



Members of the Commission

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

Friday, December 16, 2016
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 Martha Shen-Urquidez
Commissioner Van Gordon Sauter

Staff Present

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

Commissioners Absent

Commissioner John Frierson
Commissioner Luis Ayala

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 am.

Agenda Item 2 –Welcome –Chairman’s opening remarks

Chairman Carvelli welcomed everyone to the meeting and mentioned a few the milestones that the Commission has achieved recently. He explained that there has been a significant increase in regulated events in California, many efforts being made with regard to tribal relations, and the implementation of the C3 Logix Program. He also acknowledged the Commission’s efforts in generating an appropriate method for spending neurological fund money.

Agenda Item 3 – Approval of the October 18, 2016, Commission Meeting Minutes

EO Foster presented the Commission with the minutes of the October 18, 2016, Commission Meeting for approval. Commissioner Shen-Urquidez requested revisions to Agenda Item 4.

Commissioner Shen-Urquidez motioned to approve the Commission Meeting minutes, as amended.

Vice Chair Lehman seconded the motion.

The motion passed 5-0 by roll call vote.

Agenda Item 4 – Recognition of The Ultimate Fighting Championships for providing greater opportunities for CSAC licensees to participate in major professional Mixed Martial Arts contests

Chairman Carvelli presented a special commendation to the Ultimate Fighting Championship (UFC), a world renowned Mixed Martial Arts (MMA) promoter licensed by the California State Athletic Commission (Commission), promotes many high profile MMA champions and contenders. Their events have allowed greater opportunities for California licensees to participate in major professional MMA contests in California.

Mr. Reed Harris, Vice President of Athlete Development for the UFC, accepted the commendation on behalf of UFC and expressed his gratitude to the Commission and the Legislature for their role in growing the sport of MMA in California.

Joseph Benavidez, UFC Champion, also thanked the Commission for their acknowledgment and support with training and competing in the State.

Agenda Item 5 – Executive Officer's Report

Budget Update for the Support Fund, the Neurological Fund, and Pension program with DCA Budget Staff assistance for explanations regarding Pro Rata/Distributed Costs and other budget items

EO Foster introduced Mr. Mark Ito, Department of Consumer Affairs (DCA) Budget Analyst and Mr. Taylor Schick, DCA Fiscal Officer, to speak on behalf of the Commission's Pro Rata expenses.

He further explained that the Commission's current revenue to the support fund for through Fiscal Month (FM) 5 of Fiscal Year (FY) 16-17 is \$556,961. The current expenditures to the support fund through FM5 are \$598,760. While expenditures currently exceed revenue by \$41,799, he anticipates several strong revenue months going into 2017. The current fund balance for the Athletic Commission support fund is \$1,004,131.

Mr. Ito reviewed the current budget standing of the Commission. Mr. Schick addressed the Commission's concerns regarding the formula that DCA uses to calculate State Pro Rata charges.

Commissioner Shen-Urquidez thanked DCA and the Budget Office for working so closely with the Commission. She asked several questions concerning the difference between numbers that appear in the pro-rate in the DCA's audit and the actual pro-rate charged to the commissions,

why there are incremental changes, where they come from, and whether the Commission is paying for services we don't utilize. Commissioner Shen-Urquidez further asked whether any of the charges can be scaled based on CSAC's utilization? The concerns for the Commission regarding any expenditures are fairness and predictability. Being able to anticipate increases early is important since the Commission's revenue is tied to legislation and cannot be changed without legislative initiative. Commissioner Shen-Urquidez, therefore, requested that the Budget Office have discussions with the Commission in advance so that they can properly budget changes.

Mr. Schick felt that was a very good idea, thought that would be very favorable, and agreed to set a meeting early in the year. Chairman Carvelli asked EO Foster to work with Mr. Schick to set this meeting up.

Report on Pending and Proposed Regulations and Legislation

AEO Sophia Cornejo provided a summary of the pending regulations.

- Payment to Contestants
 - a. The Rulemaking file was published by OAL on 8/12/2016 and a public hearing was held on 9/26/2016. The final package was submitted to DCA for approval on 10/31/2016.

- Examination of Boxer Applicants and Neurological Assessment
 - a. The Rulemaking file was published by OAL on 8/12/2016 and a public hearing was held on 9/26/2016. The final package was submitted to DCA for approval on 11/16/2016.

- Headgear – EMERGENCY Regulation
 - a. The Rulemaking file was published by OAL on 7/29/2016 and a public hearing was held on 9/12/2016. The Final Rulemaking File was submitted to DCA and Agency for approval on 10/7/2016.

- Weighing Time, Time for Physical Examinations, and Dehydration and Rehydration – EMERGENCY Regulation
 - a. The Rulemaking file was published by OAL on 7/29/2016 and a public hearing was held on 9/12/2016. The final package was submitted to DCA for approval on 10/31/2016.

- Therapeutic Use Exemption and Transgender - To go into effect January 1, 2017.

Status Update of Delegated Entities

California Amateur Mixed Martial Arts Organization (CAMO)

Mr. JT Steele, CAMO President, explained that it is currently a slow time for events right now and that they are utilizing this time cleanup. He also mentioned that the amateur promoters who have been doing well have expressed interest in shifting to the professional level. He stated that as of the last meeting, there has been no significant safety issues to report on.

EO Foster stated that officials participating in Pro-Am shows allow synergy of officials to develop and leads to better officiating in all events.

Commissioner Shen-Urquidez inquired whether the Commission intends to implement the C3 Logix neurologic testing on the amateur side. EO Foster replied that the hope is to hold a stakeholder meeting to discuss the possibility. Mr. Steele mentioned that CAMO would be interested in utilizing the C3 Logix program.

Vice Chair Lehman commended Mr. Steele on the work that CAMO does to provide regulation to amateur MMA and acknowledged a concern he had in his report.

Mr. Steele elaborated that the Commission has recently hired many new inspectors and he would request that they be further trained on the amateur process as they are occasionally utilized in place of CAMO inspectors to cut costs on Pro-Am shows.

USA Boxing

EO Foster announced to the Commission that Mr. Martino, President of ABC Boxing is resigning. He acknowledged that he has enjoyed working with Mr. Martino and that he will be meeting and working with the new director soon. EO Foster presented the report from USA boxing to the Commissioners.

International Kickboxing Federation (IKF)

The Commission heard the report from Mr. Fossum during the associated agenda item later in the meeting.

United State Fight League (USFL)

Mr. Jon Frank presented the Commission with a Power Point presentation on USFL's plan to comply with AB2007 regarding concussion protocol.

Chairman Carvelli directed all delegated entities to report to EO Foster as soon as they have been contacted for media.

Update on CSAC Sports Concussion Management Protocol

EO Foster reported on the status of the purchase of the C3 Logix system. He explained that the C3 Logix system training was given on November 29, 2016, in Los Angeles to many Southern and Central Athletic Inspectors and the Northern California Athletic Inspectors and Office Staff on December 12, 2016. He reported that implementation of the C3 system with C3 Staff assistance began with many mixed martial arts athletes as they arrived for the December 17, 2016, UFC check-ins in Sacramento, and then again later in the week for the boxers competing on the Hopkins vs. Smith fight promoted by Golden Boy in Los Angeles.

Upcoming Event Schedule

EO Foster reported on this during the associated agenda item later in the meeting.

Update on CSAC Education Video and Brochures

EO Foster reported that the CSAC education video regarding concussions, dehydration, and MMA officiating is finished and is available for viewing online at the following link:

<https://www.youtube.com/watch?v=9EYpYaSHf8U>

Report on recommendations at the December 10, 2016, Medical Advisory Committee Meeting

EO Foster explained the primary goal of the Medical Advisory Committee's recommendation is to baseline 300 athletes in 2017. He stated that he believes that the Commission will be able to do more and that as of the meeting date, the Commission has already successfully completed 35 exams. However, this relies almost exclusively on the funding available through the next few months. He further explained that the recommendations prioritize the candidates for testing by high risk, pro-debut, and athletes above 40 years of age and over.

Report on Regulation of Combat Sports in California with Executive Summary

As suggested by Commissioner Sauter at the last Commission meeting of 2015, Staff began tracking critical information so the Commission could gauge, year over year, how we were doing in various areas regarding combat sports in California. EO Foster explained that he found that request and suggestion incredibly useful and has directed Staff to create and update a master log to track critical data. The 2016 Executive Summary booklet was created based on this tracked information and made available to the Commissioners.

Agenda Item 6 – Subcommittee Updates

Pension Fund Subcommittee (Commissioner Lehman and Ayala)

EO Foster summarized the Pension Fund's balance, and further explained that on average over the past 5 years, the Commission has deposited approximately \$80,000 per year; however, the Commission has paid out an average of \$280,000 to eligible boxers.

EO Foster invited Ms. Beth Harrington, Benefit Resources, to come forward and provide the Commissioners with her presentation regarding 2016 finances. Ms. Harrington gave an overview and described the charts she provided to the Commissioners in the meeting materials.

Commissioner Shen-Urquidez asked as we pay out more each year, how do we compare our fund to how it is performing on the allocation side. Ms. Harrington stated that we allocate based on rounds and purses for each athlete. She doesn't know of any other pension plan like ours.

Commissioner Shen-Urquidez asked the EO Foster if Pension information is provided to licensees. EO Foster responded that yes, many efforts are made in outreach to boxers regarding their eligibility for pension in the State of California. Commissioner Shen-Urquidez further stated that the brochure may not be enough and it should contain details how the plan works.

It was noted that Commissioner Ayala has done outreach by going on the radio to speak to the Hispanic and Latino community about the existence of the Boxers' Pension Fund.

Commissioner Shen-Urquidez also attended the California Boxing Hall of Fame Banquet and made a presentation to the attendees about the pension plan.

Chairman Carvelli stated that this was a great presentation and thanked Ms. Harrington for her detailed reports.

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 Funds. Mr. Shah referred to his reports that he provided the Commissioners in the meeting materials. He went into detail and explained why the allocations are at the percentages that they are at.

Commissioner Shen-Urquidez asked Mr. Shah how often they looked at allocations and whether they have a targeted rate of return? Mr. Shah responded that they look at the allocations once or twice a year and they do have a target rate of return, however, this is different than a normal 401K or retirement plan. Commissioner Shen-Urquidez asked whether the expectation is that at some point, the pension plan needs to be looked at because we are working to pay out more. Chair Carvelli asked whether we can rely on the current trend of the plan for the next 5 years? Mr. Shah said it depends on the market rate, whether we find a lot more boxers, a lot of factors.

Chair Carvelli said we need a contingency plan. Commissioner Shen-Urquidez said we don't have a plan and it seems that we need a plan because if the interest rate goes down and/or a lot of boxers are found and collect on the plan, then we may be in trouble. Vice Chair Lehman asked why that would be? Commissioner Shen-Urquidez stated that for the sake of the boxers, we would always want a pension plan from which the boxers could collect what they are entitled to collect so we should have a plan to increase our pool of funds.

Commissioner Sauter suggested that we have our counselor prepare a 5-year contingency plan where 25% more boxers appear, and 25% more appear, and if the pension plan goes in the red, what can we do to help these boxers.

Agenda Item 7 – Discussion, review and possible action regarding the delegation of amateur kickboxing to the International Kickboxing Federation (IKF).

EO Foster provided the Commission with a summary of Mr. Steve Fossum's performance with the delegation and regulation of amateur kickboxing and recommended that the Commission approve a full delegation equivalent to the other delegated entities.

Mr. Fossum reported on the status of the amateur kickboxing delegation with IKF. He explained that this delegation has allowed many athletes to begin their kickboxing experience in the amateur program, which allows them to experiment with the sport on a trial basis.

Vice Chair Lehman motioned to extend IKF's delegation on the same terms of other amateur delegations and to revisit in one year.

Mr. Gary Duke, Legal Counsel, explained that he has redrafted the formal delegation letter to be consistent with the CAMO delegation letter.

Vice Chair Lehman revised her motion to extend IKF's delegation on the same terms of other amateur delegations and that EO Foster, Mr. Fossum and Mr. Duke will revised the written delegation letter for Chairman Carvelli's signature.

Commissioner Shen-Urquidez *seconded the motion.*

Motion passed 5-0 by roll call vote.

Agenda Item 8 – Discussion and possible action regarding the adoption of the revised Unified Rules of Mixed Martial Arts as adopted by the Association of Boxing Commissions at their annual meeting in Las Vegas in August 2016

EO Foster stated that the Association of Boxing Commissions (ABC) voted to change the Unified Rules of MMA at the 2016 annual meeting. EO Foster stated that he is the head of the ABC Medical Committee and the Committee voted unanimously to change the unified rules. EO Foster asked Referee John McCarthy and Mike Beltran to summarize the changes to the Commissioners. Mr. McCarthy went through some of the major rules that were removed, added or modified and some of the rationale behind the changes.

Chairman Carvelli asked if anyone had any questions for Mr. McCarthy regarding any of the rule changes. Vice Chair Lehman asked who was the opposing vote and Mr. McCarthy responded that it was New Jersey State Athletic Commission.

Commissioner Sauter asked whether the rule changes have the potential of inhibiting EO Foster or the Commission. Mr. McCarthy responded that the problem is that all the states have different rules for MMA and that the more the States that are on board with uniform rules, the better the sport will be for the athletes and the officials.

EO Foster also commented that MMA promoters, UFC and Bellator, are in full support of these changes and both of these organizations have written letters of support, and those letters are in the Commissioners meeting materials. EO Foster read aloud Rule 533 to the Commission.

Commissioner Shen-Urquidez motioned to authorize and approve the revised Unified Rules of Mixed Martial Arts adopted by the ABC.

Commissioner Williams seconded the motion.

Motion passed 5-0 by roll call vote.

Agenda Item 9 – Review and approval of proposed regulations to amend sections 201.5, 206, 260, and 294 of Division 2, of Title 4 of the California Code of Regulations regarding Technical Zones (The area located between the ring and the Commission approved barrier)

EO Foster referenced that the October 18, 2016, a proposal was presented to consider modifications to the Commission's current regulations regarding Technical Zones (the area located between the ring and the Commission approved barrier) and that the Commission should have full control over how the Technical Zone is set up and used. EO Foster further explained that he was directed to and has completed drafting language to define the Technical Zone as well as outline the responsibilities and authority of the Commission and the Promoter.

Commissioner Shen-Urquidez inquired on this regulation package able to be processed on an emergency basis. Mr. Duke responded that it would require significant justification, but that he believes it will be achievable.

After much discussion, Commissioner Shen-Urquidez motioned to approve the language text as amended and under the emergency regulation process.

Commissioner Sauter seconded the motion.

Motion passed 5-0 by roll call vote.

Agenda Item 10 – Review and approval of 2017 CSAC Meeting calendar.

EO Foster highlighted the following events:

- Golden Boy is promoting a HBO Boxing Latino card at Fantasy Springs in Indio on December 16th and a HBO Boxing After Dark at the Fabulous Forum in Inglewood on December 17th.
- The Ultimate Fighting Championship is promoting a UFC on Fox show at the new Golden One Center in Sacramento on December 17th.
- Bellator MMA is promoting a MMA event at the Forum in Los Angeles on January 21st.
- Bellator MMA is promoting a MMA event at the SAP Center in San Jose on February 18th.

CLOSED SESSION

Agenda Item 11 – Pursuant to Government Code Section 11126(a)(1) the Commission will conduct an annual review of the Executive Officer.

OPEN SESSION

Agenda Item 12 – Public Comment On Items Not On The Agenda

No public comment.

Agenda Item 13 – Next Meeting Scheduled for the week of March 14, 2017, in Los Angeles, CA

Proposed meeting on Tuesday, March 14, 2017, in Los Angeles, CA.

13. ADJOURNMENT

Meeting Adjourned.