respective bowl game, the Conference will pay 100% of ticket cost.

Any funds designated by the preseason or postseason game specifically for nonathletic scholarships will go directly to the participating institution and will not be included in the Conference revenue distribution.

Section V-10. Early Distribution of Football Television Receipts.

A member institution may elect a February distribution of football television receipts. The Commissioner shall poll the member institutions in September to determine whether they wish to receive an early distribution of the television receipts. This distribution will be made when the Conference office receives all of the funds due from the national networks. Institutions electing early distribution will not receive interest payment on the balance of funds left on deposit from national network receipts.

Section V-11. Payment of Expenses.

a. MEETINGS. Among the meetings for which the Conference will reimburse business-related expenses for institutional personnel are: *(Revised: May 2008, May 2010)*

1. Winter Conference Meetings (January/February): FAR (and adult guest), AD (and adult guest)
2. February SWA/Assistant/Associate AD Meeting: SWA, one selected Assistant/Associate AD
3. CEO Meeting (March Men's/Women's Basketball Tournament): CEO, FAR, AD, SWA
4. April Conference Meetings: AD, FAR, SWA
5. Annual Spring Conference Meetings (May/June): FAR (and adult guest), AD (and adult guest), SWA (and adult guest), head football coach (and adult guest), head men's basketball coach (and adult guest), head women's basketball coach (and adult guest)
6. Division IA FAR Spring Board Meeting: FAR representative to the Division IA FAR group

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7. Fall CEO Meeting (September): CEO, FAR Chair, AD Chair
8. Fall Conference Meetings (October): FAR, AD, SWA, SAAC Member
9. FARA Meeting (November): Conference Secretary-Treasurer
10. Legislative Meeting (December Football Championship): FAR, SWA (and adult guest)
11. Other Meetings: For a called Conference meeting, the school designated attendee(s) only shall be reimbursed for business-related expenses.

All service groups, except compliance coordinators, will meet once per year and will be reimbursed for that meeting. Compliance coordinators will meet twice per year. One individual from each school will be reimbursed for all service groups meetings. Service groups include: academic advisors, compliance coordinators, development directors, facilities and operations directors, student-athlete development coordinators (life skills coordinators), marketing directors, ticket managers, sports information directors, athletic trainers, associate/assistant athletics directors and video services directors. *(Revised: May 2011)*

b. EVENTS. Among the events for which the Conference will reimburse business-related expenses for institutional personnel are: *(Revised: October 2008)*

1. ACC Football Championship: CEO (and adult guest) AD (and adult guest)
2. Conference Champion Bowl or participating school's bowl (three night allowance): CEO (and adult guest), FAR (and adult guest), AD (and adult guest), SWA (and adult guest)
3. Conference Champion Bowl only: Head football coaches (and adult guest)
4. ACC Men's Basketball Championship: CEO (and adult guest), FAR (and adult guest), AD (and adult guest), SWA (and adult guest)
5. ACC Women's Basketball Championship: CEO (and adult guest), FAR (and adult guest), AD (and adult guest), SWA (and adult guest)

The chair(s) and vice-chair(s) of the sports committees will be reimbursed for business-related expenses incurred while attending the Championship. Business-related expenses are defined as meals, lodging (single or double room rate) tips and gratuities, and transportation [coach airfare, taxi, car rental plus gas, personal auto (current IRS mileage allowance)].

Section V-12. Football Ticket Return Policy.

Two (2) weeks prior to the date of the game, the visiting institution should retain no more than 500 unsold tickets from the original ticket allotment sent by the home team. The remainder should be overnighted to the host institution at that time. Three (3) days prior to the game day, the visiting institution may return no more than 150 unsold tickets from the above-mentioned allotment, which should be overnighted to the host institution's ticket office for next morning delivery. Following the game, the visiting institution will be allowed to return up to 100 unsold tickets plus any unused band tickets.

The host school may modify the above policy to be less restrictive if circumstances allow.

Section V-13. Amendment Procedures.

Article V. (Finances) of this section may be amended at any regular or special meeting by two-thirds of all members. *(Adopted: April 2006)*

Article VI. RULES OF ELIGIBILITY APPLICABLE TO ALL SPORTS

Section VI-1. Conference Initial-Eligibility Rule

A nonqualifier whose first full-time collegiate enrollment occurs at an ACC institution shall not be eligible for competition, practice, or athletically related financial aid at any conference institution. On an annual basis, a conference member may permit a maximum of four nonqualifiers (two in men's sports and two in women's sports with no more than one in any single sport) who have been granted a partial waiver by the NCAA Initial Eligibility Waiver Committee permitting them to receive athletic aid and/or practice per NCAA rules and whose first full-time collegiate enrollment occurs at an ACC institution. *(Revised: February 2006)*

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A nonqualifier who transfers to a conference institution from a two-year college must have graduated with an AA degree (or equivalent), satisfactorily completed a minimum of 48 semester or 72 quarter hours with a cumulative GPA of 2.0 on transferable degree credit acceptable toward any baccalaureate degree program at the certifying institution, and have attended the two-year college that awarded the AA degree (or equivalent) as a full-time student for at least three semesters or four quarters (excluding summer terms) in order to be eligible for competition, practice, and athletically related financial aid. *(Revised: October 2007, May 2008)*

A nonqualifier who transfers to a conference institution from a four-year college outside the ACC must, in addition to meeting all NCAA rules regarding such transfers, have satisfactorily completed 48 semester or 72 quarter hours with a cumulative GPA of 2.0 on transferable degree credit acceptable toward any baccalaureate degree program at the certifying institution, and have attended the immediately preceding four-year college as a full-time student for at least three semesters or four quarters (excluding summer terms) in order to be eligible for competition, practice, and athletically related financial aid. *(Revised: October 2007)*

A nonqualifier who transfers to a conference institution from a two-year college, subsequent to attending a four-year college outside the-ACC, must meet all NCAA rules regarding 4-2-4 transfers.

Upon written application and good cause shown, the faculty representatives, acting as a committee of the whole, shall have the authority to grant exceptions to this rule based on objective evidence that demonstrates circumstances which warrant the waiver of the normal application of this rule (e.g., the student's overall academic record, whether the student was recruited by the institution). A written summary of the faculty athletics representatives' decision will be distributed to all Conference members and kept on file in the Conference office.

a. **INTERNATIONAL TRANSFER EXCEPTION.** An international transfer student-athlete who did not take a standardized test before enrolling full-time at an international collegiate institution shall be immediately eligible for financial aid, practice and competition, provided the student-athlete meets all NCAA four-year college transfer requirements and the student-athlete was not recruited by any institution prior to enrolling full-time at the international collegiate institution. The student must demonstrate foreign residency and attendance at the foreign institution. *(Adopted: May 2008; Editorial Revision: 2010)*

b. **MALE PRACTICE PLAYER EXCEPTION.** Male practice players are exempt from the conference initial-eligibility rule provided the student meets all NCAA eligibility requirements. *(Adopted: May 2008)*

Section VI-2. Intra-Conference Transfer Rule.

A student-athlete who transfers directly to an ACC institution from another ACC institution and who was recruited by the institution from which they are transferring, for whom the athletics department interceded in the admissions process, or who received any athletically related financial aid during the academic year immediately prior to the transfer is required to complete one (1) academic year (two full semesters or three full quarters) of residency at the certifying ACC institution before being eligible to compete for or to receive athletically related financial aid from the certifying institution. Such an academic year of residency shall count as one of the student-athlete's four (4) permissible seasons of competition permitted under NCAA legislation. During such a year of residency, the student-athlete is permitted to practice pursuant to NCAA eligibility rules regarding practice eligibility. A transfer student-athlete admitted after the twelfth day of class may not utilize that semester or quarter for the purpose of establishing residency. Waivers of this ACC rule may be considered by the ACC faculty athletics representatives, acting as a committee of the whole, provided the student-athlete has qualified for an exception or waiver of the NCAA four-year college transfer rule. Further, the waiver request must demonstrate objective evidence that proves the student-athlete's extraordinary personal hardship necessitates the transfer to another ACC institution. *(Revised: February 2006, October 2008)*

a. **GRADUATION EXCEPTION.** A student-athlete who receives a baccalaureate degree at one member institution and who has been admitted into a graduate degree program at another member institution may transfer to another member institution without being subject to the intra-conference transfer rule. NCAA transfer regulations would apply. *(Revised: February 2006)*

Section VI-3. Intra-Conference National Letter of Intent Rule.

An individual who signs a valid National Letter of Intent with an ACC institution and does not satisfy the one-year attendance requirement or the Junior College graduation provision of the National Letter of Intent may not represent

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another ACC institution in intercollegiate athletics competition until the individual has completed one (1) full academic years of residence at the latter ACC institution and shall be charged with the loss of one (1) season of eligibility in all sports. An individual receiving a complete release per Item 5 of the National Letter of Intent may not represent another ACC institution in intercollegiate athletics competition until the individual has completed one full academic year at the latter ACC institution and shall be charged with the loss of one season of eligibility in all sports. Waivers of the ACC rule must demonstrate objective evidence that proves the student-athlete's extraordinary personal hardship necessitates the transfer to another ACC institution. These waivers may be considered by the ACC faculty athletics representatives, acting as a committee of the whole, only after all appeals to the National Letter of Intent Steering Committee and the National Letter of Intent Appeals Committee have been processed. *(Revised: April 2007, October 2008)*

Section VI-4. Medical Hardship Waivers.

The Office of the Commissioner has the authority to administer all requests for medical hardship waivers per NCAA legislation. Institutions should submit such waiver requests on a form prescribed by the Conference office. All waiver requests received by the Conference should be complete upon submission and contain all the necessary and required NCAA and Conference documentation.

a. **APPEALS.** An institution may appeal the decision of the Office of the Commissioner to the faculty athletics representatives. If an institution wishes to appeal, a written appeal must be received in the Conference office within 30 calendar days from the date of the original decision letter. The faculty athletics representative from the institution appealing the decision will present the appeal to the entire council of faculty athletics representatives for vote. The decision of the faculty athletics representatives will be final, subject only to an appeal to the NCAA.

Section VI-5. Conference Eligibility Waivers.

An approved waiver of the ACC initial eligibility rule, the intra-conference transfer rule, intra-conference national letter of intent rule and medical hardship waivers requires an affirmative vote of two-thirds of the member institutions. All members, including the institution requesting the waiver, are eligible to vote. *(Revised: October 2011)*

Section VI-6. Documentation of Summer Employment and Automobile Ownership.

Each member institution shall document annually information regarding various aspects of summer employment and automobile ownership or usage for all full grant-in-aid recipients. Specific information prescribed by the Conference office is required to be included on institutional forms. *(Revised: May 2008)*

Section VI-7. Eligibility.

a. **ELIGIBILITY CERTIFICATION.** It is the responsibility of each institution to certify its student-athletes in accordance with all applicable conference and NCAA eligibility requirements prior to allowing the student-athlete to represent the institution in intercollegiate competition.

b. **FORFEITURE OF GAMES.** When a player is found to be ineligible for intercollegiate athletics, all athletic contests in which the student-athlete has participated, after the date of the act or conditions which rendered the individual ineligible, may be forfeited to the respective opposing team or teams, and any individual championships may be forfeited.

Section VI-8. Exceptions.

Exceptions to the above rules of eligibility may be allowed in individual cases in which the circumstances are extremely unusual and in which the exception will be in accord with the spirit and intent of all rules and regulations concerning eligibility.

Article VII. ASSIGNING OFFICIALS

The Conference office shall be responsible for the assignment of officials in the following sports: baseball, men's and women's basketball, field hockey, football, men's and women's soccer, softball and volleyball. In no event shall officials be employees of the Conference.

Article VIII. ENFORCEMENT PROCEDURE

Section VIII-1. Alleged Violations.

The Commissioner may receive and investigate reports of alleged violations of rules and regulations of the Conference and of the NCAA and may interpret and rule upon such.

In order to prevent escalation of intra-conference problems and continuation of violations, the following procedures are required:

a. A member institution shall communicate to the conference office potential NCAA violations that might result in student-athlete ineligibility and generate media exposure. Further, an institution shall communicate potential violations of NCAA rules when it is reasonable to conclude that the potential violations might be major in nature (e.g., NCAA interview conducted). Such communication should be directed to the Commissioner (or his or her designee) in a timely manner and ultimately shall also include the resolution of the matter once complete.. (Adopted April 2012)

b. An inquiry or report of alleged violations by a Conference member should be sent from a senior level athletics administrator or compliance director from the institution making the allegation to a senior level athletics administrator or compliance director at the institution to which the allegation is made. In addition, the institution making the allegation should notify the Conference office. If the above option is followed, the institution making the allegation is considered party to any investigation and shall receive subsequent information as outlined in (c) below. An institution may also utilize the conference compliance staff to communicate allegations from one Conference member to another; however, in this instance, the institution is not considered party to any investigation and shall not receive subsequent information. In either case, all findings should be reported to the Commissioner.

c. The institution against which the allegation is made should consult with the Conference to procure advice and guidance in how to conduct the investigation, but should not rely upon the Conference to assist in the actual investigation.

d. Only the institution which made the allegation shall receive periodic progress reports throughout the investigation along with a final report at the conclusion of the investigation. That institution, shall not, however, release any information it receives to any other institution or entity. Violations of this will result in forfeiture of any subsequent information regarding the investigation or other sanctions.

e. Once the investigation has concluded, the institution shall report its findings and, if applicable, any action taken to the Conference and/or NCAA. Subsequent to any decision or determination by the Conference and/or NCAA, only the institution which made the allegation shall receive a final report that shall include the following:

1. Facts of the case as discovered through the investigation
2. Findings based upon the facts presented
3. Action and/or penalties taken

Section VIII-2. Investigations.

The Commissioner is the principal enforcement officer of the Conference Rules and Regulations but shall not undertake significant investigative responsibilities except in a supervisory capacity. Upon the request of the athletics director or faculty representative of any member institution showing reasonable grounds or upon the Commissioner's own initiative, the Commissioner shall initiate such investigation as may be necessary to determine whether there has been a violation. As part of such an investigation, the Conference office should assist the institution in:

- a. Determining whether the potential violation will be viewed as secondary or major by the NCAA Enforcement Staff;
- b. Identifying any mitigating circumstances;
- c. Determining the appropriate institutional action that should be taken to remedy the situation;
- d. Determining appropriate penalties that would likely be accepted by the Enforcement Staff, the NCAA Committee on Infractions, the NCAA Student-Athlete Reinstatement Staff, or the NCAA Student-Athlete Reinstatement Committee;

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- e. Processing secondary violations through correspondence to the Enforcement Staff;
- f. Processing major violations through summary disposition, or Committee on Infractions; or
- g. Processing any eligibility appeals through the NCAA-Student-Athlete Reinstatement Staff or the NCAA Student-Athlete Reinstatement Committee.

Section VIII-3. Hearings.

If the investigation reveals that a violation may exist, the Commissioner shall inform the president, the faculty athletics representative, and the athletics director of the member institution involved, and afford an opportunity to be heard.

The Commissioner may elect to hear those cases deemed to be secondary in nature. Such hearing may be conducted by an assistant commissioner designated by the Commissioner. If after a hearing or failure of an institution to appear for a hearing, the Commissioner concludes there is a violation, the Commissioner is empowered to impose penalties such as, but not limited to, those listed in Appendix I of the Committees section.

All other cases will be heard by the Executive Committee. That body shall have the same power as the Commissioner to impose penalties. No representative of the institution for whom the hearing is being held shall have membership on the hearing body. The institution and any employee or student-athlete involved in the case shall have an opportunity to be heard and to be represented by legal counsel. The decision of the hearing body must be rendered within one week after the hearing.

Section VIII-4. Unsportsmanlike Conduct.

The Commissioner is authorized to investigate cases involving unsportsmanlike conduct of coaches, institutional officials or participants on teams representing member institutions and, if sufficient evidence is found that they have been guilty of unsportsmanlike conduct, the Commissioner is authorized to impose such penalties as in his judgment the case warrants.

Section VIII-5. Penalties.

Penalties imposed by the Commissioner shall become effective immediately and shall remain in effect until and unless set aside by the Conference on appeal.

Section VIII-6. Enforcement Reports.

The Commissioner shall upon request, report to the Conference in executive session the results of any investigations into violations of Conference rules and regulations.

Article IX. APPEALS

Section IX-1. Appeal Procedures.

The decision of the Commissioner or the Executive Committee in any proceedings under Article VIII may be appealed. Such appeal must be made by the institution involved within fourteen (14) days after receiving, by registered mail, the notice of such action. Appeals from decisions about interpretations or violations of the Conference rules and regulations, or penalties imposed under these rules, shall be made to the Conference through the Conference president.

a. Final appeal of decision made by the commissioner normally is heard by the Executive Committee; however, at the request of the appealing institution, the Conference will hear the appeal in lieu of the Executive Committee.

b. Final appeal of a decision made by the Executive Committee normally is heard by an Appeals Committee consisting of the past-president of the Conference from the Executive Committee, those faculty athletics representatives who are not members of the Executive Committee, and two athletics directors appointed by the president in such manner that no member institution will have both its faculty athletics representative and athletics director serving on the Appeals Committee. At the request of the appealing institution, the Conference will hear the appeal in lieu of the Appeals Committee.

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c. The committee hearing the appeal may, if it so chooses, modify the decision as to guilt and/or penalty but may not increase the penalty.

d. Appeals shall be limited in scope and will not constitute a new complete hearing of the case. Notice of appeal shall state specifically the findings of violations or penalties or both on which the appeal is being made and the reasons why these items are being appealed.

Section IX-2. Appellate Decision.

The decision as to the appeal shall be rendered only after affording any institution, employee, or student-athlete involved in the appealed portion of the case an opportunity to be heard and to be represented by legal counsel and must be rendered within one week after the hearing of the appeal. Such decision is final and is not subject to further appeal except under provision of Section IX-3 (New Evidence or Prejudicial Error).

Section IX-3. New Evidence or Prejudicial Error.

The Executive Committee shall consider a request to reopen a case upon receipt of new evidence of fact or of prejudicial error in the hearing or appeals procedure. A decision not to reopen a case is not subject to further appeal.

Article X. TELEVISION POLICY

Section X-1. Conference Package Contracts.

The Television Committee is authorized to negotiate the terms and conditions of contracts involving telecast of packages of football games and men's basketball games. Such contracts shall be submitted to the member institutions for approval, disapproval or suggestions and recommendations, consistent with the terms of Conference contract policy as described in Section X-3 (Conference Television Contract Policy).

Section X-2. Revenues From Sale of Rights to Package.

All revenues from sale of rights to the Conference television packages referred to in Section X-1 (Conference Package Contracts) shall be deposited with the Conference office.

Section X-3. Conference Television Contract Policy.

Negotiations for future television contracts shall be conducted by the Commissioner with input from a television subcommittee appointed by the Commissioner, in consultation with the President of the Conference. The subcommittee shall be comprised of representatives from faculty athletics representatives, athletics directors and senior woman administrators.

Discussions and recommendations from the television subcommittee will be reported out to the full television committee. The television committee will review the proposed terms and conditions of the agreement(s) and make their recommendations to the faculty athletics representatives for their consideration and approval by two-thirds vote of the members of the conference.

If practicable, television contracts should be in written form and signed by the participating parties within 60 days of the time of the agreement. If possible, said contract(s) shall be signed no later than 30 days prior to the first televised event of sports covered within this agreement. *(Adopted: May 1992, Revised: January 2010)*

Section X-4. Good Faith Effort not to Compete with Package.

The Conference members will make every good faith effort not to participate in a football or men's basketball game that will be televised in conflict with any of the Conference television packages of games. "Televised" and "television" mean over the air or by cable. If a Conference member is to participate in a nonpackage televised game which conflicts with or overlaps with one of the Conference football or men's basketball packages of games, the Conference member may participate

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in such nonpackage televised game only if (a) such nonpackage game is not distributed on television in the Conference area (defined as Maryland, District of Columbia, Virginia, North and South Carolina, Georgia, and Florida), or (b) if the nonpackage game is to be televised in the Conference area; such game may be televised only during a time period which does not substantially overlap the time during which a Conference package game is being televised. When it appears there will be an overlap, the matter shall be promptly referred to the commissioner, who shall then consider all relevant factors and make a final determination, in his sole discretion as to whether or not the overlap is substantial.

Section X-5. Member Institution Contracts.

Individual member institutions may enter into contracts for the telecasts of football and men's basketball games which are not a part of the Conference packages, but only if such contracts do not conflict with Conference package contracts referred to in Section X-1 (Conference Package Contracts) and also comply with all other provisions of this Article.

Section X-6. Revenues From Non-Package Games.

The revenues derived from participation by any Conference member in any televised game outside the Conference television packages shall be deposited with the Conference office.

Section X-7. Conference Non-Package Contracts.

In appropriate circumstances, the Commissioner's office may negotiate television contracts for events that are not part of the Conference television package of games referred to in Section X-1 (Conference Package Contracts). However, such nonpackage contracts may, in the Commissioner's discretion, be negotiated by the Committee on Television and/or submitted to the member institutions for approval.

Section X-8. Rights Fee.

The Television Committee shall establish a rights fee for any football game or men's basketball game being televised which is not part of any of the Conference television packages of games.

Section X-9. Distribution of Revenues.

The revenues derived under Sections X-2 (Revenues From Sale of Rights to Package) and X-6 (Revenues From Non-Package Games) of this Article shall be divided equally among the Conference members.

Section X-10. Amendment Procedures.

Article X (Television Policy) of the Bylaws may be amended at any regular or special meeting by two-thirds of all members. *(Adopted: April 2006)*

Article XI. GENERAL REGULATIONS

Section XI-1. Booster Organization.

The athletics director shall serve as a board member of the institution's athletics booster (fundraising) organization where one exists, and the employees of that organization shall be directly responsible to the athletics director or the person to whom the athletics director reports.

Section XI-2. Annual Institutional Certification.

A member institution shall not be eligible to enter a team or individual competitors in a Conference championship unless its governing board makes an annual institutional certification, on a form approved by the Conference office, attesting that:

a. Responsibility for the administration of the athletics program has been delegated to the chief executive officer of the institution.

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b. The chief executive officer has the mandate and support of the board to operate a program of integrity in full compliance with NCAA, Conference and all other relevant rules and regulations.

c. The chief executive officer, in consultation with the faculty athletics representative and the athletics director, determines how the institutional vote shall be cast on issues of athletics policy presented to the NCAA and the Conference.

Section XI-3. Nonprofit Operating Principles.

a. **INUREMENT OF INCOME.** No part of the net earnings of the organization shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein above.

b. **LEGISLATIVE OR POLITICAL ACTIVITIES.** No substantial part of the activities of the organization shall be the carrying on of propaganda or otherwise attempting to influence legislation by legal, governmental agencies, and the organization shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

c. **OPERATION LIMITATIONS.** Notwithstanding any other provisions of these articles, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income Tax under Section 501(C) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Revenue Law) or (b) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or other corresponding provisions of any future United States Internal Revenue Law).

d. **DISSOLUTION CLAUSE.** Upon the dissolution of the organization, a committee composed of voting delegates and athletics directors shall, after paying or making provisions for the payment of all of the liabilities of the organization, dispose of all the assets of the organization exclusively for the purpose of the organization in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), as the Committee shall determine. Any of such assets not so disposed of shall be disposed of by the state court of jurisdiction in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

Article XII. AMENDMENT PROCEDURES

Any amendments to the Bylaws require a three-fourths vote of the members of the Conference, unless otherwise noted. All other matters related to the general business and Sport Code of the Conference and not specified elsewhere shall be decided by majority vote of those present and voting on the issue. In accordance with Robert's Rules of Order, abstentions shall not be counted as votes. *(Revised: April 2006)*