



California State Athletic Commission
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Members of the Commission

John Frierson, Chair
Christopher Giza, MD, Vice Chair
VanBuren Lemons, MD
Martha Shen-Urquidez
Mary Lehman
John Carvelli
Leslie Lohse

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

**CALIFORNIA STATE ATHLETIC COMMISSION
MEETING MINUTES
October 7, 2013
10:00a.m. - Conclusion of Business**

Location:

Ronald Reagan State Building
300 South Spring Street
Los Angeles, CA 90013

Commissioners Present

Chairman John Frierson
VanBuren Lemons, MD
Martha Shen-Urquidez
Mary Lehman
John Carvelli

Commissioners Absent

Christopher Giza, MD, Vice Chair
Leslie Lohse

Staff Present

Andy Foster, Executive Officer
Spencer Walker, Staff Counsel, DCA
Vern Hines, Special Project Coordinator, CSAC

Agenda Item 1 – Call to Order / Roll Call / Pledge of Allegiance

The meeting was called to order at 10:02 a.m. and a quorum was present.

Agenda Item 2 – Chairman's Opening Remarks

- Chairman Frierson welcomed all who were present and those on the panel for their attendance.

Agenda Item 3 – Approval of August 5, 2013 Meeting Minutes

Commissioner Carvelli made a motion to approve the August 5, 2013 minutes as revised. Chairman Lehman seconded the motion and the commission approved the motion by a 5-0 vote.

Agenda Item 4 – Executive Officer's Report

a) Budget Update

- a. Executive Officer Foster stated the commission now has a fund balance with approximately \$400,000. Based on the current year budgeted expenditures, the commission has a four month fund reserve.
- b. The commission spent \$15,000 more on civil service positions in fiscal year 2012-13 than is budgeted for 2013-14. The commission will fill the shortfall in its fiscal year 2013-14 civil service budget with money budgeted in internal and external contracts.
- c. The commission's sunset bill, Senate Bill 309, passed and effective January 1, 2014, costs associated with the staff services analyst managing the pension program will be transferred from the support fund to the pension fund.
- d. Inspector costs averaged \$15,632 per month for fiscal year 2012-13. The Executive Officer stated these costs are expected to rise slightly due to more inspectors being utilized at events. The Executive Officer stated he believes a slight increase in this expenditure is a wise investment.
- e. The commission has been working hard to track and report event profit & loss information. As of today, most of the events provide sufficient revenue to pay athletic inspector costs. Senate Bill 309 will increase the amount the commission collects on small shows from \$500 to \$1,000 effective January 1, 2014.
- f. Although many of the small events the commission regulates are profitable, the commission's fixed costs, including office staff time preparing the event packet, are not calculated into the equation. The Commissioners may want to consider delegating its authority to regulate amateur muay thai kickboxing shows like it does for amateur boxing and mixed martial arts due to our budget.
- g. Commissioner Lemons stated that he would like the Executive Officer to conduct an indirect cost analysis for regulating events. The Executive Officer stated the office has begun to analyze this information.

b) Status of Pending Regulations

- a. Executive Officer updated the commissioners on the pending regulations pertaining to the color of tickets. Legal advised combining the regulation change with another for efficiency purposes.

c) Boxer's Pension Fund/Neurological Examination Account Update

- a. Executive Officer Foster stated that the boxer pension fund has approximately \$5.4 million and the Neurological fund has \$670,000.

d) Staffing Update

- a. Executive Officer Foster stated he hired an Assistant Executive Officer and has one vacancy currently.
- b. The commission's staff services analyst is currently under temporary authority but the permissible percentage of support will move under the pension fund starting January 1, 2014.

e) Past Audit Recommendations Progress Report

- a. Executive Officer stated the BSA will soon reply to the commission's six month audit response. Since the approval of Senate Bill 309, more of the BSA recommendations will become fully implemented.
- b. Executive Officer Foster stated that he would conservatively estimate the commission has fully implemented 75 percent of the BSA recommendations.
- c. The commission has provided a six month response to the DCA Internal Audits. DCA Audits is evaluating our response.
- f) **Update on current legislation**
 - a. The commissions pending legislation, SB 309 (Sunset Review Bill) and AB 1186 (Youth Pankration) were recently signed into law.
- g) **Officials Evaluation Reports**
 - a. The Officials Evaluation Subcommittee have started evaluating officials. All officials tested thus far have passed. We will continue to evaluate referees and move on to judges.
 - b. Commissioner Carvelli provided a brief description on the purpose of the Officials and Inspector Evaluation Sub-Committee.
 - c. Chairman Frierson stated the sub-committee should address how officials are selected when promoters specifically request certain officials. Commissioner Carvelli stated the sub-committee will address the issue.
 - d. Commissioner Lemons stated he would like to see the evaluations and the process the sub-committee used for evaluating officials.

Agenda Item 5 – Report from the Pankration Subcommittee

- a) Commissioner Carvelli stated the sub-committee was pleased with the passage of AB 1186. The bill clarified the commission's role to regulate youth pankration.
- b) Commissioner Carvelli stated the commission is accepting any proposal from interest parties that wish to be involved in the regulation and oversight of youth pankration.
- c) Executive Officer stated the subcommittee needs to be at least three members pursuant to AB 1186.
- d) Commissioner Lemons stated he was concerned about the costs associated with regulating youth pankration and the appropriateness of the Commission regulating youth MMA events.

Agenda Item 6 – Report from the CAMO Subcommittee

- a) Commissioner Shen-Urquidez reported the subcommittee has worked with CAMO to reorganize their organization fee structure and has generally restructured itself to become more user friendly. CAMO has been cooperative with the subcommittee's work.

Agenda Item 7 – Discussion and Possible Action – New Delegation Letter to CAMO

- a) Commissioner Shen-Urquidez presented the proposed new delegation letter to CAMO to be taken up at the next Commission meeting, with a few revisions.

Agenda Item 8 – Discussion and Review of Amateur Boxing Delegation

- a) Executive Officer Foster stated that the Commission's current delegation is to USA boxing.
- b) USA Boxing representative, Andy Barkowsky, Executive Officer of USA Boxing made a presentation to the Commission. Andy stated that athletes need a pathway to the Olympics and to be cognizant of that pathway.

- c) Commissioner Shen-Urquidez presented findings of the subcommittee that reviewed amateur delegation authority and she stated that USA boxing is working in conflict with amateur boxing stakeholders.
- d) Commissioner Shen-Urquidez presented a finding summary: USA Boxing . . .
 - a. Does not actually oversee any of the LBC activities in California, except with respect to the revenue they generate.
 - b. Does not know what safety standards the LBCs are following
 - c. Does not know what California rules are not being followed by the LBCs
 - d. Does not have policies and procedures in place for disciplinary actions for non-compliant clubs, coaches and athletes.
 - e. Does not have policies for communication or open communication with the Athletic Commission.
 - f. Have not complied with the reinstatement conditions of 2009 or any of the commitments made from 2009 and after.
- e) Commissioner Shen-Urquidez stated the Athletic Commission has not provided adequate oversight of its delegation with USA Boxing.
- f) Commissioner Shen-Urquidez provided a list of recommendations the subcommittee came up with as a result of their investigation into USA Boxing's delegation:
 - a. Within the next several days, provide USA Boxing with a complete list of all information required.
 - b. Put the USA Boxing delegation on the next commission meeting agenda and ask them to return with detailed information pertaining to the list of information requested no later than 12/1/13.
 - c. Put the USA Boxing delegation on probation until they provide the information and demonstrate to the Athletic Commission that they are actually providing oversight of amateur boxing.
 - d. Put USA Boxing on notice that any failure to comply may result in a fine or revocation of their delegation, or both.
 - e. The Subcommittee continues to monitor the progress of USA Boxing and report their findings at the next commission meeting.
 - f. Require headgear in California until further information is provided and a study can be done.
 - g. Consider using part of USA Boxing's revenue stream to finance staff to oversee their delegation and ensure adequate progress is being made.
- g) Commissioner Lemons asked the commission to request from USA Boxing any and all medical data supporting the discontinuance of headgear from amateur boxing.
- h) Commissioner Lemons made a motion requesting Chairman Frierson to direct the Executive Officer to send a letter to USA Boxing asking for a response to the findings and recommendations from the USA Boxing sub-committee, including data supporting the removal of headgear from amateur boxing. Chairman Frierson directed the motion.

Agenda Item 9 – Discussion and possible disciplinary action against Tony Lopez regarding his bout with Augustine Clementine

- a) Commissioner Lehmans made a motion to fine Tony Lopez the maximum amount under law of \$2,500 and to suspend his license and revoke it for the maximum amount allowed under law and Mr. Lopez must appear before the Commission if he applies for a new license. Commissioner Shen-Urquidez seconded the motion and the Commissioners approved the motion with a 5-0 vote.

Agenda Item 10 – Review of Benefit Resources Pension Administration Contract

- a) Chairman Frierson created a Pension Sub-Committee to study the lost beneficiary clause and recommend several options for its implementation. Commissioners Carvelli and Shen-Urquidez were selected to serve on the new Pension Sub-Committee.

Agenda Item 11 – Discussion and possible action regarding rule 261 and 264 to clarify complimentary tickets

- a) Executive Officer Foster stated this item originated from an audit recommendation in a recent Bureau of State Audits (BSA) report.
- b) The BSA report recommended assessing a complimentary ticket assessment fee on all complimentary tickets issued versus the amount actually used.
- c) The Executive Officer recommended only charging the assessment on complimentary tickets actually used.
- d) Staff Council Spencer Walker stated that adding language “redeemed by” to section 264 would clarify the issue.
- e) Chairman Frierson agendaized possible action on rule 264 to the next meeting in December.

Agenda Item 12 – Discussion and possible action regarding paying fighters with tickets

- a) Executive Officer stated that many of the club promoters are paying fighters with tickets and the bout agreements are written for \$1 and this is exploitive.
- b) When the CSAC recently imposed a 10 percent overweight fine, it was 10 cents.
- c) Executive Officer recommends a minimum amount of pay per round. For example, Georgia guaranteed \$50 per round. Most southern states require \$100 per round. California could change its bout contract to require a minimum \$100 to \$200 per round paid to fighters. The bout agreement would not require legislative change because it is a contract between the promoter/manager and the fighter.
- d) Legal Counsel stated that paying fighters with tickets is not consistent with Government Code 18852.
- e) Executive Officer Foster stated the commission will look into adding a minimum amount paid to fighters per round and amend its bout contracts.
- f) Public Comment – Grant Steffans – This is a serious issue and promoters do push fighters to sell tickets and I can list more than five promoters that are doing this.

Agenda Item 13 – Special commendation award for Ralph Villalobos

- a) The commission gave a commendation to Ralph Villalobos.

Agenda Item 14 – Public Comment on Items not on the Agenda

- a) No actions taken.