

The 84th Round

I heard a story once about a promoter who, in what could best be described as a highly unusual move, went about approaching all the opponent-types in his particular area and signed them to promotional contracts. The purpose of this was not necessarily to resurrect careers, or to provide talent for his own shows. Rather, it was so that none of his competitors in the area (and we're talking about a Top 20 market here) could use any of those fighters - as many as two dozen, from four-rounders on up - without either paying him a side fee or making some other kind of consideration.

Since opponents are needed in order to put on shows, the other promoters were left with a situation where they often had to go out of state to bring talent in. It became a costly proposition, in many cases making it impossible to make money, and discouraged promoters from staying in the business.

Certainly this was a creative way to make use of the promotional contract. But was it right, or a practice that should have been curtailed, if only the mechanism existed?

Well, promotional contracts prescribe a minimum number of fights over a specified time, for a minimum amount of money. And consider that when the dust cleared, a lot of these opponents were left in the lurch. The intention of their "promoter" was not to give them work, but simply tie up talent. Obviously it wasn't something that was GOOD for the sport. Of course, not many fighters took action for breach. They probably didn't have enough resources to bring a suit. And besides, why would a fighter with a .500 record expect a promotional contract to begin with?

Most boxing commissions don't get involved in penalizing promoters for not fulfilling these deals. But in some cases, maybe they should.

And let me go a step further. As I'm sure I've said before, it is not uncommon in this business for someone who isn't a promoter at all to have fighters under a promotional contract. When I say someone is not a promoter, I don't mean in the broader sense as I pointed out in the 81st Round. And I don't mean in the legal sense either, since the party who issues a promotional contract defines himself as "Promoter".

I mean someone who doesn't promote fights; someone who doesn't put on any shows. He's not licensed in any jurisdiction. As such, he has not gone through the process of getting bonded, as anyone who seeks a promotional license must do in most states.

Under these parameters, we know that the motivation for signing a fighter to a promotional contract is something else altogether - the ability to exercise control over the fighter's activity, and to pick up a side fee, as a precursor to allowing a fight to happen, generally without any restrictions as a manager would have, since everyone is mindful that the Ali Act is not enforced.

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Written by Charles Jay
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And the fighter who signs a contract with this kind of individual often doesn't know that he has no intention of actually PROMOTING shows, but rather to serve as a quasi-manager.

Which brings us to another question - should parties holding promotional contracts be licensed as promoters, and subject to all the requirements that are associated with such licensure? That appears to be the case in some states, including Pennsylvania, where for years the requirement is that a promoter must be licensed and make note of that in his promotional contract in order for it to be valid. Should something like that become a nationwide standard? Perhaps it's something that needs to be explored.

Another concern I have surrounds some of the actual clauses that appear in promotional contracts, aside from the actual lengths of those deals.

There is a perception, I think, that simple agreements are best, since they don't get complicated to the point where they confuse the fighter. Actually, simple contracts - which are preferred by the likes of Russell Peltz - leave a lot of "wiggle room" for the promoter, in that they leave enough uncovered that the promoter knows how to fill in the blanks to his advantage.

For instance, I think the absence of clauses specifying the split of a purse when the fighter is "loaned out" to another promoter needs to be addressed. We've talked about it before - a promoter places his fighter on another promoter's card, and can grab any amount of money he can from that transaction - sometimes even more than the fighter himself earns. It would seem reasonable that restrictions on that kind of money-grubbing could be mandated if contracts were standardized to some extent.

I'll give you another quick example - in the last chapter I referred to the "one-loss-and-out" clause which gave the promoter an option to cut a fighter loose after a loss or keep him under different terms. That would appear to be fair and equitable, but it shouldn't be used to hit a fighter over the head with. If the contract calls for renegotiating minimum purses in such a case, that's exactly what it should mean; the true intention can't be that there will merely be a fight-by-fight negotiation from that point forward without minimums - something so nebulous as to create "indefinite terms" that serve to advantage only one side (and guess which side that is).

Antwun Echols got out of his promotional contract with Banner Promotions on the basis of this issue, in a case I was involved in, and will expand upon - to a great extent - in a subsequent "Total Action Special Report" and later a book.

The fact is that even though Echols got out, he had to spend a lot of money on lawyers (not to mention consultants like myself) in order to do it. Maybe it shouldn't have to be like that.

Couldn't a boxing commission, or association of commissions, have some input as to which clauses are permissible in a promotional contract and how these clauses are interpreted?

And what about promotional contracts in general? Not everybody likes them. While they may

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represent a source of opportunity for some fighters, they may, by the same token, become a tremendous burden to carry for others. You know, I've talked to a fair number of people in this business - a surprising number, in fact - who feel that promotional contracts are a poison and should be outlawed; that the system should exist where if a promoter wants to put on a show, he simply negotiates best price with each fighter individually, without any consideration of "exclusive rights" or financial interests in the talent.

Under this system, all fighters would be "free agents". Ideally, it makes some sense. You could imagine that the overall quality to fights would go up. Would it also drive purse up? Maybe not.

Remember, if there were enough "free" fighters to the point where the market of good ones can occasionally flood the market in a way where supply outstrips demand, it would serve to keep the market very much in check. I'll never forget the message put across by Charlie Finley, former owner of the Oakland A's, when it was readily apparent the era of free agency was going to drive baseball salaries up considerably. "Make 'em all free agents every year," was Finley's reaction. Opening the floodgates for ALL players, every season, to enter the free agent market would have diluted the effect of their free agency and decreased demand, thus keeping the salary scale down. And the players couldn't have argued against it on the basis of moral principle.

There is very little question that the elimination of promotional contracts would make it much more difficult for promoters to build a power base that would perpetuate itself through tying up fighters. This would probably result in a more level playing field, since procuring a fighter's services could only happen on a case-by-case basis.

But would there be a playing field at all? It is no secret that in and of itself, a boxing show is not normally a profitable proposition. And it's almost certain to fail without the backing of a casino, a network, or both. So the motivation for a promoter is to have a certain amount of "equity" in the careers of the fighters he has under contract. If a promoter couldn't engage in the development of an entity that may someday yield a return on investment, he might choose not to be involved in the business.

And even though I'm sure there are some people who would like to take all the promoters and drive them off a cliff, the stark reality is that promoters, and even packagers, play an integral role in the business, both in developing talent for the marketplace and fueling the boxing economy with product (with the help of the omnipresent network interests, of course).

It's more appropriate to come up with a way to appease both sides, at least to a degree.

Perhaps a scenario to consider is one where promotional deals would be limited to THREE fights. Over the long haul, this would constitute better fights, since the motivation to protect the fighter might not be there. It would still allow the industrious promoter to profit with the fighter, but would force the promoter into putting the fighter "in tough" more often, since there would not be as vested an interest in the fighter.

Under this scenario - to the extent you feel such activity is the norm - the promoter would not

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have as much motivation to use money to manipulate the rankings, since the relationship is not as long-standing and the investment, by and large, is not as considerable.

And if you want to know about prospects who would be signed out of the amateur ranks, a component of this plan is that fighters would be prohibited from signing a promotional deal until they have competed in a certain number of bouts, or have reached the eight-round level.

Yeah, I know the objection: how would fighters get developed? Well, the answer is - and listen closely - they'd be developed better. By and large, promoters DO NOT develop fighters these days; they STEER fighters. They build COMMODITIES. "Development" is not a proper word, but that's a subject we can talk all day about.

I'm a believer that the cream will eventually rise to the top; so if they're good enough, the true prospects are going to succeed. The only difference is, you can be virtually assured that the fighter who comes through this system would be a REAL prospect, not a phony, built-up contender who needs to get through twenty stiffs before he demonstrates to the whole world that he can't fight.

A number of fighters could benefit from a structure that features limited free agency, with the ability to shop while at the same time not flooding the market. In this way, competitors of all levels will find themselves in a position where they can control their own destiny.

Should a promoter want to renew an existing deal with a fighter, he is free to do so, but each renewal would have to be accompanied by a mandatory 20% increase in the minimum purse structure.

Another potential effect - promoters, unable to tie up fighters for a long period of time, may not be in a position to make certain long-term deals with networks or casinos, thus opening up the marketplace a little more.

Would the richest promoters still be able to get the best talent? Well, that's quite possible. After all, you have to have the financial wherewithal to guarantee purses. And television connections built through the years wouldn't necessarily evaporate. But the fact is that with more competition to procure talent, power in the industry is naturally going to be more widely distributed.

The end result could be less corruption, more competitive fights, less domination by a few promotional entities, and an atmosphere where promoters have to become promoters again and not just packagers.

Which could very well lead to more public confidence in the sport of boxing.

Or perhaps there shouldn't be any changes at all? I'm very anxious to get your input on the subject. Don't hesitate to get in touch.

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