

Bottom of the Barrel

Tyson takes \$1 million from annuity to pay legal fees

By Wallace Matthews
STAFF WRITER

Mike Tyson has tapped into one of his last remaining financial resources, pulling \$1 million out of an annuity that was established to provide for him after his boxing days were over. According to Tyson's former accountant, Mohammed Khan, Tyson needed the money to pay off huge legal bills accrued in connection with various legal actions, including Tyson's rape trial earlier this year.

Bill Cayton, Tyson's former manager, said he was told yesterday that the Metropolitan Life Insurance Co. approved a \$1-million loan against the \$2.8-million fund set up for Tyson, who is serving a six-year prison sentence at the Indiana Youth Center for the July 19 rape of Desiree Washington.

Cayton said the annuity, set up with \$2 million of Tyson's ring earnings in 1987, would have paid Tyson \$250,000 annually beginning on June 30, 1994, his 28th birthday. The account, the value of which had grown to \$2.8 million, was set up by Cayton and his late accountant, Charles Forman, and was designed to be tamper-proof unless Tyson appeared in person to withdraw money.

"That was the one thing I intended never to be touched," Cayton said. "But they pulled an end run on us. It's unbelievable what's happening here."

Cayton said the account was "invaded" by an unidentified member of Tyson's camp who brought documents signed by Tyson to Met Life's main office. On April 16, Tyson's camp coordinator, John Horne, told Newsday he had been granted special permission to visit Tyson so that Tyson could sign some documents, including "tax returns and some other paperwork." Horne could not be reached for comment yesterday.

According to Khan's deposition, which is to be filed in the ongoing lawsuit between Tyson and Cayton, Tyson has "no liquid assets," just real estate valued at several million dollars, dozens of expensive cars, and the annuity. Khan worked as an accountant for Don King Productions (DKP) starting in 1988, and became Tyson's accountant a year later. Khan was one of six King employees laid off last week by the promoter, who is said to be reducing his work force in preparation for moving his New York-based corporation to Florida.

According to a source in the office of David Branson, Cayton's Washington, D.C.-based attorney, Vincent J. Fuller, who defended Tyson in the rape trial and charged Tyson a reported \$2 million, asked Branson to have Khan's deposition sealed, a request Branson refused. The deposition has not been made public, but its contents were revealed to Newsday by an attorney involved in the case who has read it.

Tyson earned an estimated \$70 million in gross purses during his seven-year career. On June 27,



AP File Photo

Brother, can you spare a dime? Mike Tyson has dipped into one of last remaining financial sources to pay his legal bills.

1988, the same day he earned \$21 million to knock out Michael Spinks in 91 seconds, Tyson sued to dissolve his managerial contract with Cayton. The suit was settled out of court a month later, with Cayton agreeing to reduce his share of Tyson's purses from 33 percent to 20 percent. But several months later, Tyson filed a new suit against Cayton. The contract officially expired on Feb. 12, 1992, but Cayton has not been paid for any of the seven Tyson fights since the Spinks bout.

The deposition of Khan and an affidavit by Joseph A. Maffia, former DKP comptroller, have detailed Tyson's current financial plight and the way in which King's practices may have contributed to it.

Among other allegations made in the Khan deposition is the charge that a King-established "Mike Tyson Fan Club" cost the former champion more than \$100,000 a year, including \$52,000 for the salary of King's daughter, Debbie, to serve as its president, and \$50,000 more charged to Tyson for "miscellaneous expenses," including postage costs. No profits were shown by the fan club, which sold T-shirts and other items bearing Tyson's likeness.

Tyson's legal bills — more than \$2 million for Fuller and more than \$1 million for Alan M. Dershowitz, who is handling Tyson's appeal — apparently ate up much of Tyson's ring earnings for 1991. According to documents on file with the Nevada Athletic Commission, Tyson was paid \$7 million for his two bouts with Donovan (Razor) Ruddock last year. Lawyers working for Cayton have determined that DKP showed gross revenues of \$43 million after paying Tyson.

Maffia's affidavit, which was filed in U.S. District Court in Manhattan yesterday afternoon in the Tyson-Cayton lawsuit, also alleges that Tyson was billed \$2 million out of his purse for the first Ruddock fight, "in return for which DKP received promotional rights to Razor Ruddock and possibly other fighters" promoted by Murad Muhammad, Ruddock's promoter who is now a King partner.

"To the best of my knowledge, only one-half of this fee was actually paid," Maffia said in the affidavit. Neither King nor Muhammad returned calls yesterday.

Meanwhile, Dan Renzel, the chief investigator for Sen. William Roth (R-Del.), declined to comment on a possible investigation of King by a Senate subcommittee looking into boxing. But journalist Jack Newfield, who has written many investigative articles on King, told Newsday he had been questioned on three occasions by Senate investigators, who also interviewed Michael Franzese, an unsuccessful FBI sting operation aimed at King in 1983. Franzese is serving a four-year sentence in a federal prison on a parole violation.

Rangers, Knicks in the Same Boat

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is unequalled. Although Lemieux doesn't rule the air, he can dominate a hockey game or series whenever his back allows him. Judging by Pittsburgh's success in its last four games, this may be such a time.

Not only are they brilliant individual performers but they are the focal points of teams created in their likenesses. The Bulls and Penguins both rely on finesse, on swift movement, on stunning bursts, to overwhelm opponents. These series represent radical departures from the immediate past.

While the Knicks and Pistons were exchanging shoves, trash talk and technical fouls, Isiah Thomas identified the first-round struggle as a "test of will, not of skill." It was brutal basketball, decided by the resiliency in New York's younger legs and perhaps its hunger to achieve something — anything — this season. To have failed would have ne-

gated the progress demonstrated in Pat Riley's first season, one already tarnished by the late collapse that ceded the division to the Celtics.

By holding off the team with the fifth-best record in the conference, the Knicks justified their fourth-place finish. Additionally, they defined their shortcomings while expending maximum effort. In terms of future conquests, it promised no more than their three-game sweep of Philadelphia in 1989 or their dramatic fifth-game triumph over the Celtics in Boston Garden one year later.

Not since their championship season of 1973 have the Knicks advanced to the conference finals. Nor do they appear ready to take that step now, despite brave talk about applying the same sort of physical force against Chicago that they brought to the Detroit series. The trouble is, they have to catch the Bulls before they can hope to intimidate them.

Because of the Bulls' reputation, the Knicks are under no pressure to win the series, or even a game. But to sell the fans and perhaps themselves on their prospects for next season, when anything less than a division title will be unacceptable, it is important for them to raise the level of their play. Unlike the Pistons, the Bulls definitely will test the skill of Riley's team.

The Rangers suffered from a shortage of emotion against the Penguins on Sunday. That's understandable in light of the grueling nature of the Devils series, highlighted by the first seventh-game triumph in franchise history. But it placed them in a dangerous position entering tonight's second game at the Garden.

Unlike the Knicks, the Rangers appear to have the championship ingredients now. They may only get older, not better, in the future. A victory tonight is critical to their plans.

Devils' coach Tom McVie said he

didn't think the first-round survivors would have "a tougher series than they had against us." But that may be only from a physical standpoint. There were even more hits in the Rangers-Devils contests than in the Knicks-Pistons war, where a hockey game threatened to break out on several occasions.

Suddenly, the Rangers find themselves with a hemorrhaging defense, facing a tactical series against a team that can score quickly and has championship experience. Penguins coach Scotty Bowman led the opposition when the Rangers last reached the Stanley Cup finals in 1979, losing in five games to Montreal. More significantly, they are winless in five playoff games against the Penguins, including the four-game sweep that concluded the chaotic Phil Esposito era.

In 1990 and 1991, both New York teams expired in the same round of the playoffs. Forgive the Rangers if they don't wish to share an ending with their basketball brethren this year.