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**BEFORE THE
STATE ATHLETIC COMMISSION
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Arbitration of the Contract
Dispute Between:

Case No.

STEVEN FEDER

**DECISION AND ORDER OF THE
ARBITRATOR**

Manager,

and

JOSE BENAVIDEZ

Boxer.

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INTRODUCTION

On February 5, 2019, the above-captioned matter came before the Executive Officer for the California State Athletic Commission (hereinafter "Commission"), Andrew Foster, duly appointed by the Commission to arbitrate the dispute between Jose Benavidez, Jr. (Boxer) and his manager Steven Feder and Co-Manager Bradley Gann (collectively "Manager"). This arbitration was convened at 2:00 p.m. via telephone at the Office of the Attorney General, 600 West Broadway, Suite 1800, San Diego, CA 92101, pursuant to written notice to all parties and mutual consent. (*See* Notice of Arbitration). Attorney David A. Garcia participated and appeared for Boxer via telephone. Manager appeared via telephone without counsel. All evidence submitted by either party was received without objection and incorporated into the record.

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JURISDICTION

Business and Professions Code section 18600, et seq. provides for the administration of the Commission as the regulator of Boxing and protector of the public.

Code section 18613 provides, in pertinent part:

(a) (1) The commission shall appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the commission and vested in him or her by

1 this chapter. The appointment of the executive officer is subject to the approval of
2 the Director of Consumer Affairs.

3 Code section 18855 provides:

4 The commission shall recognize and enforce contracts between boxers or
5 martial arts fighters and managers and between boxers or martial arts fighters and
6 licensed clubs. Contracts shall be executed on printed forms approved by the
7 commission. The commission may recognize or enforce a contract not on its
8 printed form if entered into in another jurisdiction. No other contract or agreement
9 may be recognized or enforced by the commission. All disputes between the
10 parties to the contract, including the validity of the contract, shall be arbitrated by
11 the commission pursuant to the provisions of the contract. Subject to Section 227
12 of Title 4 of the California Code of Regulations, a person who seeks arbitration of
13 a contract shall send a written request to the commission's headquarters and to the
14 office of the Attorney General. The commission may seek cost recovery related to
15 arbitration proceedings from the parties subject to the proceedings.

16 The Commission may license boxers, managers, and promoters. (See Bus. & Prof. Code
17 §§ 18640 [license required to promote or participate in boxing contest or match], 18642 [license
18 required for boxer and manager].)

19 Under Business and Professions Code section 18628, a manager may be a person who: (a)
20 has an agreement or arrangement to represent in any way a boxer's interests in procuring,
21 arranging or conducting a contest; (b) directs or controls a boxer's boxing activities; (c) receives
22 or is entitled to receive more than 10% of a boxer's gross purse from a contest; or (d) is an
23 officer, director, shareholder or member of an organization that receives or is entitled to receive
24 more than 10% of a boxer's gross purse from a contest.

25 THE CONTRACT

26 In furtherance of his profession, Boxer entered into a written Boxer-Manager Contract with
27 Manager on or about March 7, 2013. Boxer and Manager had a previous arbitration on March 7,
28 2018, but came to an agreement without the need of intervention with a final decision from the
Arbitrator (the Settlement). The relevant portions of that settlement provide that "Boxer will pay
his Silent Manager the agreed upon fees of 16 2/3% for the next three bouts, which includes
purses and any monies received from Top Rank Promotions, regardless of when the fights occur,
it does not include rooms, per diem, flights or any noncash payment paid by Top Rank to the
Boxer for his fight appearances."

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1 **THE DISPUTE**

2 Boxer entered into an agreement on August 3, 2018 with Top Rank Inc. regarding a boxing
3 contest with Terence Crawford to be held on October 13, 2018 (Bout Agreement). In the Bout
4 Agreement, Compensation was stated of a purse of \$350,000 which is not in dispute. The Bout
5 Agreement also provided for "\$75,000.00 non-recoupable training expense payment" and another
6 \$75,000.00 in exchange for an extension of the previous promotional rights agreement (a "signing
7 bonus"), for a total of \$150,000.00 in addition to the named purse. Boxer agrees that the
8 \$350,000.00 was an earned purse and subject to the 16 2/3% fee to Manager, which he paid by a
9 check for \$58,333.00 to manager. Boxer disputes that the additional \$150,000.00 is subject to the
10 terms of the settlement agreement with Manager and claims the \$150,000.00 are "noncash
11 payments" as provided in the Settlement. Boxer claims that he had already spent a portion or all
12 of the training allowance before he received the \$75,000.00, and therefore it was not payment
13 received, but reimbursement for expenses already paid and not subject to the Settlement. Manager
14 claims that the additional \$150,000.00 is also subject to the agreement, and therefore an
15 additional \$25,000.00 is owed from Boxer to Manager (16 2/3% of \$150,000.00).

16 **DISCUSSION**

17 The Settlement is very clear. "Any monies" means exactly that: all monies paid by Top
18 Rank Inc. to Boxer were subject to the Settlement. The noncash payments mentioned were for
19 incidental expenses akin to a few nights in a hotel room, or flights, meals, or other miscellaneous
20 travel expenses. Boxer asserts that the \$150,000.00 in compensation for training or a signing
21 bonus from Top Rank Inc. should not be part of "any monies."

22 Boxer claims that he spent more than \$75,000.00 on medical bills before signing the Bout
23 Agreement, which is why the training expenses are included in the contract, and therefore the
24 \$75,000.00 should be outside the Settlement. Though the Bout Agreement makes no such claim
25 about medical bills, even if it did, this difference would be irrelevant. There is no exemption for
26 medical bills in either the Settlement Agreement or the Bout Agreement. Boxer gives no plausible
27 explanation for why the second \$75,000.00 for the signing bonus should be exempt from the
28 Settlement. Top Rank Inc. paid \$500,000.00 to Boxer for the Bout that is covered by the

1 Settlement. It makes no difference that monies were earmarked for a particular purpose, the
2 Settlement clearly states that not only purses but “any monies” are included. Boxer asks the
3 Commission to find that the \$150,000.00 is not included in the plain meaning of “any monies.”
4 The Commission finds that the plain meaning of “any monies” includes the \$150,000.00 received
5 for training purposes and the signing bonus for a total of \$500,000.00. Therefore, the Commission
6 finds that Boxer owes Manager his commission on the \$500,000.00 Boxer was paid for the bout
7 in question. Since both parties have satisfied their obligations on the first \$350,000.00, the
8 Commission orders that the Boxer pay 16 2/3% of the outstanding \$150,000.00, or \$25,000.00 to
9 his manager forthwith.

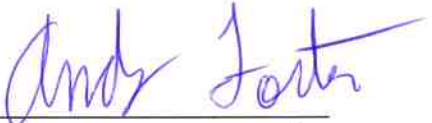
10 **ORDER**

11 WHEREFORE, THE FOLLOWING ORDER is made:

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13 Boxer shall pay Manager \$25,000.00 forthwith.

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15 This decision shall become effective on 2/21/2019.

16 DATE:

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18 Andy Foster, Executive Officer
19 Arbitrator
20 California State Athletic Commission
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