



Analysis of Terms and Conditions Relating to Toronto Raptors Membership Packages

Business Law

ADM3360 Section Y

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Executive Summary

This report analyses and dissects a contract for a season membership package to watch the Toronto Raptors basketball team. The fundamental purpose of this report is to advise readers of this contract as to whether or not it is beneficial to either consumers or the firm that issued this contract, Maple Leaf Sports and Entertainment, to sign this contract.

Some key findings that will be presented in this report provide insight on how Maple Leaf Sports and Entertainment have formulated this contract to display legal principles surrounding risk management, and negligence in order to avoid liabilities. Additionally, various problem scenarios that were created surrounding the clauses of this contract reveal that those that sign this contract are also agreeing to follow a code of conduct, to take accountability for the actions of whoever they loan their ticket to, and to accept changes that are made to Toronto Raptors events. The problem scenarios presented in this report also reveal that MLSE has to uphold their own commitment of not permitting unsafe/abusive actions in the arena.

To the consumer, the party that expressed a desire to purchase a Toronto Raptors season ticket package, I would advise that they sign this contract. However, they should only sign this contract if they feel that the benefit they receive from attending Toronto Raptors games and events is greater than the perceived risk of any negative consequences such as the risk of any harm. Additionally, I advise that they sign this contract if they are willing to abide by all of the arena

policies that may be uncomfortable, such as having their bags searched before entry, and accept any potential risk of injury or even death associated with attending this NBA event.

To Maple Leaf Sports and Entertainment (MLSE), I believe that this contract is beneficial to their company. This contract will benefit them as they have included clauses that reduce their liability. MLSE does not assume any risks and dangers associated with personal injury death even if it was caused by their own negligence, thus playing a vital role in helping MLSE to manage their risk. Additionally, this contract benefits MLSE's bottom line, which is a direct result of effective risk management.

Introduction

Objectives

The purpose of this document is to fully review and analyse a contract for season tickets that were purchased for a professional sports team from Ontario. This particular document will be analysing a contract that was made by Maple Leaf Sports & Entertainment (MLSE), who own the Toronto Raptors, a basketball team that is a part of the National Basketball Association. The contract that has been selected outlines the terms and conditions relating to Toronto Raptors Membership packages.

After reading this document, one should be well informed on what this contract is communicating to them, so that they understand what they are agreeing to, and what their obligations and commitments are. Additionally, the purpose of this document is to draw connections between this Toronto Raptors membership contract and 20 legal principles that have been reviewed during our business law class. By drawing such connections the goal is that one may find how this contract is applicable to many areas of law that may be familiar or unfamiliar to readers. This document also includes a number of problem scenarios that help readers of the contract to anticipate what the outcome of various events would be based on the clauses found in this contract. The goal is that the combination of making applications with legal terms, as well as formulating problem scenarios will assist readers in understanding the legal implications and

potential legal consequences that may arise from participating in any activities related to being the owner of a Toronto Raptors membership package.

The overall objective of this document is that after analyzing this Toronto Raptors membership contract, one will have enough insight to make a knowledgeable decision on whether or not to sign this contract. The decision to sign this contract, will not only take into consideration how it will benefit Members, but also how signing this contract will benefit MLSE.

Ethical Issues

This season membership contract displays elements of good ethical legal practices as well as various negative ethical issues. One ethical issue is that the contract is relatively hard to read, since it includes very complex english and legal terms that make it difficult for readers to understand the key points. This can be considered unethical because a reader could potentially sign this contract not fully understanding what they are agreeing to. Additionally, this contract is fairly lengthy, as opposed to short and concise, which may discourage season ticket Members from reading it in its entirety before signing it. This is especially unethical because there are important clauses that are located towards the middle and the end of this contract that members can miss if they only read part of the contract. Another unethical aspect of this contract is that there is a clause that transfers all risk and danger of injury and death that may happen to Members even if it is caused by MLSE's negligence. This presents an ethical issue because the MLSE is transferring all liability of harm and risk incurred by Members even if it is caused by them.

On the other hand, one ethical aspect of this clause is that it is in all capital letters, meaning that if the reader is quickly scanning the contract, they are likely to read and be knowledgeable of its existence. Additionally, this contract displays good ethics by stating that MLSE will provide a written notice to Members if they ever change their terms and conditions, meaning that the changes will not be made without Member's knowledge. The final ethical aspect of this contract that stood out is that the MLSE included a fan code of conduct, which includes a list of actions that Members cannot participate in while they are on the venue's premises. This displays good ethics because the MLSE is effectively doing their part to protect all guests that enter the venue from many forms of harm and abuse.

Methodology

There are a sequence of steps that were involved in creating this report. The first step was to find an Ontario sports membership contract. The contract that was used for the purpose of this document was found online at MLSE.com, and is titled "Terms and Conditions Relating to Toronto Raptors Membership Package". After reading the contract, the portion of this document that describes and explains the contract in one's own words was completed. This part was done by reading each clause of the contract, starting with the first section labelled "A.General", and then simplifying each clause to the point that someone who is not very knowledgeable on terms associated with contracts, would be able to understand it. This part was done first because understanding the entire contract is the basis of this paper, and will ensure the analysis presented in this document is all centralized. Next, 20 legal principles that related to this contract were listed. Each legal principle was first explained and was linked to how it related to the contract.

After this step, four problem scenarios were made based on the clauses that were found in this contract, and the legal measures on how these matters would be resolved was outlined. Then, recommendations were made advising the reader of this document on the key lessons that were learned and whether they should sign this contract. The last part of this document to be completed was the executive summary. The executive summary was the last part completed since it summarizes the most important information that the reader needs to know, in order to decide whether or not to sign this contract.

Relationship with Stakeholders

This Toronto Raptors Season Membership contract has various stakeholders associated with it. Firstly, the main stakeholder of this contract is the Members that have signed this contract. The MLSE outlines that there are two different types of members, Commercial Reseller Members and Traditional Members, who are both entered into accounts in MLSE's system as being account holders who are bound by this contract. It is important for the MLSE to keep Members happy as they contribute significantly to the profits that MLSE receives from selling Toronto Raptors tickets, since unlike other fans, they are purchasing tickets for the entire season rather than a singular game. The MLSE also uses the terms guest, fans and holders when referring to Members. The NBA is also a stakeholder in this contract as those that sign this contract are directly impacted by NBA broadcasting obligations, as well as the Toronto Raptors team is a franchise of the NBA. Additionally, Air Canada is also a direct stakeholder of this contract as there is a disclaimer on the back of Member's tickets that states the Platinum lounge is only for Air Canada Signature Club members. Other stakeholders of this contract include the players of the Toronto Raptors teams, and any officials and staff members who are working at the venue.

Description of Contract Clauses

A. General

The first clause in part A, the general section, describes that by paying for a ticket the member is agreeing to the terms and conditions that are outlined in this contract. The combination of paying for the tickets, and agreeing to the terms and conditions allows the member to attend Toronto Raptors games at the arena located at 40 Bay St., in Toronto, Ontario.

The second clause defines the term “Member” for purposes of the contract. A member is described as an individual or organization who has purchased a ticket packet. A member is also someone who is entered into Maple Leaf Sports and Entertainment (MSLE) records as being an “account holder”. The clause also defines a “commercial reseller member” as a member who is a business who is reselling the tickets to another third party in order to gain a profit, or is a business that has made tickets available for sale after getting them from the primary seller of Toronto Raptors tickets. Finally, a traditional member is described as a member that isn’t selling the ticket packets for a profit, but is using the tickets to use for themselves or with guests.

The third clause outlines a list of conditions that the member is agreeing to by accepting the terms and conditions set out in this contract. The first condition is that this membership is only valid for 1 NBA season and will expire on June 30th of the year that the tickets are purchased.

The second condition is that simply purchasing a ticket package for one season does not mean that a member can renew their membership for another season after. The third condition is that Maple Leaf Sports and Entertainment has the right to renew a membership and withdraw a membership renewal at any time.

The fourth clause in the general section states that the terms and conditions that are found on the back of each ticket apply to all members and anyone who is using a member's ticket. The terms and conditions on the back of tickets are called "ticket back terms", and the most updated version of the ticket back terms are located in this contract in the section entitled "Schedule A". If there is a difference between the ticket back terms and the terms outlined in Schedule A, the terms in Schedule A will take priority.

The fifth clause describes that the member is agreeing to the fact that MLSE has the right to take away any ticket for a specific game. MLSE can take the ticket away for any reason, and upon taking the ticket MSLE will refund the member with cash or with credit at the discounted amount the ticket is valued at the membership package price. Other than reimbursing the ticket holder back for the value of the ticket, MLSE is not responsible for anything that the ticket holder incurs in relation to having the ticket taken away. The MSLE's right to take away a ticket is in addition to any other right that is mentioned in these terms and conditions. The privilege to use tickets and attend any games, is governed by a set of rules that members must follow. The first rule is that members must follow "arena policies", which involves any policies relating to security, alcohol, any behaviour that is deemed inappropriate. The second rule involves any other laws that apply

to attending a game at an arena, such as those relating to consumer protection and the purchase and sale of tickets.

The sixth clause describes that member acknowledges that their ticket will have disclaimers applied to it, which are outlined in this contract in “Schedule C”. The member should refer to their ticket invoice to determine which disclaimers apply to them.

The first part of the seventh clause describes that a member is agreeing to that fact that the tickets that were purchased can only be used for the preseason and regular season team games that are outlined on the member’s invoice. The member’s tickets does not grant access to any other National Basketball League event or “League Special Event” (including playoff and outdoor game) that is not listed on the invoice, or any event that is hosted at the Arena. The second part describes that if you are a Traditional Member, the MLSE will do what they reasonably can do to ensure that members can purchase an equivalent amount of team home game tickets if the game is relocated to a different venue. Additionally, members are given first priority to purchase playoff tickets for home games at the price that is disclosed in the Member’s Ticket Package, and located at the Toronto Bay St. Arena. However, traditional members have until the deadline, specified by MLSE, to purchase playoff tickets. After the deadline, MLSE has the right to sell these playoff tickets and use the seats however they want to. MLSE has full authority to decide what happens to these extra tickets and can choose to provide these seats to Commercial Reseller Members.

The eighth clause expresses that the member is agreeing and acknowledging to the fact that the Toronto Raptors and/or the NBA may cancel, postpone, reschedule, or relocate games that are listed on the Member's Ticket package for any reason. Both the Toronto Raptors and the NBA have the right to modify, and temporarily or permanently discontinue games. Additionally, any aspect of the rules, presentations and operations of NBA games can be changed.

The ninth clause states that if a member purchases a ticket for a game that ends up not being played in the arena, this does not mean that MLSE breached the terms and conditions, or any other obligations that are associated with the sale of the ticket. Therefore, the Member is waiving any claims that they may have against the NBA or the MLSE, when it comes to cancelled games. In this scenario, the member should be refunded for the credit amount the ticket is worth, taking into account any discounts received from purchasing tickets in a Membership package. This credited amount will be held by MLSE and used towards the member's purchase of playoff tickets during the season that the game was cancelled, or used towards renewing the member's season ticket package for the next basketball season. In the scenario that the Member does not want to purchase playoff tickets or renew their season membership, the member will be refunded for the credited amount once the ticket renewal deadline has passed. The Member can also choose to use their credit amount towards other ticket products, if requested. Additionally, no interest or rebate will be added to the credit amount, unless decided otherwise by the MLSE.

In the tenth clause, it explains that MLSE has the right to relocate member's seats at any time during the regular or playoff season. The reasons for seat relocations may be due to security

requirements set by the NBA or the Arena, or broadcasting requirements. In the event that a relocation is required, MLSE will try to relocate the member (or the person using the member's tickets) to an area in the arena that is similar or better than the original seats.

The eleventh clause describes that a Member can become a Commercial Reseller Member at any time. In order to become a Commercial Reseller Member, the MLSE will give a written notice. However, once a Member becomes a Commercial Reseller Member they are no longer eligible to receive certain "Membership Privileges" (defined in the following clause), such as preferred pricing, flexible payment options, and gifting opportunities.

The twelfth clause describes the term "Membership Privileges" for the purpose of the contract. Membership Privileges, which are granted by the MLSE, can be removed if the Member does not follow a set of regulations. This includes if the Member violates arena policies, terms and conditions, any laws relating to consumer protection and the purchase of tickets, and any violation of the previously mentioned "Ticket Back Terms". By agreeing to this contract, the member agrees that the MLSE has the right to end a Member's membership, along with their Membership Privileges. The MLSE also has the right to temporarily suspend Member's ticket rights and privileges, and to refuse to renew their ticket package. However, MLSE only has this right if they can reasonably prove that the Member or person using the Member's ticket breached the terms and conditions in this contract.

The thirteenth and the fourteenth clause is divided into two main sections. The first section describes that the MLSE has the right to make some changes to the terms and conditions in this contract. When MLSE makes these changes they must notify the Member in writing, as well as keep on record a copy of the current terms and conditions. The second section describes that MLSE has the right to give out “Promotional Offers”. The Member must be notified of the Promotional Offer at least 30 days before the season begins. These Promotional Offers may have extra terms and conditions, which will be determined by the MLSE. When dealing with Promotional Offers, if there is ever a conflict between terms and conditions for Promotional Offers and the terms and conditions of the contract as a whole, the terms set out in the Promotional Offer will take priority.

B. Additional Terms and Conditions Regarding Automatic Payment Plans

This section begins with a short paragraph describing that when members purchase a ticket package they have a number of different payment plan options. The MLSE makes these payment plan options available to members each season, from July 1st to June 30th. By agreeing to the contract, the member is agreeing to to the following payment terms that apply each season.

1. This clause describes that this contract is giving MLSE the authority to bill Members when they buy a ticket package, in accordance with the payment plan that has been agreed upon. This authorization is valid for as long as the Member’s account stays in “good standing” with MLSE. The MLSE has the authority to either approve or deny charges based on the payment information provided by the member. The member also agrees the MLSE is not responsible for any incorrect charges, or incorrect billing

statements. MLSE is only responsible for correcting these errors if they have a written notice of the error. Additionally, all deposits and payments are non-refundable. The member needs to understand that it is fully their own responsibility to make sure that payment information is correct and up to date. If the payment information is not correct or has changed, the Member must let the MLSE know, in writing, within a specified time period. However, if a Member doesn't let the MLSE know within this specified time period, tickets and/or membership privileges may be lost or suspended. MLSE also has the right to charge members a processing fee of \$50.00 (CAD) if members refuse to make a payment for any reason. Finally, even if games are cancelled or rescheduled, all payments are due on the dates that are specified by the MLSE. Refunds may be granted for specific games, according to applicable policies.

2. This clause outlines the three payment plan options for Traditional Members.
 - a. Annual Plan: this plan allows Traditional Members to pay the full amount of Tickets for the next NBA Raptors Season on or before the "First Payment Date". This payment date is specified in a notice provided by the MLSE. This payment can be made using Visa, MasterCard, American Express, or Cheque.
 - b. Semi-Annual Plan: This plan allows Traditional Members to pay half of the cost of tickets for the next NBA Raptors Season on or before the "First Payment Date". This payment date is specified in a notice provided by the MLSE. The remaining cost after the first payment would need to be paid on June 15th. If June 15th is not a business day, then the second payment would need to be paid on the next business day of that year. This payment can be made using Visa, MasterCard, American Express, or Cheque.

- c. **Monthly Payment:** This plan allows Traditional members to pay for the cost of their Tickets for the next NBA Season by making twelve payments. The first payment will begin on the First Payment Date, and the following payments for the next eleven months will be on the 4th Tuesday of each month. Monthly payments can only be paid for using a Visa, MasterCard, American Express.

If Traditional Members decide to choose a different payment plan at the beginning of the next NBA Season, they must first inform the MLSE Service Team before the First Payment Date of the next NBA Season. Traditional Members also need to remember that changes made to their payment plan are only official when it is confirmed by the MLSE in writing. Finally, if Traditional Members are given Promotional Offers they should follow the payment plan that goes with the Promotional Offer.

3. This clause provides details on the two payment plan options made available to Commercial Reseller Members. The payment plans regulations are the same as the annual plan and the semi annual plan that is made available to Traditional Members.

- a. **Annual Plan:** The annual plan requires Commercial Reseller Members to pay the full amount of Tickets for the next NBA Raptors Season on or before the “First Payment Date”. This payment date is specified in a notice provided by the MLSE. This payment can be made using Visa, MasterCard, American Express, or Cheque.
- b. **Semi-Annual Plan:** The semi-annual payment plan requires Commercial Reseller Members to pay half of the cost of tickets for the next NBA Raptors Season on or before

the “First Payment Date”. This payment date is specified in a notice provided by the MLSE. The remaining cost after the first payment would need to be paid on June 15th. If June 15th is not a business day, then the second payment would need to be paid on the next business day of that year. This payment can be made using Visa, MasterCard, American Express, or Cheque.

In the event that a Commercial Reseller Member wants to choose a different payment plan at the beginning of a new NBA Season they must first inform the MLSE Service Team before the First Payment Date of the next NBA Season. Commercial Reseller Members also need to consider that changes made to their payment plan are only official when it is confirmed by the MLSE in writing.

4. This clause describes what would happen if a Member’s cheque for any payment were to bounce. Firstly, the Member’s Tickets will be suspended until they have paid the amount of their payment in full. MLSE will make all “reasonable attempts” to contact members by email and telephone to ask Members to change their payment information. However, this clause does not specify how many times amount to MLSE “reasonable attempts”, so this may lead to conflicts between Members and the MLSE. If Members don’t make payments after five business days, their tickets will be suspended for all games for the rest of the Raptor’s playing Season.

Additionally, Members will not receive a refund if they miss any games while their tickets are suspended. If any Members who are paying with the Annual Plan or Semi-Annual Plan do not pay an outstanding payment for ten or more business days, their account might be terminated. If Members who make their ticket payments with a monthly payment plan may have their account

terminated if they miss 3 payments in a row. MLSE will give Member's a written notice if they terminate their Membership account, and MLSE can also resell Member's tickets that are left over after their suspension. The fact that this contract mentions that the MLSE "may" suspend Memberships if they miss payments, means they can pick and choose who they grant suspensions too and how they don't. Since the contract doesn't mention the reasons why MLSE may or may not suspend a ticket package may lead to ethical issues.

6. This clause explains to Members how automatic payment plans work when purchasing Raptors Season tickets. When a Member purchases a ticket package they are opting in to an automatic payment plan. This means that they will have their season tickets automatically renewed for the next playing season on the First Payment Date (decided by MLSE). Season tickets will be renewed each season, unless either the Member or MLSE, decided to not renew their membership.

7. This clause describes what the written notice that MLSE will provide to Members before the renewal date will include. Firstly, the written notice will be provided at least 30 days before the renewal date, which is the "First Payment Date" that has been previously mentioned in this contract. The written notice will include the updated ticket package price, information of promotional offers, and any changes that have been made to the Terms and Conditions. The notice also gives instructions to Members on how they can cancel their membership renewal.

When a Member buys a ticket package they are agreeing to the first payment and every payment after that. This applies to the current NBA Season as well as every other NBA Season after the payment. This is until the Member chooses to change their current payment plan to another payment plan, if Member's choose to not purchase new tickets, or if the Member or the MLSE terminates the Member's Membership.

Schedule A

This section of the contract outlines who the "Holder" is and what their responsibilities are. For the purposes of this contract, a Holder is described as someone who agrees and is bound by the terms of the ticket, when they enter the arena. Holders also must understand that their ticket is seen as a license that can be taken away. Additionally, Holders make this agreement on behalf of any minor that is with them as well.

The Holder must also agree to not transmit, distribute, sell, or aid in the transmitting, distributing or selling of any picture, video, audio, or any form of reproduction of any part of the NBA Raptors event that their ticket is designated for. The Holder must also not use the tickets for commercial and trade purposes. This includes Holders that use tickets in contests, sweepstakes, giveaways, or in advertising. However, this list does not include all possible commercial and trade purposes that Holders are not permitted to do and these are a few listed examples. The only scenario that Holders would be allowed to use tickets for commercial and trade purposes if they have been given written permission from the MLSE and the National Basketball Association/its affiliates.

A Holder will lose their right to attend NBA Raptor games if a Holder violates any of terms and conditions mentioned in this contract, or if they don't follow the rules of the arena. Holders also cannot attend the games that they have received a full refund for. This means that the Holder can no longer legally use their ticket. The MLSE and the NBA can stop Holders who have unauthorized tickets from entering the arena, or physically remove them if they have somehow made their way inside the arena. If a Holder illegally enters the arena, then both the MLSE and the NBA may take legal action against them. Also, if a Holder tries to sell or resell their ticket after they have lost their rights, they may have their tickets confiscated or cancelled without a refund.

The next paragraph in Schedule A explains the Holder is giving the NBA, the MLSE, and any of their designees and agents, permission to use their image, actions, photographs, statements in any recorded audio, video, or film. Holders are also giving permission to any sharing, public display, or reproduction of any communication medium that they are captured in, while at an NBA event. Also, Holder must understand that photographs, recordings, films etc. of them may be used for commercial or promotional purposes, without granting further authorization or receiving compensation.

This clause explains that the Holder of any ticket is assuming all risk and danger of injury and even death. These risks and dangers include anything that can cause harm in relation to the NBA event, whether it was caused by negligence or not. This clause must be very important in

protecting the MLSE and the NBA, as the first line is in all capital letters, as well as the liability that they would have if this clause was missing would be very damaging.

Additionally the Holder and their belongings may be searched when entering the arena. By agreeing to this contract, Holders are agreeing to this search and will not take any legal action against the NBA/MLSE in relation to the search. If a Holder does not want to agree to being searched, then they will not be able to enter the arena.

The last clause in Schedule A states that the Holder must agree to give their ticket in any way that would violate the U.S. Foreign Corrupt Practices Act, any anti-bribery law/regulation, or any conflict of interest laws/regulations/policies.

Schedule B

Schedule B is the part of the contract that outlines the code of conduct that should be demonstrated by all Members (fans) present in the arena. This fan code of conduct has been updated and effective as of March 6,2020. This implies that this fan code of conduct is constantly updated to remain relevant based on the fan related issues that they have experienced in the arena. The clause begins discussing MLSE's intentions behind providing a fan code of conduct. It states that MLSE wants to provide a "safe, comfortable, and enjoyable experience for fans and guests". This code of conduct applies to all fans and guests who attend games at the Scotiabank Arena and the Coca-Cola Coliseum. Additionally, the code of conduct will create an atmosphere where all who are at the arena will treat each other with respect and consideration. This means

that unsafe, abusive, unlawful, or offensive actions/words (conduct) will not be permitted in both arenas. This conduct includes, but is not limited to the following:

- All smoking (including electronic cigarettes and vaporizers) that is done outside of designated smoking areas
- Any form of violence, fighting, threatening, taunting, physical or verbal abuse towards others in the arena
- Any gestures or speech that is abusive, sexist, racist, or offensive
- Any behaviour that is disruptive, harmful, or disorderly (ex./ if family members are arguing loudly amongst themselves)
- If any guest is sitting at a seat that is not specified on their ticket
- If a guest does anything that disrupts the Raptors game or the event in its entirety
- If any objects are thrown by a guest onto the basketball court, during the games and performances
- If guests are intoxicated or show any signs of impairment related to consuming alcohol or drugs
- Guests that bring alcohol that they bought outside the Venue
- Guests that engage in any unauthorized commercial activity
- If a guest refuses to follow instructions given from staff relating to Venue policies, or emergency response procedures
- And if a guest does anything that Venue officials feel is compromising the safety of fans or staff.

If guests of the arena do not follow this code of conduct will receive consequences that will be decided by the MLSE. These consequences may include being removed from the venue, losing entry privileges, being arrested, and being banned from any or all MLSE facilities.

Season ticket members and suite holders must know that they are responsible for the actions of anyone who is using their tickets. If whoever is using their tickets violates the fan code of conduct they may lose their season ticket membership or suite holder privileges. This also applies to Toronto Maple Leafs, Toronto Raptors, and Toronto Marles season ticket members. However, since this is a contract for Toronto Raptors season tickets, only Toronto Raptors ticket members are relevant to the reader of this contract.

If anyone tries to enter the venue with bottles, coolers, and containers from outside they will be confiscated. Before attending games, Members should consult the Venue's website to determine what size of bags, purses, and backpacks is allowed inside the Venues. This is because MLSE has the right to refuse bags, purses, or backpacks that exceed a certain size. In general, MLSE has the right to not allow any items that they feel will prevent others in attendance at the game from enjoying the event.

Since Venue staff are trained to provide safety and comfort to all guests, it is encouraged that guests report any violation of the code of conduct (or any behaviour that is inappropriate) to either an usher, security guard, or fan services staff member.

The final clause of Schedule B is a thank you message from MLSE to the reader of this contract for following the code of conduct outlined in this section of the contract. MLSE then expresses that guests respecting the code of conduct will make the event “special and memorable to you and your fellow guests.” The inclusion of this clause is likely to increase the likelihood of Members following the code of conduct, as they would feel that they are being appreciated and recognized for doing so.

This section also includes a footnote at the end of it that explains that anyone that engages in any threatening and/or abusive behaviour towards fans, players, officials, or staff members will receive penalties for their behaviour. Such penalties will be enforced even if the abuse happens online, by telephone, or through social media, at a time outside of any scheduled basketball events.

Schedule C

The final section of this contract includes a list of seven disclaimers that are found on Members current ticket invoices. The following disclaimers may apply to the reader of this contract.

1. Seat Relocations: Members seat location may be changed during the 2020 playoff season as well as during any game during the 2020-2021 playing season. Members seats can be relocated because of various league requirements and/or rules. If a Members seat needs to be relocated, MLSE will do their best to relocate you based on the seats that are available at that time.

2. Accessible Seating Relocations: This disclaimer applies to all Members who have purchased seats that are located in an accessible seating area of the arena. MLSE has the right each game to relocate Members who are seated in this area, but only Members that do not have accessible needs. If a Members seat must be relocated, MLSE will relocate Members to other available seats.
3. NBA TV Broadcast Relocation: Since NBA games are publicly broadcasted Membership seats may be relocated for camera placements or other broadcasting requirements for the 2020-2021 NBA playing Season. This also includes the 2020 NBA playoffs Season. If a Member must be relocated because of broadcasting related requirements MLSE will do what is within their ability to find Members another available seat.
4. Courtside Relocations: This disclaimer is similar to disclaimer #3, but it relates to Members who have seats located in the courtside south section of the arena. Due to NBA broadcasting requirements related to camera placement and other obligations, Members' seats may be relocated to other available seats. This disclaimer is applicable to the 2020 playoff Season, as well as the 2020-2021 playing Season.
5. Membership Benefits: This disclaimer is about Membership benefits, how long Members can receive these benefits, and how these Membership benefits can be taken away. Additionally this disclaimer addresses Members who are using their Membership tickets for personal and hospitality purposes. Firstly, Members can receive benefits during the 2020-21 NBA season. These benefits may include preferred pricing, flexible payment options, and other member gifting opportunities. Secondly, MLSE has the right to

remove certain Members benefits at any time if these tickets are not being used for personal/hospitality purposes, but mostly being resold.

6. Identified Ticket Broker: If Membership tickets are mainly being resold and not used for personal purposes then the Member will no longer be allowed to receive certain Membership benefits. Some Membership benefits include preferred pricing, flexible payment options, commemorative stock tickets, and other member gifting opportunities. If Members feel that the MLSE has made a mistake in removing their Membership benefits, they can contact MLSE at (416) 366 3865 or TicketResale@MLSE.com.
7. Entry to Platinum Lounge/Club: The final disclaimer of this contract, discusses who can enter the Air Canada Signature Club (ACSC), which is located in Section 108. The disclaimer states that the ACSC is only available to ACSC members. This means that the Section 108 entry way, and all other designated ACSC areas are not accessible to non ACSC members.

Application of Legal Principles

The first legal principle that relates to this document is the term negotiation. Negotiation is a form of an alternative dispute resolution, where problems can be solved between two parties through discussion, so that an agreed upon solution can be determined. The concept of negotiation relates to the sixth disclaimer found in Schedule C, which states that if Members feel that the MLSE has made a mistake in removing their Membership benefits, they can contact the MLSE. By resolving this issue, this results in members and the MLSE communicating to resolve what might have been wrong on the part of the MLSE. Also, this would not require the presence of a lawyer.

The second legal principle that is applicable to this contract is public law, which is a classification of law that regulates situations between people and the government at all levels. For example, the fan code of conduct in Schedule B states that guests can be removed from the arena if they are intoxicated or show any signs of impairment related to consuming alcohol or drugs. Therefore, if a guest is found to be intoxicated at a game this may end up in the guest being charged for public intoxication, which is a matter that would be resolved in public law.

The third legal principle is private law, which involves legal matters that are between people, and even includes contract law. Since this is a contract, it is an example of contract law, which is a part of private law as it is an agreement between two parties: MLSE and the Members who sign and agree to the contract.

The fourth legal principle that relates to this contract is the one of administrative law.

Administrative law deals with the procedures and rules, and regulation of many public agencies. For example, administrative law has a major effect on businesses in Canada as they must apply for a liquor license in order to serve alcohol. Since alcohol is served at Toronto Raptors games (as mentioned in this contract) the MLSE would need to apply for a liquor license with the province of Ontario in order to legally do so.

The fifth legal principle is the third step in risk management, which is to devise a risk management plan. The objective of step 3 in the risk management plan is to avoid and eliminate risk, reduce risk, and transfer the risk away to another party. This concept is displayed in the contract by including disclaimers such as the one found in Schedule A in clause 5, which states that the holder of any ticket is assuming all risk and danger of injury and even death, MLSE as well as the NBA is transferring a lot of risk off of themselves and onto Members who have signed the contract.

The sixth term involves the term corporation. A corporation is a distinct legal entity in law that can assume its own obligations. In the context of this contract, both the NBA and MLSE are

corporations. This contract plays a vital role in legally protecting the corporation, while also contributing to keeping shareholders happy since this contract helps operations run smoothly.

The seventh term involves the term franchise. A franchise is an agreement that is made where the owner of a trademark or trade name gives permission to sell a product or service under that trademark or trade name. This contract has been designed to sell a season ticket package to see the Toronto Raptors, which is considered a franchise. This is since each team in the NBA is a franchise.

The eighth term involves the term negligence. Negligence is a type of tort that is the result of a business or person's careless or unreasonable conduct that causes harm to someone. In this contract, MLSE waives all responsibility for any risks and dangers that might be incurred, even if it is caused because of MLSE's negligence. By including this statement, MLSE has benefits by protecting themselves from many potential court cases that would have arisen from claims of negligence, while Members are at a disadvantage when making a claim in court.

The ninth legal principle is duty of care. Duty of care is a term used to describe the responsibility that one owes to another to avoid careless actions that are likely to harm others. One example where MLSE demonstrates a duty of care is by providing a "Fan Code of Conduct", which is located in the Schedule B section of the contract. By providing a list of behaviours that can cause harm and taking action when fans/guests engage in this behaviour, this demonstrates that they are taking reasonable efforts to provide a safe environment for those in attendance at the Venue.

The tenth legal principle is the voluntary assumption of risk. The voluntary assumption of risk is one of the defences to contributory negligence, and means that if one is being sued for negligence, the defendant does not actually accept the liability since there is evidence that the plaintiff accepted the risks of the activity. When a Member signs this contract they are accepting many risks like the risk of any harm/abuse that may occur in the arena, thus protecting the MLSE.

The eleventh legal principle involves the concept of agency. In an agency, the agent acts on behalf of the principle who has given the agent their permission. Some parallels can be drawn between agency relationships and this contract. This contract states that if a Member loans their tickets to someone else, then they are responsible for conduct of that person. This relates to how an agent (person borrowing tickets) is expected to behave in a way that is instructed by the principal (Member) in order to avoid many unnecessary problems.

The twelfth legal principle involves Legal Rights that are found in the Charter Rights and Freedoms. One Legal right is that everyone has the right to not be unreasonably searched, or have their possessions taken from them. In this contract, it states that the MLSE will search purses, and bags before Members enter the Venue. This is an example of a reasonable ground for search, since the MLSE is conducting the search to ensure the safety of everyone in the Venue.

The thirteenth legal principle involves Equality Rights, which are also found in the Charter of Rights and Freedoms. The purpose of Equality Rights is to ensure that every individual is treated equally in all aspects surrounding the law, regardless of their race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. This contract displays that the MLSE has made some efforts to create an atmosphere of equality by prohibiting any gestures or speech that is abusive, sexist, racist, or offensive.

The fourteenth legal principle is the tort of trespassing. Laws against trespassing protect the possession of land, and someone is a trespasser if they enter a property without the occupier's consent. For example, if a Holder does not want to agree to being searched, then they will not be able to enter the arena. Any Members that still try to enter the arena is now a trespasser since they are no longer allowed onto the premises.

The fifteenth legal principle involves PIPEDA, the Personal Information Protection and Electronic Documents Act. PIPEDA is a law that requires businesses to sufficiently protect their customers' personal information. As stated in the portion of the contract discussing payment plans, Members are to pay with credit cards and cheques, which hold a lot of sensitive information. In accordance with PIPEDA, the MLSE must adequately protect the payment information of its Members. If not, the MLSE could potentially be subject to hefty fines.

The sixteenth legal principle is pure economic loss. Pure economic loss is one of the ways in which the extent of damage done as a result of a defendant's actions can be explained. In this case

the damage involves financial loss that results from negligent acts. This legal term can be linked to the previous principle of PIPEDA. For example, if the MLSE doesn't adequately protect customers payment information, and customers end up having their money stolen, then they can use pure economic loss to sue for torts in court.

The seventh legal principle involves the term consideration, which is one of the ingredients of contract that describes that each party involved in the contract must give up something of value as well as receive something of value. In this contract, the MLSE is providing Members with a season ticket package, and Members are providing money to the MLSE for these season ticket packages.

The eighteenth legal principle involves the two parties to a contract. One party is the offeror, which is the party that offers the contract, and the other party is the offeree, which is the party to whom an offer is made. In this contract, the Member is the offeror since they are the party that initiated the transaction, and the MLSE is the offeree since they are the party receiving the offer to purchase season tickets from Members.

The nineteenth legal principle is the concept of an invitation to treat. An invitation to treat is not the same thing as making an offer, rather it is about inviting ones into making an offer. For example, if a potential Member were to receive a promotional offer for a Toronto Raptors season ticket package, and was then wanted to purchase a package, then the promotion in this case would be an invitation to treat from the MLSE.

The twentieth and final legal principle that contracts must be voluntary. This means that the agreement made in the contract must be made without coercion or other unfair influences like blackmail. Rather it should be made because both parties genuinely want to make the agreement. Since Members must seek out a season ticket package to purchase and by doing so will agree to the terms and conditions, this displays that the agreement was made voluntarily.

Problem Scenarios

Problem Scenario #1

This section of this term paper outlines various potential real-life problem scenarios that can occur in relation to purchasing season tickets to a Toronto Raptors game. It will be outlined how these problems would potentially be dealt with in a legal manner. The first problem scenario involves a Member who has purchased a Toronto Raptors Membership package (with the annual payment plan) after they had won the NBA Championship last year in 2019. This was the first time the Toronto Raptors had ever won the NBA Championship, and many believe they wouldn't have without some key star players. During the 2020-21 Season, two of the star players got injured and weren't able to play for the rest of the season. As a result, this Member is very upset that the Toronto Raptors do not have two very important players on the court, making it less likely for them to win the Championships or even make it to the playoffs this Season. Additionally, the Member feels that this will affect their enjoyment of the game. Therefore, the

Member would like a significant discount on their Membership package, or they will be suing the MLSE.

In this situation, the contract offers various statements that can defend them from the Members threat to sue, as well as prevent them from granting the Member with a discount. In the contract, it states that both the Toronto Raptors and the NBA have the right to modify games. It also states that, any aspect of the rules, presentations and operations of NBA games can be changed. If players are not playing, this can be seen as a modification or change in operations to the game. This means that by agreeing to the contract the Member also agreed that games may be different to what they expected. Another clause states that all payments are non-refundable. This means that since the Member paid for the entire season with the annual plan, they are not legally entitled to receive any of their money back.

Problem Scenario #2

The second problem scenario involves an elderly Member that is seated courtside at a Toronto Raptors game. During this game, while a player is making a shot, the ball is blocked by the opposing team. The result of the ball being blocked is that it hit the Member in the face, resulting in serious head, face, and neck injuries. The Member is very upset that they were hit and would like to sue the NBA, and the MLSE because they feel that they should have had more protections set up near the court in order to protect spectators who were seated courtside.

In this scenario, the Member would not be able to present a winning case as they accepted all risk and danger of injury and even death, whether it was caused by negligence or not (Schedule B, clause 5). This means that when the Member signed this contract, they were agreeing to the risk of having a basketball hit them, as well as any injuries that were obtained from the incident. Additionally, since the Member feels that the NBA didn't take enough measures to ensure that courtside spectators were protected, this claim can be defended against by the MLSE since they included the phrase "whether it was caused by negligence or not". Moreover, being hit by a basketball while sitting courtside is a reasonably foreseeable consequence for the Member, and it was not a freak accident on the part of the MLSE or the NBA. While it is extremely unlikely that the Member would win in this court case, the MLSE might cover their hospital costs and give them gifts or other pleasantries. This is since the MLSE is a corporation that has shareholders and stakeholders, so making considerate efforts to please the public after this upsetting incident is in their best interest.

Problem Scenario # 3

The third problem scenario involves a ticket Member loaning his ticket to their friend. At one particular game, a Member was not able to attend the Toronto Raptors Game that was scheduled in the middle of the playing Season. While the Member's friend was at the game they got into a physical fight with another guest that was cheering for the opposing team. The fight ended in the Venue's security guards removing the Member's friend from the arena. As a result of the friend's conduct, the MLSE decided to remove the Member's season ticket membership package. The Member feels that their season ticket membership was unjustly removed, and the MLSE

shouldn't have removed their membership, since they didn't do anything wrong, rather it was their friend that engaged in the fight and not them.

In this scenario, the contract includes various clauses located in the Schedule B section that can be used to support MLSE's decision in revoking the Members season ticket package. The contract states that Members are responsible for the conduct of anyone who's using their tickets. This clause continues on to state that if whoever is using their tickets violates the fan code of conduct, then they may lose their season ticket membership. This is applicable to this scenario because the Member's friend directly violated a fan code of conduct, which states that any form of violence, fighting, threatening, taunting, physical or verbal abuse towards others in the arena is prohibited. In this case, the best that the Member can do is try to negotiate with the MLSE in order to come to an agreement. Negotiation may work to convince the MLSE to make an exception for the Member, or to provide the Member with a refund.

Problem Scenario # 4

The fourth and final problem scenario involves a Member who feels that they have been racially abused while attending a Toronto Raptors game. While attending the game, the Member, who is a black man experienced another fan yelling racial slurs at him. The Member claims that they were located near some of the Venue's ushers. The Member also believes that the fan was being loud enough for those ushers to hear, however no action was taken by the ushers and they allowed the racist fan to continue to yell racial slurs without addressing him or removing the fan from the arena. As a result, the Member feels that the MLSE failed to take proper action when he

was being racially abused. He also feels that the ushers in the venue (who represent MLSE and its values) showed compliance toward his racial abuse and therefore played a role in supporting the racist fan.

In this scenario, the clauses in the contract display that if the Member chooses to take matters to court there is a strong chance that they will be victorious. In Schedule B under the “fan code of conduct”, it states that the MLSE will not prohibit actions including any gestures or speech that is abusive, sexist, racist, or offensive. This section of this contract further expresses that if guests of the arena do not follow this code of conduct, they will receive consequences which may include being removed from the venue, losing entry privileges, being arrested, and being banned from any or all MLSE facilities. In this same section, in a footnote, the contract continues to state that any abusive behaviour directed towards fans “will be subject to sanctions”. The fact that the employees who work for MLSE witnessed the fan’s racist behaviour and took no action in enforcing any of the possible consequences suggests that MLSE does not seriously abide by their own contractual obligations, and/or see racially charged altercations as a priority. Additionally, by not creating a safe space for all races the MLSE has violated section 15 of the Canadian Charter of Rights and Freedoms by not providing protection in their facility for a black man. Moreover, if this story makes it into the press, MLSE will receive very negative PR, which will affect their bottom line as investors may choose to pull their funds. It is in MLSE best interest to deal with this matter as soon as possible, by offering a formal apology and subjecting the racist fan to any applicable sanctions.

Recommendations

After reading and thoroughly examining this contract there are a number of lessons that have been learned. If the reader of the contract does not have a legal background, it is especially important to fully read the entire contract. This is because these contracts are filled with many unfamiliar phrases that at times must be broken down and interpreted. For example, this contract made by the MLSE includes terms like sole discretion, and notwithstanding, which are legal terms that are not said in everyday english. Since contracts are agreements, fully understanding the contract that you are reading is very important because you must know what you are agreeing to. By understanding what you are agreeing to, you will understand all the risks associated with doing so, such as any harm that you may incur. For example, as depicted in the second problem scenario, this contract waives all liability of any risk, harm or even death. This can help in determining if you feel the potential consequences are worth the enjoyment that you will receive by being a Toronto Raptors Season Ticket Member.

Moreover, it has been learned that fully reading contracts allows the readers to understand what they are committing to, what their obligations are, and what the potential consequences are of them signing the contract. In this contract, it is clear that potential Members are not simply agreeing to purchase a season ticket package, they are also agreeing to follow a code of conduct while they are in the venue, to taking accountability for the actions of who they loan their ticket to, to having their bags searched before entry, to potential seat relocation, and many other commitments. If a Member fails to uphold their commitments then the MLSE has the authority to act on the consequences outlined in the contract, such as removing membership packages, or even imposing fines through sanctions. Contracts also indicate what the creator (offeree) of the contract is agreeing to as well as what they are committing to. In this contract, MLSE must uphold their own commitments, which includes not permitting unsafe/abusive actions in the arenas, refunding Members if games are cancelled, and providing notices at least 30 days in advance before renewal dates. Overall, I learned that contracts with terms and conditions such as these, are very important in regulating the affairs between the offeree and the offeror of the contract. When both parties are knowledgeable of their responsibilities/obligations then this will promote safety, efficiency, and avoid legal issues.

Additionally, by creating problem scenarios readers can anticipate what the outcome of various events would be based on the clauses found in this contract. Firstly, the problem scenario with the Member who had their Membership taken away because of the conduct of their friend, displayed that Members are in fact responsible for the conduct of whoever they loan their ticket to. This showed that a ticket is a very important license that represents the Member, even in the

Member's absence. Therefore, all Members must also thoroughly inform the guests, who are using their ticket, on the terms and conditions. This is also a lesson to be very cautious on who you allow to use your tickets, since the contract is signed and agreed upon by the Member. In general, individuals must always be careful about who they allow to act on their behalf especially when the circumstances involve a binding contract.

Another lesson learned through the application of problem scenarios is that when a reader of the contract agrees to a contract, they may also be agreeing that changes can be made on the part of the business that proposed the contract. This means that a reader of the contract, prior to signing, must always look for any clauses that suggest that the circumstances surrounding the agreement may change. Readers must also work out possible changes that could play out relating to the agreement. In regards to this Toronto Raptors Membership contract, readers must accept that aspects of the event may change, such as the length, the players on the court, the performances at halftime etc. Essentially, one should only agree to a contract if you would also agree to potential modifications that may occur.

The final lesson learned through the application of problem scenarios is that those who sign contracts must be educated on the obligations of the company who is providing the terms and conditions. This way, consumers will be able to identify when companies have failed to uphold their commitments. I do not advise that MLSE change the clause that states that they will those who are abusive and threatening towards fans, players, officials and staff, as it is a clause that displays MLSE as being committed to protecting their Members.

From the perspective of the Member, I would advise that they sign this contract. This is because the benefits outweigh the negative outcomes that can result from signing the contract. For example, in this contract you are agreeing to clauses such as having your bag searched, which may make one feel that MLSE is infringing on their privacy, but it promotes the safety of Members while they are in the arena. Additionally, I advise that they sign this contract if they are willing to abide by all of the arena policies, not engage in any conduct that violates the terms and conditions, and accept any risks associated with attending this NBA event. From the perspective of MLSE, this contract will benefit them as they have included many clauses that reduce their liability. For example, by not assuming any risks and dangers associated with personal injury and even death, and not being liable for incorrect billing statements, MLSE has used this contract as a powerful way to manage risk. Additionally, this contract benefits MLSE's bottom line because by avoiding risk, they are avoiding many potential lawsuits that would cost them a lot of money.

Contract Attached

The Contract:

<https://www.mlse.com/terms-and-conditions-relating-to-toronto-raptors-membership-packages>