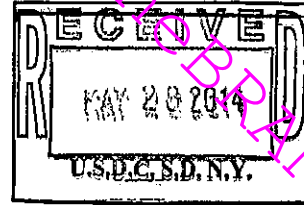


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14 CV 3791



JUDGE KEenan

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- x  
WORLD OF BOXING LLC, VLADIMIR  
HRUNOV, and ANDREY RYABINSKIY

Plaintiffs,

- against -

DON KING and DON KING PRODUCTIONS,  
INC.,

Defendants.  
----- x

Civil Action No. \_\_\_\_\_

**COMPLAINT AND DEMAND  
FOR JURY TRIAL**

Plaintiffs World of Boxing LLC (“WOB” or “WOBLLC”), Vladimir Hrunov (“Hrunov”), and Andrey Ryabinskiy (“Ryabinskiy”) (collectively, “Plaintiffs”), by and through their undersigned counsel, hereby file this Complaint against Don King (“King”) and Don King Productions, Inc. (“DKP” and, together with DK, “Defendants”), alleging as follows:

**NATURE OF CASE**

1. This case concerns world class boxing, failed drug tests, and one larger than life sports personality who utterly failed to fulfill his contractual obligations and acted in bad faith, causing Plaintiffs to suffer significant damages.
2. Plaintiff WOBLLC is a promoter of world-class boxers, including the current Champion of the World Boxing Association (“WBA”) Cruiserweight Division, Denis Lebedev

("Lebedev"). Through a series of written contracts, WOBLLC and Defendants agreed to stage a WBA-sanctioned championship rematch (the "Fight") between Lebedev and Defendants' client, Guillermo Jones ("Jones"). The Fight was to be the centerpiece of a multi-bout event to take place on April 25, 2014 in Moscow, Russia (the "Event"). WOBLLC agreed to pay Defendants a sizeable sum in exchange for their agreement to secure Jones's participation in the Fight, and expended well over a million dollars making all the necessary preparations for the Event, for which plaintiff WOBLLC possessed the exclusive, worldwide promotion rights. However, on the day the Fight was supposed to take place, the WBA-appointed anti-doping agency reported that Jones's pre-Fight urine sample had tested positive for a banned substance. As a result, the WBA withdrew its sanction of the Fight, and Plaintiffs had no choice but to cancel the Fight.

3. Defendants' failure to secure Jones's participation in the Fight constitutes an unjustified breach of their express and implied contractual obligations of good faith and fair dealing. As a direct result of Defendants' breaches of contract and bad faith actions, Plaintiffs have incurred at least \$2.4 million dollars in damages.

#### **JURISDICTION AND VENUE**

4. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332. Complete diversity of citizenship exists between Plaintiffs Hrunov, Ryabinskiy and WOBLLC, all citizens of the Russian Federation; and Defendant King, a citizen of Florida, and Defendant DKP, a citizen of Delaware and Florida. The amount in controversy, exclusive of interest and costs, exceeds \$75,000.

5. This Court has personal jurisdiction over Defendants King and DKP pursuant to the parties' written agreement, by which Defendants agreed "that any claims and disputes relating to this Agreement shall be subject to the exclusive jurisdiction of the United States District Court, Southern District of New York."

13. Jones is the former Champion of the WBA Cruiserweight Division. He has a lifetime record of 39-3-2.

14. On May 17, 2013, Lebedev and Jones fought in a WBA-sanctioned Cruiserweight Title Fight in Moscow, Russia. The fight was closely contested through ten rounds. In the 11th round, Jones scored a knockout against Lebedev.

15. However, during the post-bout testing, Jones's first urine sample tested positive for a banned substance, "mm furosemide." Jones declined multiple opportunities to have his second sample tested.

16. In a resolution dated October 17, 2013 (the "2013 WBA Resolution"), the WBA confirmed that Jones had tested positive for "a banned diuretic 'mm furosemide,'" stripping the title from Jones and prohibiting him from participating in any WBA-sanctioned bouts for the six month period ending November 17, 2013. The WBA recognized Lebedev as Cruiserweight Division Champion and directed Jones and Lebedev to begin immediate negotiations for a rematch. The WBA Resolution also stated that both boxers would undergo random testing for prohibited substances both before, and after, that rematch and that such testing would occur at a time and place, and by an agency, to be determined by the WBA.

17. As directed by the WBA, Plaintiffs began good faith negotiations with Defendants to stage a rematch between Jones and Lebedev.

18. On or about January 28, 2014, Plaintiffs and Defendants entered into a written Agreement in Principle, a copy of which is attached hereto as Exhibit A. In that Agreement:

- (a) DKP represented and warranted that it holds the exclusive promotional rights for Jones;
- (b) King agreed that he "shall cause [Jones] to participate in a *12 Round WBA Cruiserweight World Title match* (the 'Fight') versus [Lebedev] to a decision on

April 2014. . . part of a professional boxing card (the 'Event') to be promoted by WOBLLC at a venue in Moscow, Russia ('Venue') to be determined by WOBLLC”;

- (c) The parties acknowledged “that the WBA rules would govern the Fight and the conduct of the Fight”;
- (d) King agreed that he would “secure (and shall to cause DKP and Jones to irrevocably grant) to WOBLLC all rights, title and interest in and to the Event in any and all media throughout the universe in perpetuity, including, without limitation, the exclusive worldwide promotional rights for an unlimited term in full”;
- (e) WOBLLC agreed to pay King \$800,000.00, and to deposit such funds into an escrow account (the “Escrow Account”) maintained at SunTrust Bank South Florida N.A. (“SunTrust”), and the parties agreed that the “[a]mount in the Escrow Account which shall be paid to [King] includes the payment for [King’s] services for securing Jones’s participation in the Fight”;
- (f) Jones agreed “to be subjected to drug testing before and after the fight, in compliance with the rules of the WBA and the WBA Resolution dated October 17, 2013”;
- (g) The parties agreed that the WBA would be “endowed with exclusive powers and rights to unilateral selection and appointment of . . . a neutral anti-doping agency for the Event, and neither [King]/DKP nor WOB, nor any other person shall would be able to object against the decision of the [WBA]”; and
- (h) The parties agreed that the Agreement in Principle “memorializes broad principles designed to function as a framework for the development of a Final Agreement.”

19. On or about February 28, 2014, Plaintiffs and Defendants entered into an Addendum to Prior Agreement (the "Addendum"), a copy of which is attached hereto as Exhibit B. The parties designated the Addendum as the "Final Agreement" and agreed that the Event would take place in Moscow on April 25, 2014, and reiterated their agreement that the WBA would have the exclusive right to unilaterally appoint an anti-doping agency for the Event and that no party would be able to object to the WBA's decision.

20. On or about April 4, 2014, WOBLLC, defendant King and non-party SunTrust entered into an Escrow Agreement, a copy of which is attached hereto as Exhibit C. The Escrow Agreement provided that WOBLLC would deposit \$800,000.00 (the "Deposit") into the Escrow Account, \$250,000.00 of which would be immediately payable to King. The Escrow Agreement also provided that, if the Event failed to take place as scheduled, WOBLLC would send SunTrust an affidavit to that effect and, upon receipt of that affidavit, SunTrust would disburse the remaining portion of the Deposit to WOBLLC.

21. Thereafter, in accordance with the terms of Agreement in Principle and Escrow Agreement, WOBLLC deposited \$800,000.00 into the Escrow Account maintained by SunTrust Bank.

22. Over the following weeks, Plaintiffs expended at least \$1.6 million promoting and making the necessary arrangements for the Fight and the Event, including payment of match fees, compensation and travel arrangements for match officials, acquisition and installation of technical equipment, securing of the Venue and advertisement.

23. On April 22, 2014, the WBA advised the parties that it had appointed PWC GmbH of Garching, Germany and Laboratoire Suisse d'Analyse du Dopage of Switzerland (collectively, the "Anti-doping Agencies") as the neutral anti-doping agencies for the Event.

24. On April 23, 2014, the Anti-doping Agencies collected pre-bout samples from both Jones and Lebedev, and the samples were transmitted to the laboratory for testing.

25. On April 25, 2014, the day the Fight and Event were supposed to take place, the Anti-doping Agencies reported that Lebedev's sample had come back clean.

26. However, Jones's sample tested positive for furosemide, the exact same banned substance found in samples taken from Jones following his 2013 bout with Lebedev and that had led to Jones's previous six-month ban by the WBA.

27. As a result of Jones's positive drug test, the WBA withdrew its sanction of the bout. In a letter dated April 28, 2014, a copy of which is attached hereto as Exhibit D (the "WBA Letter"), counsel for the WBA explained that the "WBA would not, and could not sanction a championship bout when it was aware that of Jones' positive test as this would violate WBA rules, may cause unnecessary harm to the innocent boxer [Lebedev], and would otherwise compromise the nature of WBA world title bouts."

28. Without a WBA sanction, Plaintiffs had no choice but to cancel the Fight. WBA Rule C.10 states that "[a]n Association Champion or officially recognized contender who participates in a fight without the approval or sanction of the Championships Committee may have his title or recognized status removed by the Committee Chairman." As the WBA's counsel further explained in the WBA Letter: "[i]n light of Jones's latest positive test for banned substances, which resulted in the WBA withdrawing its sanction of the bout, the promoter [WOBLLC] justifiably cancelled the bout."

29. In a resolution dated May 23, 2014, a copy of which is attached hereto as Exhibit E (the "2014 WBA Resolution"), the WBA confirmed that Jones tested positive for furosemide. The WBA then suspended Jones for two years and declared Lebedev the Champion.

30. Plaintiffs incurred substantial costs in arranging and promoting the bout, but due to Defendants' breach of their contractual obligations, Plaintiffs have nothing to show for it.

31. WOBLLC attempted to recover the refundable portion of the \$800,000.00 Deposit. In accordance with the terms of the Escrow Agreement, WOBLLC submitted an Affidavit, dated April 26, 2014 (the "Affidavit"), notifying SunTrust Bank that the Fight failed to occur as scheduled and directing SunTrust to return the remaining portion of the Deposit. A copy of the Affidavit, and accompanying correspondence, is attached hereto as Exhibit F.

32. However, on April 28, 2014, in an effort to block WOBLLC from recovering the portion of the Deposit to which it is contractually entitled, King sent a letter to SunTrust claiming, without justification, that the Fight "did not take place for reasons that have given rise to substantial controversy," that "the escrowed funds should be released to Don King," and that SunTrust should refuse to honor WOBLLC's Affidavit. A copy of King's April 28, 2014 letter is attached hereto as Exhibit G.

33. Faced with competing letters from both parties, SunTrust's counsel advised in a letter, dated May 1, 2014, that SunTrust would not be disbursing any of the remaining Deposit and, instead, intended to tender the funds into the custody of the United States District Court for the Southern District of New York, the venue selected by the parties in the Escrow Agreement. A copy of SunTrust's May 1, 2014 letter is attached hereto as Exhibit H.

34. As of the date of this Complaint, Defendants have not taken any steps to remedy the damage caused to Plaintiffs by their actions.

35. As of the date of this Complaint, Defendants still assert that they are entitled to the money previously held in escrow at SunTrust Bank.

**COUNT I  
(BREACH OF CONTRACT)**

36. The allegations set forth in paragraphs 1 through 35 hereof are adopted and incorporated by reference as if fully set forth herein.

37. Plaintiffs and Defendants entered into the Agreement in Principle and Addendum (collectively, the "Agreement"), a valid and binding written contract that set forth the terms and conditions governing the promotion and staging of the Fight between Jones and Lebedev.

38. In the Agreement, the parties expressly agreed that the WBA rules would govern the Fight.

39. The parties further acknowledged in the Agreement that the Fight would be part of a larger Event for which WOBLIC would have exclusive worldwide promotion rights.

40. In the Agreement, King and DKP specifically agreed to cause their client Jones to participate in the Fight, and otherwise agreed to secure Jones's participation in the Fight.

41. Plaintiffs have complied with all of their obligations under the Agreement, including by depositing \$800,000.00 into the Escrow Account as consideration for King's services in securing Jones's participation in the Fight.

42. Plaintiffs, at considerable expense, made all necessary arrangements for the Fight and Event to take place.

43. Lebedev, was ready, willing, and able to participate in the Fight on April 25, 2014, and his pre-bout urine samples were determined to be free of any banned substances by the Anti-doping Agency.

44. However, because Defendants' client, Jones, tested positive for a banned substance, the WBA refused to sanction the Fight.

45. Therefore, King and DKP failed to fulfill their contractual obligation deliver



Jones in the condition necessary for participation in the Fight.

46. King and DKP have breached the Agreement.

47. Plaintiffs have been damaged as a result of those breaches and are entitled to damages in an amount to be determined but not less than \$2.4 million.

**COUNT II**  
**(BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING)**

48. The allegations set forth in paragraphs 1 through 47 hereof are adopted and incorporated by reference as if fully set forth herein.

49. Both the Agreement and the Escrow Agreement include a covenant of good faith and fair dealing.

50. Through their above conduct, Defendants breached the implied covenant of good faith and fair dealing implied into each of those agreements.

51. As a result of Defendants' breaches of the implied covenant of good faith and fair dealing, Plaintiffs have incurred damages and are entitled to damages in an amount to be determined but not less than \$2.4 million.

**COUNT III**  
**(BREACH OF CONTRACT - ESCROW AGREEMENT)**

52. The allegations set forth in paragraphs 1 through 51 hereof are adopted and incorporated by reference as if fully set forth herein.

53. WOBLIC, defendant King and non-party SunTrust entered into the Escrow Agreement, a valid and binding written agreement that set forth the terms and conditions governing the \$800,000.00 Deposit.

54. In the Escrow Agreement, the parties agreed that SunTrust would release the remaining portion of the Deposit to WOBLIC upon receipt of an affidavit stating that the Fight had failed to take place as scheduled.

55. WOBLLC has complied with all of its obligations under the Escrow Agreement, including by depositing the \$800,000.00 Deposit into the Escrow Account.

56. In accordance with the terms of the Escrow Agreement, WOBLLC sent the Affidavit advising SunTrust that the Fight had not occurred as scheduled and requesting that SunTrust release the remaining portion of the Deposit to WOBLLC.

57. However, defendant King has taken actions to prevent SunTrust from releasing such funds to WOBLLC, including through correspondence directing SunTrust to refrain from honoring WOBLLC's Affidavit.

58. King has breached the Escrow Agreement.

59. WOBLLC has been damaged as a result of those breaches and is entitled to restitution, consequential damages and other relief in an amount to be determined but not less than \$550,000.00.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs hereby demand the following relief against Defendants:

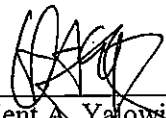
- (a) Damages in an amount to be proved, but not less than \$2,400,000.00
- (b) Other consequential damages;
- (c) Attorneys' fees and costs;
- (d) Prejudgment and post-judgment interest; and
- (e) Any other relief that this Court may deem just and proper.

**A JURY TRIAL IS HEREBY DEMANDED.**

Dated: New York, New York  
May 28, 2014

ARNOLD & PORTER LLP

By:

  
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