

SAMUEL KORNHAUSER, Esq., California Bar No. 083528
 LAW OFFICES OF SAMUEL KORNHAUSER
 155 Jackson Street, Suite 1807
 San Francisco, California 94111
 Email: samuel.kornhauser@gmail.com
 Telephone: (415) 981-6281
 Facsimile: (415) 981-7616

BRIAN DAVID, Esq., Illinois ARDC No. 0582468
 LAW OFFICES OF BRIAN DAVID
 1329 North Dearborn Street
 Chicago, Illinois 60610
 Email: bdbriandavid@gmail.com
 Telephone: (847) 778-7528
 Facsimile: (312) 346-8469

Rafael Baella-Silva, Esq. Puerto Rico U.S.D.C. P.R. 124507
 B & B LAW FIRM, PSC
 Baella & Baella
 563 Pedro Bigay Street
 Urb Ext Baldrich
 San Juan, Puerto Rico 00918
 Telephone: (787) 250-8080
 Email: rbaellasilva@baellalaw.com

Attorneys for Plaintiff, Individually
 and on behalf of All Those Similarly Situated

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

DANIEL CONCEPCION,
 Individually and on Behalf of All Those
 Similarly Situated,

Plaintiffs,

v.

OFFICE OF THE COMMISSIONER OF
 BASEBALL, an unincorporated association
 doing business as MAJOR LEAGUE
 BASEBALL, ROB MANFRED; ALLAN
 HUBER "BUD" SELIG; KANSAS CITY
 ROYALS BASEBALL CORP.;
 MIAMI MARLINS, L.P.; SAN FRANCISCO
 BASEBALL ASSOCIATES LLC; BOSTON
 RED SOX BASEBALL CLUB L.P.; ANGELS

) Case No.

)
)
) **CLASS ACTION COMPLAINT FOR**
) **VIOLATIONS OF ANTI-TRUST**
) **LAWS; VIOLATIONS OF**
) **FEDERAL AND PUERTO RICO**
) **WAGE AND HOUR LAWS;**
) **DECLARATORY RELIEF;**
) **VIOLATION OF**
) **CONSTITUTIONAL RIGHT TO**
) **EQUAL PROTECTION**

) **JURY TRIAL DEMANDED**
)

LAW OFFICES
 SAMUEL KORNHAUSER
 155 Jackson Street, Suite 1807
 San Francisco, CA 94111

1 BASEBALL LP; CHICAGO WHITE SOX)
 2 LTD.; ST. LOUIS CARDINALS, LLC;)
 3 COLORADO ROCKIES BASEBALL CLUB,)
 4 LTD.; BASEBALL CLUB OF SEATTLE, LLP;)
 5 THE CINCINNATI REDS, LLC; HOUSTON)
 6 BASEBALL PARTNERS LLC; ATHLETICS)
 7 INVESTMENT GROUP, LLC; ROGERS)
 8 BLUE JAYS BASEBALL PARTNERSHIP;)
 9 CLEVELAND INDIANS BASEBALL CO.,)
 10 L.P.; CLEVELAND INDIANS BASEBALL)
 11 CO., INC.; PADRES L.P.; SAN DIEGO)
 12 PADRES BASEBALL CLUB, L.P.;)
 13 MINNESOTA TWINS, LLC; WASHINGTON)
 14 NATIONALS BASEBALL CLUB, LLC;)
 15 DETROIT TIGERS, INC.; LOS ANGELES)
 16 DODGERS, LLC; LOS ANGELES)
 17 DODGERS HOLDING CO.; STERLING)
 18 METS L.P.; ATLANTA NATIONAL)
 19 LEAGUE BASEBALL CLUB, INC.; AZPB)
 20 L.P.; BALTIMORE ORIOLES, INC.;)
 21 BALTIMORE ORIOLES, L.P.; THE)
 22 PHILLIES L.P.; PITTSBURGH BASEBALL,)
 23 INC.; PITTSBURGH BASEBALL P'SHIP;)
 24 NEW YORK YANKEES P'SHIP; TAMPA)
 25 BAY RAYS BASEBALL LTD.; RANGERS)
 26 BASEBALL EXPRESS, LLC; RANGERS)
 27 BASEBALL, LLC; CHICAGO BASEBALL)
 28 HOLDINGS, LLC; MILWAUKEE BREWERS)
 BASEBALL CLUB, INC.; MILWAUKEE)
 BREWERS BASEBALL CLUB, L.P.,)

Defendants.

LAW OFFICES
 SAMUEL KORNHAUSER
 155 Jackson Street, Suite 1807
 San Francisco, CA 94111

TABLE OF CONTENTS

Contents

I.	BACKGROUND.....	3
I.	The Business of MLB	4
III.	The Illegal Minor League Salaries	7
II.	PARTIES.....	10
1.	Plaintiffs.....	10
2.	Defendants.....	10
III.	CLASS ACTION ALLEGATIONS.....	18
IV.	FACTUAL ALLEGATIONS	18
	Count 1: Federal Antitrust Violations.....	18
I.	NATURE AND BACKGROUND OF FEDERAL ANTI-TRUST CLAIMS	19
III.	ANTITRUST CLASS ACTION ALLEGATIONS.....	21
V.	FACTUAL ALLEGATIONS	24
II.	The Business of MLB	24
III.	Minor Leaguers' Uniform, Adhesive Contracts	25
III.	The Antitrust Exemption for the "Business of Baseball"	33
IV.	Plaintiff and the Class Have Suffered Antitrust Injury – Damages for Violation of Section 1 of the Sherman Act.....	36
	Count 2: Damages for Violation of the Sherman Act 15 U.S.C. § 2	39
	Count 3: Injunctive Relief - Violation of Sections 1 and 2 of The Sherman Act	40
	Count 4: Declaratory Relief - Curt Flood Act	41
	Count 5: Declaratory Relief - Sherman Act.....	42
	FEDERAL WAGE AND HOUR VIOLATIONS	43
	Count 6: FLSA Minimum Wage and Overtime Violations	43
IV.	FLSA COLLECTIVE ACTION ALLEGATIONS.....	45
V.	JURISDICTION, VENUE, AND COMMERCE.....	46

Count 7: FLSA Record Keeping Requirements	49
VIII. PUERTO RICO WAGE AND HOUR VIOLATIONS	49
Count 8: Puerto Rico Minimum Wage Violations.....	50
Count 9: Puerto Rico Unpaid Overtime Violations.....	52
IX. PRAYER FOR RELIEF	53
X. DEMAND FOR JURY TRIAL	57

LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111

This class action is brought by Plaintiff, Daniel Concepcion, individually and all those similarly situated minor league baseball players (“minor leaguers”), on behalf of himself and the classes of minor leaguers he represents, against the defendants, the monopsony cartel of 30 major league baseball clubs and the Commissioner of Major League Baseball (collectively “MLB”), for violations of the Sherman Act 15 U.S.C. §§1 and 2 and violations of the Fair Labor Standards Act (“FLSA”), Puerto Rico wage and labor laws, and declaratory and injunctive relief for violations of the equal protection clause of the Fifth Amendment of the United States Constitution.

Plaintiffs allege as follows:

I. BACKGROUND

1. The Defendants ¹ are individual members of the monopsony cartel known as Major League Baseball (“MLB”).

2. MLB and each of the 30 individual, separately owned teams admittedly openly collude to restrict and depress, at below market rates, the wages and compensation they pay their minor league players (“the Class”).

3. MLB routinely colludes to violate federal and Puerto Rico wage and hour laws and to violate federal anti-trust laws to suppress, below market value, the compensation and wages the Class receive for their work as minor league baseball players.

4. In order to monopolize minor league players, and restrain and depress minor league players’ salaries and to violate the FLSA and Puerto Rico’s minimum wage and labor laws, the MLB cartel inserted a provision (known as the reserve clause) into players’ contracts that allows teams to retain the contractual rights to players and restricts their movement and their ability to negotiate with other teams for their baseball services and the compensation they receive, which reserve clause preserves MLB’s monopsony over the minor league system of

¹ The term “Defendants” refers to the 30 Major League Team defendants named in this Complaint.

1 artificially low compensation paid to minor league players and their nonexistent contractual
2 mobility. In order to restrain trade and competition in the relevant market for minor league
3 players, the 30 independent, major league baseball teams have annually illegally entered into
4 agreements between themselves, to set at non-competitive, below market, depressed rates, the
5 wages and compensation they have paid and will pay their minor league players.

6 5. Defendants' conspiracy and agreement to restrain trade in the market for the
7 employment of minor league baseball players has had an adverse effect on interstate commerce
8 in Puerto Rico and nationwide by lowering the compensation minor leaguers receive and spend
9 throughout the United States.

10 **I. The Business of MLB**

11
12 6. MLB is big business. Its games are broadcast throughout the United States.
13 During the 2019 season, over 68.5 million fans paid to attend MLB games. MLB revenues
14 exceeded \$12.4 Billion, and the average value of an MLB team exceeded \$2 Billion. MLB
15 national television revenues were \$1.84 Billion and local television revenues were \$2.1 Billion.

16 7. In 2020, over 40 million fans paid to attend minor league games throughout the
17 United States played by 160 minor league teams and over 6,000 minor league players.

18 8. The MLB teams acquire minor leaguers in one of two ways: through an amateur
19 draft or through free agency.

20
21 9. In 1965, Commissioner Ford Frick oversaw the development and
22 implementation of what is now the Rule 4 draft. By forcing amateur players to participate in the
23 draft, MLB and its Commissioner limited those players seeking to enter MLB's developmental
24 system to only negotiating with the single team that drafted that player. Mr. Manfred has
25 continued to employ those practices since becoming Commissioner in 2014.

26 10. MLB's current Rule 4 draft, as developed and enforced by the Commissioner,
27 requires all amateur players from Puerto Rico, the United States, Mexico and Canada to
28

1 participate in the draft in order to sign with an MLB team.² Beginning with the worst MLB
 2 team from the previous season, teams select previously amateur players over the course of forty
 3 rounds.

4 11. Players selected in the Rule 4 draft are between the ages of 18 and 22 (with the
 5 exception of a few players who are 23). Once selected by a Franchise, a player cannot bargain
 6 with any other Franchise, as MLB's rules grant the drafting Franchise exclusive rights to the
 7 player.³

8 12. All MLB teams acquire players from Puerto Rico through the draft and acquire
 9 other Latin American players from the Dominican Republic and Venezuela through "free
 10 agency". MLB rules allow the Franchises to sign the players as early as age sixteen, so most
 11 Latinos are either sixteen or seventeen when signing with a Franchise.⁴

12 13. Many Latino minor leaguers come from poor families and have only the
 13 equivalent of an eighth-grade education. Before signing, many are only represented by
 14 similarly-educated "buscones"—usually former players who maintain training facilities for
 15 young amateur players. Some of the Franchises' scouts have been reprimanded in recent years
 16 for participating in bribes and kickback schemes with the buscones, and the FBI has even
 17 investigated the exploitative practices.⁵ These Latino signees comprise over forty percent of
 18 minor leaguers.

19 14. Similar to the slotting system, Mr. Selig also personally oversaw the
 20 development of bonus pools for Latino players in an effort to curtail Latino signing bonuses.
 21 Instituted in 2012, Mr. Selig's plan allows each Franchise a certain amount to spend on signing
 22

23
 24 ² MLR 4(a).

25 ³ MLR 4(e).

26 ⁴ See MLR 3(a).

27 ⁵ See Jorge L. Ortiz, *Exploitation, steroids hitting home in Dominican Republic*, USA Today (Mar. 26, 2009),
 28 http://usatoday30.usatoday.com/sports/baseball/2009-03-26-dominican-republic-cover_N.htm.

bonuses for Latino players. Mr. Manfred has continued these practices.

15. MLB rules, as implemented and enforced and renewed and adopted annually by the Defendants and the Commissioner, require all teams to use the same uniform player contract (“UPC”) when signing these previously amateur players. MLR 3(b)(2) states:

To preserve morale among Minor League players and to produce the similarity of conditions necessary for keen competition, all contracts...shall be in the form of the Minor League Uniform Player Contract that is appended to these Rules as Attachment 3. All Minor League Uniform Player Contracts between either a Major or a Minor League Club and a player who has not previously signed a contract with a Major or Minor League Club shall be for a term of seven Minor League playing seasons.... The minimum salary in each season covered by a Minor League Uniform Player Contract shall be the minimum amount established from time to time by the Major League Clubs....

16. Moreover, “[a]ll contracts shall be in duplicate,” and “[a]ll...must be filed with the Commissioner...for approval.”⁶ No contract can vary any term without the approval of the Commissioner.⁷ A minor leaguer cannot work for an MLB team without signing the UPC because a “player’s refusal to sign a formal contract shall disqualify the player from playing with the contracting Club or entering the service of any Major or Minor League Club.”⁸

17. Thus, the UPC grants the MLB team the exclusive rights to the minor leaguer for seven championship seasons (about seven years).⁹ During that time period, the MLB team may assign the minor leaguer’s rights to any other team, and the MLB team may terminate the agreement at any time for almost any reason.¹⁰

18. But the minor leaguer cannot leave voluntarily to play for another baseball team—even outside of MLB, and even outside of the United States.¹¹ A player doing so “shall

⁶ MLR 3(b)(3); *see also* MLR 3(b)(4) (saying that a player cannot play until the UPC is signed).

⁷ MLR 3(b)(3).

⁸ MLR 3(d).

⁹ MLR 3(b)(2); MLR Attachment 3, UPC ¶ VI.A.

¹⁰ MLR 9; MLR Attachment 3, UPC ¶ XVIII.

¹¹ MLR 18; MLR Attachment 3, UPC ¶ XVI.

1 be subject to the discipline of the Commissioner.”¹² Retirement from baseball during the seven-
2 year term even requires the Commissioner’s approval.¹³

3 19. The UPC traps a player in the minor leagues of a single organization. A minor
4 leaguer selected in the amateur draft can only sign with the MLB team that drafted him. For the
5 next seven years, the MLB team controls the minor leaguer’s rights. By the expiration of the
6 contract, much of the value of the minor leaguer as a young prospect has expired because the
7 player has aged.

8 20. MLB rules make clear that MLB and each of its 30 teams are the employers of
9 minor leaguers at all times.

10 21. MLB requires that each defendant team pay the salaries of its minor league players
11 at all times and allows each defendant the ability to control each of its minor leaguer’s
12 assignments.¹⁴

14 **III. The Illegal Minor League Salaries**

15 22. Since minor leaguers do not belong to a union, nothing has prevented the
16 Defendants from artificially and illegally depressing minor league wages. Given that MLB
17 carefully controls the entryway into the highest levels of baseball and given the young minor
18 leaguer’s strong desire to enter the industry, MLB and the Defendants have exploited minor
19 leaguers by paying anti-competitive, fixed salaries below minimum wage, by not paying
20 overtime wages, and by often paying no wages at all.

21 23. Plaintiff is informed and believes that MLB and the Commissioner issue minor
22 league salary “guidelines” which are anti-competitive and fixed and which each defendant team
23 agrees to and is required to pay for players signed to an initial UPC, and teams cannot deviate
24

25
26 ¹² MLR 18.

27 ¹³ MLR 14.

28 ¹⁴ MLR 56(g).

1 from these “guidelines”. MLR 3(c) requires that all first-year minor leaguers earn “the amount
2 established by” MLB.¹⁵ It is currently believed that all first-year minor leaguers employed by the
3 Defendants must be paid \$1,100 per month.

4 24. Salaries beyond the first year are also fixed and similar across all Franchises. It is
5 believed that discussions regarding minor league salaries (and other working conditions
6 concerning minor leaguers) occur when MLB hosts its quarterly owner meetings that all
7 Defendants attend.

8 25. While salary guidelines are not publicly available, the Plaintiffs are informed and
9 believe, based on the salaries paid by the Defendants across the minor leagues, that MLB
10 currently imposes the following salaries: less than \$12,000 per year for Rookie and Short Season
11 Class A; \$12,400 per year for Class A; \$14,400 per year for Class AA; and \$16,800 per year for
12 Class AAA.

13 26. Beyond the first year, the UPC required by MLB, and previously enforced by Mr.
14 Selig, and now enforced by Mr. Manfred, purports to allow salary negotiation by the minor
15 leaguer, as the UPC states that salaries will be set out in an addendum to the UPC and subject to
16 negotiation.¹⁶ But the same UPC provision states that if the Franchise and minor leaguer do not
17 agree on salary terms, the Franchise may unilaterally set the salary and the minor leaguer must
18 agree to it.¹⁷

19 27. The UPC required by MLB, formerly enforced by Mr. Selig, and now, by Mr.
20 Manfred, further states that salaries are only to be paid during the championship season, which
21 lasts about five months out of the year.¹⁸ Plaintiffs believe that most minor leaguers currently
22 earn less than \$16,000 per calendar year, and earned much less in prior years during the class

23 ¹⁵ As the 2013 Miami Marlins Minor League Player Guide states, “all first-year players receive \$1,100 per month
24 regardless of playing level per the terms of the [UPC].”

25 ¹⁶ MLR Attachment 3, UPC ¶ VII.A.

26 ¹⁷ MLR Attachment 3, UPC ¶ VII.A.

27 ¹⁸ MLR Attachment 3, UPC ¶ VII.B. (“Obligation to make such payments to Player shall start with the beginning
28 of Club’s championship playing season...[and] end with the termination of Club’s championship playing
season....”).

1 period. Despite only being compensated during the approximately five-month championship
 2 season, MLB's UPC "obligates minor leaguers to perform professional services on a calendar
 3 year basis, regardless of the fact that salary payments are to be made only during the actual
 4 championship playing season." ¹⁹ Consistent with that obligation, the UPC states that "Player
 5 therefore understands and agrees that Player's duties and obligations under this Minor League
 6 Uniform Player Contract continue in full force throughout the calendar year."

7 28. MLB's UPC, and the Defendants' application of the UPC, requires the minor
 8 leaguer to participate in spring training.²⁰ Again, the UPC does not allow for salaries during this
 9 period since spring training falls outside the championship season, so minor leaguers work
 10 without earning a paycheck. The spring training season usually lasts around one month, during
 11 the month of March, but it sometimes lasts longer.

12 29. In sum, the Defendants, as formerly directed by Mr. Selig, and now, by Mr.
 13 Manfred, have conspired and agreed among themselves to eliminate competition for the
 14 acquisition and payment of minor league baseball players at non-competitive, below market
 15 value wages (wage fixing) in violation of federal antitrust laws. (15 U.S.C. §§1 and 2) They
 16 have also conspired to and have and do pay illegally low wages during the championship
 17 season, no overtime wages, and no wages for work performed outside the championship season
 18 in violation of the federal Fair Labor Standards Act ("FLSA") 29 U.S.C. §§ 201 et seq. and
 19 Puerto Rico's minimum wage laws.

20 30. Defendants have conspired to and lobbied Congress to pass unconstitutional
 21 laws specifically targeting minor league players for unequal treatment, i.e., the Curt Flood Act
 22 15 U.S.C. §26b(b)(1), (2), specifically designed to discriminate against and deprive minor
 23 leaguers of their right to equal protection of the antitrust laws in violation of their strictly
 24 construed Fifth Amendment constitutional rights to equal protection of the federal antitrust
 25

26 _____
 27 ¹⁹ MLR Attachment 3, UPC ¶ VI.B.

28 ²⁰ See MLR Attachment 3, UPC ¶ VI.B. (saying that the UPC applies to the "Club's training season").

laws or, in the alternative, with no rational basis for doing so. The Curt Flood Act provides in pertinent part:

This section does not create, permit, or imply a cause of action by which to challenge under the antitrust laws . . . (1) any conduct, acts, practices, agreements . . . relating to . . . employment to play baseball at the minor league level . . .

Defendants have also coerced and misled Congress to pass the so-called Save America's Pastime Act (29 U.S.C. §213(a)(19)) to discriminate against and deprive minor league players of their constitutional right to equal protection of federal fair labor and minimum wage laws.

II. PARTIES

1. Plaintiffs

Plaintiff and class representative, Daniel Concepcion, is a former minor leaguer who was in the Kansas Royals' organization from 2010 through 2012. Mr. Concepcion is a covered employee under the FLSA and under the Puerto Rico wage and hour laws. Mr. Concepcion worked in and played minor league baseball for the Kansas Royals' organization in Idaho, North Carolina and Kentucky. He is a representative plaintiff on behalf of all current and former minor leaguers from 2012 through final judgment or settlement in this case on their antitrust violation claims, the FLSA claims, their declaratory relief and equal protection claims .

2. Defendants

31. **The Office of the Commissioner of Baseball, d/b/a MLB.** The Office of the Commissioner of Baseball, doing business as MLB, is an unincorporated association comprised of the thirty Major League baseball clubs ("the Franchises").²¹ MLB has unified operation and

²¹ See Exhibit B, Major League Constitution ("MLC"), Art. II § 1.

common control over the Franchises. All do business as MLB.

32. Under the broad meaning of “employ” used by the FLSA and the applicable state laws, MLB employed (and/or continues to employ) Plaintiffs, all similarly situated employees, and all employees of the proposed classes. As described more thoroughly below, the Defendants’ cartel has developed a unified constitution and unified rules to closely control many fundamental aspects of the minor leaguers’ employment, including, *inter alia*, hiring, contracts, wages, periods of wage payment and nonpayment, other working conditions, and control over the minor leaguers before, during, and after the championship season.

33. **Allan Huber “Bud” Selig.** Since 1998, Allan Huber “Bud” Selig served as the Commissioner of Baseball. He committed some of the FLSA and federal anti-trust violations alleged herein.

34. On August 14, 2014, **Robert D. Manfred, Jr.** took over as Commissioner of Baseball and continued to this day the FLSA and federal anti-trust violations alleged herein.

35. The Commissioner is the “Chief Executive Officer of Major League Baseball.”²² Serving in this capacity, Mr. Selig had, and Mr. Manfred continues to exercise the power to, among other things, discipline players, announce rules and procedures, preside over meetings,²³ and suppress wages at below market, non-competitive levels for minor leaguers.

36. Mr. Selig had, and Mr. Manfred now also has “executive responsibility for labor relations,”²⁴ meaning that Mr. Selig was, and Mr. Manfred now is the chief bargaining agent for the owners during negotiations with the major league union.

37. Since Mr. Selig oversaw and Mr. Manfred now oversees all labor matters, Mr. Selig

²² MLC Art. II § 2.

²³ MLC Art. II §§ 2, 3.

²⁴ MLC Art. II § 2.

1 was, and Mr. Manfred now is also (collectively they were and now are) the chief agent for the
 2 owners when it comes to forming labor practices involving minor leaguers. Moreover, Mr. Selig
 3 did, and Mr. Manfred now implements, enforces, and often directs the development of MLB's
 4 rules, guidelines, and policies concerning the employment of minor league players.

5 38. Mr. Selig did, and Mr. Manfred now serves as MLB's agent in numerous other
 6 areas. For instance, Mr. Selig serves as "the fiscal agent of the Major League Central Fund"; has the
 7 power to "negotiate and enter into settlement agreements" for nationwide broadcasting rights; can
 8 receive funds "made payable to the Commissioner as agent for the Clubs"; and can even invest
 9 central funds on behalf of the Defendants.²⁵

10 39. The MLB owners elect the Commissioner of Baseball by a vote.²⁶ They also pay
 11 the Commissioner's salary.²⁷

12 40. Under the broad meaning of "employ" and "employer" used by the FLSA and
 13 applicable state laws, Mr. Selig and Mr. Manfred, as the chief executive, can be and in this case is,
 14 jointly and severally liable, along with the MLB defendants, for their violations of FLSA, Puerto
 15 Rico's and applicable state labor laws and federal anti-trust violations. The Commissioner oversees
 16 and closely controls many aspects central to the minor leaguers' employment, including, *inter alia*,
 17 hiring, contract terms, discipline, and firing, setting the amount of wages, on-field work rules, and
 18 when wages are to be paid.²⁸

19
 20
 21 ²⁵ MLC Art. X; *see also* MLR 30 (saying that all funds in the hands of the Commissioner are joint funds of the
 22 MLB Clubs).

23 ²⁶ MLC Art. II §§ 8, 9.

24 ²⁷ MLC Art. II § 8.

25 ²⁸ *See* MLR Attachment 3, Minor League Uniform Player Contract ("UPC") ¶¶ VI (describing the conditions of
 26 employment), VII (payment of salaries), XXIII (granting Commissioner right to suspend the contract), XXVI
 27 (requiring approval by the Commissioner for the contract to have effect); *see also, e.g.*, Addendum C to MLR
 28 Attachment 3 (salary form requiring approval by the Commissioner); MLR 4 (giving Commissioner power to
 oversee the amateur draft, one of the chief avenues of hiring players); MLR 13 (giving Commissioner the power to
 suspend players); MLR 3(e) (requiring all contracts to be approved by the Commissioner); MLR 14 (giving
 Commissioner the power to accept or deny an application for retirement); MLR 15 (giving Commissioner power
 to place players on an Ineligible List for misconduct, or to take any other disciplinary action in the best interest of
 baseball).

1 41. Upon information and belief, the Commissioner also had and has direct
2 involvement in the formation of programs affecting working conditions for minor leaguers, such as
3 the implementation of a system to suppress signing bonuses for minor leaguers entering MLB's
4 developmental system for the first time.

5 42. **Franchise Defendants.** The below named MLB franchises are defendants in this
6 lawsuit and referred to collectively as the "Franchise Defendants":
7

8 43. *Kansas City Royals.* Kansas City Royals Baseball Corp. (d/b/a "Kansas City
9 Royals") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its
10 own behalf, the Kansas City Royals employed (and/or continue to employ) Plaintiffs, similarly
11 situated employees, and employees of the Proposed Classes.

12 44. *Miami Marlins.* Miami Marlins, L.P. (d/b/a "Miami Marlins") is an MLB Franchise.
13 As a member of Major League Baseball, acting jointly and on its own behalf, the Miami Marlins
14 employed (and/or continue to employ) Plaintiffs, similarly situated employees, and employees of
15 the Proposed Classes. The Miami Marlins were known and operated as the Florida Marlins until
16 changing its name in 2012. Plaintiffs are informed and believe that the Miami Marlins is the
17 successor in interest to the Florida Marlins franchise.

18 45. *San Francisco Giants.* San Francisco Baseball Associates LLC (d/b/a "San
19 Francisco Giants") is an MLB Franchise. As a member of Major League Baseball, acting jointly
20 and on its own behalf, the San Francisco Giants employed (and/or continue to employ) Plaintiffs,
21 similarly situated employees, and employees of the Proposed Classes.
22

23 46. *Boston Red Sox.* Boston Red Sox Baseball Club L.P. (d/b/a "Boston Red Sox") is an
24 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
25 Red Sox of baseball).employed (and/or continue to employ) Plaintiffs, similarly situated
26 employees, and/or employees of the Proposed Classes.
27
28

LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111

1 47. *Toronto Blue Jays*. Rogers Blue Jays Baseball Partnership (d/b/a “Toronto Blue
2 Jays”) is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own
3 behalf, the Toronto Blue Jays employed (and/or continue to employ) Plaintiffs, similarly situated
4 employees, and employees of the Proposed Classes.

5 48. *Chicago White Sox*. Chicago White Sox Ltd. (d/b/a “Chicago White Sox”) is an
6 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
7 Chicago White Sox employed (and/or continue to employ) Plaintiffs, similarly situated employees,
8 and employees of the Proposed Classes.

9 49. *Cleveland Indians*. Cleveland Indians Baseball Co., L.P., and Cleveland Indians
10 Baseball Co, Inc., (d/b/a “Cleveland Indians”) is an MLB Franchise. As a member of Major League
11 Baseball, acting jointly and on its own behalf, the Cleveland Indians employed (and/or continue to
12 employ) Plaintiffs, similarly situated employees, and employees of the Proposed Classes.

13 50. *Houston Astros*. Houston Baseball Partners LLC (d/b/a “Houston Astros”) is an
14 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
15 Houston Astros employed (and/or continue to employ) Plaintiffs, similarly situated employees, and
16 employees of the Proposed Classes.

17 51. *Los Angeles Angels of Anaheim*. Angels Baseball LP (d/b/a “Los Angeles Angels of
18 Anaheim”) is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its
19 own behalf, the Los Angeles Angels of Anaheim employed (and/or continue to employ) Plaintiffs,
20 similarly situated employees, and employees of the Proposed Classes.

21 52. *Oakland Athletics*. Athletics Investment Group, LLC (d/b/a “Oakland Athletics”) is
22 an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf,
23 the Oakland Athletics employed (and/or continue to employ) Plaintiffs, similarly situated
24 employees, and employees of the Proposed Classes.

25 53. *Seattle Mariners*. Baseball Club of Seattle, LLP (d/b/a “Seattle Mariners”) is an
26
27
28

1 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
2 Seattle Mariners employed (and/or continue to employ) Plaintiffs, similarly situated employees, and
3 employees of the Proposed Classes.

4 54. *Cincinnati Reds*. The Cincinnati Reds, LLC (d/b/a “Cincinnati Reds”) is an MLB
5 Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
6 Cincinnati Reds employed (and/or continue to employ) Plaintiffs, similarly situated employees, and
7 employees of the Proposed Classes.

8 55. *St. Louis Cardinals*. St. Louis Cardinals, LLC (d/b/a “St. Louis Cardinals”) is an
9 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
10 St. Louis Cardinals employed (and/or continue to employ) Plaintiffs, similarly situated employees,
11 and employees of the Proposed Classes.

12 56. *Colorado Rockies*. Colorado Rockies Baseball Club, Ltd. (d/b/a “Colorado
13 Rockies”) is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its
14 own behalf, the Colorado Rockies employed (and/or continue to employ) Plaintiffs, similarly
15 situated employees, and employees of the Proposed Classes.

16 57. *San Diego Padres*. Padres L.P., and the San Diego Padres Baseball Club, L.P. (d/b/a
17 “San Diego Padres”) is an MLB Franchise. As a member of Major League Baseball, acting jointly
18 and on its own behalf, the San Diego Padres employed (and/or continue to employ) Plaintiffs,
19 similarly situated employees, and employees of the Proposed Classes.

20 58. *Minnesota Twins*. Minnesota Twins, LLC (d/b/a “Minnesota Twins”) is an MLB
21 Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
22 Minnesota Twins employed (and/or continue to employ) Plaintiffs, similarly situated employees,
23 and employees of the Proposed Classes.

24 59. *Washington Nationals*. Washington Nationals Baseball Club, LLC (d/b/a
25 “Washington Nationals”) is an MLB Franchise. As a member of Major League Baseball, acting
26
27
28

1 jointly and on its own behalf, the Washington Nationals employed (and/or continue to employ)
2 Plaintiffs, similarly situated employees, and employees of the Proposed Classes.

3 60. *Detroit Tigers.* Detroit Tigers, Inc. (d/b/a “Detroit Tigers”) is an MLB Franchise.
4 As a member of Major League Baseball, acting jointly and on its own behalf, the Detroit Tigers
5 employed (and/or continue to employ) Plaintiffs, similarly situated employees, and employees of
6 the Proposed Classes.

7 61. *Los Angeles Dodgers.* Los Angeles Dodgers, LLC, and Los Angeles Dodgers
8 Holding Co., (d/b/a “Los Angeles Dodgers”) is an MLB Franchise. As a member of Major League
9 Baseball, acting jointly and on its own behalf, the Los Angeles Dodgers employed (and/or continue
10 to employ) Plaintiffs, similarly situated employees, and employees of the Proposed Classes.

11 62. *New York Mets.* Sterling Mets L.P. (d/b/a “New York Mets”) is an MLB Franchise.
12 As a member of Major League Baseball, acting jointly and on its own behalf, the New York Mets
13 employed (and/or continue to employ) Plaintiffs, similarly situated employees, and employees of
14 the Proposed Classes.

15 63. *Atlanta Braves.* Atlanta National League Baseball Club, Inc. (d/b/a “Atlanta
16 Braves”) is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its
17 own behalf, the Atlanta Braves employed (and/or continue to employ) Plaintiffs, similarly situated
18 employees, and employees of the Proposed Classes.

19 64. *Arizona Diamondbacks.* AZPB L.P. (d/b/a “Arizona Diamondbacks”) is an MLB
20 Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
21 Arizona Diamondbacks employed (and/or continue to employ) Plaintiffs, similarly situated
22 employees, and employees of the Proposed Classes.

23 65. *Baltimore Orioles.* Baltimore Orioles, Inc., and Baltimore Orioles, L.P., (d/b/a
24 “Baltimore Orioles”) is an MLB Franchise. As a member of Major League Baseball, acting jointly
25 and on its own behalf, the Baltimore Orioles employed (and/or continue to employ) Plaintiffs,
26
27
28

1 similarly situated employees, and employees of the Proposed Classes.

2 66. *Philadelphia Phillies*. The Phillies L.P. (d/b/a “Philadelphia Phillies”) is an MLB
3 Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
4 Philadelphia Phillies employed (and/or continue to employ) Plaintiffs, similarly situated employees,
5 and employees of the Proposed Classes.

6 67. *Pittsburgh Pirates*. Pittsburgh Baseball, Inc., and Pittsburgh Baseball P’ship, (d/b/a
7 “Pittsburgh Pirates”) is an MLB Franchise. As a member of Major League Baseball, acting jointly
8 and on its own behalf, the Pittsburgh Pirates employed (and/or continue to employ) Plaintiffs,
9 similarly situated employees, and employees of the Proposed Classes.

10 68. *New York Yankees*. New York Yankees Partnership (d/b/a “New York Yankees”) is
11 an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf,
12 the New York Yankees employed (and/or continue to employ) Plaintiffs, similarly situated
13 employees, and employees of the Proposed Classes.

14 69. *Tampa Bay Rays*. Tampa Bay Rays Baseball Ltd. (d/b/a “Tampa Bay Rays”) is an
15 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
16 Tampa Bay Rays employed (and/or continue to employ) Plaintiffs, similarly situated employees,
17 and employees of the Proposed Classes.

18 70. *Chicago Cubs*. Chicago Baseball Holdings, LLC (d/b/a “Chicago Cubs”) is an MLB
19 Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
20 Chicago Cubs employed (and/or continue to employ) Plaintiffs, similarly situated employees, and
21 employees of the Proposed Classes.

22 71. *Milwaukee Brewers*. Milwaukee Brewers Baseball Club, Inc., and Milwaukee
23 Brewers Baseball Club, L.P., (d/b/a “Milwaukee Brewers”) is an MLB Franchise. As a member of
24 Major League Baseball, acting jointly and on its own behalf, the Milwaukee Brewers employed
25 (and/or continue to employ) Plaintiffs, similarly situated employees, and employees of the Proposed
26
27
28

1 Classes.

2 72. *Texas Rangers*. Rangers Baseball Express, LLC, and Rangers Baseball, LLC, (d/b/a
3 “Texas Rangers”) is an MLB Franchise. As a member of Major League Baseball, acting jointly and
4 on its own behalf, the Texas Rangers employed (and/or continue to employ) Plaintiffs, similarly
5 situated employees, and employees of the Proposed Classes.

6 III. CLASS ACTION ALLEGATIONS

7
8 73. Plaintiff brings the Puerto Rico labor law class action claims, Counts 8 and 9, as
9 class actions under Rule 23(a) and Rule 23(b)(1), 23(b)(2) and 23(b)(3) of the Federal Rules of
10 Civil Procedure, on behalf of himself and all others similarly situated. The Puerto Rico class is
11 as follows:

12 74. **Puerto Rico Class.** For Counts 8 and 9 (violations of Puerto Rico’s wage and
13 labor laws), the Puerto Rico Class is defined as follows: all minor leaguers who were, at all
14 applicable times, citizens and residents of Puerto Rico and were employed by Defendants under
15 uniform player contracts (“UPC”) who worked, will work, and/or continue to work as minor
16 leaguers and signed UPC contracts in and/or were paid in Puerto Rico for any MLB minor
17 league team and performed work for such team, at any time between January 1, 2012 and the
18 final resolution of this action. Excluded from the Puerto Rico Class are Defendants and their
19 officers, directors, assigns, and successors, or any individual who has, or who at any time
20 during the class period has had, a controlling interest in Defendants. Also excluded are the
21 Court and any members of the Court’s immediate family, counsel for plaintiffs, as well as
22 persons who submit timely and proper requests for exclusion from the Puerto Rico Class.

23 IV. FACTUAL ALLEGATIONS

24 Count 1: Federal Antitrust Violations

25
26 75. Plaintiffs re-allege and incorporate by reference as though fully set forth herein
27 Paragraphs 1-74 above.
28

1 76. This federal antitrust class action is brought by Plaintiffs, minor league baseball
2 players (“minor leaguers”), on behalf of themselves and the class of minor leaguers they
3 represent, against all of the above-named defendants, the cartel of 30 major league baseball
4 clubs and the Commissioner of Major League Baseball (collectively “MLB”), for violations of
5 the Sherman Act and Clayton Act (“federal antitrust laws”).

6
7 **I. NATURE AND BACKGROUND OF FEDERAL ANTI-TRUST CLAIMS**

8 77. The Defendants are either members of or govern the monopsony cartel known as
9 Major League Baseball (“MLB”).

10 78. MLB openly colludes on the working conditions for the development of its chief
11 commodity: minor league professional baseball players (“minor leaguers”). MLB routinely
12 colludes to violate federal antitrust laws.

13 79. In order to monopolize minor leaguers, restrain and depress minor league
14 players’ salaries, the MLB cartel inserted a provision (known as the reserve clause) into
15 players’ contracts that allows teams to retain for seven (7) years the contractual rights to
16 players and restrict their ability to negotiate with other teams for their baseball services, which
17 reserve clause preserves MLB’s minor league system of artificially low salaries and nonexistent
18 contractual mobility.

19 80. Unlike major leaguers, minor leaguers have no union or collective bargaining
20 agreement, even though they comprise the overwhelming majority of baseball players
21 employed by the Defendants. The Major League Baseball Players’ Association (“MLBPA”)
22 does not represent the interests of minor leaguers.

23 81. Efforts to unionize minor leaguers have been unsuccessful because minor
24 leaguers fear retaliation by the Defendants. Minor leaguers are afraid to challenge the MLB-
25 imposed wage system, for fear it would jeopardize their careers and potential to become major
26 leaguers if they challenged the system.

1 82. Minor leaguers are powerless to combat the collusive power of the MLB cartel.
2 MLB continues to actively and openly collude on many aspects of minor leaguers' working
3 conditions, including, but not limited to, wages, contract terms, and their ability to work for and
4 negotiate with other teams.

5 83. The federal antitrust laws were enacted to protect competition and prevent
6 conspiracies to restrain competition, including competition for employment, group boycotts,
7 and monopolization.

8 84. Through their collective exercise of monopsony power and restraint of trade in
9 the minor league professional baseball player market, Defendants have eliminated competition
10 and suppressed minor leaguers' compensation, in violation of sections 1 and 2 of the Sherman
11 Act, 15 U.S.C. §§ 1 and 2. Most minor leaguers earn less than \$12,000 for the entire year,
12 despite routinely working between 50 and 70 hours per week during the roughly five-month
13 championship season. They receive no overtime pay, and instead, routinely receive less than
14 minimum wage during the championship season.

15 85. The Defendants have conspired to pay no wages at all for significant periods of
16 minor leaguers' work. The Defendants do not pay minor leaguers their salaries during spring
17 training, even though the Defendants require minor leaguers to often work over fifty hours per
18 week during spring training. Similarly, the Defendants do not pay salaries during other training
19 periods such as instructional leagues and winter training.²⁹

20 86. This suit seeks to recoup the damages sustained by minor leaguers as a result of
21 MLB's violations of the antitrust laws, 15 U.S.C. §§ 1, 2, and 15. It seeks to recover damages
22 through a class action on behalf of minor league professional baseball players to recover treble
23 the shortfall in underpaid compensation they should have received absent Defendants' antitrust
24 violations.

25
26
27 ²⁹ See Exhibit A attached hereto and incorporated herein, Major League Rules ("MLR") Attachment 3, UPC ¶ VII,
28 B; ¶ VI, B.

1 87. This suit also seeks to enjoin Defendants from continuing their antitrust
2 violations.

3
4 **III. ANTITRUST CLASS ACTION ALLEGATIONS**

5 88. Plaintiffs bring their antitrust claims as a class action under Rule 23(a) and Rule
6 23(b)(1), (b)(2), and (b)(3) of the Federal Rules of Civil Procedure, on behalf of themselves and
7 all other minor league professional baseball players similarly situated. The class is defined as
8 follows:

9 All minor leaguers employed by Defendants under uniform player contracts
10 (“UPC”) who worked, will work, and/or continues to work as minor leaguers for
11 any minor league team affiliated with a Franchise Defendant at any time between
12 January 1, 2012 and the final resolution of this action. Excluded from the Class
13 are Defendants and their officers, directors, assigns, and successors, or any
14 individual who has, or who at any time during the class period has had, a
15 controlling interest in Defendants. Also excluded are the Court and any members
16 of the Court’s immediate family, counsel for plaintiffs, as well as persons who
17 submit timely and proper requests for exclusion from the Class.

18 89. The Class Representative is Daniel Concepcion.

19 90. The Proposed Class, consisting of thousands of similarly situated,
20 geographically dispersed minor leaguers, is so numerous that it makes joinder of all members
21 impracticable. While the exact number of Class members is unknown to Plaintiffs at this time,
22 Plaintiffs are informed and believe that it is in the thousands.

23 91. Plaintiff’s claims are typical of the claims of the other members of the Class.
24 Plaintiff and the members of the Class were and are subject to the same or similar artificially
25 depressed compensation practices arising out of Defendants’ conspiracy to restrain competition
26 and depress compensation paid to minor league players, in violation of the federal antitrust
27 laws as alleged herein. Plaintiff and the Class have sustained similar types of damages, i.e.,
28

1 reduced compensation, as a result of Defendants' antitrust violations.

2 92. Plaintiff will fairly and adequately protect the interests of all members of the
3 Class because they possess the same interests and suffered the same types of damages
4 (depressed compensation) as the other class members. Plaintiff has retained counsel competent
5 and experienced in class action litigation, including antitrust litigation.

6 93. Common questions of law and fact exist as to all members of the Class and
7 predominate over any questions affecting only individual members of the Class, including:

8 (a) whether Defendants conspired or agreed to force all minor league players to sign
9 uniform player contracts with uniform wage fixed compensation which assigned them
10 to one major league franchise for seven (7) years and prevented them from negotiating
11 or contracting with other competing franchises for competitive, non-wage-fixed
12 compensation for their baseball services, in violation of 15 U.S.C. §§1 and 2;

13 (b) whether Defendants' imposition of the so called "reserve clause", which prevents
14 minor league baseball players from negotiating or contracting with other teams for their
15 services is a violation of 15 U.S.C. § 1 and/or 2;

16 (c) whether Defendants conspired to require all minor leaguers to sign the same UPC,
17 which controls and depresses minor leaguers' pay in violation of the antitrust laws;

18 (d) whether the minor leaguers were damaged in the form of lower compensation by
19 Defendants' antitrust violations;

20 (e) whether Defendants have colluded, conspired, agreed and/or acted or refused to act
21 on grounds generally applicable to the Class, thereby making final injunctive or
22 declaratory relief appropriate with respect to the Class as a whole;

23 (f) whether the nearly hundred-year-old, so-called court-created antitrust "baseball
24 exemption" is unconstitutional as a violation of minor leaguers' constitutional right to
25 equal protection of the laws as applied to the reserve clause applied against minor
26
27
28

1 league players and, if it is, whether it should be overturned based on changed
2 circumstances, including, but not limited to, no collective bargaining for minor
3 leaguers;

4 (g) whether the Sherman Act 15 U.S.C. §§1 and 2 and the Clayton Act 15 U.S.C. §§15
5 and 26, in purportedly not being applicable to MLB's monopolistic and restraint of
6 trade actions against minor leaguers, are unconstitutional as violative of the minor
7 leaguers' right to equal protection of the laws; and

8 (h) whether the so-called Curt Flood Act 15 U.S.C. §26b is unconstitutional, as
9 violating minor leaguers' constitutional right to equal protection of the laws, by
10 purporting to exempt Defendants from liability for violating minor leaguers' rights
11 under the federal anti-trust laws.

12
13 94. A class action is superior to other available methods for the fair and efficient
14 adjudication of this controversy because joinder of all members of the Class is impracticable.
15 The prosecution of separate actions by individual members of the Class would impose heavy
16 burdens on the courts and the parties and would create a risk of inconsistent or varying
17 adjudications of the questions of law and fact common to the Class. A class action would
18 achieve substantial economies of time, effort, and expense in adjudicating these common
19 claims and issues, and would assure uniformity of decision as to persons similarly situated,
20 without sacrificing procedural fairness.

21 95. The interest of members of the Class in individually controlling the prosecution
22 of separate actions is impractical. The Class has a high degree of cohesion and prosecution of
23 the action as a representative class action would be unobjectionable. The amounts at stake for
24 Class members, while substantial in the aggregate, are not large enough individually to make it
25 practical to Class members to prosecute their claims individually. As individuals, the class
26 members would lack the resources to vigorously litigate against the ample and powerful
27 resources of the Defendants' cartel. Also, many of the Class members are current minor league
28

1 players and would not bring an individual action out of fear of retaliation. There would not be
2 any difficulty in the management of this action as a class action. The members of the Class are
3 employed by and known to Defendants. The Class members are readily identifiable and can be
4 located through Defendants' own records.

5 96. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and
6 1337 because Plaintiffs' claims arise under laws of the U.S. that regulate commerce and protect
7 commerce against restraints and monopolies: Section 4 of the Clayton Act (15 U.S.C. §
8 15), Section 4 of the Sherman Act (15 U.S.C. § 4), Section 16 of the Clayton Act (15U.S.C.
9 § 26), and Section 1 of the Sherman Act (15 U.S.C. § 1).

10 97. This Court has *in personam* jurisdiction over MLB and each of the 30
11 defendants because it/they transact(s) substantial business in this District; engaged in antitrust
12 violations in substantial part in this District; and it and they have entered into and engaged in a
13 conspiracy and exercised their monopsony power that is intended to have, and has had, an
14 anticompetitive effect on commerce in this District.

15 98. This Court additionally has *in personam* jurisdiction over MLB because it
16 receives income and services from the Class in this District.

17 99. Venue is proper in this Court pursuant to Section 12 of the Clayton Act (15
18 U.S.C. § 22) and 28 U.S.C. §§ 1391(b), (c) and (d), because MLB is subject to this Court's
19 personal jurisdiction with respect to this action, a substantial part of the events giving rise to
20 Plaintiff's and the Class's claims occurred in this District, and Plaintiffs and the Class have
21 suffered and will continue to suffer harm in this District as a result of the MLB conspiracy
22 averred herein.

23 V. FACTUAL ALLEGATIONS

24 II. The Business of MLB

25
26
27 100. MLB is big business. Its games are broadcast throughout the United States.
28 During the 2019 season, over 68.5 million fans paid to attend MLB games. MLB revenues

1 exceeded \$12.4 Billion, and the average value of an MLB team exceeded \$2 Billion. MLB
2 national television revenues were \$1.84 Billion and local television revenues were \$2.1 Billion.

3 101. The baseball players employed by the Defendants account for much of this rise
4 in revenue, as they comprise the chief product offered by MLB and its teams. Without baseball
5 players, MLB and its teams would not exist. Yet MLB and its Franchises pay most players –
6 the minor leaguers – depressed compensation through the use of forced UPCs and the reserve
7 clause which restricts competition by preventing minor leaguers from fairly negotiating to
8 receive higher compensation. Defendants have recently sought to increase their monopsony
9 power and further depress minor leaguers' compensation by eliminating a number of minor
10 league teams.

11 **III. Minor Leaguers' Uniform, Adhesive Contracts**

12 102. Since the 1920s, all MLB teams have used an extensive "farm system" to
13 develop players. MLB teams employ a small number of major leaguers that perform in MLB
14 stadiums at the game's highest level. MLB Rules allow Franchises to only maintain 25 major
15 leaguers on an "active roster" and a few additional players reserved on the "40-man" roster. A
16 few more players are inevitably on the major league disabled list, so each Franchise employs a
17 little over 40 major leaguers.

18 103. But each Franchise simultaneously stockpiles around 150 to 250 minor leaguers
19 that perform at the minor league levels of baseball. It is estimated that, at any given time, the
20 Defendants collectively employ around 6,000 minor leaguers total. The Defendants employ
21 this high number of minor leaguers in their farm systems, hoping some will eventually develop
22 into major leaguers.

23 104. Minor leaguers have no union. Without a union to counteract Defendants'
24 power, Defendants have exploited minor leaguers by, among other things, continuing to
25 promulgate and impose oppressive rules on minor leaguers' entry into the industry, by
26 restriction of their movement to other teams, by conspiring and agreeing to fix the
27 compensation they pay the Class at anti-competitive, depressed amounts, and by conspiring to
28

1 reduce the number of minor league teams and consequently, the number of ballplayers the
2 teams will employ.

3 105. The MLB teams acquire minor leaguers in one of two ways: through an amateur
4 draft or through free agency.

5 106. The amateur draft, known as MLB's Rule 4 draft,³⁰ occurs in June of each year.
6 In 1965, Commissioner Ford Frick oversaw the development and implementation of what is
7 now the Rule 4 draft. By forcing amateur players to participate in the draft, MLB and its
8 Commissioner limited those players seeking to enter MLB's developmental system to only
9 negotiating with a single team. Thus, signing bonuses declined.³¹

10 107. Upon information and belief, Bud Selig sought to, and Mr. Manfred has
11 continued to further curb signing bonuses for draftees. Acting in his capacity as chief labor
12 agent,³² he directed the development and implementation of an informal "slotting" system with
13 recommended signing bonuses for each high-level pick. To enforce the mechanism, Mr. Selig
14 required, and Mr. Manfred has continued to require a Franchise's scouting director to call the
15 Commissioner's office prior to exceeding the recommended slot level. This requirement of
16 approval is an outgrowth of MLB's rules, which require all minor league contracts to be filed
17 with and approved by the Commissioner.³³

18 108. A new, stricter system was instituted in 2012. The current system places limits
19 on the amounts Franchises can spend on signing bonuses.

20 109. MLB's current Rule 4 draft, as developed and enforced by the Commissioner,
21 requires all amateur players from Puerto Rico, the United States, and Canada to participate in
22

23 ³⁰ MLR 4.

24 ³¹ MLB teams offer large signing bonuses to the most talented amateur players as an incentive to
25 forego college. Only the very top amateurs, however, receive large signing bonuses. The majority of amateurs
signed through the draft receive quite small signing bonuses, usually around \$2500.

26 ³² MLC Art. II § 2.

27 ³³ See MLR 3(e) (requiring all contracts to be approved by the Commissioner); MLR Attachment 3, UPC ¶ XXVI
28 (requiring approval by the Commissioner for the contract to have effect).

1 the draft in order to sign with an MLB team.³⁴ Beginning with the worst MLB team from the
2 previous season, teams select amateur players over the course of forty rounds.

3 110. Players selected in the Rule 4 draft are between the ages of 18 and 22 (with the
4 exception of a few players who are 23). Once selected by a Franchise, a player cannot bargain
5 with any other Franchise, as MLB's rules grant the drafting Franchise exclusive rights to the
6 player.³⁵

7 111. In addition to the draft, teams acquire previously amateur Latin American
8 players through free agency. MLB rules allow the Franchises to sign the players as early as age
9 sixteen, so most Latinos are either sixteen or seventeen when signing with a Franchise.³⁶

10 112. Most Latino minor leaguers come from poor families and have only the
11 equivalent of an eighth-grade education. Before signing, many are only represented by
12 similarly-educated "buscones"—usually former players who maintain training facilities for
13 young amateur players. Some of the Franchises' scouts have been reprimanded in recent years
14 for participating in bribes and kickback schemes with the buscones, and the FBI has even
15 investigated the exploitative practices.³⁷ These Latino signees comprise over forty percent of
16 minor leaguers.

17 113. Like the slotting system, Mr. Selig also personally oversaw, and Mr. Manfred
18 continues to oversee the development of bonus pools for Latino players in an effort to curtail
19 Latino signing bonuses, which artificially and anti-competitively limits the amount each
20 Franchise can spend on signing bonuses for Latino players.

21 114. Teams also sign additional players from the United States, Canada, and Puerto
22 Rico who were not drafted in the Rule 4 draft.³⁸ MLB rules place limits on when such free

23 ³⁴ MLR 4(a).

24 ³⁵ MLR 4(e).

25 ³⁶ See MLR 3(a).

26 ³⁷ See Jorge L. Ortiz, *Exploitation, steroids hitting home in Dominican Republic*, USA Today (Mar. 26, 2009),
27 http://usatoday30.usatoday.com/sports/baseball/2009-03-26-dominican-republic-cover_N.htm.

28 ³⁸ MLR 4(i).

1 agent acquisitions can occur. Since they were not selected in the draft, they are viewed as less
 2 skilled amateur players and, even as free agents, have no bargaining power.

3 115. Defendants require all teams to use the same uniform player contract (“UPC”)
 4 when signing amateur players. MLR 3(b)(2) states:

5 To preserve morale among Minor League players and to produce the similarity
 6 of conditions necessary for keen competition, all contracts...shall be in the form
 7 of the Minor League Uniform Player Contract that is appended to these Rules as
 8 Attachment 3. All Minor League Uniform Player Contracts between either a
 9 Major or a Minor League Club and a player who has not previously signed a
 10 contract with a Major or Minor League Club shall be for a term of seven Minor
 11 League playing seasons.... The minimum salary in each season covered by a
 12 Minor League Uniform Player Contract shall be the minimum amount
 13 established from time to time by the Major League Clubs....

14 116. Moreover, “[a]ll contracts shall be in duplicate,” and “[a]ll...must be filed with
 15 the Commissioner...for approval.”³⁹ No contract can vary any term without the approval of the
 16 Commissioner.⁴⁰ A minor leaguer cannot work for an MLB team without signing the UPC
 17 because a “player’s refusal to sign a formal contract shall disqualify the player from playing
 18 with the contracting Club or entering the service of any Major or Minor League Club.”⁴¹

19 117. Thus, the UPC grants the MLB team the exclusive rights to the minor leaguer
 20 for seven championship seasons (about seven years).⁴² During that time period, the MLB team
 21 may assign the minor leaguer’s rights to any other team, and the MLB team may terminate the
 22 agreement at any time for almost any reason.⁴³

23 118. But the minor leaguer cannot leave voluntarily to play for another baseball
 24 team—even outside of MLB, and even outside of the United States.⁴⁴ A player doing so “shall
 25

26 ³⁹ MLR 3(b)(3); *see also* MLR 3(b)(4) (saying that a player cannot play until the UPC is signed).

27 ⁴⁰ MLR 3(b)(3).

28 ⁴¹ MLR 3(d).

⁴² MLR 3(b)(2); MLR Attachment 3, UPC ¶ VI.A.

⁴³ MLR 9; MLR Attachment 3, UPC ¶ XVIII.

⁴⁴ MLR 18; MLR Attachment 3, UPC ¶ XVI.

1 be subject to the discipline of the Commissioner.”⁴⁵ Retirement from baseball during the
 2 seven-year term requires the Commissioner’s approval.⁴⁶

3 119. The UPC restricts a player in the minor leagues of a single organization. A
 4 minor leaguer selected in the amateur draft can only sign with the MLB team that drafted him.
 5 For the next seven years, the MLB team controls the minor leaguer’s rights. By the expiration
 6 of the contract, much of the value of the minor leaguer as a young prospect has expired
 7 because the player has aged.

8 120. Since the signing of a 1962 Player Development Plan, MLB requires MLB
 9 Franchises to maintain a certain number of minor league teams. Currently, all MLB teams have
 10 minor league teams at all the levels of the minor leagues, with most having either seven or
 11 eight minor league teams, until recently, when Defendants conspired and agreed to reduce the
 12 number of minor league teams and consequently, to reduce the number of minor leaguers,
 13 thereby increasing Defendants’ monopsony power to fix and depress, at anti-competitively low
 14 levels, the compensation paid to the Class Members.

15 121. Often the MLB Franchises do not operate the minor league stadium but instead
 16 sign agreements with owners of minor league teams. These agreements are known as Player
 17 Development Contracts (“PDC”), and the teams are affiliates of the MLB Franchises.

18 122. MLB rules make clear that MLB and its Franchises remain the employers of
 19 minor leaguers at all times when using PDCs. MLR 56(g) states:

20 The players so provided shall be under contract exclusively to the Major League
 21 Club and reserved only to the Major League Club. The Minor League Club shall
 22 respect, be bound by, abide by and not interfere with all contracts between the
 23 Major League Club and the players that it has provided to the Minor League Club.

24 123. Moreover, MLB requires the MLB Franchise to pay the salaries of the minor
 25 league players at all times and allows the MLB Franchise the ability to control assignments.⁴⁷

26 124. Since minor leaguers do not belong to a union, nothing has prevented the

27 ⁴⁵ MLR 18.

28 ⁴⁶ MLR 14.

⁴⁷ MLR 56(g).

1 Defendants from artificially and illegally depressing minor league wages. Because of
 2 Defendants' monopsony over the entryway into the highest levels of baseball and given the young
 3 minor leaguer's strong desire to enter the industry, Defendants have exploited minor leaguers by
 4 paying them depressed compensation, below what they would receive in a competitive market.

5 125. Plaintiffs are informed and believe that Defendants, through the Commissioner,
 6 issue minor league salary "guidelines" for players signed to an initial UPC, and teams deviate
 7 very little from these guidelines. MLR 3(c) requires that all first-year minor leaguers earn "the
 8 amount established by" MLB.⁴⁸

9 126. Salaries beyond the first year are very similar across all Franchises. It is believed
 10 that Defendants conspire to discuss and agree to fix the compensation to be paid to minor leaguers
 11 (and other working conditions concerning minor leaguers). These price fixing agreements occur
 12 when MLB hosts its quarterly owner meetings that all Defendants attend.

13 127. While salary guidelines are not publicly available, the Plaintiffs are informed and
 14 believe, based on the salaries paid by the Defendants across the minor leagues, that, during the
 15 Class Period, the Defendants fixed the salaries paid to minor leaguers as low as \$1,100 per month
 16 for Rookie and Short-Season A; \$1,250 per month for Class-A; \$1,500 per month for Class-AA;
 17 and \$2,150 for Class-AAA, all for a 5-month period.

18 128. Beyond the first year, the UPC required by MLB, and enforced by the
 19 Commissioner, purports to allow salary negotiation by the minor leaguer, as the UPC states that
 20 salaries will be set out in an addendum to the UPC and subject to negotiation.⁴⁹ But the same
 21 UPC provision states that if the Franchise and minor leaguer do not agree on salary terms, the
 22 Franchise may unilaterally set the salary and the minor leaguer must agree to it.⁵⁰

23 129. In truth, then, the UPC—and Defendants—do not allow for minor league salary
 24

25 ⁴⁸ As the 2013 Miami Marlins Minor League Player Guide states, "all first-year players receive \$1,100 per month
 26 regardless of playing level per the terms of the [UPC]."

27 ⁴⁹ MLR Attachment 3, UPC ¶ VII.A.

28 ⁵⁰ MLR Attachment 3, UPC ¶ VII.A.

1 negotiations. It is believed that the Franchises agree to follow MLB's salary guidelines, and the
 2 minor leaguers must accept them. For example, the 2013 Miami Marlins Minor League Player
 3 Guide states, "This salary structure will be strictly adhered to; therefore, once a salary figure has
 4 been established and sent to you, there will be NO negotiations."

5 130. MLB also centrally controls when and how minor leaguers are paid. During the
 6 championship season, the Franchises must pay minor leaguers "in two (2) semi-monthly
 7 installments on the 15th day and last day of the month."⁵¹

8 131. The UPC, required by MLB, further states that salaries are only to be paid during
 9 the championship season, which lasts about five months out of the year.⁵² Plaintiffs believe that,
 10 during the Class Period, most minor leaguers earned less than \$12,000 per calendar year. Despite
 11 only being compensated during the approximately five-month championship season, MLB's
 12 UPC "obligates minor leaguers to perform professional services on a calendar year basis,
 13 regardless of the fact that salary payments are to be made only during the actual championship
 14 playing season."⁵³ Consistent with that obligation, the UPC states that "Player therefore
 15 understands and agrees that Player's duties and obligations under this Minor League Uniform
 16 Player Contract continue in full force throughout the calendar year."

17 132. The Defendants' application of the UPC, requires the minor leaguer to participate
 18 in spring training.⁵⁴ Again, the UPC does not allow for salaries during this period since spring
 19 training falls outside the championship season, so minor leaguers work without earning a
 20 paycheck. The spring training season usually lasts around one month, during the month of March,
 21 but it sometimes lasts longer.

22 133. Around 30–50 minor leaguers per MLB Franchise do not earn a roster spot on a
 23

24 ⁵¹ MLR Attachment 3, UPC ¶ VII.B.

25 ⁵² MLR Attachment 3, UPC ¶ VII.B. ("Obligation to make such payments to Player shall start with the beginning
 26 of Club's championship playing season...[and] end with the termination of Club's championship playing
 season....").

27 ⁵³ MLR Attachment 3, UPC ¶ VI.B.

28 ⁵⁴ See MLR Attachment 3, UPC ¶ VI.B. (saying that the UPC applies to the "Club's training season").

1 minor league team at the end of spring; they instead remain at the Franchise’s spring training site
 2 in “extended spring training.” Since they are not participating in a championship season, MLB’s
 3 UPC again does not require salaries to be paid.⁵⁵ Upon information and belief, many of these
 4 players will not earn paychecks until the end of June, when the Rookie and Short-Season A
 5 leagues begin. Thus, many minor leaguers are not paid for work performed during March, April,
 6 May, and most of June.

7 134. At the end of the championship season, around 30–45 minor leaguers per MLB
 8 Franchise are also selected to participate in an instructional league to further hone their skills.
 9 Again, MLB’s UPC—as approved and enforced by Mr. Selig—requires minor leaguers to
 10 perform this work without pay since it is outside the championship season, so the minor
 11 leaguers receive no paychecks during the instructional league.⁵⁶ The instructional leagues
 12 usually last around one month.

13 135. MLB’s UPC also requires minor leaguers to maintain “first-class” conditioning
 14 throughout the calendar year⁵⁷ because the player’s “physical condition is important to...the
 15 success of the Club.”⁵⁸ Consequently, a “Club may require Player to maintain Player’s playing
 16 condition and weight during the off-season and to report for practice and condition at such
 17 times and places as Club may determine.”⁵⁹ If the player fails to meet these requirements, the
 18 “Club may impose a reasonable fine upon Player....”⁶⁰

19 136. The Defendants therefore require players to perform extensive training and
 20 conditioning during the winter off-season. It is believed that all Franchises direct the winter work
 21 by issuing training packets to all the players. Many, and perhaps all, Franchises monitor workouts
 22

23 ⁵⁵ MLR Attachment 3, UPC ¶ VII.B.

24 ⁵⁶ MLR Attachment 3, UPC ¶ VII.B.

25 ⁵⁷ MLR Attachment 3, UPC ¶ XII.

26 ⁵⁸ MLR Attachment 3, UPC ¶ VI.D.

27 ⁵⁹ MLR Attachment 3, UPC ¶ VI.D.

28 ⁶⁰ MLR Attachment 3, UPC ¶ VI.D.

1 and punish players for not performing off-season workouts. Minor leaguers receive no wages
2 during this training period because it is outside the championship season.⁶¹

3 **III. The Antitrust Exemption for the “Business of Baseball”**

4 137. The Defendants seek to avoid their “reserve clause” and UPC antitrust violations
5 under the judicially created exemption from the antitrust laws under the Federal Baseball,⁶²
6 Toolson,⁶³ and Flood⁶⁴ trilogy of Supreme Court cases. That judicially created exemption has
7 long since been criticized, even by the Supreme Court itself. [Justice Douglas in Flood, supra
8 407 U.S. at 286, summed it up. “This Court’s decision in Federal Baseball Club...is a derelict
9 in the stream of the law that we, its creator, should remove.”] and again in the recent case,
10 *National Collegiate Athletic Association v. Allston* 141 S.Ct. 2141, 2159, 2167-2168 (2021)
11 where the Supreme Court referenced the antitrust exemption for minor leaguers and questioned
12 it as something “akin” to an exemption. The exemption no longer has, if it ever had, any current
13 basis in economic reality, especially for the market in minor league professional baseball
14 players’ compensation where minor leaguers have no union, no collective bargaining, no free
15 agency, or other means of fairly negotiating for their services.

16 138. The judicially created “baseball exemption” from the antitrust laws no longer
17 has any underpinning. The initial rationale, that professional baseball’s cartel was not engaged
18 in interstate commerce and was therefore not subject to federal antitrust regulation, has since
19 been rejected by the Supreme Court, in its decision in Flood v. Kuhn, 407 U.S. 258 (1972). The
20 stare decisis rationale and the rationale that Congress, not the courts should redress the baseball
21 exemption also have no basis. Congress did address the issue in 1890, when it enacted the
22 Sherman Act to outlaw restraints on trade and the exercise of monopsony power that harm
23

24 _____
25 ⁶¹ See MLR Attachment 3, UPC ¶ VII.B.

26 ⁶² Fed. Baseball Club of Baltimore v. Nat’l League of Prof’l Base Ball Clubs, 259 U.S. 200 (1922).

27 ⁶³ Toolson v. New York Yankees, Inc., 346 U.S. 356 (1953).

28 ⁶⁴ Flood v. Kuhn, 407 U.S. 258 (1972)

1 competition. There is no need for Congressional legislation, it already exists.

2 139. The “baseball exemption” allows the Defendants to conspire and collude,
3 through the “reserve clause” and uniform player contracts, to prevent minor league baseball
4 players from shopping their services to competing teams. It results in the per se antitrust
5 violation of price fixing, at artificially low levels, the compensation minor league players can
6 receive, by preventing minor league players from offering their services to competing teams
7 who, in a competitive market, would offer them more for their services. The Defendants have a
8 monopsony in the provision of professional baseball games and the players that produce those
9 games. Defendants reap huge financial rewards as a result of their monopsony power and
10 restraints on competition. The minor league players who have no union, no collective
11 bargaining, and no free agency, are at a competitive disadvantage and need the protection of the
12 antitrust laws to stop the financially superior Defendants from continuing to give the minor
13 league players the short end of the bat.

14 140. Plaintiffs seek relief under the federal antitrust laws in connection with a
15 threatened loss resulting from the unlawful exercise of market power by MLB in the market for
16 minor league men's professional baseball contracts in the United States, Mexico, Canada and
17 the Caribbean. MLB is excluding competition and restraining trade in that market through the
18 application of unreasonable restrictions on minor league player compensation by preventing
19 Defendants from negotiating, contracting, paying and competing for minor league players.

20 141. MLB is made up of separately owned competitive member teams and has
21 monopsony market power in the provision of wage and compensation payments to minor league
22 players in North America and Latin America. Use by Defendants of the reserve clause, the UPC,
23 and draft, which grants each Club absolute veto power and control over their minor league
24 players’ ability to negotiate and contract for higher compensation with other teams, are per se
25 violations or, in the alternative, unreasonable, unlawful, and anticompetitive restraints under
26 Section 1 of the Sherman Act.

27 142. Through MLB and the exclusionary and anticompetitive provisions in the MLB
28

1 Constitution, Defendants have conspired to violate the antitrust laws, and have willfully acquired
2 and maintained monopsony power in violation of Section 2 of the Sherman Act within the market
3 for minor league professional baseball players by preventing such minor league players from
4 freely negotiating with other teams for their services and the compensation they should receive.

5 143. MLB is comprised of thirty separately owned and operated major league men's
6 baseball clubs in the United States and Canada. The MLB, like other sports leagues, have
7 structured their governance to permit major decisions regarding on-field sporting competition
8 and off-field business competition to be made by the club owners themselves. In so doing, the
9 owners act in their own economic self-interest, including entering into a series of agreements that
10 eliminate, restrict, and prevent off-field competition. These anticompetitive agreements go far
11 beyond any cooperation reasonably necessary to provide minor league men's professional
12 baseball contests to consumers.

13 144. This action challenges — and seeks to remedy — Defendants' per se or rule of
14 reason or quick look violation of the federal antitrust laws and the use of the illegal cartel to
15 institute and maintain the reserve clause and UPC as a means to stifle competition and suppress
16 the compensation that minor leaguers receive, which would be significantly higher absent
17 Defendants antitrust violations, which eliminate competition in the payment of minor leaguers.
18 Defendants have recently conspired and agreed, effective in November 2021, to eliminate 40 of
19 the 160 minor league teams and thereby increase their monopsony power and further reduce
20 competition in the payment of minor league players. This conspiracy is directed at reducing the
21 compensation paid to minor leaguers by eliminating competition for their services.

22 145. These violations of laws and restraints are not necessary to maintain and obtain
23 the services of minor league players and are per se wage fixing violations or, in the alternative,
24 are quick look or rule of reason violations of the antitrust laws. 15 U.S.C. §§1 and 2

25
26 **VII. The Agreements Have Restrained Competition and Have Had**
27 **Anticompetitive Effects and Led to Consumer Harm**

28 146. The above-described agreements have restrained horizontal competition

1 between and among the Defendants and the MLB, including in the procurement of, and
2 payment of compensation to, minor league players where the 30 defendant teams could and
3 would compete with each other. In particular, in the absence of the reserve clause restrictions
4 and other above-described competitive restraints, Defendants would compete with each other in
5 the acquisition of, and compensation to minor league players to a much greater extent than they
6 do now, which would result in higher compensation and wages paid to minor league players.

7 147. The above-described agreements have adversely affected and substantially
8 lessened competition in the relevant market for acquisition of and payment to minor league
9 baseball players.

10 148. Competition by individual Defendants independently acting to acquire and
11 retain minor league players would benefit the minor league players by providing them better
12 and competitive compensation.

13 149. There are no legitimate, pro-competitive justifications for these anti competitive
14 restrictions on compensation and the inability of minor league players to offer their services to
15 teams that will compete for their services and pay them higher compensation.

16 150. Defendants' conspiracy and agreements to use the UPC and reserve clause have
17 resulted in anticompetitive and unlawful purposes. The adverse effects of such misuse are
18 continuing, and the UPC restrictions on compensation and player movement should be enjoined
19 and declared unenforceable.

20
21 **IV. Plaintiff and the Class Have Suffered Antitrust Injury – Damages for**
22 **Violation of Section 1 of the Sherman Act**

23 151. Plaintiff and the Class incorporate and reallege, as though fully set forth herein,
24 Paragraphs 1 through 152 above.

25 152. Beginning at a time presently unknown to Plaintiffs, and continuing through the
26 present, Defendants and their co-conspirators entered into a continuing agreement, combination
27 or conspiracy in restraint of trade with the purpose, intent, and effect of restraining horizontal
28 competition among the Defendants and the MLB, with the purpose, intent, and effect of

1 restraining trade and commerce in the employment of and compensation paid to minor league
2 professional baseball players, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

3 153. The contract, combination or conspiracy has resulted in an agreement,
4 understanding, or concerted action between and among Defendants and their co-conspirators
5 that minor league players are restrained and prevented from playing for and negotiating for
6 compensation from other minor league professional baseball teams.

7 154. The contract, combination, or conspiracy has restrained competition between
8 and among Defendants in violation of Section 1 of the Sherman Act. It has led to
9 anticompetitive effects in the relevant markets resulting in below competitive compensation to
10 minor leaguers, as alleged above and has caused injury to competition in those relevant markets
11 and elsewhere.

12 155. Defendants' contract, combination, agreement, understanding or concerted
13 action with the co-conspirators occurred in or affected interstate commerce. Defendants'
14 unlawful conduct was through mutual understandings, combinations or agreements by, between
15 and among Defendants and other unnamed co-conspirators. These other co-conspirators have
16 either acted willingly or, due to coercion, unwillingly in furtherance of the unlawful restraint of
17 trade alleged herein.

18 156. Defendants' anticompetitive conduct has directly and proximately caused antitrust
19 injury, in the form of lower compensation (or no compensation) to minor league players than
20 they would have received absent Defendants' antitrust violations, as set forth above.

21 157. Plaintiff and the Class have suffered cognizable antitrust injury under the Sherman
22 Act. There has been injury to competition in the relevant product market, which is the market
23 for professional minor league baseball players. Defendants should, but do not compete for
24 minor league players.

25 158. Defendants' actions have placed direct and indirect restraints on the acquisition,
26 movement, and payment of minor league players, all of which are per se antitrust wage fixing
27 violations which directly and indirectly affect interstate commerce. Major League Baseball is
28

1 an unreasonable and unlawful monopsony created, intended and maintained by Defendants for
2 the purpose of permitting an intentionally select and limited group, the Defendants, to reap
3 enormous profits. MLB has achieved these restraints on trade and its monopsony status by
4 engaging in an unlawful combination and conspiracy, the substantial terms of which have been
5 to eliminate all competition in the relevant market for minor league players, to exclude and
6 prevent them from obtaining fair, competitive compensation for their services, to establish
7 monopsony control of the relevant market for minor league players and to unreasonably
8 restrain trade by conspiring to fix, at below market value, the compensation paid to minor
9 league players.

10 159. Defendant's unlawful activities have resulted in (a) an unlawful restraint of trade in
11 minor league players' compensation; (b) the elimination of competition for minor league
12 players' services by fixing the compensation minor league players receive and by eliminating
13 competition through the exercise of MLB's exclusive, dominant and monopsony position in the
14 minor league professional baseball market.

15 160. As a result of Defendants' anticompetitive agreements, Plaintiff and the Class are
16 injured because minor league players are prevented from obtaining fair competitive
17 compensation for their baseball services and are denied the freedom of movement otherwise
18 available to players in virtually every other professional sport in the United States.

19 161. Plaintiff's injuries are also injuries to the public and to competition. The major
20 league teams lose the ability to field more competitive teams, the fans lose out on viewing a
21 better baseball product, and the economy loses increased tax revenue, jobs, and business
22 growth by increased minor league player purchasing power.

23 162. While the full amount of Plaintiff's and the Class's damages are not presently
24 known, they will be calculated after discovery and will be awarded based on proof at trial. The
25 combination and conspiracy alleged herein has injured Plaintiff and the Class and continues to
26 threaten the Class with loss or damage in lower compensation than they would receive in a
27 competitive market.

Count 2: Damages for Violation of the Sherman Act 15 U.S.C. § 2

163. Plaintiff and the Class incorporate and reallege, as though fully set forth herein, Paragraphs 1 through 162 above.

164. Defendants and their co-conspirators created, operated, aided, or abetted a trust, combine, or monopsony for the purpose of creating and carrying out restrictions on trade or commerce with the purpose, intent, and effect of restraining horizontal competition among the Defendants and the MLB for the acquisition of and compensation paid to minor league professional baseball players.

165. The trust, combination, or monopsony has resulted in an agreement, understanding, or concerted action between and among Defendants and their co-conspirators that suppresses the compensation paid to minor league players.

166. By virtue of the exclusionary and anticompetitive UPC (which all minor league players are required to sign) and the reserve clause of the MLB Constitution, Defendants, through MLB, have willfully acquired and maintained monopsony power in the relevant market by blocking the movement of and ability to negotiate and receive competitive compensation for minor league players, thereby preventing competition in the relevant market.

167. The Defendants, which should be actual competitors in the market for minor league men's professional baseball players, have conspired with and through MLB, through the monopolistic use of the UPC and "reserve clause" to maintain a monopsony power over these minor league players by refusing to allow them to negotiate with or move to or offer their services to other minor league teams, thereby restricting trade and commerce, limiting competition within the market area, and controlling at depressed below competitive compensation the wages and compensation paid to minor league players.

168. Through the anticompetitive conduct described herein, Defendants and their co-conspirators have willfully acquired and maintained, and unless restrained by the Court, will continue to willfully maintain, that monopsony power over the market for minor league players

1 by anticompetitive and unreasonably exclusionary conduct. These activities have gone beyond
2 those which could be considered as "legitimate business activities," and are an abuse of market
3 position. Defendants and their co-conspirators have acted with an intent to illegally acquire and
4 maintain that monopsony power in the relevant market, and their illegal conduct has enabled
5 them to do so, in violation of the Sherman Act, 15 U.S.C. §§1 and 2.

6 169. Plaintiff and the Class have suffered an ascertainable loss of money or property as
7 the result of the actions of Defendants and their co-conspirators, including but not limited to the
8 loss of competitive, higher compensation they would have received in a competitive market
9 absent Defendants' anticompetitive actions.

10 170. The conduct of Defendants and their co-conspirators is a substantial factor in
11 Plaintiff's and the Class's loss. The loss was a direct and proximate result of the willful
12 conspiracy of Defendants and their co-conspirators to monopolize, restrain trade and lessen
13 competition.

14 171. Because Defendants and their co-conspirators created, operated, aided, or abetted a
15 trust with the purpose of lessening competition in the business of minor league baseball player
16 compensation. Plaintiff and the Class seek damages and injunctive relief pursuant to 15 U.S.C.
17 §§ 1, 2, 15. Pursuant to the Clayton Act, 15 U.S.C. § 15, Plaintiff and the Class are authorized
18 to recover three times the damages they sustained plus interest.

19 172. As a direct and legal result of the acts of Defendants and their co-conspirators,
20 Plaintiff was forced to file this action, resulting in ongoing attorneys' fees, costs, and other
21 expenses for which he seeks recovery according to proof.

22
23 **Count 3: Injunctive Relief - Violation of Sections 1 and 2 of The Sherman Act**

24
25 173. Plaintiff and the Class incorporate and reallege, as though fully set forth herein,
26 Paragraphs 1 through 172 above.

27 174. Defendants possess monopsony power in the market for minor league men's
28 professional baseball players.

175. By virtue of exclusionary and anticompetitive provisions in the UPC and MLB Constitution, including the “reserve clause”, Defendants have willfully acquired and maintained monopsony power in the relevant market by blocking the movement of minor league players and their ability to negotiate and receive competitive compensation for their services, thereby preventing competition in that market.

176. Defendants (which should be actual competitors in the market for minor league men's professional baseball players) have conspired with and through MLB to maintain a monopsony power in the market for minor league players by unreasonably refusing to allow them to move from the clubs that drafted them or to negotiate for compensation.

177. Through the anticompetitive conduct described herein, Defendants and their co-conspirators have willfully acquired and maintained, and unless restrained by the Court, will continue to willfully maintain, that monopsony power over the market for minor league baseball players by anticompetitive and unreasonably exclusionary conduct. These activities have gone beyond those which could be considered as "legitimate business activities," and are an abuse of market position. Defendants and their co-conspirators have acted with an intent to illegally acquire and maintain that monopsony power in the relevant market, and their illegal conduct has enabled them to do so, in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2.

178. Defendants' anticompetitive conduct has directly and proximately caused antitrust injury to Plaintiff and the Class, as set forth above. Plaintiff and the Class will continue to suffer antitrust injury and threatened loss or damage unless Defendants are enjoined from continuing to engage in the above-described violations of the antitrust laws.

Count 4: Declaratory Relief - Curt Flood Act

179. Plaintiff realleges Paragraphs 1 through 178 above as though fully set forth herein.

180. In 1998, the MLB defendants lobbied and induced Congress to pass the Curt Flood Act (15 U.S.C. §26b(b)(1), (2)) which unlawfully discriminates against and denies equal

1 protection of the antitrust laws (Sections 1 and 2 of the Sherman Act 15 U.S.C. §§1 and 2 and
2 Section 4 of the Clayton Act 15 U.S.C. §15) to minor league baseball players, by specifically
3 denying them the rights and protection to be free from antitrust violations, including
4 conspiracies by Defendants to depress, at below market rates, the compensation paid to persons
5 for their work all other similarly situated persons enjoy. There is no rational basis for the
6 federal government's enactment of this discriminatory law which, on its face and as applied,
7 violates minor league baseball players' right to equal protection of the law as guaranteed by the
8 Fourteenth Amendment of the United states Constitution.

9 181. Plaintiff and the Class he represents have been and will continue to be harassed
10 by this facially discriminatory law and its discriminatory application in that they have been and
11 will continue in the future to be deprived of property in the form of depressed, non-competitive,
12 fair wages and compensation for their services as minor league baseball players unless the law
13 is declared unconstitutional, and its implementation is enjoined.

14
15 **Count 5: Declaratory Relief - Sherman Act**

16 182. Plaintiff and the Class reallege Paragraphs 1 through 181 above as though fully
17 set forth herein.

18 183. In 1922, the United States Supreme Court, in *Federal Baseball Club of*
19 *Baltimore v. National League of Professional Baseball Clubs* 259 US 200 (1922), judicially
20 created a so-called "business of baseball exemption" to the antitrust laws (Sections 1 and 2 of the
21 Sherman Act 15 U.S.C. §§1 and 2) that supposedly exempted major league baseball teams,
22 Defendants herein, from complying with the antitrust laws. In so doing, the Sherman Act was
23 and has been treated and enforced as if its antitrust provisions and protections, including 15
24 U.S.C. §§1 and 2, apply to all other persons and entities (with some reasonable exemptions),
25 but do not apply to minor league baseball players.

26 184. That business of baseball purported exemption, read into the Sherman Act §§1
27 and 2 and as applied, is unconstitutional since it discriminates, without a rational basis, against
28

1 minor league players and deprives them of their constitutional right to equal protection of the
 2 law by specifically denying them the rights and protection to be free from antitrust violations,
 3 including conspiracies by Defendants to depress, at below market rates, the compensation paid
 4 to minor league baseball players. There is no rational basis for the federal government's
 5 purported enactment and/or application of this discriminatory law (exemption) which, on its
 6 face and as applied, violates minor league baseball players' right to equal protection of the law
 7 as guaranteed by the Fifth Amendment of the United States Constitution, and/or 42 U.S.C.
 8 §1983.

9 185. Plaintiff and the Class he represents have been and will continue to be harmed
 10 by this facially discriminatory law and its discriminatory application in that they have been and
 11 will continue in the future to be deprived of property in the form of depressed, non-competitive,
 12 fair wages and compensation for their services as minor league baseball players unless the law
 13 is declared unconstitutional, and its implementation is enjoined. The law and the exemption
 14 should be declared unconstitutional and voided and Defendants should be enjoined from
 15 continuing to violate the law and discriminate against minor league players in the compensation
 16 they are paid and in the teams for which they can play.

17 **FEDERAL WAGE AND HOUR VIOLATIONS**

18 **Count 6: FLSA Minimum Wage and Overtime Violations**

19 (Plaintiff and the Minor League Collective Against All Defendants)

20 186. Plaintiff Daniel Concepcion and the Class re-allege and incorporate by reference
 21 all allegations in all preceding paragraphs.

22 187. *Common characteristics of the Proposed Classes.* All of the Proposed Classes
 23 share the following characteristics, making them all optimal for class resolution:
 24

25 188. Each of the Proposed Classes is so numerous that joinder of all members is
 26 impracticable. While the exact number of Class members in each Class is unknown to Plaintiff
 27 at this time, Plaintiff is informed and believes that several hundred geographically dispersed
 28

1 Class members worked, will work, and continue to work as minor leaguers in Puerto Rico and
2 other applicable states, either during spring training, at promotional events, during other
3 training and work periods, or during championship seasons occurring within the states.

4 189. Plaintiff's claims are typical of the claims of the other members of each of the
5 Proposed Classes. Plaintiff and the members of the Proposed Classes were subject to the same
6 or similar compensation practices arising out of Defendants' common course of conduct in
7 violation of the FLSA and applicable state laws as alleged herein. Plaintiff and the Proposed
8 Classes have sustained similar types of damages as a result of these common practices.

9 190. Plaintiff will fairly and adequately protect the interests of the members of all
10 members of the Proposed Classes because they possess the same interests and suffered the
11 same general injuries as class members. Plaintiff has retained counsel competent and
12 experienced in class action litigation, including employment litigation.

13 191. Common questions of law and fact exist as to all members of the Proposed Classes
14 and predominate over any questions affecting solely individual members of the Class. Among
15 the many questions of law and fact common to the Proposed Classes are:

16 (a) whether Defendants conspired and agreed to and did set wages at a rate below the
17 minimum wages required under the FLSA and/or Puerto Rico's labor laws;

18 (b) whether Defendants paid and continue to pay no wages at all during certain pay
19 periods, contrary to the requirements of federal and Puerto Rico's applicable labor laws;

20 (c) whether any exemptions apply to the industry or to minor leaguers;

21 (d) whether Defendants require all minor leaguers to sign the same UPC, which controls
22 minor leaguers' pay and pay periods and enables the unlawful labor practices;

23 (e) whether Defendants willfully, or with reckless disregard, carried out their unlawful
24 practices;

25 (f) the compensability of certain work periods and the appropriate method of measuring
26
27
28

1 damages for the injuries sustained by Plaintiffs and other members of the Proposed
2 Classes as a result of Defendants' unlawful labor activities; and

3 (g) Whether Defendants have colluded, conspired, agreed and/or acted or refused to act
4 on grounds generally applicable to the Plaintiff Class, thereby making final injunctive
5 or declaratory relief appropriate with respect to the Plaintiff Class as a whole.
6

7
8 192. A class action is superior to other available methods for the fair and efficient
9 adjudication of this controversy because joinder of all members in each of the Proposed Classes
10 is impracticable. The prosecution of separate actions by individual members of the Proposed
11 Classes would impose heavy burdens on the courts and the parties, and would create a risk of
12 inconsistent or varying adjudications of the questions of law and fact common to the Class. A
13 class action, on the other hand, would achieve substantial economies of time, effort, and
14 expense, and would assure uniformity of decision as to persons similarly situated, without
15 sacrificing procedural fairness or bringing about other undesirable results.

16 193. The interest of members of each of the Proposed Classes in individually
17 controlling the prosecution of separate actions is highly limited and impractical. Each of the
18 Proposed Classes has a high degree of cohesion and prosecution of the action through
19 representatives would be unobjectionable. The amounts at stake for Class members, while
20 substantial in the aggregate, are often not great individually. As individuals, the class members
21 would lack the resources to vigorously litigate against the ample and powerful resources of the
22 Defendants' cartel. Importantly, many of the Class members are current minor league players
23 and would not bring an individual action out of fear of retaliation. Lastly, Plaintiff does not
24 anticipate any difficulty in the management of this action as a class action.
25

26 **IV. FLA COLLECTIVE ACTION ALLEGATIONS**

27 194. Plaintiff Daniel Concepcion and the Class bring Counts 6 and 7, the FLA
28

1 claims, and Counts 8 and 9 Puerto Rico minimum wage and overtime claims on behalf of
2 themselves and all persons similarly situated from 2012 through resolution of this action (the
3 “Minor League Collective”).

4 195. The Defendants are liable under the FLSA for, *inter alia*, failing to properly
5 compensate Plaintiff and the members of the Minor League Collective. The Minor League
6 Collective consists of thousands of similarly situated individuals who have been, will be, and/or
7 continue to be underpaid during certain work periods and not paid at all during other work
8 periods. This Collective would benefit from the issuance of a court-supervised notice of the
9 lawsuit and the opportunity to join the lawsuit.

10 196. The members of the Minor League Collective are known to Defendants, are
11 readily identifiable, and can be located through Defendants’ records. Notice should be sent to
12 the members of the Collective pursuant to 29 U.S.C. § 216(b).

13 **V. JURISDICTION, VENUE, AND COMMERCE**

14 197. This Court has subject matter jurisdiction with respect to Plaintiffs’ federal
15 claims pursuant to 28 U.S.C. §§ 1331 and 1337, and jurisdiction over Plaintiff’s Puerto Rico
16 labor law claims pursuant to 28 U.S.C. § 1367 (supplemental jurisdiction).

17 198. Plaintiff’s and the Class’s Puerto Rico labor law claims are so closely related to
18 Plaintiff’s and the Class’s claims under the FLSA that they form part of the same case or
19 controversy under Article III of the United States Constitution.

20 199. Additionally, and/or alternatively, this Court has jurisdiction over Plaintiff’s and
21 the Class’s Puerto Rico labor law claims under 28 U.S.C. § 1332 because the amount in
22 controversy for the Proposed Classes exceeds \$5,000,000 and there are members of the
23 Proposed Classes who are citizens of a different state than Defendants, as well as members of
24 the Proposed Classes who are citizens of Puerto Rico.

25 200. This Court also has jurisdiction over Plaintiffs’ claims under the FLSA pursuant
26 to 29 U.S.C. § 216(b).

1 201. All Defendants are subject to personal jurisdiction in Puerto Rico since all
2 Defendants transact a significant amount of business in Puerto Rico.

3 202. Defendants' conduct had a direct, substantial, and reasonably foreseeable effect
4 on interstate commerce in Puerto Rico. The Defendants host baseball games, operate baseball
5 leagues, and transact business in multiple states. The Defendants routinely use instruments of
6 interstate commerce, such as interstate railroads, highways, waterways, wires, wireless
7 spectrum, and the U.S. mail, to carry out their operations.

8 203. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and (c) because
9 a substantial part of the events or omissions giving rise to the claims occurred in this District
10 and were intended to and did have an effect in this District. All the Defendants transact
11 business in this District. Plaintiff, Daniel Concepcion, was employed by the Kansas Royals
12 organization, and worked for a significant period of time at by the Kansas Royals
13 organization, one of the conspirators, some or all of whom committed the labor law violations
14 alleged herein in this District and/or intended their violative actions to have an effect in this
15 District.

16 204. Upon information and belief, each Franchise employs minor leaguers from
17 Puerto Rico.

18 205. All causes of action asserted in this Complaint are closely related to one another
19 and each accrued under the same common set of facts and share a common nucleus of operative
20 facts. Each cause of action emanates from the same uniform contract, from the same policies and
21 practices, as applied to the same group of employees. As detailed above, the Defendants have
22 engaged in a long-standing and widespread violation of the FLSA. The FLSA's minimum wage
23 and overtime requirements, 29 U.S.C. §§ 201 et seq., and the supporting regulations, apply to all
24 Defendants and protect Plaintiffs and the class members.

25 206. At all relevant times, Plaintiffs and all the minor leaguers of the proposed class
26 were (and/or continue to be) employees within the meaning of 29 U.S.C. § 203(e) and were
27 (and/or continue to be) employed by covered enterprises and/or entities engaged in commerce
28

1 and/or the production or sale of goods for commerce within the meaning of 29 U.S.C. §§ 203(e),
2 (r) and (s). The work also regularly involves interstate commerce.

3 207. At all relevant times, the Defendants jointly employed (and/or continue to
4 employ) Plaintiffs and all similarly situated minor leaguers within the broad meaning of 29
5 U.S.C. §§ 203(d) and (g).

6 208. The Defendants constructed, implemented, and engaged in a policy and/or
7 practice of failing to pay Plaintiff and the Class and all similarly situated minor leaguers the
8 applicable minimum wage for all hours the minor leaguers worked on behalf of Defendants, and
9 continue to engage in such a policy and practice.

10 209. Further, the Defendants constructed, implemented, and engaged in a policy and
11 practice that failed to pay Plaintiff and all similarly situated minor leaguers the applicable
12 overtime wage for all hours minor leaguers worked beyond the normal, forty-hour workweek,
13 and continue to engage in such a policy and practice.

14 210. Defendants also implemented and engaged in the policy and/or practice of failing
15 to pay Plaintiff and all similarly situated minor leaguers any wages at all for many hours the
16 minor leaguers worked on behalf of Defendants and continue to engage in such policies and
17 practices.

18 211. As a result of these minimum wage and overtime violations, Plaintiff and all
19 similarly situated minor leaguers have suffered and continue to suffer damages in amounts to be
20 determined at trial, and are entitled to recovery of such amounts, liquidated damages,
21 prejudgment interest, attorneys' fees, costs, and other compensation pursuant to 29 U.S.C. §
22 216(b).

23 212. The Defendants' pattern of unlawful conduct was and continues to be willful and
24 intentional, or the Defendants at least acted with reckless disregard. The Defendants were and
25 are aware, or should have been aware, that the practices described in this Complaint are unlawful.
26 The Defendants have not made a good-faith effort to comply with the FLSA with respect to the
27 compensation of Plaintiffs and all similarly situated minor leaguers. Instead, the Defendants
28

LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111

1 knowingly and/or recklessly disregarded federal wage and hour laws.

2 213. All similarly situated minor leaguers are entitled to collectively participate in this
3 action by choosing to “opt-in” and submitting written Consents to Join this action. 29 U.S.C. §
4 216(b).

5 214. In 2018, Defendants coerced and fraudulently induced Congress, with promises
6 to maintain minor league baseball teams in the then 160 towns and cities where they were located,
7 to pass the so-called Save America’s Pastime Act (29 U.S.C. §213(a)(19)) which purported to
8 exempt the MLB Defendants from the minimum wage, overtime and record keeping
9 requirements. That law (exemption) is unconstitutional in that it discriminates against Plaintiff
10 and minor league players and deprives them of equal protection of the laws, without a rational
11 basis for doing so. As a result, Defendants’ actions before and continuing after the passage of
12 Save America’s Pastime Act violate Plaintiff’s and the Class’s rights under the FLSA and Puerto
13 Rico labor laws.

14 **Count 7: FLSA Record Keeping Requirements**

15 215. Plaintiff and the Class re-allege and incorporate by reference all allegations in all
16 preceding paragraphs.

17 216. The Defendants failed (and continue to fail) to make, keep, and preserve accurate
18 records with respect to Plaintiffs and all similarly situated minor leaguers, including hours
19 worked each workday and total hours worked each workweek, as required by the FLSA, 29
20 U.S.C. § 211(c), and supporting federal regulations.

21 217. The lack of recordkeeping has harmed the Plaintiffs and creates a rebuttable
22 presumption that the employees’ estimates of hours worked are accurate.⁶⁵
23

24 **VIII. PUERTO RICO WAGE AND HOUR VIOLATIONS**

25 218. The Puerto Rico law Counts seek to recover for all minor league work performed
26 by the Proposed Classes, including (but not limited to) below minimum wage compensation for
27

28 ⁶⁵ See *Anderson v. Mt. Clemens Pottery Co.*, 328 U.S. 680, 687-88 (1946).

1 hours worked; hours worked in those states in excess of 40 hours per week or for no pay, and for
 2 winter off-season work. Plaintiffs are informed and believe that, during the winter work periods,
 3 most Puerto Rico minor league class members return to Puerto Rico where they were drafted,
 4 where they reside, and where they perform some of their work without pay.

5 219. The minor league class members are employed throughout the United states and
 6 Puerto Rico, making joinder of those minor leaguers impracticable. Thus, Plaintiff is informed
 7 and believes that all Defendants employed and continue to employ minor leaguers in each of the
 8 states and in Puerto Rico during the relevant time periods. Upon information and belief, Plaintiff
 9 further alleges that each of the Defendants violated the minimum wage and overtime laws of
 10 Puerto Rico including, but not limited to below minimum wage compensation for hours worked
 11 (29 LPR §250); hours worked in those states in excess of 40 hours per week and/or for no pay,
 12 uncompensated winter off-season work and/or work performed during other portions of the year.
 13 (29 LPR §273)

14 15 **Count 8: Puerto Rico Minimum Wage Violations**

16 (The Puerto Rico Class Representatives and the Puerto Rico Class Against All Defendants)

17 (Violation of Puerto Rico 29 LPR §250)

18 220. Plaintiff re-alleges and incorporates by reference all allegations in all preceding
 19 paragraphs.

20 221. Failure of an employer to pay its employees the minimum wage fixed by the
 21 Puerto Rico Labor Commission violates, *inter alia*, 29 LPR §250.

22 222. Defendants failed to pay the Puerto Rico Class Representatives and Puerto Rico
 23 Class Members the minimum wage for all hours worked, by requiring them to perform work
 24 for less than the hourly minimum wage and for work without compensation.

25 223. Pursuant to 29 LPR §§250 and 282, Puerto Rico Class Representatives and
 26 Puerto Rico Class Members are entitled to recover in a civil action the unpaid balance of the
 27
 28

1 full amount of the minimum wage for all hours worked.

2 224. 29 LPR §282 provides that any employer who violates any provision regulating
3 hours and days of work shall be subject to civil penalties. As a result of Defendants' violation,
4 Puerto Rico Class Representatives and Puerto Rico Class Members are entitled to and hereby
5 seek civil penalties equal to unpaid wages in an amount according to proof, plus attorney's fees
6 and costs.

7 225. Puerto Rico Class Representatives and Puerto Rico Class Members seek
8 liquidated damages pursuant to 29 LPR §282.

9 226. Puerto Rico Class Representatives and Puerto Rico Class Members seek to
10 recover all unpaid minimum wages, penalties, and interest due to them.

11 227. As a result of Defendants' conduct, Puerto Rico Class Representatives and
12 Puerto Rico Class Members are also entitled to attorneys' fees under 29 LPR §282, in addition
13 to interest, expenses and costs of suit.

14 228. Pursuant to Puerto Rico law, the Defendants are and were required to pay the
15 Puerto Rico Class Representatives and the Puerto Rico Class a minimum wage set by 29 LPR
16 §250 et. seq. Puerto Rico's minimum wage requirements apply to the Defendants and protect the
17 Puerto Rico Class Representatives and the Puerto Rico Class.

18 229. The Defendants constructed, implemented, and engaged in a policy and/or
19 practice of failing to pay the Puerto Rico Class Representatives and all of the Puerto Rico Class
20 the applicable minimum wage for all hours they suffered or permitted the minor leaguers to work,
21 and they continue to engage in such practices.

22 230. As a result of these minimum wage violations, the Puerto Rico Class
23 Representatives and the Puerto Rico Class have suffered (and continue to suffer) damages in
24 amounts to be determined at trial, and are entitled to recovery of such amounts, liquidated
25 damages, and other compensation pursuant to 29 LPR §§ 250 and 282.

1 231. As a result of Defendants' conduct, Puerto Rico Class Representatives and Puerto
2 Rico Class Members are also entitled to attorneys' fees under 29 LPR §282, in addition to interest,
3 expenses and costs of suit.

4 232. The Defendants pattern of unlawful conduct was and continues to be willful and
5 intentional, or at least with reckless disregard. The Defendants were aware or should have been
6 aware that the practices described in this Complaint are unlawful. The Defendants have not made
7 a good-faith effort to comply with Puerto Rico's minimum wage requirements with respect to
8 the compensation of the Puerto Rico Class Representatives and the Puerto Rico Class, and instead
9 knowingly and/or recklessly disregarded Puerto Rico law.

10
11 **Count 9: Puerto Rico Unpaid Overtime Violations**

12 (The Puerto Rico Class Representatives and the Puerto Rico Class Against All Defendants)

13 (Violation of 29 LPR §§ 273 et. seq.)

14 233. Plaintiffs re-allege and incorporate by reference all allegations in all preceding
15 paragraphs.

16 234. 29 LPR § 273 provides that work in excess of eight hours in a day, or 40 hours
17 in a week, must be compensated at a rate not less than one and one-half times the regular rate of
18 pay for an employee.

19 235. Puerto Rico Class Representatives and Puerto Rico Class Members work, or
20 have worked, more than eight hours in a day and more than 40 hours in a week and were not
21 paid at the overtime rate for all hours worked.

22 236. Pursuant to 29 LPR §273, Puerto Rico Class Representatives and Puerto Rico
23 Class Members are entitled to recover in a civil action the unpaid balance of the full amount of
24 overtime compensation for all excess hours worked.

25 237. 29 LPR §282 provides that any employer who violates any provision regulating
26
27
28

1 hours and days of work shall be subject to civil penalties. As a result of Defendants' violations,
2 Puerto Rico Class Representatives and Puerto Rico Class Members are entitled to and hereby
3 seek civil penalties in an amount according to proof.

4 238. Puerto Rico Class Representatives and Puerto Rico Class Members seek to
5 recover all unpaid overtime wages, penalties, and interest due to them.

6 239. Puerto Rico Class Representatives and Puerto Rico Class Members are also
7 entitled to attorneys' fees under 29 LPR §282, in addition to penalties, interest, expenses and
8 costs of suit.
9

10 240. Throughout the Puerto Rico Class period, the Puerto Rico Class Representatives
11 and the Puerto Rico Class routinely worked (and continue to work) in excess of 8 hours per
12 workday, sometimes work(ed) in excess of 12 hours in a workday, routinely work(ed) in excess
13 of 40 hours in a workweek, usually work(ed) 7 days in a workweek and sometimes in excess of
14 8 hours on the seventh day of the workweek.

15 241. The Defendants failed and continue to fail to pay the Puerto Rico Class
16 Representatives and the Puerto Rico Class overtime wages as required by 29 LPR §273.

17 242. As a result of these violations, the Puerto Rico Class Representatives and the
18 Puerto Rico Class have suffered and continue to suffer damages in amounts to be determined at
19 trial, and are entitled to recover such amounts, liquidated damages, prejudgment interest,
20 attorneys' fees, costs, and other compensation pursuant to 29 LPR §282.
21

22 IX. PRAYER FOR RELIEF

23
24 WHEREFORE, Plaintiff, on his own and on behalf of all other similarly situated persons,
25 seek the following relief:

- 26 1. That at the earliest possible time, Plaintiff be allowed to give notice of this collective
27 action, or that the Court issue such notice, to members of the Minor League
28

LAW OFFICES
SAMUEL KORNHAUSER
 155 Jackson Street, Suite 1807
 San Francisco, CA 94111

- 1 Collective, as defined above. Such notice shall inform them that this civil action has
- 2 been filed, of the nature of the action, and of their right to join this lawsuit if they
- 3 believe they were denied (and/or continue to be denied) proper wages;
- 4 2. Unpaid minimum wages and overtime wages, that have accrued and continue to
- 5 accrue until the resolution of this action, and an additional and an equal amount as
- 6 liquidated damages pursuant to the FLSA and the supporting regulations;
- 7 3. Unpaid wages and pay pursuant to Puerto Rico labor laws that have accrued and
- 8 continue to accrue until the resolution of this action, and liquidated damages pursuant
- 9 to Puerto Rico law and supporting regulations;
- 10 4. Statutory damages for Defendants' recordkeeping violations pursuant to federal and
- 11 Puerto Rico law;
- 12 5. Certification of the Proposed Antitrust Classes, as set forth above, pursuant to Rule
- 13 23 of the Federal Rules of Civil Procedure;
- 14 6. Designation of the named Plaintiff herein as class representative of the Classes,
- 15 designation of their undersigned counsel of record as Class Counsel, and a reasonable
- 16 incentive payment to Plaintiff;
- 17 10. Pre-judgment and post-judgment interest as permitted by law;
- 18 11. An injunction requiring Defendants to pay compensatory damages for all non-
- 19 competitive wages and treble damages and an order enjoining Defendants from
- 20 continuing or reinstating their unlawful policies and practices as described within this
- 21 Complaint;
- 22 12. Reasonable attorneys' fees and costs of the action; and
- 23 13. Such other relief as this Court shall deem just and proper.
- 24 14. This Court declare the conduct of Defendants, and each of them, constituted a
- 25 conspiracy and that Defendants, and each of them, are liable for the conduct of or damage
- 26 inflicted by any other co-conspirator;
- 27 15. Defendants, and each of them, be permanently enjoined from enforcing the
- 28

1 “reserve clause” which unlawfully restricts the movement by and compensation paid to, minor
2 league players;

3 16. The contract, combination or conspiracy, and the acts done in furtherance
4 thereof by Defendants and their co-conspirators as alleged in this complaint, be adjudged to
5 have been a violation of Section 1 of the Sherman Act, 15 U.S.C. § 1;

6 17. The actions of Defendants and their co-conspirators to illegally acquire and
7 maintain monopsony power in the relevant product market be adjudged to have been in
8 violation of Section 2 of the Sherman Act, 15 U.S.C. § 2;

9 18. Judgment be entered for Plaintiffs and the Class and against Defendants for
10 three times the amount of damages sustained by Plaintiffs as allowed by law, together with the
11 costs of this action, including reasonable attorneys' fees, pursuant to Sections 4 and 16 of the
12 Clayton Act, 15 U.S.C. §§ 15 and 26;

13 19. Plaintiffs be awarded prejudgment and post-judgment interest at the highest
14 legal rate from and after the date of service of this Complaint to the extent provided by law;

15 20. Defendants and their co-conspirators be enjoined from further violations of the
16 antitrust laws;

17 21. Designation of the named Plaintiffs herein as class representatives of the Class,
18 designation of their undersigned counsel of record as Class Counsel, and a reasonable incentive
19 payment to Plaintiffs;

20 22. That the Court order and declare that the so-called business of baseball, the Curt
21 Flood Act 15 U.S.C. §15(b)(1), (2) and the Save America's Pastime Act 29 U.S.C. §213(a)(19)
22 are unconstitutional, void and of no effect since their enactments, and that Defendants be
23 enjoined from further violations of said acts.

24 23. Plaintiff and the Puerto Rico Class be awarded judgment and compensatory
25 damages, penalties, interest, and attorney's fees according to proof.

LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111

1 24. Plaintiffs and the Class have such other, further relief, as this Court may deem just
2 and proper under the circumstances.

3
4
5
6 DATED: January 10, 2022

LAW OFFICES OF SAMUEL KORNHAUSER

7 and

8 LAW OFFICES OF BRIAN DAVID

9 and

10 BAELLA & BAELLA

11
12 By: /s/ Rafael Baella-Silva
13 Rafael Baella-Silva

14 Attorneys for Plaintiff and
15 those similarly situated
16
17

18
19
20
21
22
23
24
25
26
27
28
LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111

X. DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues so triable.

DATED: January __, 2022

LAW OFFICES OF SAMUEL KORNHAUSER

and

LAW OFFICES OF BRIAN DAVID

and

BAELLA & BAELLA

By: /s/ Rafael Baella-Silva
Rafael Baella-Silva

Attorneys for Plaintiff and
those similarly situated

LAW OFFICES
SAMUEL KORNHAUSER
155 Jackson Street, Suite 1807
San Francisco, CA 94111