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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. AR201703221

RUBEN DIAZ,

**DECISION AND ORDER OF THE
ARBITRATOR**

Manager,

and

LUCAS A. SANTA MARIA,

Boxer.

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INTRODUCTION

On November, 14, 2018, 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 Lucas A. Santamaria (Boxer) and his manager, Ruben Diaz (Manager). This arbitration was convened at 11:00 a.m. at the Office of the Attorney General, 600 West Broadway, Suite 1800, San Diego, CA 92101, pursuant to written notice to all parties. (See Notice of Arbitration). Also present at the arbitration were Miriam Diaz and Yazmin Diaz for the Manager, and Gabriella Gomez, Alfredo Santamaria, and trainer Javier Israel Capetillo (trainer) for the Boxer. All parties were sworn under oath. 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 CONTRACT

17 In furtherance of his profession, Boxer entered into a written Boxer-Manager Contract with
18 his Manager on or about March 22, 2016 (the Agreement). The Agreement was a standard
19 contract form sanctioned by the State Athletic Commission and was recorded as Contract ID No.
20 2016-0018. The Agreement was for a three (3) year term for the period of March 22, 2016
21 through March 22, 2019. A true and correct copy of the Agreement is attached hereto.

22 The Agreement entitled Manager to 30% of any sum Boxer earned from any fight procured
23 by Manager as a corollary to his services. [See Section (A)(2).] The Boxer agreed to attend all
24 training, exercising, and other necessary work as the Manager shall require, and to not take or
25 engage in any boxing contests, exhibitions, or training exercises without the written permission
26 from the manager [See, generally Sections (A)(3-6).] The Manager agreed to use his best efforts
27 to secure remunerative boxing contests and to act in the best interests of the Boxer [Section
28 (B)(2).]

29 Boxer and Manager had a previous arbitration on January 23, 2018, but came to an
30 agreement without the need of intervention with a final decision from the Arbitrator. Shortly after
31 the Agreement, the relationship soured once again.

32 THE DISPUTE

33 The Manager and Boxer had several disagreements, since the conception of the agreement
34 in March of 2016. Manager and Boxer were told to make arrangements for more clear workout

1 times, a clear payment schedule, and expectations for future bouts. Even with intervention of the
2 Commission, any agreements were short-lived, and contact between the Boxer and Manager has
3 been non-existent or hostile throughout.

4 Manager claims he found potential fights for the Boxer, but all were rejected by the Boxer
5 for various reasons, and that the Boxer refused to come to his facility to train. Boxer claims that
6 Manager found token fights that were not in his best interest, and banned Boxer from Manager's
7 facility so he could not return because he had disputes with Boxer's family and his trainer.
8 Exactly who started the dispute, and therefore who was in breach of the contractual requirements,
9 is not clear. Both Boxer and Manager could have done more to salvage the relationship. What is
10 clear is that both Boxer and Manager have no interest in going forward with their relationship or
11 with the Boxer/Manager Agreement.

12 Boxer has not trained in Manager's gym for many months, and has fought approximately
13 eight (8) bouts without his Manager, instead with the encouragement of his trainer Capatillo. (See
14 Exhibit 7.) Although the relationship had cooled, Boxer still was under a contractual obligation to
15 clear his fights with his Manager and share the agreed-upon 30% of any purses. For the eight
16 bouts in question, this was not done.

17 Both Manager and Boxer want to cancel the contract and end their relationship; however,
18 they disagree on the appropriate terms to cancel their agreement. During the course of the
19 Arbitration and after much testimony, both Manager and Boxer agreed in principle to the
20 cancelation of the agreement. The cancellation will allow Boxer to sign with other management,
21 and they agreed 30% of future bout purses shall be remitted to Manager. However, Boxer and
22 Manager disagree on the number of future bouts and purses that should be attached.

23 DISCUSSION

24 The Commission may license boxers, managers, and promoters. (See Bus. & Prof. Code
25 §§ 18640 [license required to promote or participate in boxing contest or match], 18642 [license
26 required for boxer and manager].)

27 Under Business and Professions Code section 18628, a manager may be a person who: (a)
28 has an agreement or arrangement to represent in any way a boxer's interests in procuring,

1 arranging or conducting a contest; (b) directs or controls a boxer's boxing activities; (c) receives
2 or is entitled to receive more than 10% of a boxer's gross purse from a contest; or (d) is an
3 officer, director, shareholder or member of an organization that receives or is entitled to receive
4 more than 10% of a boxer's gross purse from a contest.

5 FINAL DECISION

6 At the outset, it is noted that wherever possible, the Commission strives to uphold
7 agreements between boxers and managers. In some rare instances, however, circumstances
8 warrant the Commission's action to dissolve such contractual relationships. These circumstances
9 include, but are not limited to, breach of the contract by the boxer, breach by the manager, and
10 other circumstances where the Commission feels it is "in the best interest of boxing" to dissolve
11 the relationship.

12 Both the terms of the contract and equity, however, suggest that the remedy for this kind
13 of breach is to cancel the existing contract. A boxer-manager contract by its very nature is a
14 contract for the performance of personal services and contains an implied covenant and promise
15 of mutual cooperation and goodwill that has been frustrated in this case. The Boxer wants to fight
16 with another Manager and the Manager does not want to have the Boxer in his training facility.
17 The Boxer did, however, participate in a number of bouts while still under valid contract with the
18 Manger without the Manager's approval and without remitting a portion of those purses to the
19 Manager as required by the Agreement.

20 Both parties should have done more to salvage the relationship and the contract. The
21 Arbitrator notes that the escalation of disagreements between the Manager and Boxer coincide
22 with the appearance of trainer Capatillo, who openly stated that his eventual goal was to be the
23 new manager for the Boxer, and for all intents and purposes he has been acting in that capacity
24 during the course of the subject Boxer/Manager agreement. At some point, confrontation reaches
25 a level where no relationship between the Boxer and Manager can be salvaged. That is the
26 situation here.

27 The Boxer and his Manager are no longer compatible. It is in the best interests of boxing
28 to terminate the relationship. However, it is also in the best interests of boxing to uphold the

1 sanctity the agreement and to give both parties the benefit of their bargain. The Boxer did fight
2 with another trainer and earn purses while still in a contractual relationship with his Manager. The
3 Boxer did not submit the agreed-upon portion for any of those purses to his Manager.

4 Accordingly, the Boxer-Manager contract signed and executed March 22, 2016, and any
5 other addendums or modifications, are now cancelled. However, for the next eight (8) fights in
6 which the Boxer participates, Boxer shall pay the Manager 30% of those purses. The Commission
7 shall be notified of all future fights and the Executive Officer may choose to not count a fight
8 against the required eight if the fight is deemed to be not in good faith, at the sole discretion of the
9 Executive Officer. The Executive Officer will notify the Boxer once his eight bout requirement
10 has been satisfied. Any future contract signed by the Boxer and any new manager shall not
11 invalidate this provision or lessen the 30% received by the Manager to compensate him for future
12 purses.

13 **ORDER**

14 WHEREFORE, THE FOLLOWING ORDER is made:

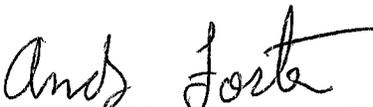
15
16 The Boxer/Manager Agreement dated March 22, 2016 is hereby cancelled.

17 Boxer shall submit 30% of any earnings on the next eight (8) boxing contests to Manager.

18 The Commission shall assist in the execution of this order by withholding the requisite 30% of
19 the next eight purses from Boxer for the benefit of Manager.

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21 This decision shall become effective on Jan 8th, 2019.

22 DATE:

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24 Andy Foster, Executive Officer
25 Arbitrator
26 California State Athletic Commission

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28 SD2018700711/71666984

**DECLARATION OF SERVICE BY CERTIFIED MAIL,
FIRST CLASS MAIL AND E-MAIL**
(Separate Mailings)

Case Name: **In the Matter of the Arbitration of the Contract Dispute Between: Ruben Diaz v. Lucas A. Santa Maria**

Case No.: AR201804031

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. 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 with postage thereon fully prepaid that same day in the ordinary course of business.

On January 8, 2019, I served the attached **DECISION AND ORDER OF THE ARBITRATOR** by transmitting a true copy via electronic mail. On January 8, 2019, I served the attached **DECISION AND ORDER OF THE ARBITRATOR** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy of the **DECISION AND ORDER OF THE ARBITRATOR** was enclosed in a second sealed envelope as first class mail in the internal mail collection system at the Office of the Attorney General at 600 West Broadway, Suite 1800, P.O. Box 85266, San Diego, CA 92186-5266, addressed as follows:

Ruben Diaz
Garden Grove Boxing
11831 Blue Jay Ln
Garden Grove, CA 92841
E-mail Address: ggtrainingcenter@gmail.com
Respondent

Certified Article Number

9414 7266 9904 2135 2473 17

SENDER'S RECORD

Lucas A. Santa Maria
10412 Mildred
Garden Grove, CA 92843
E-mail Address: lukesantamaria51@gmail.com
Respondent

Certified Article Number

9414 7266 9904 2135 2473 00

SENDER'S RECORD

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 January 8, 2019, at San Diego, California.

A. Patrick
Declarant



Signature