J BARROW LEGAL
ATHLETE & FAMILY COUNSEL

ISSUE NO. 02
A PREMIUM GUIDE

THE PREMIUM EDITION

# THE NIL QUICK GUIDE

A FAST REFERENCE FRAMEWORK

*for athletes, families, and advisors evaluating NIL opportunities*

*"You cannot negotiate what you cannot name."*

JAZMYN BARROW, ESQ.

WHAT'S INSIDE



*Nationwide*

QUICK REFERENCE · STRUCTURE

## 01 WHAT NIL ACTUALLY COVERS

*NIL is a bundle of rights, not a single license.*

- ☐ Name — how your identity is used in association with a product or campaign.
- ☐ Image — photographs, illustrations, and derivative visual assets.
- ☐ Likeness — recognizable visual or vocal impressions, including AI replicas.
- ☐ Reputation and goodwill — the brand equity your identity carries.
- ☐ Adjacent rights — appearances, endorsements, licensing, content creation.

## 02 DEAL STRUCTURES AT A GLANCE

*Every deal fits a bucket. The bucket sets the terms.*

- ☐ Direct brand endorsement — you sign directly with the brand or its agency.
- ☐ Collective or roster deal — paid through a school-affiliated collective.
- ☐ Affiliate or performance-based — pay tied to code use, conversions, metrics.
- ☐ Licensing — a brand licenses your NIL for a defined product or use.
- ☐ Ambassador or long-form — multi-year, multi-deliverable engagement.
- ☐ Barter or in-kind — product, services, or experiences instead of cash.

## 03 COMPENSATION FORMATS

*How you are paid determines how you are protected.*

- ☐ Flat fee — single or tiered payment released on defined milestones.
- ☐ Per-deliverable — rate multiplied by posts, appearances, or hours.
- ☐ Royalty or usage — percentage of downstream sales or media usage.
- ☐ Equity or profit share — ownership stake tied to future performance.
- ☐ Bonuses — performance-linked payouts, objective triggers only.
- ☐ Reimbursements — travel, glam, production, always specified in writing.

**TREAT AS ELEVATED RISK IF THE DEAL INVOLVES**

- AI generation, digital replica, synthetic voice, or avatar rights.
- Equity, profit share, or performance-linked compensation.
- Whitelisting, paid social, or sublicense rights bundled into standard usage.

QUICK REFERENCE · COMPLIANCE, TERMS & MONEY

## 04 NIL GO & VALID BUSINESS PURPOSE

*The compliance architecture has changed. Assume review.*

- ☐ Division I third-party NIL deals valued at $600 or more must be reported.
- ☐ NIL Go / the College Sports Commission reviews whether a deal has a valid business purpose.
- ☐ Deals must fall within a reasonable compensation range for the activity.
- ☐ Collective or school-affiliated deals must reflect genuine endorsement, not disguised pay-for-play.
- ☐ Watch for movement toward employee-like classification of athletes — factor it into structure and language.

## 05 KEY TERMS DEFINED

*Signing what you do not understand is where regret lives.*

- ☐ Grant of Rights — what NIL is licensed and for how long.
- ☐ Exclusivity — competing deals prohibited during the term.
- ☐ Term — how long the agreement runs.
- ☐ Territory — where the agreement applies geographically.
- ☐ Deliverables — content, appearances, or actions required.
- ☐ Approval Rights — the athlete's control over final content.
- ☐ Termination — how either party can exit and on what notice.
- ☐ Indemnification — who bears legal risk for what.

## 06 OWNERSHIP & APPROVAL RIGHTS

*If you do not control your image, someone else operates it.*

- ☐ Final approval over any post, ad, or asset using NIL.
- ☐ Right to review before external publication or investor materials.
- ☐ No unauthorized edits, reposts, or paid boosting.
- ☐ Highlight and portfolio use reserved for the athlete.
- ☐ Takedown or correction process for unauthorized use.

## 07 TAX REALITIES

*NIL income is taxable. Structure decides how, not whether.*

- ☐ NIL income is taxable — cash and non-cash, including product and experiences.
- ☐ Default classification is independent contractor — no withholding, quarterly estimates expected.
- ☐ Deals are reported on Schedule C (self-employment) with substantiated expenses deducted.
- ☐ A single-member LLC does not reduce federal tax on its own — it is disregarded unless it elects otherwise.
- ☐ Assignment-of-income doctrine (Lucas v. Earl): you cannot redirect earned income by routing it through a paper entity.
- ☐ S-corp election may reduce self-employment tax at higher income, but small deals rarely justify the overhead.

QUICK REFERENCE · RISK & ESCALATION

## 08 RED FLAGS AT A GLANCE

*If any of these appear, slow down before signing.*

- ☐ Transfer-portal restrictions or "member in good standing" performance triggers.
- ☐ Third-party NIL review, veto, or rejected-endorsement setoff held by the counterparty.
- ☐ 100% clawback or liquidated damages tied to competitive activity or transfer.
- ☐ Perpetual, worldwide, or all-media grants, or exclusivity without carve-outs.
- ☐ One-sided release, refund, or offset language flowing only from athlete to brand.
- ☐ Signing pressure with no meaningful review window.

## 09 STATE LAW & MINOR STATUS

*The deal does not live in isolation. Local rules apply.*

- ☐ State NIL statutes vary widely — confirm the controlling state statute before signing.
- ☐ High school NIL is a patchwork of state law plus state athletic-association rules.
- ☐ Age of majority and contract capacity vary by state and affect enforceability.
- ☐ Minors: parental or guardian consent, earnings controls, and enforceability all require attention.
- ☐ SPARTA and state athlete-agent laws govern any representation involvement.
- ☐ Confirm applicable NCAA, conference, and school-specific policies as they layer on top of state law.

## 10 WHEN TO CALL COUNSEL

*The best time is before you sign. The next best is before it worsens.*

- ☐ Any exclusive or multi-year commitment.
- ☐ Any deal involving AI, digital replica, or synthetic voice rights.
- ☐ Any equity, profit share, or performance-linked compensation.
- ☐ Any transfer-portal, clawback, or repayment language.
- ☐ Any dispute over payment, approval, or termination.
- ☐ Any deal you would not sign again after ninety days of reflection.

### WHEN YOU NEED A LAWYER IN THE ROOM

*Schedule a confidential 20-minute Athlete Review with Jazmyn Barrow, Esq.*

→ **calendly.com/jazmyn-jbarrow-legal/30min**

*This is a preparation guide, not legal advice. For deal- or situation-specific counsel, schedule the Athlete Review.*

**THE BOTTOM LINE**

*Athletes who understand the vocabulary sign the right deals.*
*If a deal is on your desk, name what it is before you sign.*

**OTHER WAYS TO REACH US**

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