

SUGAR - HIS PLAN AIN'T SO SWEET

Written by Charles Jay
Tuesday, 04 June 2002 18:00

This Friday night, ESPN2 will televise another in its continuing series of fights promoted by Sugar Ray Leonard Boxing. In fact, this will be the Leonard group's second show in as many weeks, which, considering there are many capable promoters out there who don't receive ANY shows, is remarkable indeed.

Of course, for the Bjorn Rebney-headed outfit, which had no experience in producing boxing promotions prior to launching its first show on the network, getting those shows is good for business - in more ways than one.

You see, SRL Boxing is actively engaged in recruiting investors who share the company's vision for how it will, in its own words, "change the face of boxing" and "transform the sport". Contained in their pitch are statements that, to put it mildly, strain credulity, and give rise to questions that relate to issues that might, and maybe should, be a subject of boxing reform.

One of the first things that jumps out as you scan over the SRL Boxing group's business plan, which was introduced in the fall of 2001, is the constant reference to the company's "vertical integration"; clearly, this idea of the business model is what SRL hopes to use as its "unique selling proposition" with potential investors.

Of course, that's a euphemism. In the language of boxing, "vertical integration" means that the umbrella entity of SRL Boxing intends to perform both management and promotional functions for the same fighters simultaneously. Indeed, on Page 5 of the business plan, right there in the Executive Summary, the company states that it will accomplish its objectives by:

"REPRESENTING and developing talent, creating superstars, PRODUCING exciting and entertaining live events, and by implementing innovative marketing and PROMOTIONAL elements never before seen in the sport."

It's a little alarming that this model is indeed a major component of their business strategy.

That's because fundamentally, that particular concept, if taken literally (and there's no reason why it shouldn't be), might very well be unlawful, not just as it relates to the Muhammad Ali Boxing Reform Act, but also the rules and regulations of every state athletic commission I know of.

And one can't help but wonder how ethical, or practical, it is to be promoting this concept to potential investors when, in the end, it might not reach maturity before regulators, or attorneys general, brought it to a screeching halt.

After all, it's pretty much spelled out in Section 5 of the Ali Act, which, in the area addressing "Conflict of Interest", reads:

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"It is unlawful for a promoter to have a direct or indirect financial interest in the management of a boxer",

and,

"It is unlawful for a manager to have a direct or indirect financial interest in the promotion of a boxer; or to be employed by or receive compensation or other benefits from a promoter, except for amounts received as consideration under the manager's contract with the boxer."

Well, quite obviously, we know that SRL Boxing is promoting boxing shows; in fact, in case you're not aware, the company has a contract (reputed to be three years in length) with ESPN, by which it will produce a boxing show for the network on the first Friday night of each month. This coming Friday night, for example, the network will be in Scottsdale, Ariz. to televise an SRL-promoted event which has been labeled "Rumble at Rawhide".

According to their presentation to investors, SRL Boxing intends to step up its promotional activities greatly over the course of time; these activities include several pay-per-view boxing shows over the next few years, and in point of fact, the company has allocated the bulk of its projected revenues during that period to those projects.

At the same time, however, SRL plans to take an unusually proprietary philosophy with regard to the talent in its "stable"; this approach is documented vividly in a number of places, namely on Page 22 of the business plan, in the "Branding/Product Strategy":

"OWNING the talent and CONTROLLING the marketing are key factors to the ensured success of the plan"

; and on Page 23, under the sub-title "Development Program":

"Each new client is educated to a series of concepts that will directly impact their professional life: marketing, publicity, public relations, advertising, endorsements, taxes, money management, long-term career planning, matchmaking, public interaction and training, among other key success vehicles."

Now, if all that "ownership" and involvement doesn't constitute management - in whole or at least in part - of a fighter, what does?

I mean, all of that interest in a fighter might sound like a wonderful plan, but there is scarcely a major promoter on the face of this earth who gets involved to that all-encompassing degree with one of his charges.

And if one did, it should certainly elicit some concern.

It's never been much of a secret that the aforementioned parts of the Ali Act were aimed at Don King, and in particular, the relationship between his promotional company and his son Carl, who has been positioned as manager of some DKP fighters. In fact, this relationship

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has been subject matter for just about every congressional hearing held on boxing in the past 15 years or so.

We're certainly not looking to absolve King, or anyone else, of anything here, but would it hurt people, once in a while, to look elsewhere for violations of that part of the Ali Act? Would it not be appropriate to address those who may be expressing an intent to violate it? And doesn't it warrant an exploration into some of SRL Boxing's existing relationships?

Just because Sugar Ray Leonard may project a "cleaner" public image than, say a Don King, does that mean the law should be applied with any less equity, or not at all?

Think about it.

fightpage@totalaction.com

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