

**To: ATA Members Franchised with WGA**  
**Re: WGA Correspondence to ATA Members**  
**From: Karen Stuart, Executive Director, and Jim Gosnell, President**  
**Date: February 22, 2019**

**UPDATE – High Priority**

In our effort to keep you informed about WGA's attempts to divide ATA agencies, I am contacting you this afternoon with some very important information for you to review about how the WGA Code of Conduct would negatively impact our businesses.

But before I do, I want to remind you that while we are frustrated right now with where things stand with the WGA, we have not forgotten how we've worked closely together with the guild for many decades in supporting them through various challenges and campaigns to benefit writers. The WGA has a role - just like agencies do - in ensuring writers have the best possible work experiences, and we remain committed to collaborating on an agreement that will allow us collectively to serve and advocate for our clients' best interests in today's Hollywood.

As for the WGA's attempt to divide our membership with misinformation and myths and their unilateral attempt to impose what they are calling a "Code of Conduct," be assured that ATA will respond. When we respond to the WGA, we will be writing on behalf of each and every one of you, the writers' biggest advocates along with their guild. If you have any questions, please contact me or President Jim Gosnell.

Let's be clear – the WGA's "Code" is not about agents' conduct. Their proposals are a sweeping attempt by the WGA to remake the entire industry, restraining not only the business of agencies and their affiliates but also interfering with the livelihoods and businesses of producers, actors, directors, and studios. The ATA will continue to advocate for all our clients, including writers, and will reject the Guild's self-described "power grab" that will harm not only their own members but others throughout the entire industry. The date for our WGA Franchised Agents' Membership meeting will be sent shortly.

For those of you who have not yet reviewed the proposed "Code," we want to summarize some of the sweeping changes the WGA is proposing:

WGA Proposed ("Code"): Established unilaterally by Writers Guild of America, West, Inc. and Writers Guild of America, East, Inc., enforceable solely by WGA-friendly arbitrators, and unilaterally changeable by the WGA on 60 days' notice.

Current ATA/WGA (AMBA): Agreed upon by WGAW, WGAE and ATA.

### Code proposes to unilaterally establish:

- Upon request by Writer, Agent shall disclose to Writer the names of all other clients 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) days of the Writer's request.
- 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 on behalf of Writer; and (b) all commissions received by Agent related to its representation of Writer. Writer and Guild shall have the right to audit such statements.

### NOTIFICATION TO GUILD

- Agent shall provide the Guild with a copy of the agreement or essential deal terms of any engagement or other transaction involving a Writer no later than 10 days after the earlier of (a) the existence of a binding contractual commitment; or (b) the commencement of Writer's writing services.
- Agent shall provide the Guild with immediate notice of Writer's commencement of services or delivery of literary material, or other material fact triggering compensation, and a copy of any invoice or other documentation relating to the payment obligation.
- Agent shall immediately notify the Guild in the event a payment is late.
- Agent shall cooperate fully with the Guild in any investigation or contract enforcement action undertaken on behalf of a Writer.
- Agent shall provide the Guild with an annual report summarizing Agent's diversity efforts and reflecting, through anonymized data, the employment history of all Writers represented by the Agent, broken down by membership in statutorily protected classes.

### DISPUTE RESOLUTION

- Remove ATA from process entirely.
- Any dispute concerning the interpretation of, or the performance of any obligation under the Code or new Rider W may be brought by the Guild to suspend or remove an Agent from the list of subscribing Agents.
- There are five arbitrators for each of WGA East and West who are empowered to decide every dispute, including permanently barring an agent from doing work on behalf of Guild members

- A single arbitrator from that list can hear and decide the entire matter, including awarding damages, issuing an injunction, or barring the agent permanently from the list of subscribing agents on an expedited basis. Upon a finding that the opposing party acted in bad faith, the arbitrator may also award attorneys' fees and costs.

#### TERMINATION OR MODIFICATION

- The Guild may terminate or modify the terms of this Code to be effective 60 days after its service of such notice.

#### RIDER W (Agency/Writer Agreement)

Some new provisions:

- ATA is removed.
- "Rider W," is made part of the Code of Conduct ("Code") and applies to all contracts between agencies and writers oral or written.
- Term of the Representation Agreement is reduced from 2 years to 1 year.
- Writer may terminate
  - If not offered employment from a responsible employer during any period in excess of four consecutive months
  - For any material breach by Agent of the provisions of the Code of Conduct or of Agent's fiduciary obligations to the Writer
  - If Agent is removed from the list of agents subscribing to the Code of Conduct

#### COMMISSIONS

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. **Note that this provision, like the others, can be unilaterally changed on 60 days' notice.**