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2
3 **BEFORE AN ARBITRATOR**
4 **CALIFORNIA STATE ATHLETIC COMMISSION**
5 **DEPARTMENT OF CONSUMER AFFAIRS**
6 **STATE OF CALIFORNIA**

7 **In the Matter of the Arbitration of Contract**
8 **Dispute Between:**

DECISION OF THE ARBITRATOR

9 **TERREL WILLIAMS, Boxer,**

10 and

11 **OLD SCHOOL BOXING; SHADEED**
12 **SULUKI, Manager, and KAMAL BEALE,**
13 **Co-Manager**

Date: August 21, 2014

Location: 110 West A” Street, San Diego

Arbitrator: Andrew Foster, Executive Officer

14
15 **DECISION**

16 On August 21, 2014, the above-captioned matter came before the Executive Officer for the
17 California State Athletic Commission (hereinafter “Commission”), Andrew Foster, duly
18 appointed by the Commission to arbitrate this dispute between Terrel Williams, Professional
19 Boxer, (hereinafter “Boxer”) and his managers, Shadeed Suluki and Kamal Beale, (“hereinafter
20 Managers”). This arbitration was convened at 11:00 a.m. on August 21, 2014, at the Office of the
21 Attorney General, 110 West A Street, in San Diego, pursuant to written notice to all parties. All
22 parties were present and ready to proceed.

23 Boxer was represented by Brandon M. Tesser, Esq., of the Law Offices of Tesser,
24 Rutenberg & Grossman LLP,. Managers represented themselves in pro per.¹ The following
25 witnesses were duly sworn and gave testimony at the arbitration: Shadeed Suluki, Kamal Beale,
26 Terrel Williams, and John White.

27 _____
28 ¹ Also present at the arbitration was Williams’ financial backer, John White.

1 Protection of the public shall be the highest priority for the State Athletic
2 Commission in exercising its licensing, regulatory, and disciplinary functions.
3 Whenever the protection of the public is inconsistent with other interests sought to be
4 promoted, the protection of the public shall be paramount.

5 STANDARD OF PROOF

6 8. The requisite standard of proof for arbitration is set forth in CCR 227(f), which
7 provides, in pertinent part, that the party requesting arbitration has the burden of proof as follows:

8 (a) A person who seeks arbitration of a contract dispute pursuant to Rule 221
9 shall send a written request for arbitration to the commission's headquarters and to the
10 Office of the Attorney General at the address designated on the form. The request
11 shall be on a form prescribed by the commission and shall contain all of the following
12 information:

13
14 (f) The party requesting arbitration bears the burden of proving his or her case
15 by a preponderance of the evidence. . .

16 PARTIES

17 9. **Boxer** is a professional light middleweight boxer with a record of 12 wins, no losses
18 and no draws. Boxer turned professional in 2008, at the age of 24; he is currently 30 years old.
19 Over the past six years, Boxer's career earnings have been \$7,650.00, which according to Boxer
20 is not enough to live on. Boxer testified that his actual earnings for the first year of his contract
21 were \$2,500.00. Consequently, Boxer has had to borrow money from his financial backer, John
22 White, in order to procure fights and to support his family. Boxer's last fight was a knockout win
23 over Bernardo Guereca on June 28, 2013.

24 10. **Managers** are professional boxing trainers and managers for Boxer. They have been
25 Boxer's trainers/managers since he turned professional in 2008. Managers have been in the fight
26 business for many years as both licensed trainers and managers and have trained Boxer most of
27 his professional career.

28 ISSUES PRESENTED BY BOXER

11. Boxer requests the termination of his Boxer-Manager Contract alleging that his
managers breached the contract in two ways. First, pursuant to paragraph B.1, his managers
failed to pay Boxer at least \$12,000.00 on or before May 10, 2014. Second, pursuant to

1 paragraph C.5, his managers failed to obtain a good faith offer for a boxing match, exhibition, or
2 contest from any responsible party for at least four consecutive months. Boxer alleges that
3 between the operative period of November 14, 2013, to March 14, 2014, his managers failed to
4 procure a bona fide boxing match.³

5 BOXER-MANAGER CONTRACT

6 12. The subject Boxer-Manager Contract dated and signed May 10, 2013, (hereinafter
7 contract) was received into evidence without objection of the parties. Boxer testified that his
8 managers breached paragraphs B.1 and C.5 of the contract. The operative language is set forth
9 below.

10 13. Paragraph B.1, states: "the manager agrees to guarantee Boxer, that the Boxer's share
11 of money earned pursuant to this contract shall not be less than \$12,000.00 per year during the
12 term of this contact or Manager will pay Boxer the difference between the amount actually earned
13 and \$12,000.00."

14 14. It was undisputed that Boxer did not earn \$12,000.00 fighting during the first year of
15 the contract; Boxer testified and Managers stipulated that Boxer actually earned \$2,500.00.
16 However, Managers dispute that they owe Boxer the difference between the amount actually
17 earned, \$2,500.00, and the \$12,000.00-guarantee. On that basis, Managers admit they did not pay
18 Boxer the difference, which is \$9,500.00.

19 15. Boxer bears the burden of proving by a preponderance of the evidence that Managers
20 breached section B.1 of the contract. Boxer testified that his understanding of the agreement was
21 that he was to receive a guaranteed minimum of \$12,000.00 per year for each year of the contract.
22 On the other hand, Managers testified that since Boxer only earned \$2,500.00, he is only entitled
23 to \$2,500.00 and no more. In other words, Boxer had to earn a minimum of \$12,000.00 in order
24 to receive the guaranteed \$12,000.00. By their testimony, Managers disagree with Boxer's
25 interpretation of the contract that they guaranteed Boxer \$12,000.00 per year.

26 ³ Boxer admitted that he declined a legitimate fight in August 2013 due to a hand injury.
27 This shows good faith on the part of his managers to procure a fight. Boxer's declination of the
28 August 2013 fight is outside the four month operative period between November 2013 and March
2014, and hence is not dispositive.

1 16. In order to resolve this issue, the Arbitrator applies the plain meaning of paragraph
2 B.1. The first part of paragraph B.1 lends itself to Manager’s interpretation, however, it is
3 followed by clarifying language, which states, “**or Manager will pay Boxer the difference**
4 **between the amount actually earned and \$12,000.00.**” In analyzing the last part of paragraph
5 B.1, the Arbitrator notes that the parties hand wrote in the guaranteed amount of \$12,000.00.
6 Further, the Arbitrator finds pursuant to paragraph B.1, that Managers agreed to pay Boxer the
7 difference between what he actually earned, \$2,500.00, and the guaranteed amount of \$12,000.00.
8 The parties were free to negotiate a guaranteed amount they felt appropriate to induce the Boxer
9 into signing the contract. It is common practice in the business for managers and promoters to
10 guarantee a boxer a minimum amount of money in order to bind a boxer to a multi-year fighting
11 contract. In this instance, Managers were mistaken in their interpretation of paragraph B.1, and
12 on that basis, they both testified and admitted that they did not pay Boxer the difference between
13 what he actually earned and the guaranteed amount. Accordingly, the Arbitrator finds that the
14 Managers breached paragraph B.1 and orders them to pay Boxer the difference between what he
15 actually earned (\$2,500.00) and what Managers guaranteed (\$12,000.00), which is \$9,500.00.

16 17. Paragraph C.5, states: “the arbitrator may terminate this contract if Manager fails to
17 obtain a good faith offer of a boxing match, exhibition or contest from a responsible person, firm
18 or corporation for a least four (4) consecutive months, during all of which time Boxer shall have
19 been ready, willing, able and available to accept and perform such services.”

20 18. Boxer testified that Managers failed to procure a good faith offer of a boxing match
21 from November 14, 2013 through March 14, 2014, the operative period, and on that basis Boxer
22 seeks to terminate the contract.

23 19. Managers testified that Boxer breached the contract when Boxer allegedly stopped
24 cooperating with them in February 2014. Boxer admitted during the arbitration that he lost
25 confidence in his managers around this time, however, Boxer testified that he was ready, willing
26 and able to fight if Managers had presented him with a legitimate offer to fight.

27 20. During the arbitration, Managers presented a draft of the “Banner Promotional
28 Agreement” to demonstrate that they were in serious negotiations with Banner Promotions on

1 behalf of Boxer. The Banner negotiations started in September of 2013 and continued through
2 February 2014 without success. Managers testified that they used good faith efforts to obtain the
3 best possible terms for Boxer.

4 21. Managers testified that Boxer agreed to suspend fighting until after the Banner
5 agreement was signed. Managers testified that since all parties agreed that Boxer would not fight
6 until after signing the Banner agreement, then Managers were excused from procuring any fights
7 during the operative period.

8 22. On the other hand, Boxer's financial backer, John White, testified that Boxer did not
9 agree to suspend fighting until after the Banner agreement was signed. Indeed, Boxer needed to
10 fight in order to make money to survive. According to Mr. White's testimony, the proposed
11 Banner agreement was not acceptable because it did not provide enough income for Boxer. Mr.
12 White's testimony that the Banner agreement was not acceptable was corroborated by Managers
13 testimony that they too were not satisfied with the amount of money offered Boxer under the
14 agreement and Managers continued to work hard to negotiate better terms for Boxer.

15 23. Based upon the testimony presented and the evidence received, it is undisputed that
16 the negotiations between Managers and Banner Promotions to obtain a promotional contract for
17 Boxer failed. As a result, no offer to fight was proffered to Boxer during the operative time
18 period. Accordingly, the Arbitrator finds that Boxer has proven by a preponderance of the
19 evidence that Managers failed to procure a legitimate boxing match or bout agreement during the
20 operative time period between November 14, 2013 and March 14, 2014. Accordingly, the
21 Arbitrator holds that the managers breached paragraph C.5 of the boxer-manager contract, which
22 authorizes the Arbitrator to terminate the contract.

23 24. For the reasons set forth above, and in the "Best Interests of Boxing" as set forth
24 below, the Arbitrator hereby terminates the contract between Managers and Boxer.

25 **BEST INTERESTS OF BOXING**

26 25. The Boxer-Manager contract is for the performance of personal services, and contains
27 an implied covenant of good faith. It requires good will and mutual cooperation on the part of
28 both the Boxer and his Managers. The Arbitrator personally observed the interaction of the

1 Managers and Boxer during the arbitration and found that the parties talked over one another,
2 repeatedly interrupted one another, continuously argued back and forth, and interrupted the
3 testimony of the witnesses. By their very actions, it is clear that Boxer and his Managers are
4 presently incompatible, and it would be contrary to the best interests of boxing to force them to
5 remain under contract until the expiration of the term. It is therefore consistent with the best
6 interests of boxing, the Boxer, and the Managers, to grant Boxer's request to terminate the current
7 contract.

8 **ORDER**

- 9 1. Boxer's request to terminate the Boxer-Manager Contract dated May 10, 2013, is
10 granted. The contract is hereby terminated and Managers take nothing under the contract.
11 2. Boxer and Managers are released from their Boxer-Manager Contract dated May 10,
12 2013, and Managers are ordered to pay boxer \$9,500.00 in monetary damages for their breach of
13 paragraph B.1.

14 THIS DECISION SHALL BECOME EFFECTIVE ON SEPTEMBER 4, 2014.
15 DATED: September 4, 2014.

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18 _____
19 ANDREW FOSTER, EXECUTIVE OFFICER
20 CALIFORNIA STATE ATHLETIC COMMISSION
ARBITRATOR

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