

With all the discussion about trades and free agents, I thought I would offer some housekeeping so that everyone can understand what can and can't happen in regards to trades and free agents in the NBA.

**First.** A team cannot just take and trade an unrestricted free agent to the team of their choice. The free agent has to want to go that team, has to agree to the trade and fully work out contract terms with that team. So whether it was Steve or anyone else, before any trade to a team could be worked out, the free agent would have to negotiate and agree on a deal with the destination team. In essence this is the equivalent of a no trade clause. The free agent is just that, and can choose to go or not go to a team.

**2nd.** If a team signs a free agent or a rookie, that player cannot be traded till the 15th of December. So we can't sign a free agent from another team and immediately trade the player. Nor can we trade Devin Harris or Marquis Daniels for example.

**3rd.** In trades, if the teams exchanging players are over the cap (and the Mavs are), then current year salaries exchanged must be within 15pct plus 100k dollars of each other. So if the Mavs trade a player who makes 1mm per year, we can take a player, or players, whose total salaries in the current year equal \$1.25mm. That breaks down as 1mm plus 15pct of 1mm plus 100k. Rights to players or draft picks who are unsigned do not add any monetary consideration to the totals.

If one or both of the trading teams are under the cap, they may receive a player up to the amount of their cap room without giving up equal salaries. If a team is at or over the cap, they must adhere to the above rules

**4th.** If you acquire a player in a trade, you may trade that player straight up for another player immediately. If you wish to package that player with another and make a trade, you must wait 60 days.

**5th.** In a sign and trade deal, the deal must be for at least 3 years, and the first year MUST be guaranteed, the next 2 or more years do not have to be guaranteed.

**6th.** If a player is part of a sign and trade, and that player receives more than a 20pct increase in salary, that player is considered a base year player. When a player is considered a base year player, the team can only take back salaries equal to 1/2 of the current year salary of the base year traded, or 120pct of the previous year salary (whichever is higher)\* if that player is traded to a team at or over the cap. If the player is traded to a team under the cap, base year does not apply.

The reason for this rule is to prevent teams with a player's bird rights (the ability to pay a player any amount up to the max) from offering a player an inflated deal with only 1 year guaranteed in order to get a higher priced player from a team that may be trying to dump salary.

So for instance, if we wanted to do a sign and trade with a player whose salary jumped from 4mm to 8mm dollars, we would only be credited for 4.8mm in salary for that player in the trade. We would then add the 15pct plus 100k to the 4.8mm, meaning we would be able to take back a player making \$5.62mm. This would make it impossible to do a 1 player for 1 player deal. We would have to make the deal bigger or bring in more teams in order to make the deal work.

Making up the base year trade penalty is why you see trades get very big when there is a player included who is receiving a big raise.

**7th.** There are 3 exceptions available to teams that are over the cap. (If a team is under the cap, they may not use the exceptions.)

a. The mid-level exception. This allows teams to sign a player to a 6-year deal with a starting salary that is the average salary of the entire league. If the player is your own player, you can offer up to 12.5pct increases. If the player is from another team, you can offer 10pct increases. Increases are based on the first year of the contract. So a 5mm dollar contract with a 10pct increase, increases 500k per year. A 12.5pct increase would be 625k per year.

b. The 1.6mm dollar exception. This can be a 2-year contract only and a team can not use this 2 years in a row. If you use it one year, you do not have it available the next.

c. The minimum salary exception. A team can sign as many minimum salary players as they have roster slots for.

**8th.** 99pct of deals that you read about were never proposed, and 99pct of the deals that are proposed never happen.

**9th.** You will never hear me, or anyone in the Mavs comment on rumored trades. I learned my lesson the hard way about this when I first got into the league. I was playing basketball with a friend, and we had a trade about to go down with another team. I told some of my buddies at the gym about the trade. They told some people, the next day we were reading about the proposed trade in the paper. The other team got very upset and killed the deal. Lesson learned.

This is why prior to our deals, like the deal with the Wizards for the #5 pick, or last summer's trades, you never heard a word about the deals prior to them happening. Those trades caught everyone by surprise and so will anything else that we do.

**10th.** Watch the [American Century Championship](#) on NBC this weekend. I will be auctioning off my incredibly poor caddying services to the highest bidder, with all proceeds from this and other great auction items going to the [Fallen Patriot Fund](#).

**Hopefully this helps provide guidelines for fans.** I realize that it is still somewhat technical in nature, but these are the basic rules for making trades.

If anyone out there knows Sam Smith, please provide him with a copy of these rules since he obviously has no idea how the trade rules work.

\*there are some exceptions to this, but not worth listing, this is a good rule of thumb.