

FRANCHISE AGREEMENT

This mutually agreed upon Franchise Agreement (“Agreement”) between Writers Guild of America, West, Inc. and Writers Guild of America, East, Inc. (collectively, “Guild” or “WGA”) and United Talent Agency, LLC (“Agent”) governs Agent’s representation of covered writers (“Writers”) engaged in the option and sale of literary material¹ or the rendition of writing services in a field of work covered by a WGA collective bargaining agreement (“CBA”). Such covered options, sales and services are collectively referred to herein as “Services.” WGA and Agent agrees to be bound by all terms and conditions contained herein, including the appended Standard Representation Agreement (“Rider W”) and Rules Governing Arbitration, which are incorporated as part of this Agreement. The works written by Writers under a Guild CBA are referred to herein as “Motion Pictures.”

SECTION 1 - PURPOSE AND SCOPE

~~Consistent with its role as exclusive bargaining representative, the Guild, consistent with its role as exclusive collective bargaining representative for Writers, is authorized by law to specify the terms set forth herein under which an agent may perform certain representational duties. and Agent negotiated in good faith the Agreement, which is a mutual agreement between the parties.~~ The purpose of this Agreement is to ensure that Agent fulfills its fiduciary duties to its Writer clients and to align Agent’s financial incentives with those of its ~~writer~~ Writer clients.

This Agreement shall be limited to the Agent’s representation of Writers with respect to the option and sale of literary material or the rendition of writing services in a field of work covered by a Guild CBA. The provisions of the Agreement shall not apply to the Agent’s representation of a Writer with respect to the Writer’s non-writing services or other services not covered by a Guild CBA or as to which the Guild is not the exclusive collective bargaining representative.

SECTION 2 - PARTIES BOUND

The terms of the Agreement shall be binding on the Guild and the Agent and ~~all of its each of the parties’ respective~~ individual agents, employees, partners, principals, ~~joint venturers~~ and shareholders. With respect to the obligations under this Agreement, Agent and the Guild shall at all times remain vicariously liable for the actions taken by such individuals on ~~its the party’s~~ behalf or within the scope of the individuals’ employment or agency.

SECTION 3 - STANDARDS OF CONDUCT FOR AGENTS IN PROVIDING SERVICES

A. AGENT-WRITER RELATIONSHIP

1. Agent shall at all times act as a fiduciary of Writer, and shall comply with all fiduciary duties imposed by statute or common law.
2. Agent’s representation of Writer shall not be detrimentally or negatively influenced by its representation of any other Writer. For the avoidance of doubt, Agent’s representation of multiple Writers on a single project is not deemed to be a conflict of interest as set forth in Section 3.B.5.a. below.
3. Agent shall promptly disclose to Writer all bona fide inquiries, offers and expressions of interest regarding employment or sale or option of literary material, and shall keep Writer apprised of the status of all negotiations.

¹ For purposes of this Agreement, “literary material” shall have the same meaning as it does under the Writers Guild of America Theatrical and Television Basic Agreement.

4. Agent shall maintain confidentiality with respect to Writer's terms of employment and any confidential financial affairs of the Writer, except as otherwise provided herein or in the event Writer requests disclosure.
5. Prior to submitting Writer for employment on a project, Agent shall make a good faith effort to ascertain whether the employer or producer has secured, or is in the process of securing, underlying rights necessary for the assignment and shall provide Writer with all pertinent information known to Agent at the time of submission.
6. Agent shall be responsive and professional in communicating with Writer.

B. CONFLICT OF INTEREST

1. No Agent shall have more than a 20 40% non-controlling ownership or other financial interest in, or shall be owned by or affiliated with any entity or individual that has more than a 20 40% non-controlling ownership or other financial interest in, any entity or individual engaged in the production or distribution of Motion Pictures ("Affiliate Production Entity"). Agent shall not have any creative, financial, or operational controls over any Affiliate Production Entity. With regard to any Affiliate Production Entity, Upon reasonable written request by the Guild, Agent will provide written documentation to verify both the identity of the Affiliate Production Entity and the ownership percentage or other financial interest subject to this provision. , provided that, Agent may redact all confidential and/or proprietary information contained in any such documentation disclosed under this Subsection.
2. Except as otherwise provided herein, no Agent shall have an ownership or other financial interest in, or shall be owned by or affiliated with any business venture that would create a conflict of interest with Agent's representation of a Writer that would violate Agent's duty under Section 3.A.1. above.
3. Except as otherwise provided herein, no Agent shall derive any revenue or tangible financial benefit from a Writer's option or sale of material for or employment on a Motion Picture project, other than a percentage commission (as set forth herein) based on the Writer's compensation or fee, with the exception of gifts or gratuities that are customary and de minimis.
4. Except as otherwise provided herein, No Agent shall accept a packaging fee, or any other money or thing of value from the employer of a Writer, with the exception of gifts or gratuities that are customary and de minimis and except as permitted under Section 9 of the Agreement.
5. The ~~following~~ activities by an Agent that shall not be deemed conflicts of interest prohibited by this Agreement include:
 - a. An Agent's concurrent representation on a commission basis of multiple clients employed or submitted for employment on the same Motion Picture project. Upon written request by Writer, Agent shall, to the best of Agent's knowledge after conducting a good-faith, reasonable inquiry, disclose to Writer the names of all other Writers represented by Agent who are employed on, ~~or actively being submitted for employment on,~~ a project. Such disclosure shall be

made in writing within ten (10) business days of the Writer's written request, and shall not be deemed to be a violation of Agent's obligations in Section 3.A.4. above-

- b. An Agent's representation, on a commission or fee-for-service basis of a producer (e.g., a POD) attached to a Motion Picture project; provided that such producer shall not employ, or purchase or option literary material from, any Writer on the project. For the avoidance of doubt, Agent shall not represent a producer or POD in its capacity as a Guild signatory employer, provided that Agent shall otherwise be able to represent such producer or POD.
 - c. An Agent's representation, on a commission or fee-for-service basis, of the owner of or holder of rights in intellectual property on which a Motion Picture project will be based.
 - e.d. For the avoidance of doubt, Section 3.B.4. shall not prohibit Agent from receiving packageing fees, or any other money or thing of value, in connection with a project that is not covered by a WGA CBA.
6. Agent shall disclose to Writer any fact or relationship creating reasonably expected to create a conflict of interest prohibited by this Agreement.

C. AGENT COMPENSATION

- 1. Agent's commission shall be limited to ten percent (10%) of Writer's gross compensation, including Writer's profit participation, provided, however, that Agent shall not be entitled to receive commission on residuals or any other minimum payments to Writers for reuse of a Motion Picture under any applicable CBA (including, but not by way of limitation, supplementary or additional minimum compensation of any kind pursuant to Articles 14.G., 15., 16., 64. of the applicable WGA Theatrical and Television Basic Agreement). For the avoidance of doubt, if Agent shares a Writer commission with a prior or subsequent agency, the combined commission shall not exceed ten percent (10%), as set forth in Section 3.C.6. of Rider W.
- 2. Agent shall not circumvent limits on commissions under this Agreement by charging other fees in connection with the Writer's Services ~~for other services~~, except that Agent shall be permitted to receive compensation for feature film financing, distribution, and sales services, subject to the following limitations:
 - a. In the event Writer retains Agent to perform these services, Agent shall fully disclose the relevant fees in writing prior to incurring them, and Writer may choose whether to proceed with Agent's performance of services;
 - b. In the event Agent is retained to perform such services by a party other than the Writer, Agent shall fully disclose the relevant fees, in writing to the Writer. Such disclosure shall be made at the earliest

possible time. In the event that Agent's agreement to provide such services predates Writer's involvement in the project, disclosure shall be made before Writer enters into any contractual commitment for the project;

- c. The services described in this subsection C.2 shall be permitted on films with intended budgets greater than ~~\$30~~ 50 million only with the consent of the Guild; for clarity, Guild's consent is not required for films with intended budgets of less than ~~\$30~~ 50 million. The Guild will consult with the Writer and consent will not be unreasonably denied, withheld, conditioned or delayed. This Subsection 3.C.2.c. shall not apply where Agent's agreement to provide feature film financing, distribution, and sales services predates Writer's involvement in the project;
 - d. In no event shall an offer of employment or purchase of material made to a Writer be contingent on any other party agreeing to retain Agent for feature film financing, distribution, or sales services; and
 - e. On Guild's request, but no more frequently than on ~~a semi-annual~~ an annual basis, Agent shall provide the Guild with a list of films involving covered Writers on which Agent is performing financing, distribution, or sales services and has secured financing, distribution, or sales. The list shall include the name of the Writer and, the intended budget of the film if known to Agent at the time of the disclosure, and the amount of fees received by Agent for performing such film financing, distribution, and sales services, provided that Agent shall not be in breach of this Section as a result of any subsequent changes to such budget.
3. Agent shall provide promptly and no less frequently than quarterly to Writer and to the Guild an itemized statement showing in standardized electronic format (a) all compensation received by ~~or Agent~~ on behalf of Writer; and (b) all commissions ~~(including package fees)~~ received by Agent related to ~~its representation of Writer~~ Writer's Services, provided compensation has been received by or on behalf of Writer or commissions have been received by Agent related to its representation of Writer during the reporting period. Notwithstanding the foregoing, Agent shall provide such itemized statements no later than 30 days after the end of each quarter for which it is reporting. Agent's itemized statements under this Subsection 3.C.3. shall identify any project in connection with which Agent is entitled to receive a packaging fee.
- a. ~~— Guild shall have the right to audit such statements no more frequently than once per year, with the right to audit being subject to the confidentiality requirements in subsection 3.E.2. below. The Guild's annual audit of such statements shall be limited to 25% of Agent's Writer clients, which sample shall be determined by the Guild. Where an Agent has provided feature film financing, distribution, and sales services, as described in subsection 2 above, Agent shall provide documentation of the related fees when Writer or Guild audits the Agent's commissions received by Agent related to its representation of Writer.~~

~~b. The right to audit shall be limited to the items specified in this subsection 3 and shall not include the Agency's finances generally, the compensation and commissions of non-Writer clients, or packaging agreements entered into prior to the Effective Date of the Agreement.~~

D. NOTIFICATION TO GUILD

~~1. Subject to the provisions of Section E below, Agent shall provide the Guild with a copy of the agreement or a summary of essential deal terms of any agreement engaging the Writer's services or acquiring the Writer's written material no later than 10 business days after the earlier of (a) the existence of a binding contractual commitment; or (b) the commencement of Writer's writing services for Writer's Services. Agent shall provide a copy of the agreement or a summary of the essential deal terms within fifteen (15) business days after it is generated in due course of business (either by the employer of Writer or by the Agent).~~ Where such agreement is later amended or superseded by a long-form agreement, Agent shall also provide the Guild with a copy of the amendment or long-form agreement.

~~4.2. Agent's obligations under this Subsection 3.D.1. shall apply in connection with deals made during the term of this Agreement and deals under which a Writer is employed or compensated during the Term, provided that the timing requirement set forth in Subsection 3.D.1. shall not apply to any deals that were concluded prior to the Term and Agent shall use good faith efforts to provide any such information on a timely basis.~~

~~2.3. Agent shall provide the Guild with notice of Writer's commencement of services Services or delivery of literary material, or other material fact triggering compensation, by copying the Guild on any invoice relating to the payment obligations.~~

~~3.4. Agent shall provide the Guild with copies of all written representation agreements with Writer.~~

E. CONFIDENTIALITY AND OBJECTION TO DISCLOSURE

1. Insofar as the subsections C and D above require the provision of confidential information relating to a specific Writer, the Guild shall use reasonable best efforts to maintain the confidentiality of the information and such efforts shall in no event be less than the efforts the Guild uses to protect its own confidential information. The Guild shall maintain and use such information subject to its duty of fair representation, provided that nothing in this subsection D shall prohibit the Guild from aggregating the data in a manner that does not disclose the confidential information of a particular Writer and/or Agent. The Guild shall treat all information submitted by Agent with heightened security protocols and to limit access to staff with a valid Guild business need to access the information, who have received enhanced data security training, and who have signed non-disclosure agreements specific to agent-submitted data.

2. A Writer may submit a written objection (“Objection”) to the Agent concerning Agent’s disclosure to the Guild of any of the information referred to in subsections 3.C.3. and 3.D.1.-23. above, in which case Agent shall not be required to disclose such information to the Guild until such time as the Writer withdraws the Objection in writing. Agent shall not encourage any Writer to submit an Objection, nor require Writer to submit an Objection as a condition of representation by Agent.

1.3. Where a Writer has submitted an Objection (and unless and until Writer withdraws such Objection in writing), the Agent has no further obligations to provide the Guild with any of the information referred to in Subsections 3.C.3. and 3.D.1.-3.

2.4. Where a Writer has submitted an Objection, the following procedures shall apply:

- i. Agent shall explain to Writer the nature of the disclosure requirement (including the confidentiality protections) under the Agreement and shall provide the Writer a Guild prepared statement explaining the advantages of providing the information at issue to the Guild.
- ii. If Writer does not withdraw the Objection within five (5) business days of submission to the Agent, Agent shall promptly provide the Guild with a copy of the Objection and promptly identify (i.e., inform the Guild of the existence of) the contract or other information being withheld on the basis of the Objection. Agent shall also immediately provide to Writer a copy of the contract or other information being withheld from the Guild on the basis of the Objection, unless Agent already provided such contract or information to Writer before Writer submitted the Objection to Agent. For the avoidance of doubt, where Writer has submitted an Objection, Agent shall not be required to provide the Guild the actual contract or other information subject to the Objection. The Agent’s obligations under this subparagraph (ii) to promptly identify to the Guild, and immediately provide to Writer a copy of, the contract or other information being withheld on the basis of the Objection shall be continuing and apply each time Agent withholds a contract or other information on the basis of the Objection.
- iii.ii. Agent’s obligation to provide the Guild with information subject to an Objection shall be satisfied upon Agent’s compliance with the requirements of subsections (i) and (ii) above, until such time as Writer withdraws the Objection.

F. ENFORCEMENT OF CBA AND WRITER’S INDIVIDUAL WRITING AGREEMENTS

1. Agent shall not encourage Writer to violate any provision of a CBA.
2. Agent shall zealously advocate for Writer’s best interests in all aspects of the employment relationship, including but not limited to the following:
 - a. Advising on the disadvantages of Writer’s performance of uncompensated or speculative writing services;
 - b. Advocating in favor of multiple steps in theatrical deals; and

- c. ~~Protecting Writer from~~Advocating against abusive hiring practices such as sweepstakes pitching.
3. Agent shall be aware of and monitor the contractual deadline for the payment of all compensation to the Writer, and shall promptly notify the Guild in the event a payment is late. Agent may delay notification to the Guild up to seven (7) business days if it is actively pursuing payment.
4. Agent shall cooperate fully reasonably-with the Guild in any investigation or contract enforcement action undertaken on behalf of a Writer.
5. Agent shall not encourage Writer to violate any Guild rule.

G. NON-DISCRIMINATION AND INCLUSION

1. Agent is committed to representing diverse Writers. Agent shall comply with any applicable state and federal anti-discrimination laws in its selection and representation of Writers-
2. Agent supports industry-wide efforts to prevent harassment and discrimination and its Writers' interest in avoiding being subjected to a hostile work environment or other forms of workplace harassment. Agent shall not knowingly schedule or refer Writer to a meeting regarding potential employment in a hotel room or other location posing a threat to Writer's personal safety.
3. Agent shall make reasonable good faith efforts to refer qualified diverse Writers for open writing assignments.
4. Agent shall consult with Writer regarding diversity as a factor in their procurement of employment, subject to all applicable state and federal laws.
5. Agent and the Guild shall make reasonable good faith efforts to support Guild's each other's diversity and inclusion efforts. Agent shall provide the Guild with an annual report summarizing Agent's diversity and inclusion efforts, which report will remain private to the Guild only. Guild will provide Agent with its annual report summarizing the Guild's diversity and inclusion efforts. Agent and the Guild agree to meet and discuss each other's diversity and inclusion efforts on an annual basis.

SECTION 4 - STANDARD REPRESENTATION AGREEMENT (RIDER W)

Appended to this Agreement as Attachment 1 is the standard representation agreement, referred to herein as "Rider W." The terms of Rider W shall be deemed to be incorporated into any representation agreement, written or oral, between Agent and Writer. Agent and Writer may negotiate additional provisions in their representation agreement, provided, however, that (A) no term or condition of such negotiated agreement shall be less favorable to Writer than the provisions of Rider W; and (B) in the event of a conflict between the negotiated agreement and Rider W, the provisions of Rider W shall prevail.

SECTION 5 - DISPUTE RESOLUTION

- A. The following controversies between the Guild and an Agent shall be resolved by a neutral arbitrator in accordance with the procedures set forth in the Rules Governing Arbitration appended as Attachment 2:
 - 1. Any dispute concerning the interpretation of, or the performance of any obligation under the Agreement;
 - 2. Any dispute concerning the interpretation of, or the performance of any obligation under, Rider W; and
 - 3. Any claim brought by the Guild to terminate this Agreement based on an alleged material violation of this Agreement or Rider W.
- B. An arbitrator selected to hear a dispute under this section shall resolve the entire controversy that is within the scope of this Agreement. In so doing, the arbitrator shall have authority to fashion an appropriate remedy, which may include the award of damages, injunctive or declaratory relief, including suspension or termination of this Agreement. ~~Upon a finding that the opposing party acted in bad faith, the arbitrator may also award attorneys' fees and costs to the prevailing party.~~
- C. The decision of an arbitrator under this section shall be final and binding except as expressly provided herein, and may be confirmed in any court of competent jurisdiction. In an action to confirm an arbitration award, the court shall apply substantive law developed under Section 301 of the Labor Management Relations Act, 29 U.S.C. § 185. Notwithstanding the foregoing, any arbitration award terminating this Agreement and Agent's right to represent covered Writers shall be subject to *de novo* review in a court of competent jurisdiction.

SECTION 6 - MISCELLANEOUS PROVISIONS

- A. This Agreement shall be effective upon the date that both parties execute it (the "Effective Date"). This Agreement shall not apply to, nor impair the right of Agent to receive compensation based on, services rendered by Agent before such Effective Date.
- B. In administering the disclosure requirements under subsections 3.C.3., 3.C.2.e., ~~3.D.1.-3.~~, and 3.G.5. above, the Guild will take into account Agent's limited staffing and recordkeeping capacities.
- C. If any provisions of this Agreement are held to be void or unenforceable, all other provisions hereof shall remain in full force and effect.

SECTION 7 - TERMINATION AND RENEGOTIATION

- A. This Agreement shall remain in effect until April 12, 2025, unless it is found to be unenforceable or is ordered terminated by an arbitrator or court of competent jurisdiction. Either the Guild or the Agent shall have the right to terminate and propose modifications to the Agreement by serving written notice on the other party at least one hundred twenty (120) days prior to the termination date. If neither party serves timely notice of termination, the Agreement will automatically be extended for additional one-year periods, subject to the right of either party to serve a notice of termination at least one hundred twenty (120) days prior to the termination date then in effect.

- B. Notwithstanding subsection 7.A. above, Agent shall have the right to terminate its obligations under this Agreement upon written notice to Guild. Agent's termination under this subsection 7.B. shall be effective forty-five (45) days after its service of such notice.

SECTION 8 – MOST FAVORED NATIONS

In the event that after the Effective Date, Guild enters into an agreement, including any attachments, side letters, riders, or modifications, with any other agency or association representing agencies containing terms or conditions more favorable to ~~the agency Agent~~ than those contained herein, ~~Agency Agent~~ shall have the option of accepting any or all of the more favorable terms. In addition, the WGA represents and warrants that Agent is receiving no less favorable terms than any other agency party to a franchise agreement with the WGA as of the Effective Date.

SECTION 9—PHASE-IN OF PACKAGING FEE PROHIBITION

From the Effective Date until ~~December 31, June 30, 2022~~ (“Sunset Period”), nothing in this Agreement shall be deemed to prohibit Agent’s negotiation of the right to receive a fee based on package representation in lieu of a percentage commission based on client compensation. During that period, where Writer is the sole initiating element of the package, Writer shall have the right to choose if the project can be packaged by Agent. In all other circumstances, Agent shall disclose to Writer its intent to seek a packaging fee and the financial terms thereof, and Writer shall be given the choice of whether to be part of the package. Agent’s right to negotiate packaging fees shall terminate on ~~December 31, 2024 June 30, 2022~~.

In the event that on ~~December 31, 2024 June 30, 2022~~, the WGA has not resolved the dispute over packaging fees with one of WME, CAA, or ICM (each a “Named Agency”), WGA will extend the Sunset Period to ensure that UTA is not placed at a competitive disadvantage with such Named Agencies. ~~concluded a franchise agreement with, or otherwise prohibited by court order or other legal means the receipt of packaging fees (as they are currently named, but to include any fee, regardless of label, paid by a production company or studio directly to an agency) based on the representation of Writers by, two one of the four three major agency competitors of _____ UTA (i.e., WME, CAA, UTA and ICM), WGA will extend the “sunset” date under this section to ensure that _____ UTA is not placed at a competitive disadvantage with such competitor agencies.~~ In addition, the Sunset Period shall be tolled for the duration of any WGA industry-wide strike against companies signatory to the WGA Theatrical and Television Basic Agreement. For the purpose of this provision, the Guild shall be deemed to have resolved the dispute over packaging fees with the Named Agency upon the occurrence of any of the following conditions: (a) the Named Agency becomes bound to a franchise agreement with the Guild that prohibits the receipt of packaging fees; (b) the Named Agency is prohibited by statute, court order or settlement agreement from the receipt of packaging fees (as they are currently named, but to include any fee, regardless of label, paid by a production company or studio directly to an agency) based on the representation of Writers; (c) the Named Agency ceases to do business as a licensed talent agency; or (d) the Named Agency ceases to do business in its present form (defined to mean the departure of at least 75% of the literary talent agents from the Named Agency) and that no related or successor agency continues a substantial majority of its business operations (defined to mean the continued employment or affiliation of at least 75% percent of the Named Agency’s literary talent agents).²

Agent’s agreement to make the Term of this Agreement run through April 12, 2025 is a material inducement to the Guild to extend the packaging sunset to ~~December 31, 2024 June 30, 2022~~. Notwithstanding such inducement, this subparagraph is not intended to alter or amend Agent’s termination right in Section 7.B. or, if such termination right is exercised by Agent, shorten the packaging sunset clause set forth above.

SECTION 10—OPEN COMMUNICATION

The Guild and Agent shall use reasonable efforts to have regular communication concerning the parties’ performance of their obligations under this Agreement, and will use reasonable efforts at amicably resolving any dispute concerning the application of the terms of this Agreement. The Guild and Agent may also from time to time meet for the purpose of discussing improvements to the administration of the Agreement.

² The condition in (d) will be deemed met if the related or successor agency becomes bound to a franchise agreement with the Guild.

AGREED AND ACCEPTED:

Jay Sures
Co-President & Board Member
United Talent Agency, LLC

David J. Young
Executive Director
Writers Guild of America West, Inc.
on behalf of itself and Writers Guild of America East, Inc.

ATTACHMENT 1 TO FRANCHISE AGREEMENT

RIDER W

This standard representation agreement, referred to herein as "Rider W," is attached to and made part of the Franchise Agreement ("Agreement") between Writers Guild of America, West, Inc. and Writers Guild of America, East, Inc. (collectively, "Guild" or "WGA") on the one hand and United Talent Agency, LLC ("Agent") on the other hand. The purpose of the Agreement and of this Rider W is to ~~regulate~~ memorialize the ~~terms~~ conduct of the Agent's ~~in the~~ representation of writers ("Writers") engaged in the option and sale of literary material or the rendition of writing services in a field of work covered by a WGA collective bargaining agreement ("CBA").

SECTION 1 - INCORPORATION OF STANDARD TERMS INTO REPRESENTATION AGREEMENT

By operation of the Agreement, the terms of this Rider W shall be deemed to be incorporated into any representation agreement ("Representation Agreement"), written or oral, between Agent and Writer. Agent and Writer may negotiate additional provisions in the Representation Agreement, provided, however, that (A) no term or condition of such negotiated agreement shall be less favorable to Writer than the provisions of Rider W; and (B) in the event of a conflict between the negotiated agreement and Rider W, the provisions of Rider W shall prevail.

SECTION 2 - TERM AND TERMINATION

- A. The term of the Representation Agreement shall not exceed two (2) years.
- B. The Representation Agreement may be terminated by Writer during its term for any of the following causes:
 - 1. If Writer is not offered employment which is subject to this Rider W from a bona fide employer with respect to services covered hereunder during any period in excess of six (6) consecutive months, during all of which time Writer is ready, able and willing to accept employment. Writer may exercise this right of termination by written notice served on Agent by certified mail at its primary place of business. The right of termination under this section shall be deemed waived by Writer if, after expiration of the six (6) month period but before service of a notice of termination, Writer accepts an offer of employment by a bona fide employer;
 - 2. Any material breach by Agent of the provisions of the Agreement or of Agent's fiduciary obligations to the Writer;
 - 3. If Agent, during any strike by WGA, obtains employment or makes the sale or option of any literary material for any Writer with a producer or other person as to whom WGA is on strike;
 - 4. Agent's removal from the list of agents bound by an appropriate franchise agreement, provided that such removal is final and all applicable appeal rights have been exhausted.

SECTION 3 - COMMISSIONS

- A. Agent's commission shall be limited to ten percent (10%) of Writer's gross compensation, including Writer's profit participation, provided, however, that Agent shall not be entitled to receive commission on residuals or any other minimum payments to Writers for reuse of a Motion Picture under any applicable CBA (including, but not by way of limitation, supplementary or additional compensation of any kind pursuant to Articles 14.G., 15., 16., 64. of the applicable WGA Theatrical and Television Basic Agreement).³
- B. Agent's commission shall be payable when **any** gross compensation is received by the Writer (including Writer's loan-out corporation) or the Agent. If the gross compensation is received by the Agent on behalf of Writer, Agent is authorized to deduct the commission due and shall promptly remit the remaining compensation to Writer. If the gross compensation is received by Writer or Writer's loan-out corporation, Writer shall promptly remit the commission due to Agent.
- C. The following shall apply relating to commissions after termination of the Representation Agreement between Writer and Agent.
 - 1. An Agent terminated by a Writer having a right to do so ("Terminated Agent") can continue to collect commissions on contracts procured and substantially negotiated prior to such termination or expiration but not on improvements negotiated after such termination, except to the extent provided in subsection 3.C.2.b.(ii).
 - 2. The following shall apply to direct or indirect renewals, substitutions, replacements, extensions or modifications of contracts referred to in subsection 3.C.1.
 - a. In no event, other than as provided in this subsection 3.C.2, will the Terminated Agent be entitled to receive commissions in excess of the amount that would have been paid under the contract as it existed at the time of termination.
 - b. Agent shall only be entitled to commission renewals, substitutions, replacements, extensions or modifications if:
 - (i) such renewals, substitutions, replacements, extensions or modifications are negotiated terms of the initial contract negotiated by Terminated Agent (*e.g.*, the original agreement contained options for extension of the employment term, and those options are exercised after termination), in which case Agent shall be entitled to commission on all employment contemplated by the original agreement; however, Writer's new Agent shall have the right to commission any improvements negotiated by the new Agent, pursuant to subsection C.4 below; or

³ Nothing contained in Section 3.A. of Rider W is intended to render void Section 9 of the Agreement.

- (ii) the Writer's employment terminates within one (1) year after termination of the Representation Agreement, and the Writer obtains without any break in employment (except for a production hiatus) an extended, renewed, replaced, substituted or modified employment with the same employer ("renewed employment"), in which case Terminated Agent shall be entitled to commissions for the shorter of (a) the term of the renewed employment; or (b) one (1) year after the commencement of the renewed employment. If, subsequent to termination of an Agent but within the one-year period set forth in this subsection 3.C.2.b.(ii), the Writer enters into a representation agreement with a new Agent, which provides for services and commissions with reference to said renewed employment, the Terminated Agent's commission shall be reduced accordingly, but not below five percent (5%).
- 3. The Terminated Agent shall continue to be ready, willing, and able to provide services, with respect to such contracts for which the Agent continues to receive commission pursuant to subsections 3.C.1 and 3.C.2 above, and upon which the Agent's commission is based.
- 4. If the Writer obtains a new Agent, and the new Agent renegotiates such existing contract, the new Agent shall be entitled to commission on any excess in amount of such contract, with the Terminated Agent entitled to the commission on the existing contract, prior to any improvement, except to the extent provided in subsection 3.C.2.b.(ii).
- 5. Terminated Agent's right, if any, to commissions on profit participations, royalties, and other continuing payments to the Writer, if any, shall continue regardless of the termination of the representation with respect to the contract at the time of the termination.
- 6. In no case may Writer incur commission obligations totaling in excess of ten percent (10%) to one or more Agents.

SECTION 4 - ACCOUNTING

Agent shall not collect monies belonging to Writer unless Agent has prior written authority from the Writer to do so. All monies belonging to the Writer when received by the Agent shall be faithfully accounted for by the Agent and promptly paid over to the Writer or as directed by the Writer, provided, however, that Agent may deduct from such monies any commission payable to Agent or Writer's other authorized representatives, as well as any monies owing from the Writer to the Agent whether for past commission or for loans made to the Writer or monies advanced for Writer or for his account. Monies belonging to Writer shall not be commingled with monies belonging to the Agent, but shall be segregated and kept in a separate account which may be known as "client's account" or "trust account" or an account similar in nature. Agent may have one or more of such accounts and may commingle monies of other clients with the monies of the Writer in such account.

SECTION 5 - INFORMATION SHARING

Writer authorizes Agent to provide information to the Guild as required by, and subject to subsection 3.E.2. of, the Agreement and consistent with the Guild's Working Rules.

SECTION 6 - DISPUTE RESOLUTION

- A. The following controversies between Writer and Agent shall be resolved by a neutral arbitrator in accordance with the procedures set forth in the Rules Governing Arbitration appended as Attachment 2 to the Agreement
 - 1. Any dispute concerning the interpretation of, or the performance of any obligation under, this Rider W;
 - 2. Any dispute concerning the interpretation of, or the performance of any obligation under the Agreement;
 - 3. Any dispute regarding commission due to Agent.
- B. An arbitrator selected to hear a dispute under this section shall resolve the entire controversy that is within the scope of this Agreement. In so doing, the arbitrator shall have authority to fashion an appropriate remedy, which may include the award of damages, injunctive or declaratory relief, including suspension or termination of the Agreement. ~~Upon a finding that the opposing party acted in bad faith, the arbitrator may also award attorneys' fees and costs to the prevailing party.~~
- C. The decision of an arbitrator under this section shall be final and binding except as expressly provided herein, and may be confirmed in any court of competent jurisdiction. In an action to confirm an arbitration award, the court shall apply substantive law developed under Section 301 of the Labor Management Relations Act, 29 U.S.C. § 185. Notwithstanding the foregoing, any arbitration award terminating this Agreement and Agent's right to represent covered Writers shall be subject to *de novo* review in a court of competent jurisdiction,

SECTION 7 - MISCELLANEOUS PROVISIONS

- A. This Rider W shall be effective as to each Agent upon the date of the Agreement and shall be deemed to be incorporated into any Representation Agreement then in effect between Agent and any Writer.
- B. If any provisions of this Rider W are held to be void or unenforceable, all other provisions hereof shall remain in full force and effect.
- C. Agent acknowledges that he has complied with all licensing requirements of any state in which he is conducting business.

WRITER AND AGENT HEREBY AGREE TO THE FOREGOING:

DATED:	By _____ WRITER
DATED:	By _____ AGENT

THIS RIDER W TO A REPRESENTATION AGREEMENT HAS BEEN APPROVED AS TO
FORM BY THE LABOR COMMISSIONER OF THE STATE OF CALIFORNIA ON

_____.

THIS RIDER W HAS BEEN APPROVED AS TO FORM AND CONTENT BY THE
WRITERS GUILD OF AMERICA.

ATTACHMENT 2 TO FRANCHISE AGREEMENT

RULES GOVERNING ARBITRATION

The following Rules Governing Arbitration (“Rules”) govern arbitrations arising under Section 5 of the Franchise Agreement (“Agreement”) and Section 5 of the Standard Representation Agreement (“Rider W”). The Rules incorporate by reference the Agreement and Rider W, including the terms defined therein.

SECTION 1 - EXCLUSIVITY

- A. The arbitration procedures established by these Rules shall be the exclusive method for resolving any and all controversies as defined in Section 5.A. of the Agreement and Section 6.A. of Rider W.
- B. The arbitrator shall have the power to rule on his or her own jurisdiction, including any questions of procedural arbitrability and any objections with respect to the existence, scope, or validity of the arbitration agreement.
- C. The arbitrator shall also have the power to determine the existence or validity of a contract of which the arbitration clause contained in the Agreement, Rider W, or these Rules forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.

SECTION 2 - CLAIM

- A. A complainant initiates an arbitration under these Rules by serving a Claim on the respondent. Prior to initiating a formal Claim, the party asserting the Claim shall contact the opposing party and attempt informally to resolve the dispute.
- B. A Claim seeks resolution of a controversy as defined in Section 5.A. of the Agreement or Section 6.A. of Rider W.
- C. The Claim shall be in writing and contain the following information: (i) the complainant’s name; (ii) the complainant’s address; (iii) a brief written statement of the Claim and the relief sought; and (iv) the name of the respondent.
- D. A Claim must be served on the respondent within twenty-four (24) months from the date the complainant obtained knowledge of the facts upon which the Claim is based, but no later than three years from the date of the occurrence of the facts upon which the Claim is based.
- E. Any Claim brought by an Agent against a Writer under Section 5.A. of Rider W shall concurrently be served on the Guild and the ATA. The Guild may but is not required to participate as a party in the proceeding.

SECTION 3 - COUNTERCLAIM

- A. The respondent may serve a Counterclaim on the complainant, which must be in writing and contain the same information as a Claim.

- B. A Counterclaim seeks resolution of a controversy as defined in Section 5.A. of the Agreement or Section 6.A. of Rider W.
- C. A Counterclaim must be served within twenty-four (24) months from the date the respondent obtained knowledge of the facts upon which the Counterclaim is based, but no later than three years from the date of the occurrence of the facts upon which the Counterclaim is based.
- D. Any Counterclaim brought by an Agent against a Writer shall concurrently be served on the Guild and the ATA. The Guild may but is not required to participate as a party in the proceeding.

SECTION 4 - ARBITRATOR

A. AUTHORIZED LIST OF ARBITRATORS

1. The Claim and, if applicable, the Counterclaim, shall be submitted to a sole neutral arbitrator ("Arbitrator") selected from the applicable authorized list of arbitrators ("Authorized List"):

LOS ANGELES:

- Christopher David Ruiz Cameron
- Catherine Fisk
- ~~Joel Grossman~~
- Fredric R. Horowitz
- Barry Winograd
- Louis Meisinger
- Greg Derin
- Carol Wittenberg
- Carlos Moreno
- Douglas Collins
- Richard I. Bloch
- Kenneth Perea
- Fred Kuperberg
- Michael Prihar

NEW YORK:

- Howard Edelman
- Susan McKenzie
- ~~George Nicolau~~ [deceased]
- Joan Parker
- Janet Spencer
- Martin Scheinman
- Erica Garay
- Carol Wittenberg
- Carlos Moreno
- Marlene Gold
- Daniel Brent
- Michael D. Young

2. The Los Angeles Authorized List shall apply if the Writers Guild of America, West, Inc. ("WGAW") or a WGAW-represented Writer is a party to the arbitration. The New York Authorized List shall apply if the Writers Guild of America, East, Inc. ("WGAE") or a WGAE-represented Writer is a party to the arbitration. Where both the WGAW and WGAE (or both WGAW- and WGAE-represented Writers) are parties to the arbitration, the parties shall attempt in good faith to agree mutually which Authorized List applies, and if the parties cannot mutually agree, the Los Angeles Authorized List shall apply. ~~the WGAW and WGAE shall decide which Authorized List applies.~~
3. Only an Arbitrator from the Authorized List shall have authority to adjudicate a Claim or Counterclaim or any issue arising in connection therewith, unless the parties mutually agree on an alternate arbitrator.
4. The parties may mutually agree to modify the Authorized Lists during the term of the Agreement.

B. ARBITRATOR SELECTION

1. The parties shall select the Arbitrator from the applicable Authorized List within ten (10) business days of service of the Claim on the respondent. In the event the parties cannot mutually agree upon an Arbitrator from the Authorized List, the parties shall alternate in striking a name from the Authorized List until one (1) arbitrator's name remains ("Strike Process"). The Arbitrator whose name remains shall be the Arbitrator. The complainant shall make the first strike. In the event that one of the parties fails to participate in the Strike Process, or fails to strike in order or timely, the other party may unilaterally select the Arbitrator.

2. The parties may agree in writing to extend the time period to select the Arbitrator. The extension will no longer be deemed effective if either party gives written notice to the other, in which case the parties shall select an arbitrator within ten (10) business days of service of the notice.

SECTION 5 - HEARING

- A. If the WGAW or a WGAW-represented Writer is a party to the arbitration, the hearing shall be held in Los Angeles. If the WGAE or a WGAE-represented Writer is a party to the arbitration, the hearing shall be held in New York City. Where both the WGAW and WGAE (or both WGAW- and WGAE-represented Writers) are parties to the arbitration, the parties shall mutually decide whether the hearing will be held in Los Angeles or New York City.
- B. After consulting with the parties as to their availability, the Arbitrator shall order a hearing on the Claim and, if applicable, the Counterclaim. Absent extenuating circumstances, the hearing shall commence within ~~60~~ 90 days of the selection of the arbitrator and shall conclude within 60 days after the first day of hearing.
- C. The Arbitrator shall have the authority to issue subpoenas to compel the attendance of witnesses and/or the production of documents. Subpoenas *duces tecum* may be made returnable on a specified date (no less than 20 days after service of the subpoena) before the arbitration hearing. Upon good cause shown, the Arbitrator shall have discretion to permit other pre-hearing discovery, including the taking of oral depositions.
- D. At the hearing, each party shall have the right to present any evidence that is relevant and material to the Claim or Counterclaim. The parties shall have the right to submit post-hearing briefs.
- E. The complainant has the burden of proving its Claim by a preponderance of the evidence. The respondent has the burden of proving its Counterclaim by a preponderance of the evidence.

SECTION 6 - DECISION

- A. The Arbitrator shall be expected to render a written decision within 30 days of the conclusion of the hearing.
- B. The Arbitrator shall not have the jurisdiction or the authority to add to, subtract from, or alter in any way the Agreement, Rider W, or these Rules.
- C. The Arbitrator's award shall be final and binding on the parties, except as provided in Section 5.C. of the Agreement.

SECTION 7 - ARBITRATION COSTS

The costs of the arbitration, including the arbitrator's fee and court reporter's fee, shall be equally split among the parties, unless the Arbitrator's award specifies otherwise.

SECTION 8 - LAW GOVERNING THE ARBITRATION

- A. An arbitration governed by these Rules shall be subject to the laws of the state in which the arbitration hearing is held, unless otherwise provided in the Agreement or Rider W.
- B. Arbitrations subject to the laws of the State of California shall be held pursuant to Section 1700.45 of the California Labor Code. Accordingly, the complainant shall give reasonable written notice to the California Labor Commissioner of the time and place of the arbitration hearing, and the Labor Commissioner or his or her authorized representative has the right to attend the arbitration hearing. Section 1700.44 of the California Labor Code. shall not govern arbitrations subject to these Rules.

SECTION 9 - SERVICE

- A. A Claim or Counterclaim must be served by certified mail or by personal delivery. All other notices or papers shall be served by email.
- B. A petition to confirm, modify, or vacate an arbitration award in any court of competent jurisdiction shall be served upon the respondent by certified mail or personal delivery.

SECTION 10 – CHOICE OF REPRESENTATIVE

For the avoidance of doubt, the parties recognize that Agent may designate the representative of its choosing in connection with any proceeding arising under the Rules.