

Written by Charles Jay

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As we mentioned in the previous chapter, one thing that gets lost when people talk about the business of boxing is that the promoter, in the process of developing a fighter, has undertaken expenses which are simply unavoidable. We use the example of a promoter who guarantees an aspiring pro six fights a year, for example, for the first two years of his career, at a certain minimum purse.

Let's say the fighter wins ten bouts in a row, then loses a couple of fights. Well, at that point the fighter may have lost much of his usefulness to the promoter as far as his status as a prospect is concerned. And his value as an "opponent" may be marginal at best, especially if he hasn't reached the ten-round level yet. The promoter can cut the fighter loose, but then he's out some money without ever having a chance to make it back - and that figure may be a substantial amount, depending on what the pre-established minimums in the contract was, not to mention any bonus money that was paid.

That particular promoter takes a loss on the development of a fighter.

By the same token, when the fighter WINS 10-15 fights or more, the promoter has still made a cash outlay. And since networks don't generally "buy" fighters who are not at the main event level, there has been no direct return on that investment yet.

When it's time for that fighter to finally make a payday, often fighting in a network main event or a semi-final on another promoter's card, an opportunity presents itself. And at that point the promoter, who has brought the fighter along, may want to share somehow in that payday in order to recoup his investment.

Such a pursuit is perfectly understandable, given the circumstances.

As we've mentioned, the way things exist now, that kind of thing is quite possible. The promoter has the latitude to negotiate a "promotional fee", i.e., a side deal, in exchange for releasing his fighter to engage in the bout. And because in almost all cases the promoter, by virtue of his contract, has the exclusive right to the services of the fighter, he's got all the leverage in the world. The fighter doesn't know the figures, or if in fact a side deal has been cut at all.

At this point in time the deal can go in one direction or another. This is where the greedier promoters will look to make that investment back in one fell swoop, and then some, often making more money on the deal than the fighter himself.

And so the question becomes - what are we going to do about it?

Well, one idea is to require that each and every one of these side deals be disclosed, which would require little more than an understanding of Federal law on the part of the

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commissions.

Section 13, Paragraph (b) of the Muhammad Ali Boxing Reform Act states that:

"A promoter shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it provides to the boxer it promotes -

(1) the amounts of any compensation or consideration that a promoter has contracted to receive from such match"

This little piece of law is simple, but at the same time it would seem to be pretty clear, IF it's enforced.

Certainly when a promoter makes a side deal for the fighter's services, it constitutes compensation, whether it is direct OR indirect. And even if it is a handshake deal between promoters, it would clearly fall within the scope of this law because it involves an offer and acceptance, with consideration, and therefore is a contract.

Okay - so we've established that the practice exists. But unlike most people, I'm not here to assert that these agreements be made known to the fighter as a means of keeping promotional fees OUT OF the hands of promoters, but rather, to ensure that there is a sense of order to these deals - that they are accepted as a normal course of doing business, operating on the principle that you have to know what you're working with in order to effectively address it.

Toward that end, here are some suggestions - all of which apply to cases where a promoter is placing one of his fighters on ANOTHER promoter's card:

* Promotional contracts would be recognized in every jurisdiction, or by the national commission, whichever is going to be vested with the authority on these matters, so that (a) they are not summarily dismissed as being invalid, and (b) the promoter can at least have the opportunity to assert his rights.

* A database would be established in which anyone with a promotional contract on a fighter would put it on file with a central location, so that this information can be easily accessed by all jurisdictions.

* Anyone who is going to seek recognition as a "promoter", for the purposes of realizing a promotional fee, would be required to have his promotional contract on file with the aforementioned database, or, in the absence of one, with the appropriate jurisdiction, and be licensed - as either a promoter or an "adjunct promoter", which in effect means that he is not staging a show itself, but intends to exercise certain rights as a promoter. It follows that he would have to make any disclosures that would be required by the Federal law and those of the local jurisdiction.

* All monies - and that means any network rights fees, the purses for main event fighters,

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the proposed "promotional fees", and even perhaps casino site fees - be revealed, so that the fighter, and the local or national jurisdiction, has access to them. That way the fighter has more information at his disposal with which to bargain with.

* When the promoter exacts a "promotional fee" out of another promoter in order to release his fighter on a one-time basis, it would not be allowed to exceed more than a certain pre-determined percentage of the total amount that is AVAILABLE for that particular fighter's purse.

* If the promoter wants to take an amount greater than that percentage, he can file, for lack of a better word, a "grievance", in which he will make a case for justification. Any number of extraneous circumstances, including sizable loans, excessive expenses directly related to the fighter, or provisions in the promotional agreement itself could lead to the filing of such a motion.

* In cases where in fact the promoter has negotiated the purse of a fighter, the fighter would have an advocate of some sort (manager, lawyer, agent) with no connection to the promoter present at such a negotiation, or at the very least, apprised of what is going on.

* Perhaps the fighter would be allowed to negotiate directly with another promoter for a particular fight, with the stipulation that the promoter with whom he has a contract is entitled to the approval of the opponent and would be entitled to a percentage of what that final purse figure is.

* Any Federal law that would serve to govern the promotional contract be constructed so as to override that of local jurisdictions; after all, some jurisdictions specifically preclude the promoter from deriving a financial benefit - directly or indirectly - in connection with a fighter's services.

So, you say, how do we know that promoters aren't negotiating secret side deals ON TOP OF the side deals they're already making with each other, for purposes of circumventing the law?

Well, that's why we call this process REGULATION. Somewhere along the line commissioners are going to have to take some initiative to ensure that the law is followed.

Gee - what a novel idea.

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