



CALIFORNIA STATE ATHLETIC COMMISSION
2005 Evergreen Street, Suite 2010 | Sacramento, CA 95815
Phone: (916) 263-2195 | Fax: (916) 263-2197
Website: www.dca.ca.gov/csac | Email: csac@dca.ca.gov



Members of the Commission

John Carvelli, Chair
Mary Lehman, Vice Chair
John Frierson
Martha Shen-Urquidez
Van Gordon Sauter
Vernon Williams, M.D.
Luis Ayala

**Agenda items may be taken out of order the
agenda except public comment.
Action may be taken on any item listed on**

CALIFORNIA STATE ATHLETIC COMMISSION

MEETING MINUTES

Tuesday, December 12, 2017
10:00 a.m. - Conclusion of Business

Location:

*California State Capitol
Room 126
Sacramento, CA 95814*

Commissioners Present

Chair John Carvelli
Vice Chair Mary Lehman
Commissioner Vernon Williams, MD
Commissioner Van Gordon Sauter
Commissioner Martha Shen-Urquidez

Staff Present

Andy Foster, Executive Officer
Sophia Cornejo, Assistant Executive Officer
Gary Duke, Legal Counsel
Heather Jackson, CSAC Staff

Commissioners Absent

Commissioner Luis Ayala
Commissioner John Frierson

OPEN SESSION

**Agenda Item 1 – Call the meeting to Order / Roll Call / Pledge of Allegiance/
Establishment of Quorum**

The meeting was called to order at 10:00 a.m., Executive Officer (EO) Andy Foster called the Roll and a quorum was established.

Agenda Item 2 – Welcome –Chairman’s opening remarks

Chairman John Carvelli welcomed everyone to the meeting and stated that he is confident that the California State Athletic Commission (Commission or CSAC) is fiscally sound, efficiently and effectively administered, and in his humble opinion the regulatory example, both on a national and international basis, for providing dynamic and common-sense

leadership in all aspects of combat sports. He suggested that 2017 represents the year of the 10-Point Plan (Plan) addressing severe dehydration and weight cutting and gaining. A plan conceived and implemented by the Commission's Executive Officer, Andy Foster and the Commissioners. He mentioned that the Plan has also been approved nationally by the Association of Boxing Commissions (ABC), is currently being implemented in many states, with potential for more states to adopt, as well as foreign countries. He stated that the 10-Point Plan has and will fulfill the Commission's clear mission to protect and defend the health and safety of combat athletes.

He declared that the Plan will save lives. On behalf of his colleagues, he asked that God and the 10-Point Plan keep fighters safe and extended their best holiday wishes to CSAC family.

Agenda Item 3 – Approval of the October 17, 2017, Commission Meeting Minutes

Executive Officer (EO), Andy Foster presented the Commission with the minutes of the October 17, 2017, Commission Meeting for approval. Commissioner Martha Shen-Urquidez and Vice Chair Mary Lehman requested revisions to Agenda Items 3 and 5.

*Commissioner Van Gordon Sauter motioned to approve the October 17, 2017, Commission Meeting minutes as amended.
Vice Chair Lehman seconded the motion.*

No other Commission discussion or public comment.

The motion passed 5-0 by roll call vote.

Agenda Item 4 – Update from the Department of Consumer Affairs (DCA)

The Commission welcomed Department of Consumer Affairs' Director, Dean Grafilo, and Deputy Director of Board and Bureau Services, Christopher Castrillo, to the meeting. Director Grafilo mentioned that his thoughts are with everyone who was affected by the recent fires in Southern California and wished everyone happy holidays.

Director Grafilo provided the Commission with updates on the Department of Consumer Affairs, including staffing updates and provided brief backgrounds for each of the new team members.

Deputy Director Castrillo introduced himself to the Commission and provided his background and experience prior to his appointment with DCA. He reviewed the upcoming required trainings and pro rata workgroup events that are planned.

Agenda Item 5 – Review and Update on the Commission's Budget with DCA Budget Staff

EO Foster introduced Mr. Mark Ito, DCA Budget Analyst and Mr. Taylor Schick, DCA Fiscal Officer, to provide a budget update to the Commission.

Mr. Ito briefly explained the process that is used to create the Commission's proposed budget for approval each year. He reported that DCA Budget Office is working with FI\$Cal to get the budget reports on the Commission's expenditures. He assured the Commissioners they anticipate the Commission is spending within their appropriation. He further assured the Commission he and EO Foster are in constant communication and work regularly to ensure the Commission is in line to meet their revenue and expenditure budgets.

Vice Chair Lehman asked Mr. Ito if the constant communication was due to not having access to the budget reports. Mr. Ito responded even when there are budget reports, he prefers to be in contact with EO Foster on a regular basis, to give the Commission more predictability regarding their revenue. EO Foster mentioned he also works with Mr. Ito when it comes to regulatory packages, as approval from Budgets is part of the requirement.

Vice Chair Lehman asked when they expect to receive budget reports. Mr. Schick responded that although he does not want to promise a specific time-frame, DCA Budgets has been working diligently with the State Controller's Office, Department of Finance and FI\$Cal staff to ensure they are able to use accurate reports from the system. He mentioned DCA Budgets is working on preparing manual reports which will give projections based on contracts, rent schedule and administrative costs. He explained they are hoping to have reports out by mid-December.

Commissioner Shen-Urquidez mentioned she maintains the same concerns she had last year with the Commission not being invited to participate in the budget planning process. She explained last year, DCA Budgets advised the Commission the beginning of the year would be a good time to reconvene with DCA Budget staff and discuss the next fiscal years' budget. She added that those meetings never took place by the first quarter of 2017 and mentioned she would like to start planning for the Commission's involvement in 2018. Commissioner Shen-Urquidez expressed concerns regarding the pro-rata increase, the Commission's lack of understanding of the pro-rata formulas and inability to predict increases.

She further expressed concerns with the new FI\$Cal system. She explained her understanding the roll-out system is a year off from what it was anticipated to be and if DCA has been able to produce manual reports, she wonders why those have not yet already been started.

Mr. Schick responded to Commissioner Shen-Urquidez's concerns regarding the budget and reassured her the pro-rata increase the Commission experienced last year was the Statewide pro-rata and not DCA's. He explained DCA has also formed a Pro-Rata Workgroup which EO Foster is a part of. Chairman Carvelli suggested a meeting with

Commissioner Shen-Urquidez and the DCA Budgets' team to discuss her concerns in detail.

Agenda Item 6 – Review and Possible Action of Petition to Change the Decision for Michael Guy vs. Junior Younan bout on July 29, 2017, in Long Beach, CA

EO Foster presented the Commission with background on the request to change the decision, explaining that Mr. Guy details three instances in the fight where he claims the referee did not indicate knockdowns against Mr. Younan. He believes had the knockdowns been identified and appropriate points been deducted, the scoring of the bout would have significantly changed and ultimately resulted in Mr. Guy winning.

A video of the bout was shown to the Commissioners.

Chairman Carvelli welcomed Mr. Michael Guy, Boxer, and his trainer, Mr. Norm Tavalero. Mr. Tavalero reviewed the first knockdown in question which occurred at about one minute seven seconds left in the seventh round where he says Mr. Guy hit Mr. Younan with five unanswered punches and looked glazed/glassy eyed when he got up. Mr. Tavalero continued to a review of the second knockdown in question, where in the eighth round with about one minute twenty-nine seconds left, he says Mr. Younan was against the ropes, avoided a left hook and got hit with a right hand and a left hook to the body and went down. He explained that Referee Wayne Hedgepeth called it a slip. The last knockdown in question, he reviewed, occurred with approximately twenty-three seconds left in the final (eighth) round. He explained that Mr. Younan avoided a big right hand and went to his knee to avoid a punch.

Chairman Carvelli asked Mr. Tavalero what result they are requesting the Commission to consider. Mr. Tavalero explained that pursuant to rule 368, the Commission change the decision of the bout.

EO Foster read aloud, letters from Referee Hedgepeth and Lead Inspector Brett Correia, where they detail their recollections of the bout.

Mr. Tavalero explained that Mr. Younan was holding many times during the bout, which he was warned for – all of which was frustrating to Mr. Guy.

DISCUSSION

Commissioner Shen-Urquidez asked EO Foster what his thoughts are on the bout and the request to change the decision. EO Foster explained he is with the opinion that when knockdowns are missed by the referee, there should be clear and decisive evidence of that knockdown. He further explained he was not at the event and that all he is able to see is the video which was provided by Mr. Guy. He continued the referee was in the best position and it is the referee's decision to make the call. Commissioner Shen-Urquidez explained she would have a hard time second-guessing her referee without clear evidence against the call.

Vice Chair Lehman requested that moving forward, links to appeal videos be distributed to the Commissioners before the meeting. She further explained that Mr. Guy should have received the statements from the Referee and the Lead Inspector, and that moving forward each party should be made aware of all responses from the other parties. She continued she was a bit dismayed by the comments of the referee that the discussion did not point to the issues being appealed and rather addressed the issues he had with the cornerman. She suggested perhaps the calls from the referee were tainted or subconsciously, retaliatory against Mr. Guy and his corner. She stated in looking at the scorecards, if even one of the knockdowns in question were to have been called as such, that the result would have been different. She continued that she believes that the knockdown in round seven where Mr. Younan pulled himself up with the ropes – was likely a knockdown.

Commissioner Vernon Williams requested videos of each knockdown.

Commissioner Sauter commented if the Commission is going to engage in a review of bouts and the result of bouts, clear and concise videos of each issue being addressed should be made available to the Commission ahead of time.

Chairman Carvelli invited Mr. Guy to reappear at the next Commission meeting to readdress each issue with better material which will aid the Commission in making the best decision.

Vice Chair Lehman suggested, until then, Mr. Guy's record reflect the bout is currently under review.

Agenda Item 9 – Discussion, review and possible action regarding the delegation of amateur kickboxing to the International Kickboxing Federation (IKF)

EO Foster presented the Commission with background on the IKF and their efforts in regulating amateur kickboxing in California. He provided his recommendation to grant the delegation of amateur kickboxing to IKF with the same terms as the California Mixed Martial Arts Organization (CAMO) and the United States Fight League (USFL) with an ongoing delegation that can be reviewed or revoked at any time by the Commission.

*Vice Chair Lehman motioned to renew the delegation of amateur kickboxing to the International Kickboxing Federation.
Commissioner Williams seconded the motion.*

DISCUSSION

Vice Chair Lehman acknowledged Mr. Fossum for the excellent regulation of kickboxing that IKF has done so far, as well as his efforts in submitting reports, as requested. She mentioned that she and the Commission know the great work that IKF does but understands that documenting that work can be sometimes more difficult.

The motion passed 5-0 by roll call vote.

Agenda Item 12 – Review and approval of Petition to Change Decision Form

EO Foster provided background to the Commission and explained why such a form will be necessary in processing requests to change decisions. Vice Chair Lehman briefly explained to promote efficiency in the CSAC office as well as fairness and due process to the stakeholders, a fair process which is accessible to the public/stakeholders so they know what to expect when submitting such appeals. She further explained in the last meeting, the Commission approved the process for filing a petition and the form will work to streamline the process and give a snapshot of the petition.

DCA Legal Counsel, Gary Duke, explained to the Commission a form like the one being reviewed could help marshal relevant appeal information, but it cannot be considered a filing requirement.

Commissioner Shen-Urquidez motioned approve the Petition to Change Decision Form. Commissioner Sauter seconded the motion.

DISCUSSION

Commissioner Shen-Urquidez suggested a checklist be added to the form and questions for the petitioner to answer which pertain to videos of the bout, whether they are requesting a hearing, and if so, if they will have witness statements or will be present at the time of hearing.

Vice Chair Lehman mentioned the form does mention to “attach additional information”, however she agreed maybe it was too vague and should be revised to include Commissioner Shen-Urquidez’s suggestions.

Commissioner Shen-Urquidez revised her motion to approve the Petition to Change Decision Form with revisions. Commissioner Sauter seconded the revised motion.

No public comment.

The motion passed 5-0 by roll call vote.

Agenda Item 7 – Subcommittee Update

a. Pension Fund Subcommittee (Commissioners Lehman and Ayala)

i. Report from Beth Harrington from Benefit Resources regarding the Pension fund administration.

EO Foster invited Ms. Beth Harrington, Benefit Resources, to come forward

and provide the Commissioners with her presentation regarding 2017 finances. Ms. Harrington gave an overview and described the charts she provided to the Commissioners in the meeting materials. She explained the formal valuation was completed at year end of 2016, and showed a plan valuation of 5,138,396. She reported during 2017, \$400,000 was transferred out of the Raymond James account to the operating account and was used to pay benefits throughout the year.

She reported 46 boxers became eligible for benefits in 2017. Ms. Harrington reported two of the beneficiaries of the pension plan did not have U.S. Social Security Numbers (SSN) and they were living overseas. She explained benefits were paid, however no taxes were withheld for those claimants as they did not have SSNs. She further explained she does not typically pay benefits to anyone without an SSN, however she was given direction from DCA to pay the claimants without the SSNs.

Commissioner Shen-Urquidez expressed concerns about athletes having to sign up for the plan and are not getting paid. EO Foster clarified this was how it was done in the past; however, it has been corrected and the round purse report now reflects every boxer who competes each year is thereby enrolled in the plan.

ii. **Report from Cyril Shah of Raymond James Financial Services regarding the status of the Pension Fund investment account and allocation of assets.**

Mr. Cyril Shah, Raymond James Financial, provided a presentation to the Commissioners regarding the investment side of the Pension Fund.

Mr. Shah presented the Commissioners with reports on the Pension Fund's investment returns. He reported the Commission has withdrawn \$1.95 million, almost \$2 million out of the fund, almost exclusively, to pay benefits to boxers and have been able to maintain as well as increase the value of the fund. Chairman Carvelli inquired why the Commission's returns are only at 5.5% whereas other funds are returning upwards of 10-12%.

Mr. Shah explained the fund is set up to be quite conservative, the fund has about 30% exposure to equities and the remaining 70% are income oriented and yield much lower returns which allow the fund to sustain itself and reduce volatility within the fund. He further explained a few tactical changes were made in November, which reduced their exposure to high-yield bonds which are below investment grade, where the risk associated with them were not being adequately compensated.

Chairman Carvelli explained although he understands the need to maintain the corpus of the fund, he is frustrated the fund is not gaining commensurate

or even close to the rest of the market. Commissioner Shen-Urquidez suggested to Mr. Shah, when he sees and upturn in the market, he should be shifting allocations, at least for short the term. Mr. Shah explained he does have the ability to do that, but he would suggest a more long-term approach.

Chairman Carvelli requested Mr. Shah compile some options for the fund and reconvene on the topic at a future meeting.

CLOSED SESSION

Agenda Item 14 – Pursuant to Government Code Section 11126(a)(1) the Commission will conduct an annual review of the Executive Officer.

OPEN SESSION

Session resumed, Chairman Carvelli left for the day and Vice Chair Lehman stepped in as acting Chair.

Agenda Item 10 – Executive Officer’s Report

a. Budget Update for the Support Fund, the Neurological Fund, and Pension Program

EO Foster explained as of July 1, 2017, he has yet to receive a budget report, however he is able to report on the revenue. He reported that as of December 1, 2017, the Commission deposited \$832,762.12 to the Support Fund, \$2,801.42 to the Neurological Examination Account, and \$245,024.96 to the Boxers Pension Fund. He further explained \$200,000 of the deposits to the Pension Fund was from the SMIF account to pay benefits.

b. Report on Pending and Proposed Regulations

• Payment of Contestants (Amendment to Title 4, California Code of Regulations section 232.)

EO Foster reported the final rulemaking package was submitted to the Office of Administrative Law (OAL) on November 6, 2017. He continued there was originally some debate on whether the Commission has legal authority to impose such a regulation and confirmed with DCA Legal the Commission does. Mr. Duke clarified although DCA has given their legal opinion, OAL must still make their legal determination on the Commission’s authority.

• Examination of Boxer Applicants (Amendment to Title 4, California Code of Regulations section 280.)

EO Foster reported the rulemaking package was submitted to DCA and is currently under review by DCA Legal. Mr. Duke explained to the Commission this regulation

was originally going through the regulatory process but had been withdrawn and what is currently under review is an entirely new package.

Assistant Executive Officer, Sophia Cornejo, explained DCA has a new process for regulation packages and the review period is now completed prior to submitting to OAL.

c. Status Update of Delegated Entities

- **California Amateur Mixed Martial Arts Organizations (CAMO)**

Mr. JT Steele, President, reported CAMO experienced an unexpected increase of events in December, which caused them to push back some of their inspector trainings. He reported they held a Promoter/Stakeholder meeting in Southern California which was very productive and provided them with a lot of insight with their promoters. He explained many suggestions were discussed and he will brief the EO on those before bringing them to the full Commission.

Commissioner Shen-Urquidez asked what Mr. Steele attributes the upswing of events to. Mr. Steele responded there are better opportunities for promoters to secure better venues in the winter months, he also suggested it could be from approving a few new promoters. Commissioner Shen-Urquidez recognized CAMO inspectors and acknowledged how well trained they are.

- **USA Boxing (USA Boxing)**

Mr. Mike McAtee, Executive Director, introduced himself and gave background on the changes occurring within USA Boxing as an organization. Commissioner Shen-Urquidez mentioned there was a great relationship between this Commission and his predecessor Mike Martino. Mr. McAtee has not appeared at previous Commission meetings despite requests and as much as she appreciates his attendance, Mr. Joe Zanders is not able to report on the entire state of USA Boxing's affairs. She explained that the Commission had received complaints about the new fee schedule and asked for clarification and an update on the new fee schedule.

Mr. McAtee explained one of the primary changes in the process under his leadership has been fee schedule changes for sanctions must be voted on by the Board of Governors of each Local Boxing Club. Commissioner Shen-Urquidez clarified that the fees for each athlete does not go to the LBC for approval, that USA Boxing is still responsible for fee increases. Additionally, she inquired about the sanction fees that are waived for certain contests and asked whether the athlete fees are also waived.

Vice Chair Lehman requested EO Foster coordinate a conference call to discuss the additional concerns the Commission is hearing from their stakeholders.

Commissioner Sauter asked Mr. McAtee to report on the 2028 Olympic status. Mr.

McAtee explained Los Angeles is slated to receive about 10.8 million a year over the next 10 years, they would like to see a western qualifier in Los Angeles in 2019 or 2020.

- International Kickboxing Federation (IKF)

Mr. Steve Fossum, President, reported there was an issue at one of the events where the athlete was knocked out. The Ringside Physician's assessment was the athlete needed to go to the hospital by ambulance. He further explained once the ambulance team arrived in the back room, the athlete was aware of what was going on and adamant he did not want to go to the hospital. He explained the ambulance team gave him a waiver to sign.

Mr. Fossum asked the Commission on direction of what to do moving forward in instances where athletes refuse care. Commissioner Shen-Urquidez explained there are only certain instances where you can hold an athlete, or in any case, a patient against their will.

Vice Chair Lehman explained the Ringside Physician may be able to advise the athlete to go to the hospital by warning them if they don't they may not be able to medically compete again. However, the Commission does not have the authority to impose or threaten sanctions or suspensions on an athlete because they refuse care.

Mr. JT Steele explained the Commission must consider their liability when it comes to negligence. He stated if there is a form created or new process, and then it is not used or followed, for whatever reason, the Commission might be put in a situation of liability.

Vice Chair Lehman suggested the Commission refer this topic to the Medical Advisory Committee to advise the Commission.

- United States Fight League (USFL)

EO Foster explained Mr. Jon Frank sent his apologies that he would not be able to appear at the meeting, however his report was included in the Commission Meeting Materials.

d. Update on C3 Logix Sports Concussion Management Program

EO Foster reported that the Commission continues to test athletes both at the gyms and at the weigh ins. He explained that the Commission has uploaded approximately 420 C3 Logix exams and that Commission staff is on track to meet the goal of 500 uploaded exams by year end. He further reported that he has had discussions with the C3 Logix vendor to allow more locations for athletes to get tested throughout the state.

e. Upcoming Event Schedule and discussion regarding event activity

EO Foster explained this item will be discussed in another agenda item later in the meeting.

f. Staffing update

EO Foster reported that the Director of Consumer Affairs has requested, on behalf of the Commission, to California Human Resources that the Chief Athletic Inspector Classification be resurrected for State Athletic Commission utilization. The position was eliminated without the Commission's knowledge because it was vacant for over two years. He explained the position is unique to the State Athletic Commission and was in existence for approximately 80 years before it was eliminated. He further reported that it is a mission critical position and it should be returned to the State Athletic Commission.

g. Office Licensing and Field Database demonstration

EO Foster invited Ms. Heather Jackson, Associate Analyst in the Commission office. Ms. Jackson provided the Commissioners with a demonstration of the field database.

Agenda Item 8 – a. Business and Professions Code section 18640.5 requires the Commission to invite stakeholder testimony at Commission meetings in order to identify actions that may lead to greater opportunities for licensees to participate in major professional boxing contests.

Due to loss of quorum, this item was tabled.

Agenda Item 11 – Report on CSAC 10 Point Plan to address severe dehydration and weight cutting in MMA

Due to loss of quorum, this item was tabled.

Agenda Item 13 – Calendar Year End Commission Summary

Due to loss of quorum, this item was tabled.

Agenda Item 15 – Public Comment on Items Not on The Agenda

Due to loss of quorum, this item was tabled.

Agenda Item 16 – Review and Approval of CSAC 2018 Meeting Dates and Locations

Due to loss of quorum, this item was tabled.

Agenda Item 17 – Next Meeting Scheduled for February 27, 2018

Proposed meeting on Tuesday, February 27, 2018, in Orange County, CA.

Agenda Item 18 – ADJOURNMENT

Meeting Adjourned.