BEFORE THE CALIFORNIA STATE ATHLETIC COMMISSION DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

In the Matter of the Arbitration of

JESUS ANTONIO HERNANDEZ CRUZ,

Case No. 032510-1

Boxer

FRANK ESPINOZA,

Manager.

DECISION

This matter came on regularly for hearing before Executive Officer George Dodd at approximately 10:00 a.m. on March 25, 2010 pursuant to a Request for Arbitration filed by boxer. The parties were informed prior to the hearing that each side would be given two hours to present their evidence in the form of documents or testimony. This announcement was repeated at the outset of the proceedings.

Boxer Jesus Hernandez was present and represented himself. Manager Frank Espinoza was present and was represented by Attorney Jon Roger Diamond. Karen Chappelle, Supervising Deputy Attorney General, was present and assisted the Arbitrator, George Dodd, for the California State Athletic Commission. Spanish language interpreter Alfredo Malbran, State Certified Court interpreter, was present to assist boxer in the proceedings.

The matter was submitted at the conclusion of the hearing.

FINDINGS OF FACT

1. On or about January 26, 2010, Boxer Jesus Antonio Hernandez (hereafter, "Boxer") filed a Request for Arbitration on the basis that a dispute had arisen in relation to the Boxer-Manager contract signed on July 20, 2006 (Ex. 1). Request for Arbitration with the California State Athletic Commission (hereafter "Commission"), pursuant to paragraph "C" of the contract and Rules 221 and 227 (Ex. 2). The basis of the request alleged that Manager had not procured any fights for boxer since September 2009.

2. Jesus Antonio Hernandez is 25 years old, a featherweight classified boxer and is not currently ranked by any sanctioning body. His current record is 8 wins 0 lost and 2 draw, for a total of 10 fights. **He does not currently hold a license in California**. The boxer-manager contract was signed by the parties and acknowledged by a Commission representative on July 20, 2006 and expires on July 19, 2011. 3. Boxer testified that he signed the boxer-manager contract and understood that Manager was supposed to represent him in everything pertaining to his career in boxing. Boxer testified that Manager arranged for all of his fights- two fights in 2006, three fights in 2007, two in 2008 and three in 2009. Manager did not collect his manager share on any of these fights. Boxer testified that he no longer "trusted" Manager but was not able to articulate any specific breach of agreement by Manager. Boxer referenced two instances where he was scheduled to fight 8 rounds but at the last minute it was reduced to a 6 round bout. He was paid for the full 8 rounds.

4. Cesar Hernandez Escalante, father of Boxer testified that Manager phoned him after the September 11, 2009 fight and told him that he no longer wanted to represent Boxer. Since that time, there has been no communication between them.

5. Geraldo Amezcua, the trainer testified that he has been paid for all of his services. He has not trained with Boxer since September 2009.

6. Manager Frank Espinoza testified that he paid boxer \$15,000 as a signing bonus. Thereafter, he paid him \$1,600 per month for the first year of the contract. During that time, he did not take his manager share from any of the fights he arranged for boxer.

7. Manager testified that he is only a manager, and that Boxer needs a promoter to set up and arrange his fights for him. Manager has tried to obtain a promoter but without any success.

8. Both Manager and Boxer indicated that they could continue to work with one another but neither one was willing to specify the terms of how they would continue.

LEGAL CONCLUSIONS

1. Exclusive authority of California State Athletic Commission to arbitrate promotional contracts exists by reason of the express language of the contract itself, which provides in paragraph C(2) and 16 CCR 221.

DISCUSSION

1. Boxer Jesus Antonio Hernandez asserts that he wants to get out of the contract because Manager has not procured any fights for him since September 2009. On the other hand, Manager Frank Espinoza has requested his manager share for the remainder of the contract.

2. Manager maintains that he has fulfilled all obligations to Boxer. He asserts that he has procured 10 fights, and that he was advancing Boxer's career.

3. At the outset, it is noted that wherever possible, the commission strives to uphold agreements between boxers and managers. In some rare instances, however, circumstances warrant the commission's action to dissolve such contractual relationships. These circumstances include, but are not limited to, breach of the contract by the boxer, breach by the manager and other circumstances where the commission feels it is "in the best interest of boxing" to dissolve the relationship. The facts of this case appear to be such a rare circumstance.

4. Testimony given at the arbitration hearing centered mainly around the parties inability to communicate with each other. Without effective communication, neither party will derive any benefit from the continuation of the Boxer-Manager relationship.

5. Accordingly, the Commission hereby finds that the Boxer-Manager Contract dated July 20, 2006 is terminated. Under the contract Boxer is obligated to disburse to Manager 33 1/3 percent of each of his purse amounts through the remainder of the contract life, July 19, 2011.

<u>ORDER</u>

WHEREFORE, THE FOLLOWING ORDER is made:

Neither party has breached the contract terms.

The arbitration is resolved in favor of the breaking of the contract in the best interest of boxing.

anil ar DATED:

George Dodd Executive Officer California State Athletic Commission

DECLARATION OF SERVICE BY CERTIFIED MAIL AND FIRST CLASS MAIL (Separate Mailings)

Case Name: Jesus Hernandez Cruz v. Frank Espinoza; No.: 032510-1

I declare: I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On May 4, 2010, I served the attached **DECISION** by placing a true copy thereof enclosed in a sealed envelope as certified mail with postage thereon fully prepaid and return receipt requested, and another true copy of the **DECISION** was enclosed in a second sealed envelope as first class mail with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013, addressed as follows:

Monica De La Hoya Attorney at Law 1081 Vine El Centro, CA 92243

Jesus Hernandez Cruz 37751 Dixie Drive Palmdale, CA 93550

Frank Espinoza 1356 Bently Court West Covina, CA 91791

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I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 4, 2010, at Los Angeles, California.

Henrietta Gaviola

Declarant

Signature

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TO: Jesus Hernandez Cruz 37751Dixie Drive Palmdale, CA 93550

SENDER: Karen B. Chappelle

REFERENCE: LA2010500467

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