



## SPORT | Issue No. 6 | *What has really happened with the Titans?*

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As a sports lawyer I look curiously at the press announcements in relation to the Gold Coast Titans Rugby League Football Club and headlines such as (on the NRL site) “NRL Takes Control of Gold Coast Titans”. The content goes on to say a range of things:

- “The NRL today took control of the Gold Coast Titans Rugby League Football Club.”
- “The Club has been placed in voluntary administration by the Directors after conceding the Club could no longer continue to meet its financial obligations, including staff and player salaries.”
- “The NRL have therefore decided to terminate the Club’s licence and take over the running of the Titans itself.”
- “The only difference for Titans fans is that they will have security in knowing their team has a long term future on the Gold Coast.”
- “In very difficult circumstances the Board has made a great contribution, we (NRL) look forward to continue to work with them to stabilise the Club.”

These comments are all quite incongruous. The legal entity is a company which has been put into voluntary administration and accordingly the voluntary administrators, who I understand are Robert Moodie and Gareth Parker are in control for the time being.

If the NRL has in fact terminated the Club’s licence and that licence entitles the Club to participate in the NRL competition one wonders how the Club can then participate in the competition?

The Board, whilst remaining in place, has no authority to deal with the Club whilst in voluntary administration. That authority now vests in the voluntary administrators. The NRL is not in control of the company i.e. the club.

There are other conflicting press reports to say that the NRL has taken over the shareholding of the company. This could only have occurred at this stage if the shareholders had transferred their interest and it is not clear as to whether or not that has occurred as yet.

The CEO is subject to direction from the voluntary administrators and the Club can only come out of voluntary administration via returning to solvency by paying all of the creditors 100 cents in the dollar or by entering into a deed of company arrangement with the creditors accepting a lesser amount.

The NRL may be holding all the cards but the voluntary administrators are holding the reigns.

One wonders where it went wrong for the Titans. Was it a failing of governance or just a commercial failure.

This sort of stuff doesn’t make for easy headlines and perhaps is only interesting to us lawyers. Ultimately the NRL will most probably be in control of the Titans but I can’t see that is the legal position today.



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