BEFORE AN ARBITRATOR STATE ATHLETIC COMMISSION STATE OF CALIFORNIA

In the Matter of the Arbitration of Contract Dispute Between:

CLEOTIS PENDARVIS, Boxer

and

ADRIAN GARCIA, Manager.

Case No. 082707-2

DECISION OF THE ARBITRATOR

The above captioned arbitration matter came on regularly for hearing before

June Collison, Chair of the California State Athletic Commission, the Arbitrator duly
appointed by the Commission. The matter was convened at 10:00 a.m. on August 27,
2007 at the Office of the Attorney General in Los Angeles pursuant to written notice to
all parties. Karen Chappelle, Supervising Deputy Attorney General acted as counsel to
the Arbitrator. Cleotis Pendarvis, Licensed Boxer (Hereinafter "Boxer") appeared and
represented himself. He was present with witnesses Jose Reyes (trainer) and Sergio
Cornejo (trainer). Manager Adrian Garcia (Hereinafter "Manager") was present and
assisted by William Torres, a licensed cornerman. Both parties were prepared to
proceed. Based upon the Notices to the parties, the testimony of the parties and other
witnesses under oath, receipt of documents in evidence and upon taking official notice
of the records and proceedings of the California State Athletic Commission and

following submission by the parties of oral arguments on the evidence and due consideration thereof, the Arbitrator now makes the following:

FINDINGS OF FACT

- 1. Both Boxer and Manager were at the time of the making of the Boxer/Manager contract, which is the subject of this arbitration, both licensed by the Commission. Boxer and Manager are currently licensed in California.
- 2. On June 5, 2006, Boxer and Manager appeared before an official of the Commission in Los Angeles and executed a standard boxer/manager contract, the term of which was five (5) years. The contract was approved by the Commission on or about July 1, 2006.
- 3. In or about December 2006, Manager requested arbitration of the contract pursuant to Section C.4 of said agreement, citing multiple violations of either laws or regulations of the Commission, and requested that the Commission withhold his percentage of a fight on December 8, 2006.
- 4. Thereafter Boxer also requested arbitration and the matter was set for hearing by written notice.
- 5. Boxer is currently 21 years old and has an overall record of six wins and one loss with two of his wins by knockout and one by draw.

 During the course of his contract with Manager, Boxer has had five bouts and was the winner in four of them.

Boxer testified to his dealings with Manager. Boxer met Manager in 2005, but has known Will Torres since Boxer was 14 years old. Will Torres took Boxer to Manager to advance his career.

Boxer testified that he began training in November 2006 and trained six days a week. He maintained that Manager turned down 8 fights. Boxer said he wants out of the contract because he has not been paid since October 2006. (Ex. A: Request for Arbitration)

In May 2007, Boxer approached Manager and asked to get back together. Manager agreed and set up a sparring session. No further fights were scheduled. Boxer maintained that he dutifully trained according to schedule, but Will Torres was a problem and they did not get along well together. Boxer said he can get along with Manager, but Manager delegates all day- to- day dealings with Boxer to Will Torres, and that situation does not work.

Manager then testified to his work with Boxer. Manager testified that he also requested arbitration. (Ex. 1) He indicated that he had diligently tried to work with Boxer, but that Boxer was not cooperative. Manager held up his end of the Boxer/Manager contract by paying Boxer and paying Boxer's expenses. (Ex. 2 Expense Sheet). Exhibit 2 is a 12- page document that chronicles the expenses paid by Manager on Boxer's behalf in accordance with the terms of the contract, which includes the payment of a \$1,500 signing bonus in March 2005, payment for Boxer's trainer, boxing equipment, household expenses, medical bills, rent, and travel.

Ex. 3, the Boxer/Manager contract indicates that Manager is entitled to 33 1/3 percent of Boxer's earnings. Manager testified that he was conscientious and took pains to choose opponents for his fighters and that he had worked hard to develop the career of Boxer Pendarvis. Manager further testified that he had expended \$24,830 in expenses on Boxer's behalf, and had not collected any money from any of the fights that he had arranged, despite the fact that Boxer was paid for each fight.

DETERMINATION OF ISSUES

- 1. The Arbitrator has jurisdiction over the parties and over the subject matter of the arbitration and, pursuant to the boxer/manager contract between the parties thereto, may issue an appropriate order.
- 2. Boxer has not met his burden of proving that Manager has failed to fulfill his obligations pursuant to the boxer/manager contract in violation of the laws and

regulations of the Commission which would establish legal cause for issuance of an order terminating the contract.

- 3. However, the evidence has established that the personal relationship between Boxer and Manager has deteriorated to the point where an impasse exists, which is not good for either party or for boxing in general.
- 4. A boxer/manager contract by its very nature is a contract for the performance of personal services and contains an implied covenant and promise by both parties of good will and mutual cooperation, which in this case has been frustrated. Boxer and Manager are presently so incompatible that it would be contrary to the best interests of boxing and Boxer to force Boxer to remain under contract until the expiration of the term. It is therefore consistent with the best interests of boxing and Boxer to allow Boxer to terminate the current contract upon terms and conditions which are fair, just and equitable.
- 5. Manager's expenditures on behalf of Boxer total \$24,830. Manager did not receive a benefit from the expenditures, and he did not collect money from any of the fights that he had arranged, despite the fact that Boxer was paid for participating in each one.
 - 6. Based on the foregoing, the Arbitrator hereby issues the following:

ORDER 1

- 1. The boxer/manager contract between Cleotis Pendarvis, Boxer, and Adrian Garcia, Manager, which was signed on June 5, 2006 is terminated. Boxer shall pay to Manager the sum of \$24, 830.00
- 2. Payment of the \$24, 830.00 shall be accomplished by the Commission withholding one-third of each future purse earned by Boxer in California, or by the withholding of that fraction by a Commission in any sister jurisdiction which recognizes the California Commission, to be paid to Adrian Garcia

until the balance called for in this order is paid in full. On the effective date of this decision, the Commission shall release to Manager Garcia proceeds of any manager's share of any purses which have been withheld pending determination of the requested arbitration.

- 3. Should Boxer seek to obtain another manager at any time prior to the full payment or satisfaction of the award, the entire unpaid balance, if any exists at that time, shall immediately become due and owing before the boxer will be permitted to enter into a new boxer/manager contract in California or in any jurisdiction which recognizes the lawful orders of the California Commission. Boxer shall also provide the new manager with a copy of this decision and shall, within 30 days after entering into that contract, submit to the Commission his statement signed under penalty of perjury stating that he has complied with this requirement.
- 4. Boxer shall truthfully report to the Commission the amount of money actually paid to him for each bout wherever it takes place. Boxer's failure to accurately and truthfully report and account for purse monies will constitute grounds to suspend the license of Boxer. Any false report of the amount of purse money in any bout agreement or in any bout in which Boxer participates is grounds for discipline.

 This Decision shall become effective on December 17, 2007.

IT IS SO ORDERED this 744 day of December, 2007.

ARMANDO GARCIA

Executive Officer

State Athletic Commission

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