

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ANTWUN ECHOLS	:	CIVIL ACTION
	:	
Plaintiff	:	
	:	
v.	:	
	:	
ARTHUR PELULLO &	:	
BANNER PROMOTIONS, INC.	:	NO. 03-1758
	:	
Defendants	:	

Newcomer, S.J.

June , 2003

**O P I N I O N**

Presently before the Court is Defendants' Motion to Dismiss Plaintiff's claim under the Muhammad Ali Act, 15 U.S.C. § 6301, et seq., pursuant to Federal Rule of Civil Procedure 12(b)(6). Upon careful consideration of the parties' submissions, this Court finds that Plaintiff's claim arising under the Muhammad Ali Act fails to state a claim for which relief can be granted and, therefore, must be dismissed. Defendant's Motion is granted.

**BACKGROUND**

Plaintiff, Antwun Echols, a thirty-one (31) year old professional pugilist, brings suit and asks this Court for relief preventing Defendants, Arthur Pelullo and Banner Promotions, Inc., from enforcing a November 1, 1999, promotional contract

giving the Defendants exclusive rights in promoting and representing Plaintiff in his capacity as a professional pugilist. The suit contains various allegations concerning the validity of the contract as well as the Defendants' conduct in performance of the contract. Specifically, Plaintiff alleges that the contract is indefinite and therefore, unenforceable. In addition, the Plaintiff contends that the Defendants defrauded him of funds owed to him in association with a, so called, step-aside agreement.<sup>1</sup> At issue in the instant Motion is the Plaintiff's claim under the Muhammad Ali Boxing Reform Act (15 U.S.C. § 6301 et seq.) in which the Plaintiff alleges that the Defendants' violated the Act by failing to disclose the amount in compensation the Defendants gained by negotiating a step-aside agreement for the Plaintiff. The agreement was negotiated between the Defendants and agents of the current title holder in order to delay a fight scheduled to take place in the title holder's native Germany

### **DISCUSSION**

In support of their Rule 12(b)(6) Motion the Defendants argue that Plaintiff's claims fail under the Muhammad Ali Act for

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<sup>1</sup> A "step-aside agreement" is normally a fee paid by a champion to a contender in order to enable the champion to fight a lower ranked contender before fulfilling the requirement that the champion defend the title against the number one ranked contender. This is usually done to enable the champion to make some money before possibly losing his title to a high ranked opponent.

two reasons. First, the Defendants argue, the disclosure provisions in the Act do not apply to step-aside agreements. Second, they assert that the Act does not pertain to boxing matches taking place outside of the United States. For the reasons outlined in the following, Plaintiff's claim under the Muhammad Ali Act must be dismissed.

### **I. Applicable Law**

A court shall dismiss a claim under Rule 12(b)(6) for "failure to state a claim upon which relief can be granted" upon a showing that the plaintiff cannot demonstrate any set of facts in support of the claim entitling him to relief. Fed.R.Civ.P. 12(b)(6), Gallagher v. Goldsmith, 213 F.Supp.2d. 496, 497 (3d. Cir. 2002). When considering a motion to dismiss "the court must accept as true all factual allegations in the complaint and all reasonable inferences that may be drawn therefrom, construing the complaint in the light most favorable to the plaintiff." Id.

### **II. The Muhammad Ali Act Does Pertain to Step-Aside Agreements**

Defendant's first contention, that the Muhammad Ali Act does not pertain to step-aside agreements, is incorrect. Plaintiff bases his Ali Act claim on § 6307e(b)(1) which states, "[a] promoter shall not be entitled to receive any compensation directly or indirectly in connection with a boxing match until it

provides to the boxer it promotes - (1) the amounts of any compensation...." With no caselaw to assist this Court in interpreting § 6307e(b)(1), the Court must base its findings solely on its interpretations of the language used by Congress. In doing so, the Court focuses on the pivotal language of the provision which reads, "directly or indirectly in connection with a boxing match." The use of the terms "indirectly" and "connection" connote a meaning less restrictive than that suggested by the Defendants. Through use of these terms, Congress indicates that the provision itself applies to compensation from more than simply a boxing match itself. Any other interpretation would run contrary to the intent behind the legislation. Allowing promoters not to report compensation earned as a result of side deals surrounding a boxing match while requiring them to disclose compensation earned directly from the match agreement itself makes little sense.

Given the above interpretation, it is clear that Congress intended to include step-aside agreements in those activities regulated by the Act. After all, step-aside agreements constitute little more than side deals to a boxing match. In essence, a step-aside agreement is formed in order to postpone a match. Thus, these agreements share a direct close connection with a boxing match. Therefore, Defendants' contention that the disclosure requirements under the Muhammad

Ali Act does not apply to step-aside agreements is incorrect. Step-aside agreements are clearly covered by the Act.

### **III. The Muhammad Ali Act Does Not Apply to Bouts Taking Place Outside the United States**

The Defendants' second contention is that the term "boxing match" as used in § 6307e(b) refers to only those bouts held in the United States. The Defendants are correct. 15 U.S.C. § 6301 defines the terms for the Muhammad Ali Act. Section 6301(8) defines "[p]rofessional boxing match" as "a boxing contest held in the United States between individuals for financial compensation." This clearly suggests that Congress' use of the term "boxing match" in § 6307e(b) was meant to apply only to those matches taking place within the United States. The Plaintiff argues that Congress' use of the term "boxing match" as opposed to "[p]rofessional boxing match," the moniker used in the definition section, suggests an alternate meaning. This Court cannot agree. Upon close examination it is evident that Congress used the terms "boxing match" and "professional boxing match" interchangeably. Prior to being replaced, the old § 6307 read, "[n]ot later than 48 business hours after the conclusion of a professional boxing match, the supervising boxing commission shall report the results of such boxing match...." Congress' use of the terms interchangeably in the original text arguably

demonstrates the intent of the legislature when adopting this legislation. Despite using the term "boxing match," as opposed to "professional boxing match," Congress intended § 6307e to apply only to those matches, specified by Congress, which occur within the United States. Because the negotiated step-aside agreement concerned a fight which was to take place in Germany, Plaintiff's claim under the Muhammad Ali Act fails.

AN APPROPRIATE ORDER WILL FOLLOW.

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Clarence C. Newcomer, S.J.

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BANNER PROMOTIONS, INC.	:	NO. 03-1758
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O R D E R

AND NOW, this        day of June, 2003, for the reasons set forth in the accompanying Opinion, it is hereby ORDERED that Plaintiff's claim arising under the Muhammad Ali Act (15 U.S.C. § 6301, et seq.) is DISMISSED.

AND IT IS SO ORDERED.

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Clarence C. Newcomer, S.J.