

LATE TESTIMONY

TESTIMONY BY LORRAINE SHIN

MY NAME IS LORRAINE SHIN, AND I AM THE MOTHER OF BJ AND JD PENN. I AM THE FINANCIAL MANAGER FOR OUR FAMILY AND INVOLVED IN ALL OF THE PROFESSIONAL EVENTS MY SON PUT ON IN HAWAII.

I UNDERSTAND WHAT IT TAKES TO PRODUCE AN MMA EVENT IN HAWAII, AND I CAN ATTEST THAT WE HAVE LOST MONEY ON MOST OF OUR PROFESSIONAL EVENTS. THE COST OF DOING BUSINESS IN HAWAII IS ALWAYS A FACTOR WHEN YOU PLAN AN EVENT. WE LIVE ON ISLANDS AND DO NOT HAVE THE ADVANTAGE OF DRIVING ACROSS STATE LINES AS OTHER EVENTS ON THE MAINLAND. WE PROVIDE AIRFARES, HOTEL ROOMS, AND TRANSPORTATION FOR OUR FIGHTERS AS WELL AS THEIR MANAGERS.

TICKET SALES DETERMINES THE SUCCESS OF AN MMA EVENT, AND IT TAKES A MARKETING BUDGET AND STAFF TO MAKE THAT HAPPEN VIA TELEVISION, RADIO, NEWSPAPERS, POSTERS, FLYERS, AND GETTING THE WORD OUT AT LOCAL RESTAURANTS AND BARS.

ANOTHER FACTOR IS OUR VENUES IN HAWAII ARE VERY LIMITED. IT'S EITHER THE NEAL BLAISDELL ARENA WHICH IS EITHER TOO SMALL FOR A HUGE EVENT OR TOO LARGE AND COSTLY FOR A SMALL EVENT; HIGH SCHOOL GYMS OR PRIVATE OUTLETS WHICH ARE DEFINITELY TOO SMALL BECAUSE A PROMOTER ~~✱~~ CANNOT AFFORD THE FEES AND EXPENSES OF THE NEAL BLAISDELL ARENA. IN MOST CASES, THEY ARE PRAYING THAT THEY BREAK EVEN.

WHY DO THEY DO IT? IT'S BECAUSE MMA IS ONE OF THE FASTEST GROWING SPORT NATIONWIDE, AND WE HAVE SO MUCH TALENT IN HAWAII.

I SUPPORT THIS AMENDMENT, BUT I ALSO BELIEVE THAT WE SHOULD STILL LOWER THE FEES FOR PROMOTERS AND FIGHTERS. THIS CURRENT MMA LAW KILLED HAWAII'S MMA INDUSTRY, AND WE NEED TO CREATE INCENTIVES FOR THIS INDUSTRY TO GET IT BACK TO WHERE IT WAS. THIS CURRENT LAW KILLED THE PROFESSIONAL MMA INDUSTRY IN HAWAII AND LET'S NOT ALSO KILL MMA AMATUER EVENTS WITH THESE NEW LICENSED FEES THAT BECOME AFFECTIVE UNDER THIS AMENDMENT.

LATE TESTIMONY

TESTIMONY BY LORRAINE SHIN
IN BEHALF OF JAY DEE PENN AKA BJ PENN

MY NAME IS LORRAINE SHIN, AND I AM HERE AS A SPOKESPERSON FOR BJ PENN WHO IS THE UFC LIGHTWEIGHT CHAMPION. HE COULD NOT BE HERE TODAY BECAUSE HE IS TRAINING FOR HIS UPCOMING UFC CHAMPIONSHIP FIGHT.

AS A FIGHTER FOR THE MMA INDUSTRY, I AGREE THAT WE NEED REGULATIONS TO PROTECT AND INSURE THE SAFETY OF OUR FIGHTERS, BUT THE NEW MMA LAW WHICH BECAME EFFECTIVE IN JULY OF 2009 CRIPPED HAWAII'S MMA INDUSTRY WITH FEES AIMED AT MMA EVENTS.

I AM IN SUPPORT OF AMENDING THE CURRENT MMA LAW PRESENTED TO YOU TODAY, WHICH WILL HOPEFULLY REMOVE SEVERAL OF THESE FEES. IN MY OPINION, IT IS UNFAIR TO TARGET MMA EVENTS WHEN NO OTHER SPORT IN HAWAII INCLUDING BOXING IS REGULATED TO PAY THESE LICENSE FEES.

PRIOR TO THIS LAW BECOMING EFFECTIVE IN JULY OF 2009, PROFESSIONAL MMA WAS A FAST AND GROWING SPORT WITH MMA EVENTS HAPPENING ALMOST MONTHLY. THESE EVENTS BROUGHT CONSIDERABLE REVENUES TO HAWAII WHICH CREATED JOBS FOR PRODUCTION CREWS, UNION WORKERS, VENUE STAFF, MARKETING STAFF, TV COMMERCIAL STAFF, MEDIA AND RADIO STAFF, AIRLINE TICKETS, HOTEL ROOMS, U-DRIVES, RESTAURANTS, DOCTORS, INSURANCE, COUNTY POLICE OFFICERS, SECURITY GUARDS, TRAINING FACILITIES, AND THE LIST GOES ON.

ONCE IT BECAME LAW, PROFESSIONAL MMA EVENTS DECLINED TO ONLY ONE EVENT IN 2009. IT WAS MENTIONED THAT THIS PROMOTER LOST OVER \$40,000, AND THE STATE TOOK IN ABOUT \$2,000 IN FEES.

MY BROTHER JAY DEE PENN HAS PRODUCED MANY MMA EVENTS. AFTER DOING A FEW MMA EVENTS IN HAWAII, OUR FAMILY FOUND THAT THESE EVENTS WERE NOT FINANCIALLY FEASIBLE. THE VENUES WERE EITHER TOO SMALL OR THE TICKET SALES WERE NOT SUFFICIENT TO RECOUP OUR EXPENSES, BUT MY BROTHER CONVINCED OUR FAMILY TO CONTINUE TO INVEST IN THE SPORT BECAUSE HE BELIEVED MMA STILL NEEDED TIME TO GROW IN HAWAII.

MY BROTHER LATER TEAMED UP WITH JAPAN'S K-1 FIGHT ORGANIZATION, AND LATER WITH ELITE XC FROM CALIFORNIA TO PRODUCE WORLD CLASS MMA EVENTS IN HAWAII. THE FIRST, LARGEST, AND ONLY SOLD OUT MMA EVENT WAS AT THE NEAL BLAISDELL ARENA WHEN I FOUGHT RODRIGO GRACIE. TO THE NORMAL VIEWER, THESE MMA EVENTS SEEM FINANCIALLY PROFITABLE, BUT IN REALITY, AFTER ALL EXPENSES WERE PAID FOR THE VENUE, VENUE PERCENTAGE, VENUE STAFF, VENUE SECURITY, VENUE POLICE OFFICERS, VENUE UNION WORKERS, VENUE LIGHTING, VENUE AUDIO, RADIO ADVERTISEMENT, TV ADVERTISEMENT, NEWSPAPER ADVERTISEMENT, FIGHTER TRANSPORTATION,

HOTEL ROOMS, RENTAL CARS, AIRLINE TICKETS, TICKET MASTER FEES, PROMOTER STAFFING, FIGHTER PURSES, FIGHTER PER DIEM, AND STATE EXCISE TAXES, WE TOOK A FINANCIAL LOSS ON MOST OF OUR MMA EVENTS IN HAWAII. AS AN EXAMPLE, ELITE XC WHO DID 2 MMA EVENTS IN HAWAII AND SEVERAL IN THE MAINLAND LOST OVER \$50 MILLION WITHIN ITS FIRST TWO YEARS AND ARE NO LONGER IN BUSINESS. THEY TOOK A LOST ON BOTH EVENTS IN HAWAII BEFORE THE NEW MMA LAW BECAME EFFECTIVE.

I'M SURE MANY BELIEVE THAT SO MUCH MONEY CAN BE MADE FROM THESE EVENTS BECAUSE THE UFC IS VERY SUCCESSFUL, BUT THE UFC ALMOST GAVE UP WHEN THEIR LOSSES AMOUNTED TO OVER \$44 MILLION. IT WAS DANA WHITE'S TENACITY WITH THE SUPPORT OF DEEP POCKETS FROM THE FERTITA BROTHERS, WHO OWN THE STATION CASINOES IN LAS VEGAS THAT SLOWLY TURNED THEM AROUND. TODAY, THE UFC BRINGS MILLIONS OF DOLLARS INTO THE NEVADA ECONOMY.

I AM ASKING FOR YOUR SUPPORT TO AMEND THE CURRENT MMA LAW. HAWAII'S MMA INDUSTRY NEEDS OUR LOCAL GOVERNMENT'S SUPPORT AND INCENTIVES TO REBUILD A VIABLE INDUSTRY IN HAWAII. THIS AMENDMENT IS A START, BUT IT STILL MAY NOT BE ENOUGH TO GET OUR PROMOTERS AND MMA ATHLETES BACK TO WHERE IT WAS BEFORE.

THE UFC WANTS TO COME TO HAWAII, AND IF THEY CAME, THEY WOULD ATTRACT FOLKS FROM EAST TO WEST. THEY WOULD BRING IN MUCH NEEDED REVENUES TO OUR STRUGGLING ECONOMY. I'M ALL FOR THE UFC COMING TO HAWAII, BUT I AM MORE FOR OUR LOCAL PROMOTERS AND LOCAL MMA ATHLETES WHO NEED MOTIVATION AND INCENTIVES TO REBUILD THIS INDUSTRY.