

## SOME GOOD ADVICE ABOUT ADVISORS

Written by Charles Jay  
Wednesday, 18 December 2002 18:00

---

### The 4th Round

I've been around boxing in one capacity or another since 1981.

And during that entire period, one thing has been a constant - there is an prevailing attitude among people in this business to make money off a fighter, without the fighter knowing it, wherever possible. It's not just HUMAN nature, mind you; in this business it becomes SECOND nature.

I'd be the first one to admit that in certain instances it's a necessary part of doing business in the fistic world. I have met my fair share of fighters who were all too willing to take, take, take, and when the big payday comes are disappointed that their connections have made any money at all. In those cases a handler simply has to take steps to protect himself and his position.

But those are people who, generally speaking, were looking to do the right thing and kind of got sidetracked.

What I want to talk about here is something that is potentially very different.

I wasn't dealing in the boxing industry 40, 50, or 60 years ago, but I can tell you that in this day and time, the economic and regulatory atmosphere in the sport has created a new category of operative.

The category is that of the "advisor".

The advisor generally isn't quite a "promoter", although it might in reality apply to some people who have promotional contracts with fighters who don't promote fights. He's not quite a "manager", since in most cases the fighter already has someone who is designated as the manager.

The advisor sort of exists, and indeed may thrive, by slipping between the cracks - between what the current state and federal laws address, and what the various commissions care to deal with.

Of course, that doesn't necessarily mean you're a bad person.

I operated in boxing for a number of years without a license; without really being classified as anything specific. And there were periods where you would have to classify my involvement as that of an "advisor", particularly when it came to my arrangement with the manager of former cruiserweight champion Robert Daniels.

And I can tell you that there's a certain natural resistance to being licensed, if for no other

## SOME GOOD ADVICE ABOUT ADVISORS

Written by Charles Jay

Wednesday, 18 December 2002 18:00

---

reason than just for the sake of resistance.

Sometimes, however, there are other motivations.

Because an advisor isn't a promoter or manager, he does not fall within the regulatory restrictions that promoters or managers normally do. For example, a manager is limited in most states to a percentage that is equal to 33-1/3% of a fighter's purse. Restrictions on promoters are loose; yet in the U.S. you can't take a percentage from a fighter's purse as a manager would, and you can't officially be the manager and promoter of record for the same fighter. Also, as you'll see below, by federal law a promoter can't have a direct or indirect financial interest in any individual fighter (whether it's enforced consistently is another issue).

None of these restrictions currently exists for the "advisor". Therefore, theoretically, an advisor can take as much as he can, whether it is directly from a fighter's purse, or as part of a "side deal", to the extent that he can get away with it, and as long as he can find a third party (i.e., a promoter or network who uses his fighter) to comply.

Perhaps more importantly, there is the legal issue of disclosure as well. In Section 13 of the Muhammad Ali Act, "(b) DISCLOSURES TO THE BOXER- 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; `(2) all fees, charges, and expenses that will be assessed by or through the promoter on the boxer pertaining to the event, including any portion of the boxer's purse that the promoter will receive, and training expenses; and `(3) any reduction in a boxer's purse contrary to a previous agreement between the promoter and the boxer or a purse bid held for the event."

And from Section 5 of the same bill,

"(b) FIREWALL BETWEEN PROMOTERS AND MANAGERS- `(1) IN GENERAL- It is unlawful for-- `(A) a promoter to have a direct or indirect financial interest in the management of a boxer; or `(B) a manager-- `(i) to have a direct or indirect financial interest in the promotion of a boxer; or `(ii) 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."

Obviously, this provides a motivation in and of itself to avoid being categorized as either a manager or promoter. Faced with the choice of being required to make financial disclosures to fighters, or being able to sidestep that obligation, which do you think some boxing people would choose?

The dangerous part is, although he is unlicensed, unregulated, and unrestricted, the function can in fact take on the character of that of a manager, promoter, or both simultaneously, without being identified as such. This, in effect, can allow the advisor to operate freely AGAINST the best interests of the fighter he is purporting to "advise", and concurrently, OUTSIDE the system, creating a Pandora's Box of issues that simply can't resolve themselves through the conventional process of boxing regulation and enforcement.

## SOME GOOD ADVICE ABOUT ADVISORS

Written by Charles Jay

Wednesday, 18 December 2002 18:00

---

It can get a little ridiculous. One state commissioner describes a scene that happened at one of the weigh-ins he presided over. "A guy came over, asking a lot of questions. He was just being a general pain in the ass," said the commissioner. "I asked him, 'Are the you the manager? The trainer? The promoter?' No - he said he was the 'advisor' for the fighter. What could I do with him? He didn't have a manager's contract, or a promotional contract. I'm not sure he had any contract at all.

"There was no question, of course, that he had a financial interest of some kind in this fighter. But since he claimed not to have an official designation, I couldn't license him, and therefore he wouldn't fall under our law. The most I could do was bar him from working in the corner unless he took out a license."

Almost no jurisdiction in this country recognizes the role of these advisors, or has taken steps to address what they do. Needless to say, neither have the federal laws in place - the Professional Boxer Safety Act and the Muhammad Ali Act - and there is no proposal in John McCain's fledgling Boxing Amendments bill that would do so to any satisfactory degree.

Instead, there seems to be an insistence on trying to fit them into the categories of "promoter" or "manager", which themselves are so poorly defined in the laws, or "matchmaker", which doesn't even apply. And when nothing is quite appropriate, commissions customarily take the "default" option, which is to do nothing. And don't think those who present themselves as "advisors" don't fully realize that.

You can't fit a size 11 shoe into a size 8 shoebox. Those are plain facts. But instead of ignoring it, perhaps state commissions, and those who would aspire to address boxing regulation on a national level, would endeavor to go out and build that bigger "shoebox"?

Here are my suggestions:

First, you have to be able to establish a certain standard for whether a person should be licensed and subject to regulation - and I don't care whether that's in a particular jurisdiction, or as part of something that may be offered on a uniform basis nationally.

And what should be that standard?

-- ANY PARTY THAT REALIZES A DIRECT FINANCIAL BENEFIT AS A RESULT OF A FIGHTER'S PARTICIPATION IN A PROFESSIONAL FIGHT OR SERIES OF PROFESSIONAL FIGHTS SHOULD BE REQUIRED TO BE LICENSED AND SUBJECT TO REGULATION BY THE PROPER AND APPROPRIATE JURISDICTION

-- ANY PARTY THAT OFFERS, OR REPRESENTS HIMSELF AS SOMEONE WHO OFFERS PROFESSIONAL ADVICE TO A FIGHTER IN ANY OFFICIAL CAPACITY - THAT IS, ADVICE RELATIVE TO ACTUAL BOUTS THE FIGHTER ENGAGES IN - WHETHER A DIRECT OR INDIRECT FINANCIAL BENEFIT IS GAINED OR NOT, SHOULD BE REQUIRED TO BE LICENSED (this does not necessarily include attorneys that may

## SOME GOOD ADVICE ABOUT ADVISORS

Written by Charles Jay

Wednesday, 18 December 2002 18:00

---

give the fighter financial or legal advice outside the scope of his actual participation in fights)

-- ANY PARTY THAT NEGOTIATES ON BEHALF OF A PROFESSIONAL FIGHTER IN CONNECTION WITH ANY AGREEMENT THAT WILL RESULT IN A PROFESSIONAL FIGHT TAKING PLACE, SHOULD BE REQUIRED TO BE LICENSED (this DOES include attorneys, since the counsel they provide would have a direct connection with the quality - or lack thereof - of financial benefit a fighter receives from a bout)

Now beyond that, you'd have to create some additional categories these licensees might fit into, in order to more accurately reflect what goes on in this business. Regulators should not be too apprehensive or too lazy to do this.

The category for which the party is licensed should be determined not by the individual, but by the commission, and shall be based on the actual role that party plays, not by the perception the party chooses to create.

And one of those designations needs to be for the "advisor".

That would be MY advice, anyway.

[fightpage@totalaction.com](mailto:fightpage@totalaction.com)

Copyright 2002 Total Action Inc.