

**COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.**  
A Professional Corporation  
Court Plaza North  
25 Main Street  
P.O. Box 800  
Hackensack, New Jersey 07602-0800  
201-489-3000  
201-489-1536 Facsimile

Frank Smith, Esq. (*pro hac vice* pending)  
SMITH AND VERBIT, PL  
9900 Stirling Road, Suite 303  
Cooper City, Florida 33024  
954-965-8350  
954-241-6947 Facsimile

Attorneys for Defendant/Counterclaimant, Eddie Alvarez

BELLATOR SPORT WORLDWIDE, LLC,	:	<b>UNITED STATES DISTRICT COURT</b>
Plaintiff,	:	<b>FOR THE DISTRICT OF NEW JERSEY</b>
v.	:	Civil Action No. 2:13-cv-00063-JLL-MAH
EDDIE ALVAREZ AND JOHN DOES 1-5,	:	<b>VERIFIED ANSWER, AFFIRMATIVE</b>
Defendant.	:	<b>DEFENSES AND COUNTERCLAIM</b>

Defendant/Counterclaimant, Eddie Alvarez (“Alvarez” or “Defendant”), by and through his attorneys, Cole, Schotz, Meisel, Forman & Leonard, P.A., in response to the Complaint of defendant, Bellator Sport Worldwide, LLC (“Bellator” or “Plaintiff”), hereby says:

**ANSWER**

As to each corresponding numbered paragraph of the Complaint, Alvarez states as follows:

### As to Jurisdiction and Venue

1. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegation in paragraph 1, accordingly the allegation is denied in its entirety and strict proof thereof is demanded.

2. Alvarez admits the allegations set forth in Paragraph 2.

3. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegation in paragraph 3, accordingly the allegation is denied in its entirety and strict proof thereof is demanded. Alvarez does not, however, contest the jurisdiction of this Court, and accordingly admits the allegation for jurisdictional purposes only.

4. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegation in paragraph 4, accordingly the allegation is denied in its entirety and strict proof thereof is demanded.

5. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegation in paragraph 5, accordingly the allegation is denied in its entirety and strict proof thereof is demanded. Alvarez does not however, contest the jurisdiction of this Court, and accordingly admits the allegation for jurisdictional purposes only.

6. Alvarez neither admits nor denies the allegations set forth in paragraph 6 as to the contract language as the contract speaks for itself. To the extent that the allegations in paragraph 6 attempt to provide, modify or interpret the language of the contract, the allegations are denied in their entirety and strict proof thereof is demanded. As to the remainder of the allegations in paragraph 6, Alvarez admits them for establishment of proper venue purposes only, but denies them substantively as to his regularly doing business in New Jersey and demands strict proof thereof.

**AS TO “SUMMARY OF CASE  
AND GENERAL ALLEGATIONS”**

7. Alvarez denies the allegations set forth in paragraph 7 as the operative “Promotional Agreement” was executed by Alvarez on October 28, 2008 (“Contract”) and is attached to the Counterclaim herein as Exhibit “A” and is accordingly incorporated by reference herein. (Notably, while attaching everyone else’s confidential information, Plaintiff failed to provide the Court a copy of its own contract). Alvarez further denies that he was coming off a loss at that time. Alvarez neither admits nor denies the other allegations set forth in paragraph 7, as the Contract speaks for itself. To the extent that the allegations in paragraph 7 attempt to provide, modify or interpret the language of the Contract, the allegations are denied in their entirety and strict proof thereof is demanded.

8. Alvarez neither admits nor denies the contractual allegations set forth in paragraph 8 as the Contract speaks for itself. To the extent that the allegations in paragraph 8 attempt to provide, modify or interpret the language of the Contract, the allegations are denied in their entirety and strict proof thereof is demanded. As to the remainder of the allegations in paragraph 8, they are merely Plaintiff’s opinion that it “successfully” promoted Alvarez and regarding the “highlights” of Alvarez’s career, which opinions are denied in their entirety and strict proof thereof is demanded.

9. Alvarez denies the allegations set forth in Paragraph 9, except to admit that he lost Bellator’s lightweight title to Chandler and that Alvarez subsequently won his next two fights.

10. Alvarez denies the allegations set forth in Paragraph 10.

11. Alvarez admits the allegations set forth in Paragraph 11.

12. Alvarez neither admits nor denies the allegations set forth in paragraph 12 as the Contract speaks for itself. To the extent that the allegations in paragraph 12 attempt to provide,

modify or interpret the language of the Contract, the allegations are denied in their entirety and strict proof thereof is demanded.

13. Alvarez neither admits nor denies the allegations set forth in paragraph 13 as the Contract speaks for itself. To the extent that the allegations in paragraph 13 attempt to provide, modify or interpret the language of the Contract, the allegations are denied in their entirety and strict proof thereof is demanded.

14. Alvarez admits that he entered into the letter agreement attached as Exhibit “B” to the Complaint, but neither admits nor denies the allegations set forth in paragraph 14 relating to the terms of Exhibit “B”, as that document speaks for itself. To the extent that the allegations in paragraph 14 attempt to provide, modify or interpret the language of Exhibit “B,” the allegations are denied in their entirety and strict proof thereof is demanded.

15. Alvarez neither admits nor denies the allegations set forth in paragraph 15 as Exhibits “C” and “D” speak for themselves. To the extent that the allegations in paragraph 15 attempt to provide, modify or interpret the language of Exhibits “C” and “D,” the allegations are denied in their entirety and strict proof thereof is demanded.

16. Alvarez neither admits nor denies the allegations set forth in paragraph 16 as Exhibits “E,” “F” and “G” speak for themselves, except specifically to deny any allegation or implication that Bellator had “matched” Zuffa’s proffered contract. To the extent that the allegations in paragraph 16 attempt to provide, modify or interpret the language of Exhibits “E,” “F” and “G” the allegations are denied in their entirety and strict proof thereof is demanded.

17. Alvarez denies the allegations in paragraph 17 as to Plaintiff matching “every financial term” and demands strict proof thereof. Alvarez does admit that Plaintiff “chang[ed]” the terms of Exhibit “D” in Plaintiff’s offer.

18. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 18, accordingly the allegations are denied in their entirety and strict proof thereof is demanded, except that Alvarez specifically denies Plaintiff's allegation purporting to interpret Paragraph 6.2 of Exhibit "D".

19. Alvarez neither admits nor denies the allegations set forth in paragraph 19 as Exhibit "H" speaks for itself. To the extent that the allegations in paragraph 19 attempt to provide, modify or interpret the language of Exhibit "H," the allegations are denied in their entirety and strict proof thereof is demanded.

20. Alvarez neither admits nor denies the allegations set forth in paragraph 20 as Exhibits "I" and "J" speak for themselves, except that Alvarez specifically denies the allegation that Plaintiff "matched". To the extent that the allegations in paragraph 20 attempt to provide, modify or interpret the language of Exhibits "I" and "J," the allegations are denied in their entirety and strict proof thereof is demanded.

21. Alvarez admits he has refused to execute Plaintiff's offer, but denies that he is obligated to do so.

**AS TO "COUNT I"**

**BREACH OF CONTRACT**

22. Alvarez hereby incorporates his responses to the allegations in paragraphs 1 through 22 of the Complaint as if fully set forth herein.

23. Alvarez neither admits nor denies the allegations set forth in paragraph 23 as the Contract and Exhibit "B" speak for themselves. To the extent the allegations in paragraph 23 attempt to provide, modify or interpret the language of the Contract and Exhibit "B," the allegations are denied in their entirety and strict proof thereof is demanded.

24. Alvarez denies that Plaintiff matched the offer by Zuffa and demands strict proof thereof. As to the allegation referring to the Exhibit "G" "comparison", Alvarez neither admits nor denies that allegation, as Exhibit "G" speaks for itself. To the extent that the allegations in paragraph 24 attempt to provide, modify or interpret the language of Exhibit "G," the allegations are denied in their entirety and strict proof thereof is demanded.

25. Alvarez denies the allegations set forth in paragraph 25 in their entirety and demands strict proof thereof.

26. Alvarez denies the allegations set forth in paragraph 26 in their entirety and demands strict proof thereof.

27. Alvarez denies the allegations set forth in paragraph 27 in their entirety and demands strict proof thereof.

**WHEREFORE**, Alvarez demands judgment denying the relief sought in Count I of the Complaint, and awarding attorneys' fees, costs of suit and such further relief as the Court deems just and equitable.

**AS TO "COUNT 2"**

**TORTIOUS INTERFERENCE**

28. Alvarez hereby incorporates his responses to the allegations in paragraphs 1 through 27 of the Complaint as if fully set forth herein.

29. Alvarez denies knowledge sufficient to form a belief as to the truth or falsity of the allegations in paragraph 29, accordingly the allegations are denied in their entirety and strict proof thereof is demanded.

30. Alvarez denies the allegations set forth in paragraph 30 in their entirety and demands strict proof thereof.

31. Alvarez denies the allegations set forth in paragraph 31 in their entirety and demands strict proof thereof.

32. Alvarez denies the allegations set forth in paragraph 32 in their entirety and demands strict proof thereof.

**WHEREFORE**, Alvarez demands judgment denying the relief sought in Count I of the Complaint, and awarding attorneys' fees, costs of suit and such further relief as the Court deems just and equitable.

### **AFFIRMATIVE DEFENSES**

33. As and for a first defense, Alvarez alleges the Plaintiff has failed to state a cause of action upon which relief can be granted.

34. As and for a second defense, Alvarez alleges that the relief sought by Plaintiff is barred by the 13<sup>th</sup> Amendment of the United States Constitution and violative of Alvarez's right against involuntary servitude.

35. As and for a third defense, Alvarez alleges that Plaintiff has failed to allege fundamental facts necessary for the Plaintiff to proceed in this manner. A complaint must allege sufficient facts to show that the pleader is entitled to relief. Here, the Plaintiff has failed to allege sufficient facts to show that they are entitled to any relief. Based on the allegations contained in the Complaint, Plaintiff has no claim against Alvarez and Alvarez has no obligations to Plaintiff. As such, the Complaint is improper and must be barred.

36. As and for a fourth defense, Alvarez alleges that Plaintiff has failed in accordance with Fed.R.Civ.P 9(c) to address conditions precedent.

37. As and for a fifth defense, Alvarez alleges the defense of estoppel.

38. As and for a sixth defense, Alvarez alleges the defense of illegality in that the contractual language violates Alvarez's civil rights.

39. As and for a seventh defense, Alvarez alleges the defense of laches.

40. As and for an eighth defense, Alvarez alleges the defense of waiver.

41. As and for a ninth defense, Alvarez alleges that Plaintiff has unclean hands in this matter due to its conduct.

42. As and for a tenth defense, Alvarez alleges that Plaintiff first breached the contract at issue and when it did so, all performance on the part of Alvarez was excused.

43. Alvarez also alleges the Complaint contains insufficient information to permit Alvarez to raise all of potentially appropriate defenses and, therefore, Alvarez reserves its right to amend and/or supplement this Answer with additional affirmative defenses.

### **COUNTERCLAIM**

Counterclaimant, Eddie Alvarez ("Alvarez"), by and through his attorneys, Cole, Schotz, Meisel, Forman & Leonard, P.A., complaining against counterclaim-defendant, Bellator Sport Worldwide, LLC ("Bellator"), alleges and says:

### **INTRODUCTION**

1. Alvarez, a professional mixed martial arts ("MMA") fighter, has brought this counterclaim seeking a declaration of his rights vis-à-vis an expired contract with Bellator, an MMA fight promotion company. Alvarez also is seeking injunctive relief attendant thereto, and is seeking damages based on Bellator's bad faith and tortious actions since the expiration of the parties' contract.

### **PARTIES AND JURISDICTION**

2. Alvarez, an individual, is a resident of the State of Pennsylvania.



3. Bellator is a Delaware Limited Liability Company with its principal place of business, upon information and belief, in Newport Beach, California. It actively does business in New Jersey and its contracts, including the contract it had with Alvarez, provide for New Jersey jurisdiction and venue.

4. The amount in dispute related to this controversy exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of interest, costs, and counsel fees.

5. This Court has jurisdiction pursuant to 28 U.S.C. §1332 in that there is full diversity between the parties and the amount in dispute exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of interest, costs, and counsel fees.

6. Venue is proper in this district in that the contract underlying this dispute contains a choice of law and forum selection clause providing for venue in this district.

### **CONTRACT AT ISSUE**

7. On or about October 28, 2008, Alvarez and Bellator entered into a promotion agreement (“Bellator Contract”), which had been drafted by Bellator. A copy of the Bellator Contract is attached hereto and made a part hereof as Exhibit “A.”

8. The Bellator Contract has expired. The Bellator Contract, however, contains a section entitled “FIRST/LAST REFUSAL” which provides as follows:

#### **18. FIRST/LAST REFUSAL**

A) Upon expiration of the Term, FIGHTER [Alvarez] agrees to negotiate exclusively and in good faith with PROMOTER [Bellator] regarding the extension or renewal of the Term for a period of ninety (90) days following the expiration of the Term.

B) In the event no such agreement is reached between FIGHTER and PROMOTER during the aforementioned ninety (90) day period, FIGHTER may negotiate with other promotional entities, subject to PROMOTER's right to match the terms of any agreement offered to FIGHTER by such

other promotional entity. PROMOTER's right to match shall begin at the end of the ninety (90) day period and last for one (1) year.

C) FIGHTER shall provide PROMOTER with prompt written notice of any such offer, containing full details in regards thereof. Such notice shall constitute an exclusive, irrevocable offer to contract with PROMOTER on the same terms and conditions. PROMOTER shall have fourteen (14) business days after receipt of said notice to either accept or reject said offer. If PROMOTER rejects said offer, FIGHTER may accept said offer with the promotional entity on the same terms and conditions and without any modifications thereto. If the offer is modified in any material way, such modification shall give rise to another option for PROMOTER to match the terms of the offer as modified.

D) PROMOTER's failure to accept any offer shall not constitute a waiver of last refusal with respect to subsequent offers.

9. By letter agreement dated November 1, 2012 ("Letter Agreement"), Bellator modified the "FIRST/LAST REFUSAL" provision, waiving its period of exclusive negotiation and allowing Alvarez to negotiate a proposed contract with Zuffa, LLC (Zuffa, LLC d/b/a Ultimate Fighting Championship ® hereinafter "Zuffa" (entity) or "UFC" (brand)), which Bellator would then get fourteen (14) business days to "match" an offer from Zuffa. A copy of the Letter Agreement is attached hereto and made a part hereof as Exhibit "B."

10. Zuffa did make an offer to Alvarez ("Zuffa Offer"), which offer was delivered by Alvarez to Bellator on November 28, 2012, giving Bellator until December 18, 2012 to match the Zuffa Offer. Bellator has attached a copy of the Zuffa Offer to its Complaint as Exhibit "D", and, to the extent it properly did so, Alvarez incorporates the Zuffa Offer herein by reference.

11. On December 13, 2012, Bellator returned a proposed contract to Alvarez with certain changes ("Bellator Offer"), claiming none of the changes were "material." Bellator has attached a copy of the Bellator Offer to its Complaint as Exhibit "F", and, to the extent it properly did so, Alvarez incorporates the Bellator Offer herein by reference.

12. Bellator acknowledged that the Bellator Offer made “changes” to the Zuffa Offer and enclosed a “redline version,” but claimed the changes it made were immaterial. Apparently Bellator believes that the “FIRST/LAST REFUSAL” provision and Letter Agreement allowed them to make changes to the terms and conditions of the Zuffa Offer and still match the Zuffa Offer.

13. Alvarez believes the “FIRST/LAST REFUSAL” provision and the Letter Agreement do not allow Bellator to make any changes, material or otherwise, to the terms and conditions of the Zuffa Offer and be deemed a matching offer, and that, in any event, the Bellator Offer did not match the Zuffa Offer.

14. Bellator’s position is that it has “matched” the Zuffa Offer and that Alvarez, therefore, may not sign the Zuffa Offer.

15. Despite claiming it “matched” the Zuffa Offer, Bellator attached a “redline” as Exhibit “G” to the Complaint which is incorporated herein by reference. The fact that Bellator had to produce a “redline” of its changes is evidence in and of itself of Bellator’s failure to match the Zuffa Offer.

16. A review of Exhibit “G” shows that Bellator, in addition to changing the contracting entity from “ZUFFA” to “BELLATOR,” made the following changes (in section order):

- a. Throughout section 2.3, “UFC” was changed to “BELLATOR” as to the “brand” and “sponsor.” This is a substantive change to the Zuffa Offer, as the “brands” are not equal, nor are the sponsors.

- b. Throughout sections 2.4, 2.5 and 2.6, and elsewhere in the Bellator Offer, “UFC” also was changed to “BELLATOR” as to brand, which, again, is a substantive change to the terms of the Zuffa Offer.
- c. Sections 3.1 through 3.6 deal with the actual promotion and scheduling of bouts. In this context, the changing of “ZUFFA” to “BELLATOR” is not just a simple substitution of the contracting entity, but necessarily entails different “matchmakers,” different “fighters” and different “venues.” Moreover, Bellator is a tournament-based promotion, requiring fighters to progress through a tournament structure, while Zuffa does not book fighters based upon a tournament, but rather for individual promoted bouts;
- d. In section 3.7, Bellator changed the jurisdiction over a bout from Nevada to New Jersey and also the rules from Nevada to New Jersey;
- e. Section 3.8 changed Fox Network Television to Spike TV. Bellator has admitted there are differences between the two networks in both viewer exposure and demographics;
- f. Section 3.9, which, in the Zuffa Offer, offered Alvarez at least three (3) appearances on other UFC branded events, is now “BELLATOR” branded events, although Alvarez is unclear which other “BELLATOR” branded events exist, noting that Bellator 360 just debuted;
- g. Section 4.3 removed a reference in the Zuffa Offer to “The Ultimate Fighter,” a current reality television series, and changed it to some unknown (and apparently not yet existing) Bellator reality television series;

- h. In Section 5, Bellator once again removed reference to the Nevada Rules and this time substituted “the standard Bellator Bout Agreement;”
- i. Section 6.2 of the Zuffa Offer provides for substantial additional income for Alvarez for his first bout through pay-per-view bonus. Changing “ZUFFA” and “UFC” to “BELLATOR” in that section is a significant substantive revision to the Zuffa Offer. Bellator has no history of broadcasting via pay-per-view, yet it “intends” to create a pay-per-view event that in good faith would likely yield more than four hundred thousand (400,000) views;<sup>1</sup>
- j. Section 7.1(f) changed “Octagon” to “Cage” pointing out another difference in that Zuffa uses a true eight (8) sided structure for its bouts, while the Bellator “Cage” is a circle;
- k. In Section 8.5, the Bellator Offer added: “Fighter is urged to consult the World Anti Doping (WADA) prohibited list for a list of banned substances;”
- l. In Section 8.6, Bellator added: “or for other improper conduct;”
- m. Strangely, in section 13.2(a), Bellator represents that it is a New Jersey Limited Liability Company. This is presumably a typographical error as, per Bellator’s Complaint, it is a Delaware entity and elsewhere in the Bellator Offer, it is referred to as a Delaware entity;

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<sup>1</sup> Bellator in paragraph 18 of the Complaint attempts to deflect the issue of the pay-per-view income by implying that Zuffa was in some way being deceptive or illusory as it only “intended” to give a pay-per-view bonus to Alvarez, but did not explicitly “guarantee” that Alvarez would have his first fight for the title and on a pay-per-view. This argument by Bellator is simply untenable and unconscionable to anyone with more than the most basic understanding of the MMA industry and Zuffa’s reputation in the industry. In fact, pursuant to Exhibit “C” annexed hereto and incorporated by reference, Zuffa confirmed that it had intended to have Alvarez fight on a card headlined by one of the premier talents in all of mixed martial arts, virtually guaranteeing a substantial payday for Alvarez. That opportunity has now been lost, but a similarly substantial (although lesser based upon historical averages) opportunity for Alvarez is available for April 27, 2013, but will also be lost unless the Court gives Alvarez permission to participate in the event by January 27, 2013.

- n. In Section 21.1, the Bellator Offer removes advertising/sponsor restrictions against Spike and any Viacom-owned network, and substitutes in a restriction against “Fox” and any “news corporation owned network;”
  - o. Section 25.1 and 25.2 change the choice of law and venue provisions from Nevada (Clark County) to New Jersey (although as to this singular point, Bellator did agree they would change it back if asked);
17. All of these “changes” preclude the Bellator Offer being a “match” of the Zuffa Offer.
18. Further, belying Bellator’s position that the offers “matched” is the fact that although in its words, it was “not required to offer” anything more, it felt compelled to further modify the Bellator Offer by providing:
- A) A Spike behind the scenes show for which Mr. Alvarez would be paid Twenty-Five Thousand Dollars (\$25,000.00). This would be produced in the first quarter of 2013.
  - B) If Mr. Alvarez wins the World Title bout, he will be offered the position as a coach for the second season of the Bellator Reality Show, and should he coach the second season Mr. Alvarez will receive One Hundred Thousand Dollars (\$100,000.00).
  - C) Mr. Alvarez will be a guest host of Spike's "Road to the Championship" show on week 9 of Bellator Season 8.
19. Additionally, on December 18, 2012, Bellator again further modified the Bellator Offer and Zuffa Offer, by, in addition to the provisions set forth in paragraph 18 (A, B and C) above, amending Paragraph 3.8 of the Bellator and Zuffa Offers, to state that all bouts will

appear on either on Spike TV or Pay-Per-View, and providing for at least two (2) replays on Spike for bouts telecast on Spike. This “Addendum” is attached as Exhibit J to Bellator’s Complaint, and is incorporated by reference herein. This revision to Paragraph 3.8 now actually provides that Bellator never has to do a Pay-Per-View event with Alvarez.

20. These additional “sweeteners” (for lack of a better word) might be relevant if the Court is to engage in a weighted comparison of the subject contracts, buying into Bellator’s purported defense to the failure to match of “immateriality.” In the first instance, however, these additions inject completely new terms into the process which make the Bellator Offer less of a “match” on its face, than it otherwise would be without the additional terms. The offering of the additional terms is tantamount to an admission by Bellator that they did not “match.”

21. Alvarez’s inability to move forward with the Zuffa Offer or any other offer, is damaging him and causing him irreparable harm on an ongoing basis.

22. As a result, Alvarez is caught in “limbo” until this matter is resolved, and various unique opportunities will be lost the longer this matter is pending.

23. Alvarez already has lost one substantial opportunity to fight at UFC 158 which is to take place on March 16, 2013.

24. If no relief is obtained by Alvarez before January 27, 2013, he will lose a second opportunity, to fight on the Jones v. Sonnen card for Zuffa on April 27, 2013.

25. Alvarez is in the prime of his career and wants to fight “the best fighters” he can. Upon information and belief, Zuffa is generally regarded as a more reputable organization than Bellator and, further, the caliber of fighters in Zuffa/UFC is superior to that in Bellator.

26. Alvarez’s earning potential is not simply limited to his pay for showing up or winning, but also is tied, without limitation, to pay-per-view buys (in this case), the amount of

sponsorship dollars he can generate and ultimately, his popularity amongst the mixed martial arts fan base in general.

27. In each of these factors, at this time, Zuffa offers Alvarez a far greater earning potential than does Bellator. This is simply the restatement of a generally accepted public understanding of the market reports and similar commercial publications.

28. Each of these factors is being irreparably injured as Alvarez remains in limbo and unable to fight for Zuffa.

29. In summary, Bellator had to match the Zuffa Offer and did not. Bellator is now using its “FIRST/LAST REFUSAL” in the nature of a *de facto* covenant not to compete. Despite the fact that Bellator has sought specific performance under a personal services contract (which is a violation of Alvarez’s constitutional rights), it is, in effect, through its Complaint, only seeking to preclude Alvarez from contracting with Zuffa. Such behavior is not only ethically and morally questionable, but cannot be countenanced by this Court.

30. Bellator could have written the Bellator Contract and the “FIRST/LAST REFUSAL” any way it saw fit, but chose to make it an exact match and must be held to its language.

31. Alvarez has complied with all conditions precedent to the bringing of this action.

### **COUNT I – DECLARATORY RELIEF**

32. Alvarez hereby repeats and realleges each of his allegations set forth above as if set forth fully herein.

33. 28 U.S.C.A. § 2201 states:

§ 2201. Creation of remedy

(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of



title 11, or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

(b) For limitations on actions brought with respect to drug patents see section 505 or 512 of the Federal Food, Drug, and Cosmetic Act, or section 351 of the Public Health Service Act.

28 U.S.C.A. § 2201 (West)

34. 28 U.S.C.A. § 2202 states:

§ 2202. Further relief

Further necessary or proper relief based on a declaratory judgment or decree may be granted, after reasonable notice and hearing, against any adverse party whose rights have been determined by such judgment.

28 U.S.C.A. § 2202 (West)

35. There exists a dispute between Alvarez and Bellator as to Alvarez's rights under the Bellator Contract, as modified by the Letter Agreement.

36. Alvarez is entitled to have this Court declare his rights relative to the Bellator Contract, the Letter Agreement, the Zuffa Offer and the Bellator Offer.

37. Pursuant to Federal Rule of Civil Procedure 57, the "court may order a speedy hearing of a declaratory judgment action" and Alvarez respectfully requests that this action proceed in such a speedy manner.

WHEREFORE, ALVAREZ hereby respectfully requests that this Court enter a Final Judgment in his favor and against BELLATOR, declaring:

- a. That the Bellator Contract and specifically the “FIRST/LAST REFUSAL” provision, as modified by Letter Agreement, allowed Bellator to match all terms and conditions of the Zuffa Offer;
- b. That the Zuffa Offer was properly delivered to Bellator and was subject to the “FIRST/LAST REFUSAL” provision as modified by the Letter Agreement;
- c. That the Bellator Offer did not “match” the Zuffa Offer;
- d. That Alvarez may immediately execute the Zuffa Offer;
- e. That Alvarez has no further obligations under the Bellator Contract;
- f. Such injunctive relief against Bellator as may be necessary to further enable Alvarez to fight for Zuffa, without interference from Bellator;
- g. An award of damages as may be proper under 28 U.S.C.A. § 2202; and
- h. Such other, further and different relief as the Court may deem just proper and equitable under the circumstances.

### **COUNT II - INJUNCTION**

38. Alvarez hereby repeats and realleges each of his allegations set forth above as if set forth fully herein.

39. Alvarez’s inability to move forward with the Zuffa Offer is damaging him and causing him immeasurable and irreparable harm on an ongoing basis. The loss of the ability to fight on a card with St-Pierre is the loss of a once in a lifetime opportunity. Each of the UFC cards is a unique conglomeration of fighters, each of whom in Bellator’s words is “special, unique, unusual and extraordinary in character.”<sup>2</sup>

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<sup>2</sup> See Section 20 of the Bellator Contract.

40. Accordingly, Alvarez could avail himself of the upcoming UFC events which are of a personal, specific and unique nature, and in which Alvarez could participate and profit, but for the Bellator position that it “matched” and Bellator’s threat of litigation. The Court is respectfully directed to the Zuffa letter of January 10, 2013 which confirms the lost UFC 158 opportunity and also confirms the January 27, 2013 deadline before Alvarez is further irreparably harmed.

41. Such irreparable harm will continue unless enjoined by the Court.

42. The harm to Alvarez if an injunction is not ordered will greatly exceed the harm to Bellator, if any, if an injunction is ordered.<sup>3</sup>

43. Alvarez is likely to succeed on the merits of the claims set forth herein.

44. The public interest favors the imposition of injunctive relief in this matter.

WHEREFORE, ALVAREZ hereby respectfully requests that this Court enter a temporary, preliminary and/or permanent injunction in his favor and against BELLATOR as follows:

- a. Precluding Bellator from interfering in any way with Alvarez’s rights to execute the Zuffa Offer and interfering with Alvarez’s ongoing relationship with Zuffa;
- b. Allowing Alvarez to immediately contract with any promoter without interference from Bellator; and
- c. Such other, further and different relief as the Court may deem just proper and equitable under the circumstances.

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<sup>3</sup> See Section 20 of the Bellator Contract wherein Bellator had Alvarez acknowledge that an injunction is appropriate in these circumstances; the corollary is also true. Section 20 also sets the bond amount “not to exceed Five Hundred Dollars (\$500)”; once again, as to any Alvarez injunction, the corollary is also true.

**COUNT III – INTENTIONAL INTERFERENCE  
WITH PROSPECTIVE ECONOMIC ADVANTAGE**

45. Alvarez hereby repeats and realleges each of his allegations set forth above as if set forth fully herein.

46. By, among other things, intentionally and in bad faith delivering the Bellator Offer claiming it matched the Zuffa Offer when it did not and when Bellator had no ability or intention to perform certain portions of the Bellator Offer, Bellator's conduct constitutes, among other things, intentional interference with Alvarez's prospective economic advantage.

47. Alvarez had a reasonable expectation that Bellator would extend any "matching" offer in good faith and with Bellator's honest intention of fully performing any "matching" offer.

48. Defendant's actions were, and continue to be, without justification or excuse.

49. Defendant's actions were, and continue to be, willful, wanton, malicious and/or in reckless disregard of Alvarez's rights.

50. As a direct and proximate result of Defendant's wrongful conduct, as aforesaid, Alvarez has suffered, and will continue to suffer, substantial damages.

WHEREFORE, ALVAREZ hereby respectfully requests that this Court enter a Final Judgment in his favor and against BELLATOR, and/or in the alternative, as follows:

- a. Compensatory, consequential and incidental damages;
- b. Punitive damages;
- c. Interest;
- d. Reasonable attorneys' fee and costs of suit;
- e. Such other, further and different relief as the Court may deem just proper and equitable under the circumstances.

**COUNT IV - BREACH OF CONTRACT**

51. Alvarez hereby repeats and realleges each of his allegations set forth above as if set forth fully herein.

52. The Bellator Contract requires Bellator to perform certain enumerated duties and obligations.

53. The Bellator Contract also is subject to the implied covenant of good faith and fair dealing.

54. Defendant breached both the contract and the implied covenant of good faith and fair dealing in tendering the Bellator Offer.

55. Alvarez has been damaged by Defendant's breach as aforesaid.

WHEREFORE, ALVAREZ hereby respectfully requests that this Court enter a Final Judgment in his favor and against BELLATOR, and/or in the alternative, as follows:

- a. Compensatory, consequential and incidental damages;
- b. Interest;
- c. Reasonable attorneys' fee and costs of suit;
- d. Such other, further and different relief as the Court may deem just proper and equitable under the circumstances.

COLE, SCHOTZ, MEISEL,  
FORMAN & LEONARD, P.A.  
Attorneys for Plaintiff, Eddie Alvarez

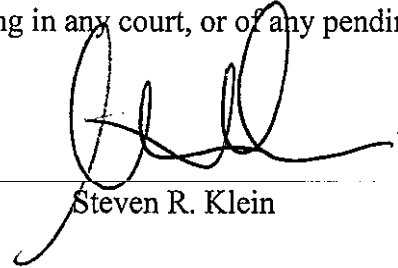
By: \_\_\_\_\_

Steven R. Klein, Esq.  
Adam J. Sklar, Esq.

DATED: January 14, 2013

**Certification Pursuant to L. Civ. R. 11.2**

Pursuant to Local Civil Rule 11.2, I hereby certify that the claims brought by Eddie Alvarez are not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding.



Steven R. Klein

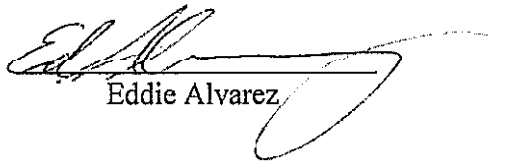
DATED: January 14, 2013

**VERIFICATION**

Eddie Alvarez, of full age, hereby certifies as follows:

1. I, Eddie Alvarez, am the defendant/counterclaimant in this action and am familiar with the facts set forth herein.

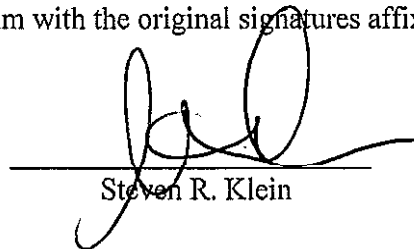
2. I hereby certify that the statements made in the foregoing Answer and Counterclaim are true and correct to the best of my knowledge, information and belief; I understand that these statements are made subject to punishment.

  
Eddie Alvarez

DATED: January 14, 2013

**CERTIFICATE OF FACSIMILE SIGNATURE**

I certify that Eddie Alvarez acknowledged the genuineness of his facsimile signature and that a copy of this Verified Answer and Counterclaim with the original signatures affixed will be filed if requested by the Court or any party.

  
Steven R. Klein

DATED: January 14, 2013

# EXHIBIT

A



## PROMOTIONAL AGREEMENT

This Promotional Agreement ("Agreement") is made and entered into by and between BELLATOR SPORT WORLDWIDE, LLC, a Delaware Limited Liability Company with offices at 935 North Kenter Avenue, Suite 100, Los Angeles, California 90049 ("PROMOTER") and Eddie Alvarez ("FIGHTER").

### RECITALS

WHEREAS PROMOTER is in the business, inter alia, of promoting Mixed Martial Arts ("MMA") events and desires to enter into an agreement with FIGHTER to be the exclusive Promoter of FIGHTER's future bouts on the terms set forth herein.

WHEREAS FIGHTER is a professional MMA fighter, fighting as a Lightweight with a maximum weight of one hundred fifty five pounds (155lbs), who desires to enter into this AGREEMENT with PROMOTER for PROMOTER to be FIGHTER's exclusive promoter and is willing to grant the ancillary rights herein.

THEREFORE, in consideration of the foregoing, the agreements and mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. INCORPORATION OF RECITALS

The recitals set forth above are incorporated herein by this reference.

2. GRANT OF PROMOTIONAL RIGHTS

Subject to the terms and conditions set forth below, FIGHTER hereby grants to PROMOTER the exclusive unrestricted worldwide rights to secure, promote, arrange, present, coordinate, create and produce all MMA, martial arts, and unarmed combatant contests

(individually, a "Bout" and collectively, the "Bouts") to be engaged in by FIGHTER during the term of this Agreement and any extensions thereof ("Promotional Rights").

### 3. TOURNAMENT COMPENSATION

A "Tournament" shall be defined as any MMA competition in which multiple fighters compete in a formal, structured series of bouts labeled by PROMOTER as a tournament, to determine a single champion. A Tournament may be structured as a round-robin, single-elimination, double-elimination or any other format chosen by PROMOTER, in PROMOTER's sole and absolute discretion, and may or may not include the seeding, placing or ranking of individual fighters. For Bouts taking place within a Tournament the following purse and bonus structures will be in effect:

A) Opening Round of Tournament.

(i) Base Purse: Ten Thousand Dollars (\$10,000) will be paid to FIGHTER, win or lose.

(ii) Bonus payments: An additional Fifteen Thousand Dollars (\$15,000) shall be paid to FIGHTER if he is declared the winner of the Bout by the Commission governing his Bout. In such case FIGHTER will receive a total of Twenty Five Thousand Dollars (\$25,000) (Ten Thousand Dollars (\$10,000) in base purse plus Fifteen Thousand Dollars (\$15,000) in bonus).

(iii) Advancing to next round: FIGHTER shall advance to the semi final round of the Tournament if he is declared the winner of the Bout by the Commission governing his Bout, is uninjured, is permitted to do so by the Commission having jurisdiction of the semi final bouts of the Tournament, and is otherwise in compliance with the this contract.

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B) Semi Final Round of Tournament.

(i) Base Purse: Twenty Five Thousand Dollars (\$25,000) will be paid to the FIGHTER, win or lose.

(ii) Bonus Payment: An additional Twenty Five Thousand Dollars (\$25,000) shall be paid to FIGHTER if he is declared the winner of the Bout by the Commission governing his Bout. In such a case FIGHTER will receive a total of Fifty Thousand Dollars (\$50,000) (Twenty Five Thousand Dollars (\$25,000) in base purse and Twenty Five Thousand Dollars (\$25,000) in bonus).

(iii) Advancing to the next round: FIGHTER shall advance to the final round of the Tournament if he is declared the winner of the Bout by the Commission governing his Bout, is uninjured, is permitted to do so by the Commission having jurisdiction of the final round of the Tournament, and is otherwise in compliance with this contract.

C) Final Round of Tournament.

(i) Base Purse: FIGHTER will be paid a base purse of Forty Thousand Dollars (\$40,000), win or lose.

(ii) Bonus Payment: FIGHTER will be paid an additional Sixty Thousand Dollars (\$60,000) if he is declared the winner of the Bout by the Commission governing his Bout. In such a case FIGHTER will receive a total of One Hundred Thousand Dollars (\$100,000) (Forty Thousand Dollars (\$40,000) in base purse and Sixty Thousand Dollars (\$60,000) in bonus).

(iii) Championship: FIGHTER will be declared the Tournament winner in his weight class if he is declared the winner of the Bout by the Commission governing his Bout.

D) Substitutions.

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It is anticipated, but not guaranteed, that Tournament bouts will be conducted at three(3), four (4), five (5), or six (6) week intervals. Fighters who are defeated in prior rounds may be chosen as substitutes for subsequent rounds if a winning fighter cannot continue in the Tournament. Substitutes will be chosen at the sole discretion of PROMOTER and based on criteria which will be at PROMOTER's sole discretion. FIGHTER is to remain available and on weight so that he can be utilized as a substitute if necessary. If FIGHTER is used as a Tournament substitute his base purse will remain at the base purse for the round in which he lost, but his bonus in the event he wins will be commensurate with that specified above for the round of the Tournament in which he is competing.

4. **COMPENSATION FOR NON-TOURNAMENT BOUTS**

FIGHTER's compensation in all non-Tournament Bouts will be determined as follows:

A) Tournament Competitors: If FIGHTER has participated in a Tournament, his compensation for all non-Tournament Bouts shall be determined as follows:

(i) If FIGHTER is not the Tournament Champion (i.e., he is not declared the winner of all Tournament Bouts by the Commission or declared Champion by PROMOTER) FIGHTER shall be paid a base purse of Twenty Five Thousand Dollars (\$25,000). FIGHTER will be paid an additional Twenty Five Thousand Dollars (\$25,000) if he is declared the winner of the Bout by the Commission governing his Bout. In such a case FIGHTER will receive a total of Fifty Thousand Dollars (\$50,000) (Twenty Five Thousand Dollars (\$25,000) in base purse and Twenty Five Thousand Dollars (\$25,000) in bonus). For each non-Tournament Bout that FIGHTER is declared the winner of by the Commission governing such Bout, his compensation for non-Tournament bouts shall increase as follows: the base purse shall increase by Five Thousand Dollars (\$5,000) and the amount of his win bonus shall increase by Five Thousand

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Dollars (\$5,000). Should FIGHTER lose a non-Tournament Bout, his compensation for the next non-Tournament Bout shall remain unchanged.

(ii) If FIGHTER is the Tournament Champion (i.e., he is declared the winner of all Tournament Bouts by the Commission and is declared Champion by PROMOTER) FIGHTER shall be paid a base purse of Thirty Five Thousand Dollars (\$35,000). FIGHTER will be paid an additional Thirty Five Thousand Dollars (\$35,000) if he is declared the winner of the Bout by the Commission governing his Bout. In such a case FIGHTER will receive a total of Seventy Thousand Dollars (\$70,000) (Thirty Five Thousand Dollars (\$35,000) in base purse and Thirty Five Thousand Dollars (\$35,000) in bonus). For each non-Tournament Bout that FIGHTER is declared the winner of by the Commission governing such Bout, his compensation for non-Tournament bouts shall increase as follows: the base purse shall increase by Five Thousand Dollars (\$5,000) and the amount of his win bonus shall increase by Five Thousand Dollars (\$5,000). Should FIGHTER lose a non-Tournament Bout, his compensation for the next non-Tournament Bout shall remain unchanged.

B) Non-Tournament Competitors: If FIGHTER has not participated in a Tournament, his compensation for all non-Tournament Bouts shall be determined as follows:

(i) FIGHTER shall be paid a base purse of Twenty Five Thousand Dollars (\$25,000). FIGHTER will be paid an additional Twenty Five Thousand Dollars (\$25,000) if he is declared the winner of the Bout by the Commission governing his Bout. In such a case FIGHTER will receive a total of Fifty Thousand Dollars (\$50,000) (Twenty Five Thousand Dollars (\$25,000) in base purse and Twenty Five Thousand Dollars (\$25,000) in bonus). For each non-Tournament Bout that FIGHTER is declared the winner of by the Commission governing such Bout, his compensation for non-Tournament bouts shall increase as follows: the base purse shall increase

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by Five Thousand Dollars (\$5,000) and the amount of his win bonus shall increase by Five Thousand Dollars (\$5,000). Should FIGHTER lose a non-Tournament Bout, his compensation for the next non-Tournament Bout shall remain unchanged.

5. GRANT OF ANCILLARY RIGHTS

Subject to the terms and conditions set forth below, FIGHTER hereby grants to PROMOTER the exclusive unrestricted worldwide rights to the following ancillary rights ("Ancillary Rights"):

A) The right to stage all Bouts, sell tickets of admission to all Bouts, to broadcast, telecast, photograph, record or otherwise reproduce all Bouts, the events immediately before and after all Bouts and between the rounds and events attendant to Bouts and attendant to any Tournaments in any and all media now known or hereafter devised in or by any manner, method or device (now known or hereafter devised) including, but not limited to, the unlimited and unrestricted rights to telecast all bouts by means of live or closed circuit television, paid, cable, subscription or toll television, films and tapes for exhibition in any and all media and in all gauges, whether the theatrical exhibition or for sale, lease or license for home use, including audio and audiovisual cassettes and discs, and the unlimited right to deal with any or all of the foregoing, and to obtain copyright or similar protection where available in the name of the PROMOTER or PROMOTER's nominee, all in such manner as the PROMOTER in its sole discretion shall determine.

B) The right to exploit and use to the fullest extent possible any and all content data, and information and any and all property rights and intellectual property rights prepared, conceived, developed, manifested in tangible or intangible form, or created by and through this Agreement with FIGHTER as well as any and all other property rights associated with

PROMOTER, its events or affiliates, which shall include the unrestricted right to fully exploit, use, profit, disseminate, display, reproduce, print, publish, edit, and make any other uses of FIGHTER's names, images, likenesses, sobriquets, voices personas, signatures, biographical materials, photographs and/or any and all information relating thereto ("Identity"), and shall include all persons associated or affiliated with FIGHTER, including FIGHTER's trainers and seconds.

C) PROMOTER shall be entitled to develop, manufacture, distribute, market and/or sell any and all interactive devices, electronic devices, home video and computer games, arcade video games, hand held versions of video games, video slot machines, CD-ROMS, DVD's, Internet applications, wireless, video and audio cassettes and disks, photographs, books, souvenirs, comics, games, and any and all other similar type products, now known or hereafter to become known, which contain FIGHTER's Identity. Such use shall include the sleeves, jackets and packaging for such products.

D) In addition to the rights granted in Subsection C above, PROMOTER may manufacture, distribute or sell any item or good which contains FIGHTER's Identity, including but not be limited to, all souvenir programs, sponsorships, commercial and merchandising tie-ins, advertisements, banners, buttons, posters, clothing, apparel, photographs, toys and any and all other similar type items or goods; provided, however, that all such items or goods must relate to FIGHTER's purpose and relationship with PROMOTER, including but not limited to the promotion of FIGHTER, PROMOTER, PROMOTER's brand, Tournaments, bouts, events, Bouts, pre-bout events, and/or post-bout events.

E) The right to assign, lease, license, sublease, transfer, use or otherwise dispose of any and all of the rights granted herein and the results of the exercise thereof, and to authorize,

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license and grant the right to exercise any or all of the foregoing rights to any person, firm or corporation.

F) The right to do all things necessary for the full and complete use, exploitation and exercise of the rights granted herein, including the right to promote and exploit all rights granted hereunder and the results of the exercise thereof, and the right to negotiate, enter into and perform any and all agreements relating to the rights granted herein for the proper production and promotion of radio and television advertisements, publicity, broadcasts relating to PROMOTER, the Bouts, the pre-Bout events, and/or the post-Bout events.

G) The right to all rights, title and interest in and to any and all recordings, including but not limited to, television, radio, Internet, wireless and motion picture films, and the video and audio cassettes of, or based upon PROMOTER's brand, the Bouts, the pre-Bout events and post-Bout events, and the right secure in PROMOTER's name (or that of its nominee) copyright and other protection to the fullest extent available.

H) The non-exclusive right, provided Fighter possesses such right or can reasonably obtain such right, to use the recording, video or audio clip of any prior bout content of FIGHTER, including a bout held by another promoter, for the purpose of publicizing a Bout, which clip shall be provided to PROMOTER upon request.

I) The right to register FIGHTER as one or more domain names for use on the World Wide Web and the right to utilize and own such domain names during the Term and without restriction, in whatever way PROMOTER selects. Notwithstanding the foregoing, PROMOTER is under no obligation to register FIGHTER or to in any way use such domain names.

J) The right to register as a trademark with the United States Patent and Trademark Office ("USPTO") FIGHTER's name, stage name, Identity, or any other feature of FIGHTER



which may be trademarked, for the purposes of (1) promoting sporting events and athletic competitions; (2) broadcasting sports and entertainment programs by means of television, radio, cable television, satellite and other wire and wireless forms of transmission; (3) producing and distributing sports and entertainment programs by means of television, cable television, satellite, via a global information network, pay-per-view exhibition, closed circuit exhibition, and in other live formats; and production of electronic reproductions featuring sports and entertainment programs; (4) merchandise tie-ins and souvenir items; (5) exploitation of all other rights granted to PROMOTER herein.

K) The right to all event income, revenue or fees which shall include, but are not limited to, venue fees, live event gate receipts, event fees, event income, advertising fees, and sponsorship fees. The right to exploit all forms of radio, television, and electronic media, which may be live, in real time, or delayed transmission and shown displayed via interactive means, in home or theater, pay-per-view, satellite, closed circuit, cable, subscription, antenna, internet, or any other means of transferring such information or data, as well as via telephone, wireless means, cellular phones, computer, CDs, CDROM, DVD, any and all internet applications, film, and tape for exhibition in any and all media formats and the right to all income, fees or revenue generated therefrom.

6. **PROMOTION OF BOUTS**

A) Each Bout shall be a MMA contest between FIGHTER and an opponent designated by PROMOTER. FIGHTER shall abide by all rules set forth by PROMOTER with regards to any MMA Bout provided such rules are not inconsistent with the rules and regulations of the athletic commission or regulatory body having jurisdiction over the Bout ("Commission"). FIGHTER and PROMOTER shall comply with and be bound by the rules and regulations of the Commission.

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B) PROMOTER shall promote and FIGHTER shall participate in the minimum number of Bouts set forth in the Term section below. It is contemplated that the first series of bouts in which FIGHTER shall engage will be in a multi-stage Tournament leading to a championship, however PROMOTER may secure, promote, arrange, present, coordinate, create and produce Bouts in any manner PROMOTER chooses, including the use of Tournament formats, individual bouts, or any other structure PROMOTER desires.

C) PROMOTER shall be deemed to have complied with its obligations to promote any Bout if PROMOTER shall have made an offer to FIGHTER to promote a Bout in accordance with the provisions hereof and FIGHTER shall have refused to participate. If a Bout is canceled or postponed for any reason, the failure of such Bout to take place shall not be deemed non-performance by PROMOTER and PROMOTER shall not be liable for any FIGHTER's purse associated therewith.

D) All Bouts shall be on dates and at sites to be designated by PROMOTER, in its sole and absolute discretion. If any Bout is postponed for any reason the Bout agreement applicable to such bout shall determine the rights of the parties and in addition thereto, the Term shall be extended, at PROMOTER's election, by a number of days equal to the number of days between the date originally scheduled for the Bout and the date on which the Bout occurs.

E) During the Term, PROMOTER shall have the exclusive right to promote all of FIGHTER's bouts and Fighter shall not participate in or render his services as a professional fighter or in any other capacity to any MMA, boxing, martial art, professional wrestling, or any other fighter competition or exhibition, except as otherwise expressly permitted by PROMOTER.

7. **FIGHTER'S COOPERATION**

FIGHTER shall cooperate and assist in the advertising, publicity, and promotion of (i) the Bouts and/or Tournaments, (ii) any and all rebroadcast of the Bouts and/or Tournaments in any media whatsoever, (iii) other bouts of PROMOTER, (iv) other events and broadcasts by PROMOTER, and (v) the sale of merchandise; and (vi) any other exploitation by PROMOTER resulting from the grant of Promotional Rights and Ancillary Rights. FIGHTER's cooperation and assistance shall include but not be limited to making appearances at such reasonable number of press conferences, interviews, appearances, and other sponsorship and promotional activities (any of which may be telecast, broadcast, recorded and/or filmed) as PROMOTER may designate, without additional compensation therefore. In addition, FIGHTER shall fully cooperate with any and all requests made by any of PROMOTER's television and cable network partners with respect to any assistance, press conferences, interviews, appearances or other activities they may request in order to promote FIGHTER, a Bout, the Bouts, PROMOTER, PROMOTER's brand, or any other bout or series of bouts. For such promotional activities, PROMOTER will arrange and pay for FIGHTER's reasonable travel and hotel accommodations and per diem for FIGHTER.

8. **TERM**

A) The duration of the Promotional Rights ("Term") shall commence on the "Effective Date" as defined herein and end on the earlier of (i) thirty (30) months after the Effective Date, or (ii) the date on which FIGHTER has participated in at least six (6) Bouts promoted by PROMOTER under this Agreement ("Termination Date"), unless terminated sooner or extended further pursuant to the provisions of this Agreement.

B) If, at any time during the Term, FIGHTER is declared the champion of his weight class, a Tournament winner, or a Tournament runner-up, the Term shall be automatically extended

for a period commencing on the Termination Date and ending on the earlier of (i) eighteen (18) months from the Termination Date, or (ii) the date in which FIGHTER has participated in three (3) bouts promoted by PROMOTER following the Termination Date ("Extension Term"). Any reference to the Term herein shall be deemed to include a reference to the Extension Term, where applicable.

C) The expiration of the Term shall not affect or terminate the grant of Ancillary Rights or any of the general or specific provisions of this Agreement which shall survive any such expiration or termination.

D) PROMOTER shall not be deemed in default of this Agreement to the extent that performance of its obligations are delayed or prevented by reason of any act of God, fire, natural disaster, war, riots, strike or labor difficulties, terrorism, power failure or other acts constituting force majeure or any governmental or Commission enactment, determination or action, regulation or order.

E) The termination of this Agreement or the expiration of the Term shall not serve to affect or terminate the Ancillary Rights granted under this Agreement, as they shall survive any such termination, expiration or acceleration and this Agreement shall remain in full force and effect with respect thereto.

9. **INJURY, DISABILITY, POSTPONEMENT OR RETIREMENT**

A) Should any Bout be postponed due to injury, disability, illness, retirement, incarceration, loss of travel, suspension by a Commission, positive drug test, unwillingness to compete, or any other similar reason, of either FIGHTER or FIGHTER's opponent, the obligation of PROMOTER relating to the minimum bouts, timing of the bouts, and the Term of this

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Agreement shall automatically be extended by the period of time necessary to reschedule the postponed Bout.

B) The respective lengths of time to provide FIGHTER with the minimum number of Bouts shall be extended, (i) that period of time that FIGHTER is unable or unwilling to compete, or (ii) for a period of six (6) months, whichever is longer. Such extension shall include without limitation, any time periods when FIGHTER is disabled, sick or injured for any reason, incarcerated, suspended or revoked by a Commission, has his ability to travel restricted by a recognized governmental agency or is otherwise unable, unwilling or refuses to compete or train for a Bout for any reason whatsoever.

(i) PROMOTER and FIGHTER understand and agree that provided FIGHTER is not injured, disabled, retired, incarcerated, suspended by the commission, tested positive for drugs, or was/is unwilling to compete and/or accept Bouts offered to FIGHTER by PROMOTER, then PROMOTER shall be obligated to provide FIGHTER the opportunity to participate in Bouts under this Agreement at "least" as frequently as once every six (6) months, or FIGHTER shall have the right, but not the obligation to terminate this Agreement.

C) If at any time during the Term, FIGHTER decides to retire, PROMOTER may, at its election, suspend the Term for the period of such retirement.

D) If any Bout cannot be held as scheduled or conducted in the manner intended for any reason whatsoever, including the withdrawal of an opponent, cancellation of the main event or cancellation of a telecast (but not including reasons relating to FIGHTER's inability or unwillingness to compete), PROMOTER may, in its sole discretion, (i) substitute another opponent, (ii) cancel the Bout or (iii) reschedule the Bout. In the event PROMOTER cancels or reschedules the Bout, PROMOTER shall have no obligation or liability to FIGHTER whatsoever

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in connection therewith, including any obligation to pay fight purses, and the respective lengths of time to provide FIGHTER with the minimum number of Bouts shall be extended by the period of time necessary to reschedule the Bout.

*E)* In the event that any Bout is postponed or cannot be held due to the actions of FIGHTER, in addition to any other rights that PROMOTER may have, PROMOTER may extend the Term of this Agreement and any provision thereof by, (i) the period of any delay caused by FIGHTER or (ii) for a period of six (6) months, whichever is greater.

*F)* In the event that FIGHTER breaches any term of this Agreement, or provides any false representation or warranty, PROMOTER may extend the Term of this Agreement and any provision thereof by, (i) the period of time necessary to correct or cure any breach or inaccuracy of any warranty or (ii) for a period of six (6) months, whichever is greater.

#### **10. NOTIFICATION OF IMPAIRMENT/INJURY**

In the event that FIGHTER suffers any injury or impairment of any nature which could prevent him from engaging in a bout or which could impact negatively on his ability to be licensed he will notify PROMOTER immediately in writing. FIGHTER agrees to remain in competitive condition during the Term of this Agreement.

#### **11. FORM BOUT CONTRACT**

For each Bout hereunder FIGHTER shall execute and comply with a standard form of Commission bout agreement whenever and wherever required. In the event there is any inconsistency between the terms and conditions contained herein and such bout agreement, the provisions contained herein shall supersede and prevail to the extent permitted by law.

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12. TRANSPORTATION, ROOM, BOARD

For each bout hereunder, PROMOTER shall provide, at PROMOTER's cost, Three (3) round trip coach class air transportation tickets from cities in the U.S. to the site of the bout as well as Two (2) hotel rooms and meals for up to Three (3) persons and training facilities at such sites for up to four (4) days prior to each bout. If during the Term, FIGHTER has to travel Internationally to fulfill his obligations under the Agreement, then PROMOTER agrees to provide, at PROMOTER's cost, Two (2) round trip coach air transportation tickets and One (1) Business class air transportation ticket from cities in the US to the International site of the bout as well as Two (2) hotel rooms and meals for up to Three (3) persons. Once departure dates, times and locations are set with reasonable consultation with FIGHTER, any deviation by FIGHTER will be at his expense.

13. MERCHANDISING RIGHTS

FIGHTER agrees that he will negotiate with PROMOTER in a good faith, if and when PROMOTER creates a licensed merchandise program ("Merchandise Program"). The Merchandise Program will be created to help FIGHTER exploit commercial opportunities. Such a program will be separate from, and in addition to, any of the merchandise rights already granted to PROMOTER herein, and therefore will not include any products created, used or sold, (i) in connection with the promotion of FIGHTER, PROMOTER, PROMOTER's brand, any Tournaments, any Bouts, pre-Bout events, or post-Bout events, or (ii) under the Promotional Rights and/or Ancillary Rights, including but not limited to items such as interactive devices, electronic devices, home video and computer games, arcade video games, hand held versions of video games, video slot machines, CD-ROMS, DVD's, Internet applications, wireless, video and

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audio cassettes and disks, photographs, books, comics, games, and any and all other similar type products.

**14. FIGHTER'S REPRESENTATIONS AND WARRANTIES**

FIGHTER represents, warrants and agrees that:

A) FIGHTER shall conduct himself in accordance with commonly accepted standards of decency, social conventions and morals, and FIGHTER will not commit any act or become involved in any situation or occurrence or make any statement which will reflect negatively upon or bring disrepute, contempt, scandal, ridicule, or disdain to FIGHTER, PROMOTER, or any of PROMOTER's officers, managers, members, employees, or agents.

B) FIGHTER's conduct shall not be such a shock, insult or offend the public or any organized group therein, or reflect unfavorably upon any current or proposed sponsor or such sponsor's advertising agency, or any network or station over which a Bout is to be broadcast.

C) FIGHTER shall not authorize or be involved with any advertising material or publicity materials that contain language or material which is generally considered to be obscene, libelous, slanderous or defamatory.

D) FIGHTER shall compete in each Bout to the best of FIGHTER's ability.

E) FIGHTER is free to enter into this Agreement and has not heretofore entered into and will not during the term hereof enter into any contract, option, agreement or understanding, whether oral or written, which might interfere with the provisions hereof or the grant of rights contained herein or which would or could interfere with the full and complete performance by FIGHTER of obligations hereunder or the free and unimpaired exercise by PROMOTER of the rights herein granted to it.

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F) FIGHTER has no outstanding promotional contracts or claims of promotional obligations.

G) There are no claims, arbitrations, mediations or litigations pending or threatened affecting FIGHTER which or might interfere with the full and complete exercise or enjoyment by PROMOTER of any rights granted hereunder;

H) FIGHTER is in good physical and mental health and will do nothing to potentially impair his health including the use of any illegal, prohibited, controlled or banned substances. FIGHTER shall be deemed in violation of this Agreement if FIGHTER tests positive, as defined by the Commission regulating any Bout, for any illegal, prohibited, controlled or banned substance as part of a pre-Bout or post-Bout test.

I) FIGHTER will not engage in any abnormally dangerous activity and will not engage in any illegal activity or activity which would reasonably be anticipated to bring either FIGHTER or PROMOTER into disrepute.

J) FIGHTER will not engage in any combat sports without the express approval of PROMOTER, including any and all martial arts, boxing, kickboxing, wrestling, or MMA (except as necessary for training activities).

K) FIGHTER shall be solely responsible for obtaining all necessary documentation, including any work visas. FIGHTER shall also comply with any applicable Commission rule, regulation or enactment and shall maintain, at his sole expense, any licenses required to participate in any Bout.

L) FIGHTER is entering into this Agreement of his own free will and is not subject to duress of any kind, and is not under the influence of any substance of any kind.

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M) FIGHTER has had the opportunity to consult with an attorney and FIGHTER appreciates the legal significance and consequences of signing this Agreement.

N) FIGHTER is a citizen of the United States and is not otherwise subject to any backup or withholding taxes or has provided PROMOTER with all necessary information to enable PROMOTER to comply with any applicable withholding or tax payment.

O) Prior to participating in a Bout, FIGHTER will obtain all rights necessary to use the apparel, sportswear and/or equipment displayed by FIGHTER or any of FIGHTER's trainers or seconds during such Bout, pre-Bout events, or post-Bout events.

P) FIGHTER will not utilize any of PROMOTER's intellectual property rights, including, but not limited to, the names and marks of PROMOTER, and any logos, pictures or other representations of PROMOTER's intellectual property. Without limiting the scope of this prohibition, FIGHTER expressly agrees to not use any championship belt of PROMOTER without the prior written consent of PROMOTER, and further agrees that any such belt he obtains is on loan and will at all times remain the property of PROMOTER. Upon request, the belt must be returned to PROMOTER within three (3) days.

Q) FIGHTER will remain in good physical shape and within the designated weight class FIGHTER competed in when FIGHTER first entered into this Agreement, unless otherwise agreed to in writing by PROMOTER.

#### 15. INDEMNIFICATION

FIGHTER hereby agrees to indemnify and hold harmless PROMOTER, any television or cable network, each station broadcasting the Bouts, each sponsor and its advertising agency, and the subsidiaries, affiliates, members, managers, shareholders, directors, officers, employees, representatives, agents, contractors and assigns of each of the foregoing, from and against any and

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all liability, loss, claims, suits, charges, actions, proceedings, damages and expenses (including reasonable attorneys' fees) arising from: (i) use of any materials, information or services furnished by FIGHTER, (ii) any acts or words spoken by FIGHTER in connection with the production, rehearsal, exhibition, broadcast or other use of the Bouts and the rights granted to PROMOTER hereunder, or (iii) any breach or alleged breach of any promise, representation, warranty or agreement made by FIGHTER in this Agreement.

16. **ADVERTISING/SPONSORSHIPS**

A) FIGHTER agrees that no wording, symbol, picture, design, name or other advertising or informational material shall appear on his person, or upon trunks, robe, shoes, or other clothing worn by FIGHTER, his trainers, seconds or assistants during any Bout hereunder, without prior written approval of PROMOTER.

B) Without limitation of the above, FIGHTER shall not display any wording, symbol, picture, design, name or other advertising or informational material on FIGHTER's person, trunks, robe, shoes, or other clothing worn by FIGHTER, his trainers, seconds or assistants during any Bout hereunder or at any activity sponsored by PROMOTER which; (i) is in conflict or competition with PROMOTER or any of PROMOTER's sponsors, (ii) is in conflict or competition with the requirements of any telecaster, (iii) represents any beer, alcohol, beverage, tobacco, casino, gaming or media company, (iv) may cause injury to the reputation of PROMOTER or its sponsors, or (v) is considered by PROMOTER, in its sole discretion, to be in bad taste.

C) FIGHTER shall provide one (1) pair of dark colored trunks and one (1) pair of light colored trunks for each Bout so that fighters may be clearly distinguishable from one another during bouts.

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17. **BREACH, TERMINATION AND OTHER REMEDIES**

A) PROMOTER shall have the right, upon notice to FIGHTER, to accelerate the Term and thereby terminate this Agreement, if:

(i) FIGHTER fails or refuses, for any reason other than injury or physical disability, to engage in a Bout offered by PROMOTER.

(ii) FIGHTER breaches, violates or is in default of any provision in this Agreement or any other agreement entered hereafter between FIGHTER and PROMOTER.

(iii) FIGHTER's representations and/or warranties contained herein are false.

(iv) FIGHTER is declared the loser of any Bout (whether promoted by PROMOTER or not) by the Commission having official jurisdiction over the Bout.

(v) FIGHTER's license to participate in the Bouts is suspended or revoked by any Commission.

B) The effective date of termination shall be the day such notice is sent to FIGHTER.

C) Upon termination, all of PROMOTER's obligations to FIGHTER shall immediately cease, except that PROMOTER shall owe amounts due for Bouts that have been completed prior to termination. PROMOTER shall be allowed to terminate FIGHTER's participation in any scheduled Bout and PROMOTER may withdraw recognition from FIGHTER of any championship status.

D) Acceleration and termination of this Agreement shall not serve to affect or terminate any of the Ancillary Rights granted herein, and this Agreement shall survive any termination and remain in full force and effect with respect thereto.

E) In the event PROMOTER fails to make to FIGHTER any payment required under this Agreement, FIGHTER shall serve written notice upon PROMOTER and PROMOTER shall

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have a period of fourteen (14) business days after its receipt of such written notice to cure. In the event that PROMOTER cures within fourteen (14) business days, this Agreement shall remain in full force and effect. If PROMOTER fails to cure within fourteen (14) business days, FIGHTER shall have the option to terminate this Agreement by so notifying PROMOTER in writing at the conclusion of the fourteen (14) business day cure period.

F) In the event that at any point during the Term of FIGHTER's Agreement with PROMOTER, PROMOTER shall file for Bankruptcy, then FIGHTER shall have the immediate right to terminate the Agreement with PROMOTER with no further obligation to PROMOTER.

G) In the event that FIGHTER believes in good faith that PROMOTER has breached this Agreement other than as set forth above, PROMOTER shall have a period of forty-five (45) days after receipt of written notice of such breach from FIGHTER in which to cure such breach. In the event that PROMOTER cures its breach within the forty-five (45) day period, this Agreement shall remain in full force and effect. If PROMOTER fails to cure such breach within the forty-five (45) day period, then FIGHTER shall have the option to terminate this Agreement, by so notifying in writing PROMOTER, at the conclusion of the forty-five (45) day cure period.

H) In the Event that FIGHTER breaches this agreement, PROMOTER reserves all rights and all remedies.

**18. FIRST/LAST REFUSAL**

A) Upon expiration of the Term, FIGHTER agrees to negotiate exclusively and in good faith with PROMOTER regarding the extension or renewal of the Term for a period of ninety (90) days following the expiration of the Term.

B) In the event no such agreement is reached between FIGHTER and PROMOTER during the aforementioned ninety (90) day period, FIGHTER may negotiate with other

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promotional entities, subject to PROMOTER's right to match the terms of any agreement offered to FIGHTER by such other promotional entity. PROMOTER's right to match shall begin at the end of the ninety (90) day period and last for one (1) year.

C) FIGHTER shall provide PROMOTER with prompt written notice of any such offer, containing full details in regards thereof. Such notice shall constitute an exclusive, irrevocable offer to contract with PROMOTER on the same terms and conditions. PROMOTER shall have fourteen (14) business days after receipt of said notice to either accept or reject said offer. If PROMOTER rejects said offer, FIGHTER may accept said offer with the promotional entity on the same terms and conditions and without any modifications thereto. If the offer is modified in any material way, such modification shall give rise to another option for PROMOTER to match the terms of the offer as modified.

D) PROMOTER's failure to accept any offer shall not constitute a waiver of last refusal with respect to subsequent offers.

#### 19. MEDICAL TESTING

Upon signing this contract and as required before any bout FIGHTER shall complete a full physical medical examination and undergo testing and receive affirmative clearance there from upon execution of this contract and prior to each bout including, but not limited to the following: CBC, Hepatitis B, Hepatitis C, HIV, RH and Blood Type, RPR, PT, PTT, Urinalysis with drug screening, EKG, CT Scan, MRI, Dialated Ophthalmological exam, and such other testing as PROMOTER or the applicable Commission may require. The medical examination shall be performed by a neutral medical service provider during the thirty (30) day period immediately preceding the date of each bout. The report of the medical examination of FIGHTER containing the results of the examination and tests shall be delivered to PROMOTER no less than Fourteen

(14) day prior to any bout and must not contain any restrictions on FIGHTER's ability to compete.

All costs associated with the medical examination and tests shall be paid by FIGHTER.

**20. UNIQUE SERVICES**

FIGHTER acknowledges and agrees that the services to be rendered or furnished by FIGHTER are of special, unique, unusual and extraordinary in character, giving them peculiar value which cannot be reasonably or adequately compensated by damages in action at law and could cause PROMOTER irreparable damage and injury and agrees that injunctive relief is appropriate in the event of a breach, and further, agrees that he will not raise a claim that money damages would suffice as a defense to injunctive relief. To the extent that a bond is necessary to obtain an injunction, FIGHTER agrees that the bond shall not exceed Five Hundred Dollars (\$500).

**21. ASSIGNMENT**

PROMOTER may assign, license, or transfer any rights or all of the rights and/or obligations contained in the Agreement, including but not limited to the right to allow other persons or entities to promote the Bouts; provided, however, that any such assignment will not relieve PROMOTER from the responsibility assumed by it under this Agreement. The rights and obligations of FIGHTER arising from this Agreement are personal to FIGHTER and may not be assigned, licensed, pledged or transferred for any reason.

**22. NON-EXCLUSIVITY**

Nothing herein shall prevent PROMOTER from engaging in promotion activities for any other FIGHTER, including those fighters in the same weight class.

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**23. RELATIONSHIP OF PARTIES**

Nothing in this Agreement shall be construed to constitute FIGHTER as an employee of PROMOTER or to appoint PROMOTER as FIGHTER's agent, and PROMOTER shall have no financial interest in the compensation payable to the FIGHTER for engaging in any bout hereunder. It is intended that FIGHTER shall remain an independent contractor, responsible for his own actions and expenses, including trainers, managers, attorneys and professional membership, and sanctioning fees, if any.

**24. CHOICE OF LAW/VENUE**

The law of the State of New Jersey applicable to contracts executed and to be fully performed in the State of New Jersey shall govern this Agreement, and FIGHTER's execution of this Agreement shall constitute his consent to the exclusive jurisdiction of the Courts of the State of New Jersey and the United States Courts located in New Jersey and to serve all process pursuant to the applicable section of the New Jersey Court Rules and/or Statutes with respect to matters relating to this Agreement or any dispute between the parties; provided, however, that actual Bouts will be conducted under the rules of the Commission in whose jurisdiction the Bout is to take place.

**25. NOTICE**

A) All written notices permitted or required under this Agreement, elections, payments or other communications to be sent to the parties hereto shall be addressed and sent by certified or registered mail return receipt requested, postage prepaid, by confirmed facsimile or by email as follows:

TO: **PROMOTER:**  
Bellator Sport Worldwide, LLC  
935 North Kenter Avenue

**With a Copy to:**  
Patrick C. English, Esq.  
Dines and English, L.L.C.

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Suite 100  
Los Angeles, California 90049  
Telecopier: (312) 245-9807  
Email: bjorn@bellatorfc.com

685 Van Houten Avenue  
Clifton, New Jersey 07013  
Telecopier: (973) 778-7633  
Email: dinesandenglish@aol.com

TO: **FIGHTER:**  
FX Alvarez  
4538 Milnor St.  
Philadelphia, PA 19124

B) Notice will be deemed given as of the successful sending of the facsimile or email, or upon receipt by the receiving party of the mailing. It is the duty and responsibility of each party to notify the other parties to this Agreement of any address changes for purposes of notice and service.

**26. FURTHER ASSURANCES**

A) FIGHTER shall execute any and all additional documents or instruments necessary or desirable to effectuate the provisions of this Agreement. FIGHTER shall not take any action or fail to take any action which action or failure shall frustrate the purposes of this Agreement and the benefits contemplated hereby.

B) FIGHTER hereby acknowledges that PROMOTER may enter into a single bout, multi-bout, and/or multi-year contracts with a Telecaster or Telecasters in reliance on this contract, agrees to same, and agrees to execute any necessary contracts or ratifications to facilitate same so long as those contracts or ratifications are not inconsistent with his Agreement.

C) FIGHTER agrees to cooperate in any reasonable manner to allow PROMOTER to acquire, for its own account, non-appearance or other insurance, in the sole discretion of

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PROMOTER. This includes, but is not limited to, submitting to a medical examination at PROMOTER's cost.

**27. PUBLIC OFFERINGS/BUSINESS ARRANGEMENTS**

It is expressly understood that nothing in this contract shall prohibit any public or private offering by PROMOTER, any joint venture entered into by PROMOTER, or any syndication sponsored by PROMOTER, any change of ownership or control of PROMOTER, or any other business arrangement entered into by PROMOTER unless expressly prohibited herein.

**28. DESCRIPTIVE HEADINGS**

Descriptive headings of several of the sections and paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

**29. ENTIRE AGREEMENT**

This Agreement contains the full and complete understanding among the parties hereto and shall supersede all prior representations, agreements and understandings whether written or oral, pertaining hereto. This agreement may be modified only pursuant to a writing signed by both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Facsimile signatures shall be as effective as originals.

**30. CONFIDENTIALITY**

FIGHTER shall not disclose any information with respect to the terms of this Agreement or any Bout agreement and they shall remain confidential except, (i) to the extent necessary to comply with law, (ii) to obtain professional advice from his agents (i.e., managers, attorneys, accountants), or (iii) to enforce FIGHTER's rights under this Agreement. If disclosure must be made to conform with any valid governmental requirement, or any subpoena, FIGHTER shall

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notify the other party at least seven (7) working days before disclosure is to be made and make good faith efforts to cause the party to whom the information is disclosed to keep the information confidential; provided, however, that disclosures necessary to comply with any Commission requirements are pre-approved. FIGHTER acknowledges that disclosure could place PROMOTER at a competitive disadvantage and further acknowledges that disclosure will subject him to causes of action for injunctive relief and/or for damages.

**31. ACKNOWLEDGMENT OF RISK**

FIGHTER voluntarily and knowingly agrees to participate in the events governed by this Agreement. MMA is a dangerous activity. FIGHTER hereby acknowledges that he may suffer transitory or permanent physical injuries from MMA, either in a single event or from participating in multiple events. FIGHTER hereby releases PROMOTER, sponsors, Commissions, and venues or any agents, representatives or employees thereof, from any and all claims arising from injuries, mental and physical, which may be sustained by FIGHTER during participation in any of the events governed by this Agreement. PROMOTER will acquire such medical insurance for Bouts as is required by the Commissions having jurisdiction over the Bouts, if any is required, and FIGHTER's sole recourse in the event of injury sustained in the course of a bout will be through such insurance.

**32. VOLUNTARINESS OF CONTRACT**

FIGHTER acknowledges that he has had the opportunity to obtain legal advice, should he so choose, prior to the executing this Agreement, and that his entry into this contract is entirely voluntary.

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33. SAVINGS CLAUSE

If any provision of this contract is found to be illegal or void, then the offending contract provision shall be deemed stricken and the remainder of this Agreement will remain in effect.

34. RIGHTS RETAINED

Any rights not expressly granted to FIGHTER herein are retained by PROMOTER.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below, the later of which shall be the Effective Date of this Agreement.

**BELLATOR SPORT WORLDWIDE, LLC**

**FIGHTER**

Signature: \_\_\_\_\_

Signature: Ed Alvarez

Print: \_\_\_\_\_

Print: ED ALVAREZ

Title: \_\_\_\_\_

Social Security No: 177-64-4890

Date: \_\_\_\_\_

Date: 10-28-08

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**ADDENDUM A – SIGNING BONUS**

This Addendum A to the Promotional Agreement (“Addendum A”) is made and entered into by and between BELLATOR and FIGHTER and shall be incorporated into the Promotional Agreement on all the terms and conditions set forth herein. All terms and definitions used in the Promotional Agreement shall be incorporated herein.

FIGHTER shall receive a signing bonus of One Hundred Fifty Thousand Dollars (\$150,000) (the “Signing Bonus”), payable as follows:

One Hundred Thousand Dollars (\$100,000) shall be paid upon the execution of the Promotional Agreement and the remaining Fifty Thousand Dollars (\$50,000) shall be paid within ninety (90) days thereafter.

IN WITNESS WHEREOF, the parties have executed this Addendum A as of the dates set forth below.

**BELLATOR SPORT WORLDWIDE, LLC**

**FIGHTER**

Signature: \_\_\_\_\_

Signature: Ed Alvarez

Print: \_\_\_\_\_

Print: Ed Alvarez

Title: \_\_\_\_\_

Social Security No: 177-64-4890

Date: \_\_\_\_\_

Date: 10-28-08

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**ADDENDUM B – PAY-PER-VIEW**

This Addendum B to the Promotional Agreement (“Addendum B”) is made and entered into by and between BELLATOR and FIGHTER and shall be incorporated into the Promotional Agreement on all the terms and conditions set forth herein. All terms and definitions used in the Promotional Agreement shall be incorporated herein.

A) Regardless of any compensation terms set forth in the Promotional Agreement, in the event FIGHTER meets the criteria below (the “PPV Criteria”), FIGHTER shall be compensated according to this Addendum B.

B) FIGHTER shall meet the PPV Criteria if FIGHTER meets all of the following conditions:

(i) FIGHTER must be declared the champion of a Tournament by the PROMOTER.

(ii) PROMOTER must designate FIGHTER as the main event on a PPV fight card, the designation of which shall be in PROMOTER’s sole and absolute discretion.

(iii) PROMOTER must broadcast FIGHTER’s main event Bout via pay-per-view (“PPV”), which shall be defined as a broadly distributed pay-per-view event on IN DEMAND, DirecTV, EchoStar or other similar pay-per-view provider as utilized by PROMOTER.

C) If FIGHTER meets the PPV Criteria, FIGHTER shall be compensated as follows:

(i) A guaranteed fight purse of Eighty Thousand (\$80,000) Dollars,

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(ii) One Dollar (\$1.00) for each incremental pay-per-view buy over and above Eighty Thousand (80,000) pay-per-view buys through One Hundred Forty Nine Thousand Nine Hundred Ninety Nine (149,999) pay-per-view buys, and then,

(iii) Two Dollars (\$2.00) for each incremental pay-per-view buy over and above One Hundred Fifty Thousand (150,000) pay-per-view buys.

IN WITNESS WHEREOF, the parties have executed this Addendum B as of the dates set forth below.

BELLATOR SPORT WORLDWIDE, LLC

FIGHTER

Signature: \_\_\_\_\_

Signature: Ed Alvarez

Print: \_\_\_\_\_

Print: Ed Alvarez

Title: \_\_\_\_\_

Social Security No: 177-64-4890

Date: \_\_\_\_\_

Date: 10-28-08

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**ADDENDUM C – ADDITIONAL BOUTS**

This Addendum C to the Promotional Agreement (“Addendum A”) is made and entered into by and between PROMOTER and FIGHTER and shall be incorporated into the Promotional Agreement on all the terms and conditions set forth herein. All terms and definitions used in the Promotional Agreement shall be incorporated herein.

The parties agree and understand that FIGHTER shall be allowed to participate in Three (3) Bouts outside of this Agreement (the “Additional Bouts”), two (2) of the Bouts may take place with the Dream Promotion in Japan and one (1) of the Bouts may occur with the Extreme Challenge Promotion, all of which are subject to the following Terms and Conditions:

A) The opponent for the Two (2) Bouts which may occur with the Dream Promotion shall be subject to Promoters pre-approval rights (which approval must be in writing) and said approval may be withheld by Promoter at Promoters discretion, and

B) The Additional Bout with the Extreme Challenge Promotion must occur no later than January 20, 2009.

C) If Fighter were to be declared the loser of any of the three Additional Bouts, Promoter shall have the right to terminate this Agreement with no further obligation to Fighter.

**IN WITNESS WHEREOF**, the parties have executed this Addendum A as of the dates set forth below.

**BELLATOR SPORT WORLDWIDE, LLC**

**FIGHTER**

Signature: \_\_\_\_\_

Signature: Ed Alvarez

Print: \_\_\_\_\_

Print: Ed Alvarez

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Title: \_\_\_\_\_

Social Security No: 177-64-4890

Date: \_\_\_\_\_

Tax ID for Management Co. Receiving  
Payment: \_\_\_\_\_

Date: 10-28-08

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**ADDENDUM D – SIGNING BONUS RECOVERY**

This Addendum D to the Promotional Agreement (“Addendum C”) is made and entered into by and between BELLATOR and FIGHTER and shall be incorporated into the Promotional Agreement on all the terms and conditions set forth herein. All terms and definitions used in the Promotional Agreement shall be incorporated herein.

A) NO CONFLICTING OBLIGATIONS. FIGHTER acknowledges that the any signing bonus paid to FIGHTER is based solely on FIGHTER’s ability to fulfill the terms of the Promotional Agreement. Specifically, FIGHTER has represented to BELLATOR that FIGHTER is free to enter into the Promotional Agreement and has not heretofore entered into and will not during the term hereof enter into any contract, option, agreement or understanding, whether oral or written, which might interfere with the provisions hereof or the grant of rights contained herein or which would or could interfere with the full and complete performance by FIGHTER of obligations hereunder or the free and unimpaired exercise by PROMOTER of the rights herein granted to it.

B) RECOVERY OF SIGNING BONUS. Should FIGHTER’s representation be false, and/or should FIGHTER be obligated to participate in any other fight league or on behalf of any other MMA promoter, BELLATOR shall be entitled to immediately terminate the Promotional Agreement upon written notice and thereafter recover the full amount of any signing bonus paid to FIGHTER. FIGHTER shall be required to refund the full amount of the signing bonus paid within five (5) business days.

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C) GARNISH WAGES. In addition to having a personal claim against FIGHTER, BELLATOR shall be permitted to recover the full amount of the signing bonus by garnishing the wages of FIGHTER and/or collecting all of FIGHTER's fight purses and win bonuses. FIGHTER shall cooperate fully with BELLATOR in its efforts to collect such monies, including signing any and all documents with a Commission needed to assist BELLATOR in its collection efforts.

IN WITNESS WHEREOF, the parties have executed this Addendum B as of the dates set forth below.

**BELLATOR SPORT WORLDWIDE, LLC**

**FIGHTER**

Signature: \_\_\_\_\_

Signature: Ed Alvarez

Print: \_\_\_\_\_

Print: Ed Alvarez

Title: \_\_\_\_\_

Social Security No: 177-64-4890

Date: \_\_\_\_\_

Date: 10-28-08

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**EXHIBIT**

**B**



November 1, 2012

**VIA EMAIL AND CERTIFIED MAIL**

Eddie Alvarez  
3208 Saxon Place  
Philadelphia, PA 19114

**RE: Exclusive Negotiation Period**

Dear Mr. Alvarez,

Reference is made to your long-term Promotional Agreement with Bellator Sport Worldwide, LLC ("Bellator"). As you know, pursuant to Paragraph 8 of your Promotional Agreement, the Extension Term of the Agreement concluded on October 12, 2012.

Bellator is hereby agreeing to conditionally waive its rights to the period of exclusive negotiation with you as set forth in Paragraph 18(A) of the Promotional Agreement, provided that this waiver is only with respect to negotiations you may engage in with Zuffa, LLC. Your exclusive negotiation period obligations and Bellator's rights with respect to any and all other third party combat sports promotions that may wish to engage in negotiations with you as set forth in Paragraphs 18(B)-(C) of the Promotional Agreement shall be stayed.

This waiver will only be effective and you may only begin negotiations with Zuffa, LLC (and only Zuffa, LLC) upon your signature below, which shall acknowledge the terms and conditions of this limited waiver.

For avoidance of doubt, upon your signature below, you are permitted to negotiate with and entertain offers from, and only from, Zuffa, LLC. Upon receipt of such an offer, you are thereafter obligated to produce to Bellator a true copy of the proposed agreement with Zuffa, LLC, at which time Bellator shall have fourteen (14) business days from receipt of the full agreement to consider whether it will match the terms of the offer. Should Bellator elect to match the offer, no further offers may be entertained by you and you will be obligated to contract with Bellator on the terms that Bellator agreed to match.

This letter is written with all rights reserved.

Sincerely,

Tracey S. Lesetar  
General Counsel

Agreed and Accepted:

EDDIE ALVAREZ

Date: 11-2-12

5000 BIRCH STREET, SUITE 7100, NEWPORT BEACH, CA 92660

PHONE: (949) 222-3400 • FAX: (949) 222-3401 • WWW.BELLATOR.COM

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# EXHIBIT

C



January 10, 2013

Frank Smith, Esq.  
Smith and Verbit PL  
9900 Stirling Road, Suite 303  
Cooper City, Florida 33024

**Re: Eddie Alvarez ("Alvarez")**

Dear Mr. Smith:

Please accept this correspondence as confirmation that, while absent the continued legal dispute between Alvarez and Bellator (the "Dispute"), Zuffa, LLC, dba Ultimate Fighting Championship® was prepared to have Alvarez fight on the card for UFC 158 - St-Pierre vs. Diaz on March 16, 2013 in Montreal, Canada, Zuffa can no longer provide Alvarez that opportunity due to timing concerns. In particular, even assuming that the Court was to quickly resolve the Dispute, there simply is no longer sufficient time to properly promote Alvarez as part of the UFC 158 event.

Accordingly, assuming Alvarez is contractually available, Zuffa can offer Alvarez the opportunity for a non-title fight on the card for Jones vs. Sonnen on April 27, 2013 (the "Jones-Sonnen Event"). For such bout, Zuffa will still offer the pay-per-view compensation set forth in Section 6.2 of the proposed Promotional Agreement dated on or about November 28, 2012. In order to properly promote Alvarez as part of the Jones-Sonnen Event, Zuffa will require a Court order by no later than January 27, 2013, which will give Zuffa a full ninety (90) days to promote Alvarez's appearance. Zuffa apologizes for having to set such a deadline, but proper promotion time is vital for everyone involved. Additionally, for the sake of clarity, Zuffa will not book or attempt to book Alvarez in any way until such time as the Court gives permission to do so, and until a promotional agreement is executed between Zuffa and Alvarez.

Zuffa is sorry that Alvarez missed the rare opportunity of competing on the St-Pierre-Diaz card, but we are hopeful that the Court sees fit to not allow the Dispute to cost Alvarez another important opportunity. Please keep us informed of the Court proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Ike Lawrence Epstein", is written over a horizontal line. The signature is fluid and cursive in style.

Ike Lawrence Epstein  
Chief Operating Officer

**UFC.COM**

ZUFFA, LLC | P.O. BOX 26959 | LAS VEGAS, NV 89126-0959