

THE FIGHTER AS PROMOTER

Written by Charles Jay
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The 90th Round

It seems that with increasing regularity, fighters are becoming concerned about the kind of money that is coming to the promoter when he fights, whether it be in the form of a side deal the promoter cuts or the money a television network pays him. For example, a fighter who is under contract to Promoter "A" winds up on a card staged by Promoter "B". He's making \$100,000 for the fight, but what he doesn't know is that his promoter is being paid \$80,000 on the side.

The boxing establishment might opine that since the fighter negotiated and accepted that \$100,000 purse, any further discussion is moot. Maybe, and maybe not. If the fighter were aware that there was going to be another \$80,000 out on the table, it would have changed the nature of the negotiation entirely. And you can't fault the fighter too much for not knowing, since there has been what seems like an institutional resistance to disclosing financial details on the part of both promoters AND television networks. Non-enforcement of the Ali Act has not helped very much either.

Nonetheless, there is more awareness of this situation - something that can be attributed in no small part to the enactment of the federal legislation.

The way I see it, a fighter, when he starts his career, "owns" 100 percent of himself. When he signs a managerial contract, he is more or less parceling out a piece of himself, whether it's sold, or offered in exchange for services a manager will render. But he isn't dealing ALL of himself away. He still owns at least two-thirds of his own managerial rights, and is entitled to participate, to some extent, in the process of stewarding his own career, if he so wishes.

Certainly the same holds true, at least to an extent, for the fighter's promotional rights. Before the fighter signs a promotional contract, is it not true that those rights are his to sell? In other words, theoretically, he owns 100% of his own promotional rights going in. The difference is that when he makes a deal with a promoter, he is signing away ALL of those rights.

Let me offer an alternative approach, albeit a radical one.

And it's based on the fact that there are different kinds of promotional deals - the most common of which is where the promoter is in fact "steering" the fighter, in a quasi-managerial capacity, in which it is in his interest to make the fighter as valuable commodity as possible.

According to Section 5 of the Muhammad Ali Act, under FIREWALL BETWEEN PROMOTERS AND MANAGERS, the Act "does not prohibit a boxer from acting as his own promoter or manager".

So then, what would be wrong with the fighter taking the position that he begins the process as HIS OWN PROMOTER? And that when he sits down and makes a deal with a promotional

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outfit, what he's doing is not granting ALL of his promotional rights to that outfit, but instead entering into what, in effect, is a CO-PROMOTIONAL agreement; a "promotional partnership", if you will.

This is not to say that the promoter will only have 50% of the rights to promote the fighter's bouts, but that both sides agree to bring something equally valuable and essential to the table as part of this "promotional partnership" - the promoter naturally takes the responsibility of staging the shows, and provides the kind of unique expertise in the industry that will facilitate the fighter developing, growing, and maximizing his earning potential. The fighter brings services that are "of a special, unique, unusual and extraordinary character, giving them peculiar value", as you often see referred to in promotional contracts.

The fighter also pledges to put forth best efforts to promote and publicize himself, and to make any promotion he is involved with a success, since after all, he has a very definite stake in this regard.

Understand - I'm not contending that the fighter splits everything down the middle with the promoter in terms of revenues and/or profits; whatever is negotiated between the parties is going to vary, when it comes to guarantees, number of fights, how many years, etc. Obviously, the fighters with the most market value are going to be the ones with the most leverage. My understanding about Eric Lucas' deal with Interbox, for example, is that he receives percentages from television, gate receipts, and other things.

I have also seen, as a part of some promotional contracts, provisions for the division of net revenues at the championship level, with the fighter's income level usually measured against a guarantee.

What I AM saying is that under my model, there is a virtual partnership between the parties right from the outset. And what it does is put the promoter in a position where he actually has a certain fiduciary duty to the fighter - not just in terms of doing what is in the fighter's best interests INSIDE the ring, but in making available all relevant financial details, including television revenues, gate receipts, promotional fees, expenses, sponsorships, even a profit-loss breakdown on individual shows the fighter is involved in. In saying that, of course, I'm operating on the principle that in a business partnership, one party naturally has a duty of disclosure to the other partner(s).

In other words, no more secrets.

Can anyone handle that?

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