

BK INVESTMENT HOLDINGS (PTY) LTD

**ADDRESS BY THE CEO OF BK INVESTMENT HOLDINGS (PTY) LTD,
MR BUTITYI KONKI, TO THE PORTFOLIO COMMITTEE ON SPORTS,
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA, CAPE TOWN,**

26 JULY 2011

Honourable Chairman, Members of the Portfolio Committee, the Chairman of Boxing South Africa, Board Members of Boxing South Africa, Fellow Promoters, Managers and Professionals involved in this Sporting Code not meant for the weak at Heart.

Honourable Chairman, I wish to express my sincere thanks for this invitation. Finally BK Investments Holdings (Pty) Ltd has the opportunity to inform you and the Honourable Committee Members of the developments in the Boxing Industry in this Country as well as to set the record straight as to how BK Investment Holdings (Pty) Ltd has been managing its relationship with the Boxers in its stable.

Without wasting your valuable time I would like to state at the beginning that BK Investment Holdings (Pty) Ltd has always been involved in the sport of Boxing as a Manager and not a Promoter of any Boxer and this will be supported by documentary evidence, which is also in the hands of Boxing SA.

Certain allegations have been levelled against BK Investment Holdings by a certain member of the Board of Boxing SA. The allegations are the following:

1. BK Investment Holdings (Pty) Ltd was responsible for Mzonke Fana being stripped of his world title.
2. BK Investment Holdings (Pty) Ltd spent a period of two years without making any payments to Boxers in its stable, by this; it means BK Investment Holdings (Pty) Ltd withheld the purse monies of these Boxers.

Honourable Chairman I would like to respond to these malicious, irresponsible and childish allegations as follows:

1. The Management and Sponsorship Agreement between Mzonke Fana and BK Investment Holdings (Pty) Ltd was supposed to terminate on 31 May 2011. However bearing in mind that Mzonke Fana was preparing for the much anticipated world title fight, BK Investment Holdings (Pty) Ltd decided out of its own goodwill to extend the sponsorship agreement between it and Mzonke Fana to the end of August 2011. This was intended to make sure that the

termination of the Management Agreement between Mzonke Fana and BK Investment Holdings (Pty) Ltd does not in any way interfere with his preparations for the world title fight hence our decision to continue to sponsor him despite our agreement with him having terminated.

a. What actually led to him losing his title was the following:

- i. The Promoter of the fight, Branco Milenkovic, offered a purse of R370 000, 00. This was not acceptable to Mzonke Fana. He demanded that the purse money be R800 000 alternatively the fight had to go for purse bid. In saying this, he stated that it is high time that he makes money as a World Champion and further that he had been exploited for a long time and that this had to end.
- ii. After consulting with Mzonke and Branco, we, BK Investment Holdings (Pty) Ltd, advised Mzonke Fana to reduce his demand to R500 000, 00 as we were of the opinion that, that is what he deserved, taking into account his track record and world ranking.

- iii. Branco refuse to accede to Mzonke's request and preferred that the fight go for purse bid. Branco felt that Mzonke's demand for R800, 000 was a joke. He was also concerned that by that time it was only four weeks prior to the fight with the boxer not having a trainer and not having being licensed. In his email he attached a story from the City Press stating that it was a huge embarrassment.
- iv. At the point where boxer and the promoter fail to agree on a purse, it was the responsibility of the promoter to notify the IBF that the parties could not agree and the issue had to go for purse bid. It is unknown to us whether the necessary steps were indeed taken by the promoter.
- v. To the best of our knowledge, a contract was not concluded between Mzonke and the promoter for the fight which was supposed to have been concluded long before the four weeks before the fight.
- vi. The next thing we learnt was that Mzonke Fana had been stripped of his title. The circumstances leading to this event are unknown to us. We deny the allegations percentage of Mzonke Fana's purse in the fight against Cassius Baloyi, out of the goodness of our heart we decided not to deduct the percentage. This we did despite the fact that ordinarily these boxers considered that he was still contracted to his previous manager and we would be obliged to pay him his percentage. However, what we got for this was some

made by a certain irresponsible Board Member of Boxing SA that we were the sole cause of Mzonke being stripped of his title. This was caused by him not being able to agree on a purse with a promoter. I would like to emphasise that, it had nothing to do with him not having a trainer as has been alleged. Trainers were ready and willing to work with him in preparation for the fight.

- vii. As is normal practise in our stable, we bring boxers to camp well before the fight for preparations. This we did in Mzonke's fight preparations for the bout with Cassius Baloyi. All expenses incurred during these preparation were for the account of BK Investment.

- viii. It is also worth mentioning that despite the fact that BK Investment Holdings (Pty) Ltd was entitled to a percentage of Mzonke Fana's purse in the fight against Cassius Baloyi, out of the goodness of our heart we decided not deduct the percentage. This we did having considered that he was still contracted to his previous manager and we would be obliged to pay him his percentage. However, what we got for this was some

ignorant officials rubbishing our name trusting that they will get away with this.

2. On the allegation that BK Investment Holdings (Pty) Ltd spent two years without paying Boxers anything I would like to respond as follows:

a. BK Investment Holdings (Pty) Ltd was the first company to ensure that Boxers' purse monies is used to secure monthly salaries for them. Whilst other stables left Boxers at their demise and allowed them to irresponsibly spend their purse monies. We vehemently opposed this practice and introduced new measures to ensure that our Boxers behave like good corporate citizens.

i. BK Investment Holdings (Pty) Ltd ensured that each of our Boxers had a bank account opened with one of our leading private banks in South Africa, Investec Bank. This we did despite the fact that ordinarily these Boxers would not qualify for such banking facilities due to their income standing.

- ii. The purse monies were held in his account and paid on a monthly basis to ensure that each Boxer received a monthly salary to enable them to meet their monthly commitments and personal needs. No monies left these accounts except when payments were made to BK Investment for purposes of reimbursements. So this notion that monies left these accounts to some other is actually rubbish.
- iii. In addition, BK Investment Holdings as per the management and sponsorship agreements would further pay each boxer an additional monthly payment to assist the boxers in their needs.
- iv. This was meant to prolong the amount of money they had, as there were always long periods between fights resulting in boxers not having enough money to prepare for fights.

However, the challenge we never anticipated, and led to misunderstanding and accusations, was that the boxers would expect us to make payments to them as and when they wanted.

v. Further, BK Investment Holdings (Pty) Ltd made sure that in order to enforce this discipline, its Boxers signed Powers of Attorneys over to BK Investment Holdings (Pty) Ltd to ensure the following:

1. Monies paid into their personal accounts were used for the correct purposes.
2. The Receiver of Revenue was paid what was due to them from the purse monies.
3. BK Investment Holdings (Pty) Ltd contracted, with the consent of the Boxers, a wealth management company to ensure that their monies were professionally managed for their benefit. This is the company that was responsible for opening the accounts with Investec. I intentionally contracted an independent company to manage the boxer's accounts despite the fact that i have business dealings with Investec.
4. All the Boxers legal affairs were taken care off by BK Investment Holdings legal advisers.

5. BK Investment Holdings (Pty) Ltd did all this out of its own accord and without any expense incurred by the boxer. The purpose was to ensure that the Boxer focused on their careers whilst BK Investment Holdings (Pty) Ltd ensured that their affairs were properly handled.

6. I have been made to believe that some of my erstwhile boxers deposed to an affidavit claiming that BK Investment mismanaged their finances. This is spurious and untrue. BK Investment is a reputable company with a good corporate governance record. All records of payments received on behalf of the Boxers are available. The same is true with records of payments made to the boxers. All boxers that were contracted to BK Investments were paid all monies due to them. Should any boxer feel that he owed money, he should sue BK Investment.

7. In addition to all its contractual obligations to the boxers, BK Investment offered incentives in order to motivate boxers contracted to it. For example, in September 2010 Mzonke Fana and Zolani Tete

were fighting for world titles and I personally said
 attempt to "if you win, I will give you R50,000 each". Mzonke
 singled BK Fana won and as promised R50, 000 was added to
 openly cha his purse and he can attest to that. allegations not

8. In another instance, Mfundo Gwayana, one of my
 protected former boxers, was facing being stripped of his
 those alleg SA tittle for failing to honour his mandatory
 Holdings (P defence. Because I am not a promoter, I w against
 him to en sponsored a licensed promoter in Gladys no 40 to
 behaviour t ensure that the took place and avoid Gwayana s of
 history in being stripped of his tittle without a fight. I also
 gave offered him an incentive that if he won his
 c. For exampl fight he would get R50,000 over and above his go
 public and purse. Mind you this was without any television his
 license has nor a sponsor. my licence was still valid. This was
 not only irresponsibly but an act of plain stupidity especially
 coming

9. Honourable Chairman I would like to point out the
 following concerns to you and your Honourable
 3. Lastly I would lik Committee Members and the Chairman of Boxing
 SA Dr Ngakane:

- a. All the financial records of all the Boxers ever managed by us
- b. Irresponsible, malicious and unsubstantiated allegations have
 been levelled against BK Investment Holdings (Pty) Ltd by a
 certain Board Member of Boxing SA, and this individual in his

attempt to be retained in the new Board to be appointed singled BK Investment Holdings as his own assignment. I openly challenge this member to repeat those allegations not only within the confines of Parliament where they are protected by Parliamentary Privilege, but he must repeat those allegations outside of Parliament so that BK Investment Holdings (Pty) Ltd can invoke the full might of the law against him to ensure he never ever repeat such irresponsible behaviour but to ensure that he is discarded to the dustbins of history in as far as Boxing in South Africa is concerned.

Honourable Chairman, Honourable Committee Members and Dr Ngakane,

I thank you for this opportunity and I once again invite you to inspect the

documents that I have with me. I have a pleasure to be invited so

that I can come and set the record straight and I thank you.

- c. For example how can a member of the Board of Boxing SA, go public and say Butityi Konki did not have a licence or his license has expired when my licence was still valid. This was not only irresponsibly but an act of plain stupidity especially coming from a member of such a respected institution.

3. Lastly I would like to put the following on record:

- a. All the financial records of all the Boxers ever managed by us are available for inspection by the Honourable Chairman and Honourable Committee Members; I have them with me as I am talking to you.

- b. Any third party who wants to have access to them must first obtain the written consent of the Boxers concerned as some of these details are private and confidential.
- c. I challenge anyone outside of the Committee and Dr Ngakane to stand up and accuse us of wrong doing, we will not only prove them wrong but we invoke the full might of the law to ensure that they not only retract their malicious allegations but also pay for behaving in such an irresponsible manner.

Honourable Chairman, Honourable Committee Members and Dr Ngakane, I thank you for this opportunity and I once again invite you to inspect the documents that I have with me. It has been a pleasure to be invited so that I can come and set the record straight and I thank you.