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

In the Matter of the Arbitration of

Case No. 020909-1

Y0NNY PEREZ, Boxer

MIGUEL VITAL and ISMAEL MARES, Managers

DECISION

This matter came on regularly for hearing before the designated arbitrator, Assistant Executive Officer William Douglas, at approximately 10:00 a.m. on February 9, 2009 pursuant to a Request for Arbitration filed by boxer, Yonny Perez. The parties were informed prior to the hearing that each side would be given one hour to present their evidence in the form of documents or testimony. This announcement was repeated at the outset of the proceedings.

Mr. Yonny Perez was present and represented himself. Miguel Vital and Ismael Mares (Co-Managers) were both present as well as trainer Daniel Zamora. Karen Chappelle, Supervising Deputy Attorney General, was present and represented the arbitrator.

At the conclusion of the hearing, the matter was submitted.

FINDINGS OF FACT

- 1. On or about December 18, 2008, Boxer Yonny Perez (hereafter, "Boxer") filed a Request for Arbitration with the California State Athletic Commission (hereafter "Commission"), pursuant to paragraph "C" of the contract and Rule 221. The basis for the request alleged that Vital and Mares (hereafter, "Managers"), did not provide anything for him, that Managers simply showed up to pick up their checks when a fight was scheduled. Boxer contends he pays for his own equipment, gym fees, trainers gasoline for transportation; for his own food, rent and vitamins; all medical exams since 2006 and all blood work every six months.
- 2. Boxer received his current California Boxer License on February 29, 2008. The license expired on February 28, 2009. The boxer-manager contract was signed by the parties and acknowledged by a Commission representative on July 28, 2005 and expires on July 27, 2010.
- 3. Boxer testified that he was never happy with the boxer-manager contract. He said he never read or understood the contract because it was in English, and he only reads and

understands Spanish. Boxer acknowledged that Chief Inspector Dean Lohuis was present when he signed it, but denied that Inspector Lohuis explained anything in the contract to him.

- 4. Boxer testified that he initially met with managers in Columbia where he is from. They told him that if he signed with them, they would get him a promotional contract with Golden Boy Promotions, and would get him a title fight. Managers paid for his airline ticket to come to California, so Boxer left his job in Columbia. He signed the contract within one week of being in California because he felt pressured to do so.
- 5. Boxer said when he signed the contract, he did not understand what it included. He understood that managers would share 33%, but he thought that they would pay all of his expenses. Perez said he thought that having a manager contract meant that the managers would pay attention to him, worry about him and shape his career to lead to a title fight or championship.
- 6. Since 2005, Boxer has had 18 fights. When the conflict arose between Boxer and Managers, the trainer, Daniel Zamora has been arranging for fights on his behalf. Boxer testified that at the weigh-ins, the Managers do not show up, that Zamora takes him and Boxer pays Zamora to do it; Managers do not participate in his training, Boxer pays his own trainer \$60.00 per month, plus 10% of the purse on the first 16 fights and 5% on the last two fights. Boxer testified that he gets along with trainer very well.
- 7. Boxer testified that Managers asked him to re-sign for another five year contract in exchange for renewing the work visa, which expires on March 1, 2009.
- 8. According to Boxer he wants to end the contract because Managers are not doing anything for him. Even if they began to undertake the responsibilities that they should be, he still wants out of it. Boxer had no receipts to establish that he paid any expenses, and testified that his work visa expires on March 1, 2009.¹
- 9. Manager Miguel Vital testified under oath. He stated that Chief Inspector Dean Lohuis explained the full boxer-manager contract to Boxer before it was signed. He testified that in September 2004 he flew to Columbia to meet Boxer and his family. Afterwards, in December 2004, he started the visa process for Boxer to come to the United States. In April or May of 2005, Boxer came to the US. Manager explained to Boxer that they would pay for his expenses the first year, and invested about 6,000 or 7,000 during that time. Boxer lived in Manager's house from April 2005 until August 2006, where he lived without paying for rent or food. Manager and Boxer agreed that as long as Boxer lived with Manager, he did not have to pay.
- 10. Manager denied that he promised Boxer a contract with Golden Boy Promotions. Manager testified that he felt confident that Boxer would be seen by GBP and that he *might* be signed. Co-Manager Ismael Mares did not testify.
- 11. Boxer's first five fights were arranged by Co-Managers. Manager disputes that Boxer pays \$60.00 for six months of gym fees. He maintains that he has bought equipment for

Boxer, but has no receipts to substantiate any expenses.

- 12. Manager submitted documents to substantiate his efforts to obtain the visa for Boxer in March 2005 and a receipt for \$3,700; a copy of Boxer's BoxRec statistics that he is 18 and 0; and a copy of the Fightnews.com World Boxing Rankings showing that Boxer is listed in the top 15 as a bantamweight (118 lbs) on the WBC, WBA, IBF, WBO and Fightnews lists. Finally, Manager submitted a copy of an Exclusive Promotional Rights Agreement between Boxer, Manager and Thompson Boxing Promotions dated October 1, 2006. This promotional agreement provided a minimum of four fights at 1,000 each. Box Rec bears out that these four fights were arranged and all parties agree that Boxer received \$1,000 for each fight. In July 2007, they started with promoter Gary Shaw for five fights. On four of them, Boxer received \$5,000 and for one fight \$10,000. From each fight, Boxer paid his trainer 10%. Managers testified that they initially waived their fee due to financial difficulties that Boxer was having. They did not collect on the first 11 fights. There is no dispute over any fees owed to Co-Managers.
- 13. Trainer, Daniel Zamora testified that the Boxer and Managers do not seem to get along with each other, but he gets along with all of them. The current arrangement works because the Boxer pays trainer directly, pays for his gym fees, and for gas for transportation.

LEGAL CONCLUSIONS

1. Exclusive authority of California State Athletic Commission to arbitrate promotional contracts exists by reason of the express language of the contract itself, in paragraph C(2) and 16 CCR 221.

DISCUSSION

- 1. Boxer Yonny Perez argues that he should be relieved of the contract terms because he is arranging all of his own fights and his managers are not doing anything for him. He further argues that he should not be required to pay for gasoline that his trainer uses to transport him to the venues for his bouts.
- 2. Managers Miguel Vital and Ismael Mares argue that they have acted in good faith toward boxer. They have gotten him fights that have benefitted his career and standing, and they have provided him a visa to work in the United States and offered him lodging for as long as he needed it. In addition, they obtained a promotional contract with Gary Shaw which was financially viable. Currently, Boxer has a record of 18 wins, 13 of which are by knock out and no losses. Manager admits that he has not provided an accounting as required by the boxer-manager contract but maintains that Boxer's ranking in the top 10 is based on the opponents he has obtained and how Manager has guided his career by offering him several bouts that would advance his career. Right now, Boxer is in a position to fight for a world title because Managers have guided his career, and trainer Danny Zamora, is available and willing to continue training Boxer.
- 3. At the outset, it is noted that wherever possible, the commission strives to uphold agreements between boxers and managers. In some rare instances, however, circumstances warrant the commission's action to dissolve such contractual relationships. These circumstances include, but are not limited to, breach of the contract by the boxer, breach by the manager and other circumstances where the commission feels it is "in the best interest of boxing" to dissolve the relationship. This does <u>not</u> appear to be such a rare circumstance. Here, the co-managers have obtained more than the requisite number of fights called for in the boxer-manager agreement, and have managed to place the Boxer in contention for a world title in his weight classification.
- 4. Testimony given at the arbitration hearing centered around the relationship between the Managers and the Boxer. At the conclusion of the arbitration, the Managers continued to offer their services and be available to the Boxer. The Boxer however, steadfastly maintained that he wanted out of the contract. However, Boxer never stated that he could not work with Managers.
- 5. According to the terms of the California State Athletic Commission Boxer-Manager Contract, Miguel Vital and Ismael Mares as co-managers were to use their best efforts to secure fights for Perez. Perez was to attend all training, exercising and other necessary work as Manager shall require. The evidence adduced during the arbitration demonstrated that Managers did provide the necessary training, through trainer Daniel Zamora, and did procure 18 fights for Boxer Perez in accordance with the terms of the contract.
- 6. However, evidence showed that Boxer was paying for things that normally a manager would be responsible for, such as for sparring partners and for the trainer, equipment

and transportation.

7. Accordingly, the Commission hereby finds that the Boxer-Manager Contract dated July 28, 2005 between Yonny Perez and Miguel Vital and Ismael Mares as Co-Managers is valid. The contract will remain in full force and effect for the remainder of its term, with the following conditions. The Managers should pay for sparring partners and for one half of the training fees beginning immediately.

Further, the Managers are responsible for the fees associated with obtaining the Visa documents. It is unfair and unethical to threaten to withhold assistance with visa documents unless Boxer signs a new contract. Managers have an obligation to deal in good faith and renew Boxer's work visa. With respect to vitamins, the Manager should provide those for the Boxer and should provide for half of Boxer's rent payments. Boxer is responsible for his own food and any travel to Columbia to visit his family. Fees for the mandatory medical examinations should be negotiated faithfully with the promoter before any bout agreement is signed, as well as the transportation and travel stipend for each bout. Managers should provide an accounting to Boxer of all fees and expenses. With these conditions the contract remains in effect.

ORDER

WHEREFORE, THE FOLLOWING ORDER is made:

The arbitration is resolved in favor of Co-Managers, Miguel Vital and Ismael Mares.

DATED: April 29, 2009

WILLIAM DOUGLAS Assistant Executive Officer

1 After the matter was submitted, the following documents were received via fax from trainer Danny Zamora: a receipt for 57.00 dated 2/29/08 for the City of Santa Fe Springs Recreation form (gym fees) and a letter from Hilda Zamora indicating that Boxer has lived with her since May 2006 to Feb. 2009, for a total of \$10,550.00; a letter from Daniel Zamora indicating that Boxer pays him \$60.00 per month from October 2006 to the present for a total of \$1,680 and gym fees of \$57.00 every six months for a total of \$228.00.

DECLARATION OF SERVICE

(Certified & First Class Mail (separate mailing))

Case Name: Yonnhy Perez v. Miguel Vital and Ismael Mares

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 300 So. Spring St., Los Angeles, CA 90013

I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On May 4, 2009, I served the attached **DECISION** by placing a true copy thereof enclosed in a sealed envelope as certified mail with postage thereon fully prepaid and return receipt requested, and another true copy of the **DECISION** was enclosed in a second sealed envelope as first class mail with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General, addressed as follows:

Yonnhy Perez 9618 Bartley Ave. Santa Fe Springs, CA 90670

Certified Mail No. 7001 0360 0003 6741 6855

Miguel Vital 409 Katherine Drive Montebello, CA 90640 Certified Mail No. 7001 0360 0003 6741 6831

Ismael Mares 409 Katherine Drive Montebello, CA 90640 Certified Mail No. 7001 0360 0003 6741 6862

James D. Maynard, Staff Counsel (sent by first class mail only) Legal Affairs Office Department of Consumer Affairs 1625 North Market Boulevard, Suite S-309 Sacramento, CA 95834–1924

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 4, 2009, at Los Angeles, California.

Henrietta Gaviola

Typed Name

Signature

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