Exhibit K

AMERICAN FEDERATION OF TELEVISION
AND RADIO ARTISTS, AFL-CIO
BRANCH OF THE ASSOCIATED ACTORS AND ARTISTES OF AMERICA

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AFTRA REGULATIONS GOVERNING AGENTS

RULE 12-C
REGULATIONS OF MEMBERS' DEALINGS WITH AGENTS
AS AMENDED
July 1, 2002

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AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

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AFTRA REGULATIONS GOVERNING AGENTS: RULE 12-C
REGULATIONS OF MEMBERS' DEALINGS WITH AGENTS

The AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS (hereinafter called "AFTRA") hereby promulgates Rule 12-C in order to regulate the dealings of its members with agents in fields covered by AFTRA collective bargaining agreements, including sound recordings, advertising and programming, in the activities of its members as artists.

Section I. Prohibition of Members Dealing with Agents Not Franchised.

A. No member of AFTRA may engage, use or deal through any agent (either partially or exclusively) in the fields within the scope of these regulations, unless such agent holds an agent's franchise from AFTRA in full force and effect.

B. AFTRA members have been notified not to contract with agents except pursuant to AFTRA rules.

C. Any agency contract executed by an agent franchised under Rule 12-B with an artist during the period commencing July 1, 2002 up to October 1, 2002 relating to fields within AFTRA's jurisdiction may be on the form of Exhibit "C" of Rule 12-B, and which require separate riders with respect to the matters covered by Exhibits "F" and "G" of Rule 12-B; but said agency contracts will be deemed modified by this Rule 12-C when and if the agent applies for a franchise hereunder and said franchise is issued by AFTRA.

Section II. Notice and Modification.

AFTRA will give timely legal notice of Rule 12-C to its members. Agency contracts between an artist and the agent are deemed modified in accordance with Rule 12-C insofar as such agency contracts apply to the fields within the scope of these regulations.

Section III. Scope of Regulations.

A. These regulations apply only to the activities of AFTRA members as artists in fields covered by AFTRA collective bargaining agreements, including sound recordings, advertising and programs, whether produced or distributed by any means or method now known or which may be developed hereafter.[1]

B. These regulations are for the benefit of the members of AFTRA, both present and future, and of franchised agents; an artist who is not a member when s/he signs an agency contract with an agent is not affected by these regulations, but nevertheless comes under the terms of these regulations and said contract is modified in accordance with these regulations, as soon as s/he becomes a member if the agent be then or thereafter franchised by AFTRA. AFTRA may accept for filing as provided in subsection F of Section X, agency contracts (on form Exhibit "C" or "C-1") between franchised agents and any artist who is not a member of AFTRA when s/he signs the contract with the agent.

C. Every member of AFTRA, and AFTRA, and every franchised agent, shall be bound by Rule 12-C, but nothing herein shall prevent any member of AFTRA from contracting with an agent on terms more favorable to the member of AFTRA than those prescribed herein. No agent may obtain from any artist any terms less favorable to such artist than these regulations nor may any waiver of any provisions of these regulations be obtained from any artist, unless the same is expressly made subject to the written approval of AFTRA; and any such waiver by any such artist without the written approval of AFTRA is null and void.

[1] For example, programming or advertising recorded digitally and distributed over the Internet is covered by these regulations.

D. No affiliate of an agent shall engage in the agency business unless such affiliate holds a franchise from AFTRA. Agents shall be responsible for acts or omissions of their non-franchised affiliates in the fields covered by these regulations; and every affiliate, to the extent that such affiliate may engage in the agency business, shall be deemed bound by these regulations.

E. Agency contracts, insofar as they may apply to the activities of AFTRA members in fields outside the scope of these regulations, are severable and are not affected by these regulations, except where otherwise specifically stated.

F. Rule 12-C applies to and governs only the activities of AFTRA members as artists in the fields within the scope of these regulations, except where otherwise specifically stated.

Section IV. Effective Periods for Rules 12-B and 12-C.

A. Rule 12-B remains in effect in accordance with its terms until and including June 30, 2002. Beginning with July 1, 2002, this Rule 12-C shall exclusively govern the dealings between AFTRA members and agents franchised under this Rule 12-C, except that:

(1) any agent franchised under Rule 12-B on June 30, 2002, who fails or refuses to renew his franchise under this Rule 12-C, and who continues to render services under agency contracts existing at said time and complies with the regulations in force on June 30, 2002, shall, for the purpose of performing his obligations and exercising his rights under agency contracts existing on June 30, 2002, and for such purpose only, be deemed a franchised agent under Rule 12-B, as provided in the last sentence of Section XII-D(2) of Rule 12-B; and

(2) in the case of agents franchised under these regulations, Rule 12-B shall not be applicable after June 30, 2002, except where Rule 12-C expressly provides that Rule 12-B shall be applicable.

B. Rule 12-C shall be effective as to all agents franchised hereunder and as to all AFTRA members beginning with July 1, 2002 and shall remain in force and effect until and including September 30, 2005, or until and including a date certain six months after the giving of the first notice by either AFTRA or ATA to the other party that the term of Rule 12-C be terminated, whichever date is later.

C. Agency contracts dated or executed on, before or after July 1, 2002, and in existence at any time during the period of Rule 12-C shall be modified in accordance with Rule 12-C; provided, however, that any act or omission of an agent prior to July 1, 2002 shall be deemed a breach of said agency contract only if it would have been a breach of said agency contract under Rule 12-B.

In all other respects Rule 12-C shall be applicable to all agency contracts and they shall be deemed modified in accordance therewith; provided, however, that all waivers presently in effect granted by AFTRA to franchised agents shall continue in full force and effect in accordance with the terms and conditions attached to said waivers.

D. For the purposes of this Section only, Rule 12-B shall be deemed incorporated herein by reference, with the same force and effect as though it were fully set forth, except that any arbitration commenced on or after July 1, 2002, and involving Rule 12-B and agents franchised under Rule 12-C, or the sub-agents or affiliates of such agents, shall be determined in accordance with the arbitration procedure prescribed in Section XV of these regulations.

Section V. Definitions.

A. An **"agent"** or **"agency"** is any person, co-partnership, association, firm or corporation who for compensation or otherwise offers to, or does, represent, act as the agent or personal representative of, negotiate for, procure employment for or counsel or advise any member of AFTRA in or about or in connection with or relating to his employment or professional career in the fields within the scope of these regulations. The terms "agent or agency" mean, and are used synonymously with, the terms "talent agent" or "talent agency.

B. The **"agency business"** is the business of acting as the agent or personal representative of, negotiating for, procuring employment for or counseling or advising any member of AFTRA in or about or in connection with or relating to his employment or professional career in the fields within the scope of these regulations. The term "agency business" means, and is used synonymously with, the term "talent agency business".

C. An **"agency contract"** means not only Exhibit "C" or Exhibit "C-1" hereof, but also means any agency contract between agents and members (whether or not on the forms provided in 12-C) providing in whole or in part for agency services in the fields within the scope of these regulations The terms "agency contract" means, and is used synonymously with, the term "talent agency contract".

D. **"Artist"** or **"artists"** mean all AFTRA members who are actors, singers, announcers, commentators, comedians, masters-of-ceremonies, quiz masters, disc jockeys, dancers, sportscasters, specialty acts, puppeteers, newspersons and analysts, models, moderators, and panel members, as to their activities within the scope of these regulations.

E. The word **"member"** means a present or future member of AFTRA, who is an artist as herein defined.

F. **"Person"** also includes co-partnerships, associations, firms, corporations, trusts, and any form of business entity.

G. Rule 12-C shall also be known as the **"regulations"**.

H. A **"collective bargaining agreement"** includes letters (whether addressed to AFTRA or not) signifying willingness to abide by AFTRA's minimum terms and conditions even though no formal contract has been made with the signatories to such letters, and further includes all AFTRA contracts with employers or producers, AFTRA's Codes of Fair Practice, any arbitration award to which AFTRA is a party establishing minimum terms and conditions for members of AFTRA, and any minimum terms or conditions established by AFTRA by rule or regulations of its members within the scope of these Regulations, in cases where AFTRA does not have agreements with employers establishing such minimums.

I. The term **"affiliate"** means any person, firm or corporation controlled, owned, managed or operated by an agent or which controls, owns, manages or operates an agent, and further means (a) any parent or subsidiary of an agent or any corporation in the same corporate system as an agent, and (b) any firm or corporation which is connected with an agent through ownership or control by substantially the same interests as own or control the agent. The word "affiliated" shall have the same meaning.

J. Wherever the context requires, the singular number includes the plural, and any gender includes all.

K. The term **"guarantee"** as used in paragraph 5 of Exhibit "C" shall have the meaning commonly given to it in the radio broadcasting and television industries, but not where such meaning violates any rule or regulation of AFTRA.

L. The terms **"field"** and **"industry"**, as used in these regulations, have the same meaning.

M. A **sub-agent** is a person who is employed by a franchised agent to represent, act as the representative of, negotiate for, procure employment for, counsel and/or advise any artist in and about and in connection with or relating to his/her employment or professional career within AFTRA's jurisdiction."

N. The terms **"television"**, **"television broadcasting industry"**, and **"television broadcasting field"** as used in these regulations shall mean the television fields within AFTRA's jurisdiction.

O. The word **"commission"** means the remuneration payable under an agency contract (whether oral or written) to an agent.

P. As used in these regulations, the terms **"paymaster"** or **"payroll company"** mean persons or entities that issue checks for direct payments to artists on behalf of employers.

Q. A **"signatory"** is a producer or other employer who is signed to an AFTRA contract or code.

R. **"Broadcaster"** or **"Broadcast Contract"** refers to employment in areas traditionally defined by AFTRA as broadcast, e.g., news, sports, staff announcing on news and sport programs and programming employing disc-jockeys, show hosts, commentators, analysts, etc. For purposes of the term "news programs", by way of example only, it shall include programs such as "48 Hours", "Today", but not programs such as "Entertainment Tonight" or "Access Hollywood".

Section VI. Package Shows Produced by Agents or Their Clients.

The employment of artists on package shows shall be governed by the following regulations: Notwithstanding any provision elsewhere contained in these regulations a franchised agent or any affiliate thereof may produce package shows in the radio or television broadcasting industries, or may act as agent for any such producer, but only subject to the following conditions:

A. Notwithstanding any contract to the contrary:

(I) an agent for the employer of AFTRA members, or any affiliate of such agent, may not charge or collect any commission whatsoever on the compensation which any AFTRA member receives from such employer where such employment is included in the agency relationship between the agent and such employer;

(2) an agent for any client engaged in package show activities or any affiliate of such agent may not charge or collect any commission whatsoever on the compensation which any AFTRA member receives for rendering services on such package show, where such package show is included in the agency relationship between the agent and such client;

(3) where the agent himself, or his affiliate, is engaged in package show activities, neither such agent nor any affiliate of the agent may charge or collect any commission whatsoever on the compensation which any AFTRA member receives from the agent or his affiliate for rendering services on such package shows in which the agent or his affiliate is interested;

(4) Subparagraphs (1), (2) and (3) of this paragraph A relating to commissions on package shows, shall be deemed violated by the following practice or any variation thereof: where an artist is employed on a package show in which the agent is interested, and which employment is included in the agency contract with the artist, and the said Artist is paid a salary which is 10% less than he would have received had the agent no interest in the package show;

(5) All the provisions of Section XVIII govern commissions hereunder.

B. (1) An agent is "interested in a package show" or is "engaged in package show activities" within the meaning of these regulations in the following instances: in the case of any package show produced or owned by the agent or by any affiliate of the agent, or by any client of the agent or of the agent's affiliate, or by any firm or corporation in which the agent or the owner of the agent is interested as an owner; or where the agent or his affiliate sells a radio or television program to a sponsor or advertising agency or broadcasting company at a profit or on a cost-plus basis or on a commission basis.

(2) when an AFTRA member is employed or offered employment as an artist on a package show in which the agent is "engaged in package show activities" and such employment is included in the agency contract between the artist and the agent, then the agent shall disclose, by written notice to the artist, that the agent is "interested in said package show." With respect to such employment, the agent's duties to the artist under these regulations, including the agent's fiduciary obligation, shall not be impaired or diminished by the agent's package show activity and the agent shall owe the same duties to the artist as though the agent represented only the artist and not the package show; provided, however, that if the artist at the artists' option (which s/he may exercise at any time during the period of agent's interest in the package show), decides that s/he does not want the representation of the agent in connection with the artist's employment on said package show, the artist may so notify the agent in writing. In the event the artist so notifies the agent in writing, the agent and the artist shall be mutually relieved of their respective obligations to each other (which arise after the delivery of such notice) under the AFTRA standard form agency contract with respect to the artist's employment on the package show; provided, however, that the artist's employment on the package show shall nevertheless be deemed employment for the purposes of paragraph 5 of the agency contract. The artist, if he chooses, may thereafter represent himself or obtain another representative with respect to his employment on the package show.

(3) Should the artist elect not to exercise his option as provided in subparagraph (2) above, the agent may terminate the term of the AFTRA standard form agency contract between them by so notifying the artist in writing (at any time during the period of agent's interest in said package show), and the term of the agency contract shall be deemed terminated as of the date of delivery of notification to the artist.

C. Copies of employment contracts with AFTRA members who render services on such package shows must be filed by the agent with AFTRA upon written request by AFTRA, in such cases where, in AFTRA's opinion, it has reasonable cause to believe that the regulations are being or have been violated.

D. All agents or their affiliates, as the case may be, who produce or own package shows in the radio or television broadcasting fields must become signatories to AFTRA's Code of Fair Practice for Radio Broadcasting and AFTRA's Code of Fair Practice for Network Television Broadcasting and Exhibit A thereof (whichever of said Codes is applicable), as they now exist or may hereafter be amended, and shall abide by the said Codes.

E. A person is not agent for a "producer" of a package show merely because that person is the agent for an individual employed by the "producer" or "employer" primarily as a director or as a production person.

F. If an AFTRA member has a claim against an agent for breach of the agent's fiduciary obligation to the artist under subparagraph (2) of paragraph B of this Section VI, or under subparagraph (4) of paragraph A of this Section VI, such claim must be asserted by filing a demand for arbitration under Section XV within nine months after the artist acquires knowledge of all the essential facts upon which his claim is based; and any such claim made after the said nine month period, is barred.

Section VII. Sound Recordings

The artist's agency contract (Exhibit "C") may also cover the artist's services in sound recordings, provided that a rider in the form annexed hereto and marked Exhibit "F" is attached to the agency contract and initialed by the artist, and in such case, all the provisions of these regulations shall apply thereto, and each master record shall constitute one additional day's work under Paragraph 5 of Exhibit "C". Where an artist's standard AFTRA agency contract does not cover services in sound recordings, the artist shall be deemed free of any agency contract obligation to the agent in that field.

Section VIII. Franchise Conditions.

A. Every person desiring to secure a franchise from AFTRA must provide AFTRA with the following:

(1) A signed application for an agent's franchise. Attached hereto, marked Exhibit "A-1" is the form of application to be executed by person(s) filing for an agent's franchise who holds a franchise under 12-B; and attached hereto marked Exhibit "A-2", is the form of application to be executed by new applicants;
(2) A copy of the required licenses issued by the appropriate agencies in every state where the agency will conduct business;
(3) Evidence of an office bank account and separate client trust account;
(4) A written statement detailing the ownership structure of the agency with home addresses and telephone numbers of all owners;
(5) A resume of each owner, detailing all business experience for the preceding three (3) years;
(6) Two letters of recommendation from persons employed in the entertainment industry for each owner of the agency;
(7) Access by an AFTRA representative to the agency's offices, which must be located in commercial office space, equipped with restroom facilities, and used only for business purposes, with the agency's name listed on the building directory. An AFTRA representative may visit the agency offices to ensure compliance with this section prior to the issuance of a franchise.

B. (1) AFTRA hereby declares that, with respect to persons engaged in the agency business who hold franchises under Rule 12-B at the date of their application for a franchise hereunder, and continue to hold such Rule 12-B franchise until and including June 30, 2002, AFTRA will grant all applications for Rule 12-C franchises made by such persons filed on or before September 30, 2002, unless investigation of the application discloses serious facts which show the applicant in question not qualified, or unless the applicant is not permitted under these regulations to engage in the agency business. Any such applicant who files an application for a franchise on or before such date may arbitrate AFTRA's refusal to grant such franchise.

(2) Any initial franchise granted to a new agent shall be a temporary one-year franchise. At the end of such one-year period, the agent will be granted a franchise unless the AFTRA National Office notifies the agent in writing prior to the conclusion of the initial one-year period that a franchise is being denied or that the temporary franchise is being extended. Such extensions may be for a period not to exceed six months. Prior to the conclusion of the extension period, the AFTRA National office shall notify the agent whether the franchise is being denied. In the absence of such notification, the franchise shall be deemed granted.

AFTRA's denial of a franchise may be appealed to expedited arbitration by the agent as provided in Section XV. AFTRA may deny an agent a franchise under this section only because of an agent's material violation of any of the provisions of these regulations.

C. AFTRA may request any applicant or any franchised agent to submit from time to time a complete description of the legal and factual organization of such applicant or franchised agent, listing all persons owning an interest therein, the interest owned by each, and all partners, officers and directors, and the applicant or agent shall promptly comply with such request.

D. All information furnished AFTRA by an applicant for a franchise or a franchised agent pursuant to the requirements of the regulations, shall be held confidential by AFTRA except where material in arbitration proceedings or as otherwise provided in the regulations.

E. When an agent applies for a franchise, it is of the essence hereof that the agent be deemed to have agreed with AFTRA as follows: that the agent will not evade, circumvent or violate, or seek to evade, circumvent or violate, these regulations or any part thereof either directly or indirectly, nor will the agent permit such evasion, circumvention or violation through the channels of any controlled, allied or affiliated firm, corporation or person.

F. Attached hereto and marked Exhibit "B" is the form of franchise, which AFTRA will issue to agents. Any franchise issued by AFTRA in accordance with Rule 12-C shall constitute a contract between AFTRA and the person to whom said franchise is issued.

G. AFTRA will not issue any franchise to any agent for the period of these regulations, upon terms and conditions other than those specified in this Rule 12-C, nor will AFTRA adopt any amendment to its articles or by-laws or make any rules or orders or do any other act or thing for the period of these regulations, which will conflict with Rule 12-C. The foregoing does not, however, apply to waivers given by AFTRA in special instances if such waivers be given in good faith and without intent either to evade the regulations or give an unfair competitive advantage to other agents.

H. Notwithstanding anything elsewhere herein contained, the agent agrees that the application filed by him contains no false or misleading statements, and that any franchise issued by AFTRA may be revoked thereafter if the Arbitrator(s), under these regulations, finds that the application did contain false or misleading statements which were material, but the agent may plead and prove, as a defense in disciplinary proceedings only, that such statements were unintentionally and inadvertently made.

I. These regulations shall become binding upon each applicant for a franchise hereunder, and upon AFTRA, upon the acceptance by AFTRA of such applicant's application for franchise.

J. The application for an agent's franchise shall be duly executed by the applicant and by each and every person, firm or corporation having an interest in applicant, directly or indirectly; provided; however, that any stockholder not active in the business of applicant who holds less than five (5%) per cent of the total stock, or any partner not active in the business of applicant who has less than a five (5%) per cent participation interest in the business, shall not be required to execute an application, providing the stockholders or partners holding or owning at least seventy-five (75%) per cent of the total stock or participating interest in the applicant sign the application. The sole owner of an agency shall own the entire interest in said agency. An "interest" shall mean ownership of five (5%) per cent or more of an agency, either as a partner, or stockholder, or otherwise. Each of the persons described in this subsection J as owning an "interest" in applicant, shall be required to execute the application for a franchise, and in particular, are bound by paragraph 5 of the application in Exhibit A-l or by paragraph 9 of the application in Exhibit A-2, as the case may be. Each such person who is required to execute the application for a franchise is an "owner" of the agent, and has an "interest" in the applicant, as those terms are used in these regulations, whether or not they actually execute the application. Notwithstanding the foregoing, disclosure and notices required under Appendix A (Financial Investment), shall be filed with AFTRA as required by Appendix A.

K. The issuance and continuance of franchises shall be expressly conditioned on the agent obtaining and maintaining those state and local licenses legally required to enable the agent to do business in the area or areas in which the agent maintains its main and principal branch offices in the United States. In the event any such license is revoked, suspended, expired or otherwise not in effect for any period of time, the franchise shall be deemed revoked, suspended, expired or otherwise not in effect for the same period of time. Applications for franchises and extensions of previously granted franchises shall be accompanied by copies of such licenses. However, the agency franchise shall not terminate in the event:

1) The agent, ATA, or NATR is diligently pursuing a bona fide dispute as to the jurisdictional or constitutional validity of a licensing requirement and AFTRA is notified within ten (10) business days following the expiration of such license of the nature of the dispute. Pending a final determination of such dispute, the agency need not be so licensed to maintain its franchise and need not file copies of such licenses with AFTRA. The agent, ATA or NATR, as the case may be, shall keep AFTRA advised of the progress of the dispute; or

2) If through inadvertence the license of a previously franchised agent is revoked, suspended, expired or otherwise not in effect, the agent shall be excused from being so licensed providing proper application for such license be made within ten (10) business days following the receipt of written notice of such failure by the agent from AFTRA.

3) AFTRA will not withhold, revoke or refuse to grant an agency franchise on the basis of state and/or local licensing requirements as described in sub-paragraph K of this Section VIII unless and until it is finally determined by the appropriate state or local licensing authority, or by a court if judicial proceedings are undertaken, that the failure of the individual agent in question to have a license is in violation of law. The foregoing shall not apply to licenses required by the State(s) of California or New York.

The foregoing shall be implemented and utilized in consultation with NATR and ATA, and, if it appears to be in the best interest of the parties, the application of the foregoing may be waived.

L. No active member of AFTRA will be issued a franchise with AFTRA as an agent or sub-agent without first placing their membership with AFTRA on Honorary Withdrawal status. No franchised agent or sub-agent shall accept employment as an artist in the jurisdiction of AFTRA.

M. AFTRA may review, on an annual basis, whether a franchised agent has submitted artists for work under AFTRA contracts. Should the review indicate that the agent is not actively seeking employment for artists in AFTRA's jurisdiction, and should AFTRA in good faith determine that the agent is maintaining a franchise for a reason other than representing AFTRA members, AFTRA may file for expedited arbitration under Section XV to seek revocation of the agent's franchise.

Section IX. Sub-Agents.

A. The agent will not knowingly employ or keep employed any sub-agent where such sub-agent:

(1) has been denied an agent's franchise by AFTRA, or his/her agency franchise has been revoked by AFTRA, or

(2) has committed any acts or done any things which, if such sub-agent were a franchised agent, would have subjected him/her to suspension or revocation of his/her franchise under Section XVI hereof.

B. AFTRA shall notify the agent in writing that the agent has in his/her employ a sub-agent in violation of subsection A of this Section IX and shall name such sub-agent. AFTRA shall also give notice thereof to the sub-agent. In the event the agent, nevertheless, continues the employment of the sub-agent after the expiration of twenty (20) days from the receipt of such notice by the agent, then all agency contracts between the agent and artists shall terminate forthwith, without prejudice, however, to the right of the agent to collect commissions earned prior to the date of termination. The word "earned" is here defined to mean commissions on payments received by the artist, or which the artist is entitled to receive for services rendered by the artist up to the date of the termination of the agency contract, pursuant to the provisions of the preceding sentence. Nothing herein contained shall be deemed to confer upon an agent, whose agency contracts have terminated by reason of the foregoing provisions, the right to collect commissions on any payments received by artists who had agency contracts with the agent covering monies received by such artists for services rendered after the agency contracts' termination dates, even though such services are rendered by artists under employment contracts entered into by such artists prior to the agency contracts termination dates.

C. The sub-agent shall have the right to arbitrate the existence of the fact(s) claimed by AFTRA to exist under subsections A and B of this Section, with full notice and opportunity to be heard and represented by counsel in the same manner and to the same extent as an agent in a disciplinary proceeding under these regulations. If the sub-agent files a demand for arbitration within fifteen (15) days after notice by AFTRA to the sub-agent, the twenty (20) day period referred to in Subsection B above will not begin to run until the Arbitrator(s) have rendered a final decision, and if such decision is adverse to the sub-agent, the twenty (20) day period shall begin to run immediately upon receipt of notice of the decision given by AFTRA in writing to such agent.

D. The agent shall have the right to intervene in any arbitration instituted by the sub-agent under the preceding subsection C upon two (2) days' written notice to AFTRA served prior to the hearing. In the event the sub-agent fails to demand arbitration hereunder within the fifteen (15) day period prescribed in the preceding paragraph, the agent may, within ten (10) days after the expiration of said period, demand arbitration of the same issues which the sub-agent could have arbitrated under the preceding subsection C. Upon the filing of such demand for arbitration, the twenty (20) day period specified in subsection B above shall not begin to run until the Arbitrator(s) have rendered a final decision, and if the decision is adverse to the agent, the twenty (20) day period shall begin to run immediately upon receipt of notice of such decision given by AFTRA in writing to the agent.

E. The agent agrees that all sub-agents in the agency business will, at or prior to the time the agent files his/her application for a franchise, endorse their acceptance of these regulations by filing an application for sub-agent's franchise as set forth in Exhibit "D" hereof.

F. The agent agrees that at the time s/he employs additional sub-agents in the fields covered by these regulations, who are to engage in work in the nature of negotiations, procuring employment, advising artists, or the like, such additional sub-agent(s) will thereupon endorse these regulations by filing and signing the said application for sub-agent's franchise (Exhibit "D"), and the agent will promptly file a duplicate original with AFTRA.

G. In the event the Arbitrator(s) shall find that a sub-agent who has signed the sub-agent's application (Exhibit "D") has committed any offense which, if the sub-agent were a franchised agent, would have resulted in the suspension or revocation of the sub-agent's franchise, the sub-agent hereby agrees that s/he will not engage in the agency business while such suspension or revocation is in force and effect; and agency contracts between the sub-agent and AFTRA

members made while such suspension or revocation is in force and effect are null and void. The Arbitrator(s) shall have continuing jurisdiction over all such sub-agents in order to enforce compliance with these regulations. In the event such sub-agent has committed any other offense which would subject him/her to liquidated damages, suspension or revocation of franchise if he/she were a franchised agent, he/she shall forthwith comply with the terms of the arbitration award directed against him/her, including payment of any liquidated damages which the Arbitrator(s) may assess against him/her as provided in Section XVI of the regulations. Should the sub-agent fail to comply with any arbitration award directed against him/her, the first sentence of this subsection G shall forthwith become applicable. For the purposes of this subsection, Section XVI of these regulations dealing with disciplinary proceedings shall be applicable to such sub-agents just as though such sub-agents were franchised agents.

Section X. Contracts Between Agents and Members.

A. Every exclusive agency contract entered into by a franchised agent with any artist shall be in writing in the form annexed hereto and marked Exhibit "C" or "C-1".

B. An artist may make a contract more, but not less, favorable to him/her than the form of contract specified in the regulations. No deviation, addition or deletion shall be made in the contract without AFTRA's written approval. Any such deviation, addition or deletion must be submitted by the agent to AFTRA in writing within the period of time specified in paragraph F of this section. Such approval shall be granted as a matter of course by AFTRA if the contract in fact be more favorable to the artists. The refusal of AFTRA to grant approval under such circumstances shall be subject to arbitration, upon application of either party to the contract within ten (10) days thereafter, but the Arbitrator shall have no power to overrule the refusal unless the Arbitrator shall find that the contract is in fact more favorable to the artist. If the contract is more favorable to the artist in some respects, but less favorable in others, the arbitrator must uphold the action of AFTRA. For instance, a contract at 7% commission for four years could not be upheld, because although the commission is less than the maximum, the term is longer than allowed. If an addendum, deviation, addition, deletion or other form of modification be finally disapproved, the agent must forthwith notify the artist in writing of such fact, and the contract shall be deemed to have been executed in the form attached to these regulations as an though the addendum, deviation, addition, deletion or other form of modification had not been made. Nothing herein contained shall prevent the parties from contracting that should such addendum, deviation, addition, deletion or other form of modification not be approved by AFTRA, then either party may disaffirm the contract within a stated number of days after such notice of disapproval by AFTRA. In the event any addendum, deviation, addition, deletion of other form of modification is not filed with AFTRA, the entire agency contract, including the modification, shall be voidable at the election of the artist. In the event AFTRA fails to indicate its disapproval of such modifications within thirty (30) days from the date of filing, it shall be deemed approved. AFTRA may waive the modification filing requirement set forth above, in which event the agency contract filed with AFTRA shall be marked so as to reflect that there is a modification thereof which has not been filed with AFTRA as a result of the waiver.

C. (1) All contracts between an agent and an artist not in writing and not complying with these regulations, whether as to form, failure to fill in blanks, execution, delivery, filing, or otherwise shall be of no force and effect except as may be hereinafter provided.

An artist who accepts employment obtained by the agent shall be liable to the agent for the agreed upon commission, or if no agreement has been reached regarding the amount of commission, a reasonable commission. "Reasonable commission" for the purposes of this provision shall be 10% unless the artist can demonstrate that he/she was negotiating, or would have negotiated, a lower commission.

(2) Should any person applying for an agent's franchise hereunder claim to have an existing oral contract relating to fields within the scope of these regulations with a member at the time of such application, the applicant shall submit to AFTRA within (30) days after the filing of the application, a statement setting forth substantially the terms of the oral contract with the member, including the date of said oral contract. AFTRA shall notify the member thereof, in writing, within thirty (30) days thereafter. Unless the member disputes the terms of the oral contract within thirty (30) days after written notice to the member from AFTRA, the oral contract shall be deemed to be in the manner and form specified by the agent. The member may, within the aforesaid thirty (30) day period, dispute either the existence of said oral contract or any of the terms set forth therein by the agent. In such event, the dispute between the agent and the member shall be submitted to arbitration as herein provided. All such oral agency contracts so established shall be deemed modified in accordance with this Rule 12-C, in the same manner as written contracts hereunder, and as so modified shall be binding. Any other oral agency contracts in any of the fields covered by these regulations shall be null and void.

(3) In the case of agents holding an AFTRA franchise under Rule 12-B, agency contracts with AFTRA members which are binding under Rule 12-B are modified in accordance with this Rule 12-C if such contracts have not expired on or before June 30, 2002.

D. (1) Should any contract between an agent and an artist extend beyond September 30, 2005 or extend beyond a date certain six (6) months after the giving of the first notice by either AFTRA or ATA to the other party that the term of Rule 12-C be terminated, whichever date is the later (whether executed on, before or after said later date) such contract shall, after said later date, be deemed modified with respect to any terms which may be contained in any regulations hereafter issued by AFTRA and either accepted by the agent or accepted on behalf of the agent under Section XXIX hereof.

(2) Should new regulations with reference to franchising not become effective on or after September 30, 2005, or on or after a date certain six (6) months after the giving of the first notice by either AFTRA or ATA to the other party that the term of Rule 12-C be terminated, whichever date is the later, or should any agent holding a franchise expiring on said later date, fail or refuse to renew a franchise under any such new regulations issued by AFTRA, nevertheless agents who on said later date have a franchise, and who continue to render services under agency contracts existing at said time and comply with the regulations in force on said later date, shall for the purpose of performing their obligations and exercising their rights under agency contracts existing on said later date, and for such purpose only, be deemed to be franchised agents.

E. (1) Nothing herein contained shall prevent an artist who is free to do so, from authorizing a franchised agent by telegram, fax or e-mail, or other written communications, or by oral communication—if confirmed in writing within one (1) week thereafter—to negotiate employment for the artist, in which event an agreement terminable at will, unless otherwise specified, shall be implied that the agent is employed to render services pursuant to the provisions of these regulations, and the agent shall then be entitled to receive compensation at the rate of ten (10%) per cent, unless a lesser rate be specified in said authorization or confirmation, of the artist's compensation from any contract of employment of the artist within the scope of the said authorization or confirmation during the entire period of such employment contract in accordance with the provisions of Paragraphs "4" and "5" of Exhibit "C" or "C-1". The longest period of employment of the agent which may be specified under this sub-paragraph is one hundred and twenty (120) days. The implied contract mentioned in this paragraph where terminable at will shall expire within one hundred and twenty (120) days of the date thereof unless sooner terminated.

(2) In the alternative, authorization may be confirmed by the filing of the work authorization form attached hereto and marked as Exhibit "H", if submitted to the performer and AFTRA within 15 days of the authorization. Authorizations confirmed through the use of Exhibit "H" are terminable at will.

F. All agency contracts must be signed at least in triplicate, of which one original must be promptly delivered by the agent to AFTRA, one copy must be promptly delivered by the agent to the member, and one copy must be retained by the agent. If AFTRA has an office in the city where the contract is executed, AFTRA's copy of the contract must be delivered either to that office within fifteen (15) days of execution, or, at the agent's option, to AFTRA's main office in New York City within thirty (30) days of execution.

G. Existing agency contracts shall be deemed modified in accordance with this Rule 12-C to the extent that such existing agency contracts are less favorable to the artist than the provisions of these regulations (unless waivers are granted as herein provided) insofar as such existing agency contracts apply to fields within the scope of these regulations. Such agency contracts insofar as they apply to other fields are not affected and are severable. Where a dispute arises as to the proper application of these regulations to existing agency contracts insofar as they relate fields within the scope of these regulations, the dispute shall be determined by the Arbitrator(s) as provided for in these regulations.

H. Agency contracts must be executed only by the agent, or an authorized representative of the agent. No agency contract may be dated other than the date of its execution, but its term may be specified to commence upon a date other than the date of execution, which date may be fixed by the happening of an event. In the interim, the agent may render services without compensation. All agency contracts shall be deemed to bind jointly and severally every person, firm and corporation who is an owner of the agent, directly or indirectly.

I. An agreement for rendition of services by the agent for an artist in amusement fields other than the fields within the scope of these regulations, may not be included within Exhibit "C" or "C-1".

J. The existence of an agency contract between an artist and a franchised agent is conditioned upon the agent at all times having an agent's franchise from AFTRA under Rule 12-C, except as otherwise provided in subsection D-(2) hereof.

K. The agent makes the following agreements, covenants, representations and warranties with reference to all agency contracts entered into by the agent with artists, and further agrees to service the artist, and to perform the obligations of the agency contract with respect to the services of the artist on which commissions are based, as follows:

(1) At the request of the artist, to counsel and advise the artist in matters which concern the professional interests of the artist in the fields covered by the regulations.

(2) The agent will be truthful in his statements to the artist.

(3) In the performance of the agency contract, the agent will not deceitfully conceal facts from the artist which are pertinent and which the artist is entitled to know.

(4) The agent will not engage in dishonest or fraudulent practices with regard to the making or entering into of the agency contract with the artist or the performance thereof.

(5) The agent will not make any binding engagement or other commitment on behalf of the artist, without the approval of the artist, and without first informing the artist of the terms and conditions (including compensation) of such engagement or commitment.

(6) The agent's relationship to the artist shall be that of a fiduciary. All personal information provided by the artist to the agent should be treated confidentially by the agent and shall not be disclosed unless the disclosure thereof relates to either:

(a) the capacity of the artist to perform or otherwise to meet the requirements of the employer, provided the employer is entitled to such information under the applicable collective bargaining agreement with AFTRA;
(b) the negotiation and establishment of the terms and conditions of employment, provided the employer is entitled to such information under the applicable collective bargaining agreement; or
(c) the information is otherwise known to the general public.

The agent may represent artists of the same general qualifications and eligible for the same engagements. Such representation shall not constitute a violation of the fiduciary obligation. The agent agrees that prior to the execution of the agency contract, if the artist so requests, the agent will deliver to the artist a list of the artists of the same qualifications and eligible to the same engagements represented by the agent.

The agent shall owe the duty to the artist to consider only the interests of the artist in acting for the artist under the agency contract, and shall never consider or act in the interests of the agent when such interests are opposed to the interests of the artist.

(7) To use all reasonable efforts to assist the artist in procuring employment for the services of the artist in the fields covered by the regulations.

(8) That the agent is equipped, and will continue to be equipped to represent the interests of the artist ably and diligently in the fields covered by the regulations throughout the term of this contract, and that he will so represent the artist. The agent's duties shall include the full representation of the artist in his career in the fields covered by the regulations, and are not limited to securing employment. In general, the agent agrees to use his best efforts to advance and promote the professional career of the artist.

(9) That the agent will maintain an office and telephone with someone available to receive telephone calls during business hours while the agent is out of the office. The agent shall not operate an office from a personal home residence and the office mentioned in the contract between the artist and the agent shall not be shared by the agent with anyone else, without written approval of AFTRA. The agent agrees to cooperate with AFTRA in preventing schemes or methods by which the intent and purpose of this provision may be evaded, it being the intent and purpose, among other things, to prevent agents from having ostensible offices which are not theirs.

(10) The agent agrees that s/he will be available to the artist during reasonable business hours, subject to absence of the agent from his/her office occasioned by his/her agency activities outside of his/her office, and subject further to reasonable absences due to illness or reasonable vacation periods. In the event that absence due to illness or vacation is so long as to prejudice the interests of the artist, then the agent agrees to supply either a substitute franchised agent or sub-agent who has signed the sub-agent's application (Exhibit "D"), and who is reasonably equipped to render services on behalf of the artist during such absence.

(11) At the written request of the artist, given to the agent not more often than once every four (4) weeks, the agent shall give the artist information in writing, stating what efforts the agent has rendered on behalf of the artist within a reasonable time preceding the date of such request. Such accounting shall include, if requested by the artist, an accounting of efforts to obtain employment on behalf of the artist.

(12) Agents shall make no contracts among themselves or with their sub-agents, owners or affiliates, which would defeat the rights given the artist under the regulations.

(13) The agent will not knowingly and willfully advise members of AFTRA not to comply with AFTRA's rules and regulations (provided that such rules and regulations are not in derogation of Rule 12-C).

(14) Upon request, the agent shall provide the artist with a summary of commissions for each calendar year of all such sums paid by the artist to the agent.

(15) The agent shall check and ensure that any prospective employer is a signatory to an AFTRA contract or code prior to negotiating an employment agreement for an artist. This obligation shall be satisfied by a telephone call to an AFTRA office.

(16) The agent shall not engage in casting (other than in an agent's capacity as a representative of a director, writer, person acting in a production capacity or actor, and always consistent with the agent's fiduciary duty to the artist), and shall not charge the artist for classes or showcases.

(17) The agent shall not receive any fees or remuneration of any kind from any employer, and shall not receive any "kickbacks" or referral fees from any entity providing a service to the artist (including, but not limited to, photographers, coaches, schools, etc.). The agent may not use or authorize the use of the agency name or agent's or subagent's name to attract clients for personal management firms or to be advertised in conjunction with other groups or schools, nor may the agent advertise through newspapers, magazines or mailings to the general public seeking clients for representation, registration or other forms of representation involving the payment of any fees directly or indirectly. However, nothing herein shall be deemed to prohibit an agent from speaking or teaching at a bona fide educational institution provided, however, that in no event shall artists be asked to pay for an audition or interview opportunity. If a franchised agent's name is used in promoting such event, the advertisements for such event and/or the application for enrollment shall indicate the following in readily readable type: "This seminar or class is for educational purposes only and will not secure or provide opportunity for employment in the field or representation by an agent."

(18) The agent shall continue efforts to advance an artist's career, including seeking to obtain appropriate employment for an artist, even if that artist is employed under a long term employment contract.

(19) The agent shall provide the artist, with a copy of their deal memos or signed employment contracts received by the agent, within a reasonable time. The agent will make a good faith effort to get signed copies of agreements and deal memos from the employer in a timely fashion.

(20) No agent shall send an artist, or cause an artist to be sent, to any place where the health, safety, or welfare of the artist could be adversely affected. The agent shall make reasonable inquiries to ascertain the safety of locations where an artist is to be sent.

(21) No agent shall urge any artist not to apply for membership with AFTRA or to apply for financial core status with AFTRA.

(22) Upon termination of the agency contract, the agent, upon receiving written instruction from the artists, shall make available to the artist for pick-up all property possessed by the agent, e.g., photographs, tapes, etc., which belong to the artist.

L. The artist may not waive any of the provisions of these regulations or of the form agency contract attached hereto, except with the written consent of AFTRA. Any attempted waiver without AFTRA's written consent is void.

M. An agent shall not collect monies belonging to an artist unless the agent has written authority from the artist to do so. Any such authorization by an artist to an agent may be revocable on written notice by the artist to the agent. If an artist agrees that the agent may receive monies payable to the artist under an employment contract, then such employment contract must also provide that, upon revocation by the artist of such clause by notice to the employer and agent, said monies shall be paid as the artist directs. All monies belonging to the artist received by the agent shall

be faithfully accounted for by the agent and promptly paid over to the artist or as directed by the artist in writing; provided, however, that the agent may deduct from such monies any commission payable to the agent as well as monies owing from the artist to the agent whether for past commissions or for loans made to the artist or monies advanced for the artist. The monies belonging to the artist 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 a "client's account" or "trust account" or an account similar in nature. Each agent may have one or more of such client's accounts or trust accounts and may keep all monies of all artists in one or more of such client's accounts or trust accounts.

(1) The phrase promptly paid over, as used in this paragraph, means five (5) business days from the time the agent receives monies for a television commercial or three (3) business days from the time the agent receives monies for any other work, except that the time may be extended to seven (7) days if the payment received from an employer is on a check issued by a financial institution located in a state other than the state in which the agent's office is located. An artist must, within ten (10) business days, pay over to the agent any commission payable as well as any monies owing from the artist to the agent when received by the artist or the artist's authorized representative.

(2) If an agent's checks made payable to artists are returned by the bank for insufficient funds, AFTRA may revoke an artist's authorization to AFTRA to send artist's checks to such agent, upon reasonable prior notice to the agent by AFTRA.

N. Nothing in these regulations shall be deemed in any way to require an artist to use an agent. Artists may, in the absence of a valid contract under these regulations to the contrary, deal directly without any agent.

Section XI. Term of Existing and Future Contracts; Extended Terms.

A. Agency contracts executed on or after the effective date of these regulations shall be for no longer than three (3) years. However, no initial contract between an agent and an artist may be longer than eighteen (18) months. Notwithstanding the foregoing, an agent may enter into a renewal contract with a term of not greater than three years after representing a performer for not less than one year.

B. Any agency contract may contain a rider permitting one or more extended terms under the following conditions: (a) the entire term, including the extended term or terms, must not exceed three (3) years, (b) the extended term or terms shall be valid and binding only if contained in a separate rider (on form Exhibit "E") duly executed by the artist and attached to the agency contract, and (c) the artist must execute both the rider and the agency contract.

C. Special Provisions for Long Term Employment Contracts (See Sideletter #2 regarding the intent of this provision).

(1) The following shall apply to any artist who has been employed on a specific daytime drama for five (5) years of more, within a consecutive eight (8) year period:

a). Subject to 1(f) below, in the event that an artist's employment contract of thirty (30) months or more expires during the last twelve months of the agency contract, then during the period between sixty (60) and one hundred twenty (120) days preceding the expiration of an employment contract (unless the employment contract sets forth a different window for notice-renegotiations, in which case the period begins sixty (60) days prior to the beginning of the notice/renegotiations window and closes at the beginning of the notice/renegotiations window), the artist shall have the opportunity to notify the agent in writing that the artist wishes to terminate the agency relationship and to authorize another franchised agent to negotiate a successor employment contract on his/her behalf.

b). The preceding shall apply only to the daytime drama contract and shall not apply to any other employment contract or contracts negotiated by the agent on the artist's behalf.

c). This provision shall not apply if the artist renewed or entered his/her agency contract within the twelve months preceding the end of the employment contract.

d). This provision shall not apply if:

i. The agent did not receive commissions from the then current employment contract, and

ii. The agent has procured a combination of at least five (5) submissions leading to auditions and/or "meet and greets", or obtains one day's employment as a principal performer, for the artist in the twelve (12) consecutive months preceding the exercise of his/her rights under Section (a) above.

e). If, after the artist has substituted agents, the artist does not renew the employment contract, and the substituted agent obtains new employment during the period that would have remained on the original agency contract, the original agent will be entitled to 50% of the commission rate provided for in said agent's contract for the first year of the new employment.

f). It is the intent of this provision that the artist may exercise the rights herein in cases where the artist in good faith asserts that the original agent has failed to use reasonable efforts to assist the artist in procuring appropriate employment (consistent with and as permitted by the terms of the employment contract) or to vigorously represent the artist in the negotiation and administration of the artist's employment contract.

(2) The following shall apply to any artist who has been employed under "broadcast contracts", where such artist has been employed by the same company in substantially the same employment for five (5) years or more.

a) Subject to (e) in the event that an artist's employment contract of thirty (30) months or more expires during the last twelve months of the agency contract, then during the period between sixty (60) and one hundred twenty (120) days preceding the expiration of an employment contract (unless the employment contract sets forth a different window for notice-renegotiations, in which case the period begins sixty (60) days prior to the beginning of the notice/renegotiations window and closes at the beginning of the notice/renegotiations window), the artist shall have the opportunity to notify the agent in writing that the artist wishes to terminate the agency relationship and to authorize another franchised agent to negotiate a successor employment contract on his/her behalf for substantially the same employment.

b) The preceding shall apply only to the broadcast contract and shall not apply to any other contract or contracts negotiated by the agent on the artist's behalf.

c) This provision shall not apply if the artist renewed or enter his/her agency contract within the twelve (12) months preceding the end of the employment contract.

d) If, after the artist has substituted agents, the artist does not renew the employment contract, and the substituted agent obtains new employment during the period that would have remained on the original agency contract, the original agent will be entitled to 50% of the commission rate provided for in said agent's contract for the first year of the new employment.

e) It is the intent of this provision that the artist may exercise the rights herein in cases where the artist in good faith asserts that the prior agent has failed to use reasonable efforts to assist the artist in procuring appropriate employment (consistent with and as permitted by the terms of the employment contract) or to vigorously represent the artist in the negotiation and administration of the artist's employment contract.

f) This provision shall not apply if the agent did not receive commissions from the then current employment contract.

See Sideletter #2 clarifying the operation and intent of this Subsection.

Section XII. Modification and Renewal of Contracts.

A. Except as in this section otherwise provided, all existing agency contracts between franchised agent and artists are hereby modified in accordance with these regulations, including the provisions of the form agency contracts attached to these regulations, and in accordance with the application for franchise, for the benefit of AFTRA and all such artists without any further notice or action. Where a provision of an existing contract is more favorable to the artist, then the more favorable provision shall remain in force and effect, and it shall not be modified. Despite anything in the regulations to the contrary referring to modification of existing contracts, where there is an existing agency contract covering fields other than the fields within the scope of these regulations and the agent becomes franchised under these regulations, such agency contract shall be deemed modified in accordance with these regulations as to the fields within the scope of these regulations only, and shall be severable as to other fields covered by such agency contract. "Existing contracts" as used in this section apply only to those agency contracts, or portions thereof, which govern the services of the artist in the fields within the scope of these regulations.

B. Where there is an agency contract between an agent and an artist, no renewal or extension of such contract may be made nor may a new contract be executed between such agent and artist, except during the last one-third (1/3) of the term (including the extended term, if any) of the agency contract. For example, a contract for the maximum period of three (3) years may be renewed or extended or a new contract executed during the last twelve (12) months only; a

contract for twelve (12) months may be renewed or extended or a new contract executed during the last four (4) months only. If any such renewal or extension or new agency contract is so executed during the original term of the contract then in existence, the agent, at the time of its execution, must waive in writing the agent's right to any extended term under the contract then in existence and such renewal or extension or new contract must begin not later than the end of the original term of the contract then in existence.

Section XIII. Contracts with Minors.

If an agent enters into an agency contract with a minor, such agent in filing the copy of the contract with AFTRA, as provided in Section X, subsection F, may advise AFTRA in writing of the fact that the artist named in such contract is a minor and in such event, within a period of thirty (30) days AFTRA shall approve or disapprove of such contract. If AFTRA fails to disapprove such contract within said period of time, and the minor thereafter attempts to disaffirm such contract by reason of the fact that it was entered into during the period of the minor's minority, the agent may submit such attempted disaffirmance to AFTRA and in such event, AFTRA agrees to consider such conduct on the part of such minor as conduct unbecoming a member and subject to the penalties and discipline provided in the by-laws of AFTRA for such conduct unbecoming a member; and if upon a trial AFTRA finds the facts to be that the agent has complied with all the provisions hereof and that the minor has attempted to disaffirm the contract on the ground of the minority of said minor after the said period of thirty (30) days, the penalty for such conduct unbecoming a member shall be suspension of the minor from AFTRA until such agency contract shall be reaffirmed; provided, however, that if the minor has discharged the agent on other grounds or disaffirmed the agency contract on other grounds, such matter shall be submitted to arbitration, and the penalty of suspension shall not be imposed until said arbitration has been decided. If this Section XIII shall be held to be illegal, it shall not affect any other provisions of these regulations. This provision may be applied to contracts entered into before the granting of a franchise on application within thirty (30) days after the granting of a franchise.

Section XIV. Correspondent Agents.

A. Where, in order to service or obtain employment for an artist, an agent uses a correspondent or other agent, the use of such correspondent or other agent shall not in any way either impose any obligations upon the artist, or relieve the agent of any of his duties to the artist under these regulations. The total aggregate maximum commissions which an artist may pay to any and all agents are the maximums set forth in Section XVIII. The franchised agent may share these maximum commissions with a correspondent or other agent, but the artist may not be required to pay any amount whatever to the correspondent or other agent.

B. In no case shall an agent use a correspondent or other agent in order to service or obtain employment for an artist, unless (1) the correspondent or other agent is franchised by AFTRA; and (2) the agent notifies the artist in writing of the appointment of such correspondent or other agent prior to the first employment which the correspondent or other agent is expected to service, and such notification must contain the name and address of such correspondent or other agent; provided that in the case of a radio or television guest appearance, notice of the appointment of a correspondent or other agent need not be given prior to the broadcast.

Section XV. Arbitration.

A. All disputes and controversies of every kind and nature whatsoever between an agent and an artist arising out of or in connection with or under any agency contract between the agent and an artist executed prior to, on, or since July 21, 1953, as to the existence of such contract, its execution, its validity, the right of either party to avoid same on any grounds, or as to its construction, performance, non-performance, operation, breach, continuance, or termination (regardless of whether either party has terminated or purported to terminate the agency contract), and all disputes and controversies of every kind and nature between AFTRA or an artist on the one hand and an agent on the other hand regarding the meaning or interpretation of any of these regulations, or the breach thereof, or their effective enforcement, shall be submitted to arbitration in accordance with the following procedure:

(1) AFTRA, the franchised agent concerned, or the artist directly concerned, may demand such arbitration in writing before the American Arbitration Association (AAA). Within seven (7) days after such demand, the parties shall agree to name a single arbitrator to determine the dispute, or is such agreement is not reached, the AAA shall so appoint the arbitrator from a list of arbitrators that has been pre-approved by the ATA and AFTRA.

(2) The hearing shall be held on two (2) weeks' notice and shall be concluded within three (3) business days unless otherwise ordered by the arbitrator. The award of the arbitrators shall be made within seven (7) days after the close of the submission of evidence. An award agreed to by the arbitrator so appointed shall be final and binding upon all parties to the proceeding, and judgment upon such award may be entered by any party in the highest court of the forum, state or federal, having jurisdiction.

(3) AFTRA and the ATA each shall be an ex officio party to all arbitration proceedings hereunder in which any artist is involved, and AFTRA and the ATA may participate in the proceedings in any way in which an artist named in such proceeding may participate. Copies of all notices, demands, and other papers filed by any party in arbitration proceedings, and copies of all motions, actions or proceedings in court following the award, shall be promptly filed both with AFTRA and the ATA; provided that both AFTRA and the ATA take appropriate measures to assure that documents containing private, privileged, proprietary or otherwise confidential information be kept confidential.

(4) In any disputes in which both AFTRA and the ATA are parties, the arbitrator shall have the discretion to provide for limited written discovery. Notwithstanding anything to the contrary set forth herein, in any dispute in which AFTRA has either suspended, revoked or refused to grant a franchise to an agent, AFTRA must disclose to the affected agent in writing the specific grounds for such suspension, revocation or refusal to grant a franchise no less than fourteen (14) days prior to the hearing.

In the event of a dispute where expedited arbitration is expressly provided for in these regulations, AFTRA or the franchised agent concerned may demand (and shall be entitled to) expedited arbitration by filing such a demand, in writing, with notice to the other party(s), under the Streamlined Labor Arbitration Rules or the Expedited Labor Arbitration Rules of the AAA. Any demand filed under the Streamlined Labor Arbitration Rules or the Expedited Labor Arbitration Rules of the AAA must be filed within three (3) months of receipt of notice that an adverse action has been taken against the aggrieved party. AFTRA and the ATA shall, from time to time by written agreement, designate no less than two (2) persons to serve as the arbitration to hear such expedited cases. A hearing pursuant to these expedited arbitration procedures shall be held no later than fourteen (14) days of the date that the demand for arbitration is filed, unless both AFTRA and the ATA agree in writing to extend the time for the hearing; provided, however, in no event shall such extension exceed sixty (60) days.

B. All arbitrations hereunder, and all matters and procedure relating thereto, shall be governed by the then effective Labor Arbitration Rules of the AAA where not otherwise provided for herein.

C. Nothing herein shall be construed as precluding all of the real parties in interest from mutually agreeing in writing to arbitrate before another nationally recognized dispute resolution body or to have the procedures relating to the matter being arbitrated to be governed by procedural rules other than the Labor Arbitration Rules of the AAA.

D. Members of AFTRA are required to comply with awards made by the arbitration tribunal. Any willful or intentional failure or refusal of any member of AFTRA to comply with an award made by the arbitration tribunal shall be deemed conduct unbecoming a member of AFTRA and subject to the penalties for such conduct.

Section XVI. Disciplinary Provisions.

A. Agents shall be subject to liquidated damages or suspension or revocation of franchise in accordance only with the provisions specified in this section.

B. If the Arbitrator shall find that an agent has committed any of the following offenses, it may in its discretion assess a fine against the agent, in addition to any other remedy the arbitrator deems appropriate, in an amount of up to ten thousand ($10,000) dollars. An Arbitrator may order reimbursement to artists of any and all misappropriated monies, including interest thereon, and to the extent the entire award, (including both reimbursement and fine) is not greater than ten thousand ($10,000) dollars, may also order a fine not to exceed ten thousand dollars for any offense listed below:

(1) Willful and intentional violation of any provisions of these regulations by the agent or any violation by an affiliate of the agent with the knowledge of the agent.

(2) The employment or continuance in employment by an agent of any person in the agent's agency business in violation of Section IX.

(3) Failure of the agent promptly to pay over to the artist all monies belonging to the artist and as to which the agent has not been authorized in writing to make other disposition by the artist or with reference to which money the agent has not been restrained by lawful authority from paying over to the artist.

(4) Willful and intentional failure to comply with the terms of an award made by an Arbitration Tribunal hereunder.

(5) Knowingly and willfully advising members of AFTRA not to comply with AFTRA's rules and regulations (provided that such rules and regulations are not in derogation of Rule 12-C).

(6) Engaging in or being interested in any of the activities prohibited under Appendix A, except as otherwise permitted under these regulations.

(7) The bringing of a suit or proceeding in law or in equity, in violation of the arbitration provisions of Section XV, or the attachment, garnishment or levy on the funds or property of an artist in violation of the first sentence of subsection G of Section XIX.

C. If the Arbitrator(s) shall find that an agent has committed any of the following offenses, it may order the franchise of an agent suspended or revoked and/or may in its discretion assess a fine against the agent in an amount of up to ten thousand ($10,000) dollars. An Arbitrator(s) may order reimbursement to artists of any and all misappropriated monies, including interest thereon, and to the extent the entire award, (including both reimbursement and fine) is not greater than ten thousand dollars, may also order a fine not to exceed ten thousand dollars for any offense listed below:

(1) Theft, embezzlement, misappropriation of funds, forgery, fraud, or dishonest conduct; provided, however, that fraud which is only fraud in law and which is not dishonest conduct shall not be an offense. Dishonest conduct as used in this section means conduct which, apart from question of venue and the like, amounts to a crime involving dishonesty in the jurisdiction in which the conduct takes place, or conduct which, although not a crime, is so reprehensible that it disqualifies the person as being unfit to engage in business as an agent.

(2) If an agent has been convicted of any such offense in a criminal proceeding, the record of conviction when presented to the Arbitrator(s) trying the matter under these regulations shall be conclusive evidence of such offense. However, nothing herein contained shall be construed so as to prevent an agent from being tried before an Arbtirator(s) on any alleged offense of the kind herein specified, it being the purpose and intent hereof to require an Arbitrator(s) hereunder to proceed with a hearing on any such alleged offense without reference to the pendency of any other proceedings.

(3) Charging, collecting or contracting to charge or collect from an artist, any sum or sums in violation of these regulations, and whether as commissions, fees, or other charges for performing any other services for an artist, whether as attorney, business manager, publicity agent or otherwise, except as specifically permitted in these regulations.

(4) Violation by the agent, or by any affiliate of the agent with the knowledge of the agent, of any of the following provisions of the regulations: Section VI; subsection H of Section VIII; Section IX; Subsection K (3), (4), (6), (12), (13), (16), (17) and (21) and Subsection M of Section X; Section XVIII; and the second sentence of subsection C of Section III.

(5) Where a franchised agent (but not an affiliate) has been adjudicated a bankrupt, or where there has been any other involuntary transfer of the agent's agency business of the class described in subsection A of Section XXII. In such case, liquidated damages may not be assessed under these regulations.

(6) Suspension or revocation of the agent's franchise under Rule 12-B as the case may be, where the decision of the Arbitrator(s) suspending or revoking the Rule 12-B franchise was rendered after the date when AFTRA issued its Rule 12-C franchise to the agent; but in such case, liquidated damages may not be assessed under these regulations.

(7) Change of ownership in violation of Section XX.

(8) The commencement of any action or proceeding at law or in equity which seeks to nullify or set aside the system of franchising agents under these regulations, or which seeks relief against AFTRA where the subject matter of the action is arbitrable under these regulations; unless such action or proceeding is withdrawn promptly after written demand by AFTRA upon the agent.

D. It shall not be deemed a violation of this Section XVI if an agent or affiliate thereof by reason of innocent inadvertence and without knowledge or intent (which must be pleaded and proved by the agent) violates

subparagraphs (3) or (4) of subsection C hereof, or subparagraph (3) of subsection B hereof, if such agent immediately after knowledge of such violation corrects the violation in every respect in which it is possible to do so, and further provided that in any such case where such agent has collected compensation in excess of the permissible amount, s/he refunds the same immediately after knowledge thereof.

E. If an agent fails to pay within the time allowed for payment by the Arbitrator(s), or as the same may be extended by AFTRA or the Arbitrator(s), the Arbitrator(s) shall then have authority to suspend or revoke the agent's franchise. Such damages may be collected as a judgment in favor of AFTRA as an additional remedy.

F. In any proceeding for suspension or revocation of a franchise, the agent shall in his/her answer list all officers and directors, and all stockholders and partners (and the answer shall be deemed filed on the behalf of all of them) and shall set forth their interest in the agency, and their participation or non-participation in the matters alleged in the complaint. The Arbitrator(s) shall find separately as to the guilt or innocence of each and all of them, and as to whether they aided, abetted, encouraged, or acquiesced in the alleged offense. The Arbitrator(s) shall discriminate among the guilty and the innocent, and shall specifically adjudge the effect on each of them in its decision, including whether or not they forfeit their rights to be agents in the future. The Arbitrator(s) in protecting the innocent owners and punishing the guilty may provide that the guilty party or parties lose their rights to derive any income, profit, or benefit from artists, and may provide that the innocent owners form a new entity to which all agency contracts with artists shall be transferred.

G. The Arbitrator(s) may impose any appropriate penalty as an alternative to suspending or revoking the agent's franchise, and may reserve continuing jurisdiction in regard to the same. All agents agree that they and their affiliates will comply with these regulations and with any award of the Arbitrator(s), and the same shall be enforceable by legal proceedings by any interested party, including AFTRA, and the award of the Arbitrator(s) shall be final and binding upon the agent and AFTRA. The agent shall be directly responsible to AFTRA and AFTRA members for any violations by any affiliate of the agent either of these regulations or of any arbitration award.

H. If the franchise of an agent is suspended, the order for such suspension by the Arbitrator(s) may provide:

(a) That the agent may not execute any contract to represent any artist during the period of the suspension; or

(b) That the agent may not collect any commissions from any artist during the period of the suspension; or

(c) That the agent may collect a commission from an artist during the term of the suspension only upon condition that he arrange with another competent franchised agent, acceptable to the artist involved, to represent the artist during the period of the suspension; or

(d) That the check authorization or power of attorney between the artist and the agent be terminated; or

(e) For any one or more of the forgoing consequences of the suspension or for such other or additional consequences as may seem just and proper to the Arbitrator(s).

I. The suspension of an agent's franchise hereunder shall not give the artist the right to terminate the contract with the agent during such suspension period, unless the Arbitrator(s) gives such right, but the artist (1) may have services rendered to him/her by another franchised agent where the decision of the Arbitrator(s) permits the artist to do so, or (2) if the award of the Arbitrator(s) makes no provision therefor, but does not permit the agent to service the artist during the period of such suspension, then the artist may have services rendered to him/her by such other franchised agent as the artist selects; and in those cases the artist need not pay any commission to the suspended agent on compensation received by the artist for work done by the artist during the suspension period, or on contracts entered into by the artist during such period.

Section XVII. Surrender, Suspension or Revocation of Franchise.

A. A franchised agent shall have the right to surrender a franchise at any time by delivering the franchise to AFTRA with a written notice stating that the franchise is being surrendered, and that the agent agrees not to engage in the agency business for or on behalf of artists without making a new application to AFTRA for a franchise. In such event, AFTRA may refuse to grant such new application, or may refuse to accept such surrender in the event disciplinary proceedings are pending or about to be brought, and any such refusal shall be subject to arbitration. An agent shall be deemed to have surrendered its franchise in the event the agent's business is shut down.

B. If a franchise is surrendered, all agency contracts between artists and the agency shall terminate as of the date of the surrender of the franchise, and the artists shall be under no further obligation to the agent, nor shall the agent be under any further obligation to the artists; provided, however, such surrender of such franchise shall not relieve the

agent from any liability incurred to artists before such surrender. The artists shall, of course, be obligated to pay commissions to the agent on monies earned by the artists prior to the termination in connection with which the agent was entitled to commissions under the agency contract, but artists shall not be under any obligation to pay commissions to the agent on any monies earned by artists after the termination of the agency contract, even though such monies are earned by artists on employment contracts in existence at the date of the termination of the agency contract.

C. In the event the agent surrenders his/her franchise, or his/her agency franchise is suspended or revoked, the franchise (Exhibit "B") shall thereupon become the property of AFTRA and shall be immediately returned to AFTRA. In the case of suspension, AFTRA shall immediately return the franchise to the agent when and if the suspension is lifted. The agent and all owners of the agent hereby agree, that in the event of such surrender, suspension or revocation, neither the agent nor any affiliate of the agent shall engage in the agency business while such surrender, suspension or revocation is in force and effect; and agency contracts with AFTRA members made while such surrender, suspension or revocation is in force and effect, are null and void. The Arbitrator(s) set forth in these regulations shall have continuing jurisdiction over all such agents, in order to enforce compliance with these regulations, notwithstanding such surrender, suspension or revocation; and agents, AFTRA and AFTRA members specifically agree that these regulations (particularly including the arbitration provisions of Section XV) shall remain in full force and effect in all such cases.

D. If an agent's franchise from AFTRA is revoked as provided in these regulations, then all agency contracts between the agent and members of AFTRA within the scope of these regulations shall be deemed forthwith terminated and without notice of any kind thenceforth become null and void; and no further commissions shall be payable to the agent on any earnings of the artist, except commissions already payable pursuant to the agency contract on earnings of the artist for services rendered by the artist prior to the date of revocation. The agent agrees that no member of AFTRA shall thereafter engage, use, or deal through any such agent.

Section XVIII. Commissions.

No commissions may be charged or collected in violation of the following restrictions:

A. Notwithstanding any other provision in these regulations, or of any contract entered into by the artist and agent, and regardless of any guarantee or special rate of commission, no agent shall be entitled to charge or receive a commission which will reduce the artist's net compensation for any engagement below the applicable minimums established by AFTRA in any collective bargaining agreement. It is the purpose of this provision to eliminate in each and every engagement and performance any deduction which will reduce any artist's compensation below the minimum rates established by AFTRA in any collective bargaining agreement. The agent's allowable commission must be charged separately against the compensation for each engagement. Lumping fees for more than one engagement for the purpose of computing commissions is not permitted. "Applicable minimums" as used in these regulations include not only the minimum performance fee, the minimum weekly fees and the repeat fees, but also all specified rehearsal rates for the total period of rehearsal and other required fees as set forth in any applicable collective bargaining agreement.

B. Where the artist receives in excess of such applicable minimums for each separate engagement, the agent may charge a commission of not more than ten (10%) per cent of the artist's compensation for each separate engagement, but in no event shall such commission reduce the artist's compensation for each separate engagement below such applicable minimums.

C. No agent may charge or collect, or contract to charge or collect, from any AFTRA member, a higher rate of commission than ten (10%) per cent for services rendered by a member of AFTRA in any capacity in the fields within the scope of these regulations. This subsection C applies to all services rendered by AFTRA members in the sound recording, advertising or programming fields, whether or not such services are within the scope of these regulations, where any part of such services is within the scope of these regulations, and in such case, this subsection C is not limited to their services as artists; but nothing herein contained is intended to regulate services rendered by agents for, or commissions received by agents from, members of AFTRA who are also members of other unions from activities within the jurisdiction of such other unions and not within the jurisdiction of AFTRA.

D. Notwithstanding any provision in these regulations to the contrary, no person who directly or indirectly occupies the position of employer toward any artist may collect any commission whatever from such artist with respect to any engagement as to which such employment relationship exists in the fields within the scope of these regulations; nor may this provision be evaded by the use of controlled or affiliated corporations, firms or persons.

E. The provisions for commissions are maximums, and such maximums apply in all cases whether or not there are collective bargaining agreements.

F. The limitations of these agency regulations with respect to commissions apply equally to all performers, whether or not AFTRA members, working in AFTRA's jurisdiction.

G. Notwithstanding anything in the regulations or in any agency contract, no member shall ever pay more than the maximum commission allowed by these regulations for agency services in the industries covered by these regulations, and if he has contracted to pay to one or more agents more than such maximum commission allowable, the Arbitrator(s) shall decide which agent shall receive the commission, but in any event the member shall pay only an aggregate total of one (1) maximum allowable commission.

H. Commissions in connection with package shows are treated in Section VI.

I. Notwithstanding the above, an agent may commission the first two re-runs on domestic free television, for programs produced under the AFTRA Code of Fair Practice for Network Television Broadcasting and Exhibit A of the Code, including runs on primetime network, syndication, non-network or non-primetime network to the extent that such runs occur within three years from the first air date of the programs, provided that such commission will only be paid if: (1) the employment contract for such program is substantially negotiated on or after July 1, 2002, (2) the program first airs after July 1, 2002, (3) the initial employment was at least 110% of AFTRA scale and (4) the performer's residual check is more than $100.00.

This provision does not apply to daytime drama programs as that term is understood in the industry, nor to bona fide news programs. (For example, this provision would not apply to programs such as "48 Hours" or "The Today Show", but would apply to programs such as "Judge Judy" and "Entertainment Tonight").

Section XIX. Remedies in Case of Breach or Wrongful Discharge.

A. If a member of AFTRA contracts with more than one agent without having the right to do so, such conduct shall be conduct unbecoming a member of AFTRA and such member shall be subject to disciplinary action by AFTRA.

B. If in case of a discharge of an agent by an artist the Arbitrator(s) shall determine that such discharge was wrongful, the artist shall pay to the agent in accordance with the agency contract all commissions to which the agent may then or thereafter be entitled under the agency contract, but the agent shall receive payment of commissions to which the agent may thereafter be entitled only from and out of the artist's earnings if, as, and when the artist receives the same, or the same is received for or on his behalf, and not otherwise, and the right of an agent to recover damages for an artist's breach of an agency contract is so limited. If an artist has already received monies or other consideration in connection with which commissions are payable to an agent, then the award or judgment to the agent shall include the aggregate amount of such commissions which are payable forthwith.

C. An agent has no right to collect commissions because the agent obtains an offer of an engagement which the artist refuses, or because the artist terminates or breaks a contract of employment which the agent has obtained for the artist, subject in the latter case to the right of the agent to receive commissions on the monies or other consideration which the artist has received prior to such termination, or thereafter receives on account of any such termination, if the artist receives anything. The agent has no interest whatsoever in any contract of employment entered into by the artist, but this does not affect the right of the agent to receive commissions under an agency contract if the artist receives money thereunder, upon which said commissions are payable.

D. Nothing herein provided shall prohibit an agent or an artist from securing confirmation of an arbitration award against the other party and thereafter from enforcing compliance with any judgment rendered on said arbitration award in accordance with law. An agent or an artist may levy execution on any judgment against the other party on account of any amounts payable under such judgment.

E. The agent's sole right as against the artist in the event of the breach of an agency contract by an artist is to receive from the artist the percentage of commissions specified in the agency contract if, as, and when the artist receives or has received monies or other consideration on which such percentage is payable, irrespective of the reasons why an artist does not receive the same, even though the failure to receive the same may be by reason of fault of the artist; but if an artist has already received monies or other consideration in connection with which commissions are payable to an agent, then the award or judgment to the agent shall include the aggregate amount of such commission payable forthwith.

F. In case of a discharge of an agent by an artist, the decision of the Arbitrator(s) shall determine whether such discharge was wrongful. If it is determined to be wrongful and the artist is employed under a contract for thirteen

(13) weeks or more, then the Arbitrator(s) may not, as a part of its award, require the agent to render services to the artist in the future on any such existing contracts of thirteen (13) weeks or more, but the Arbitrator(s) may not relieve the agent of the duty to service existing contracts of less than thirteen (13) weeks' duration or from seeking and servicing future engagements.

G. No agent or artist shall attach, garnish or levy on the funds or property of the other party in any dispute or controversy arising out of or in connection with an agency contract hereunder; no agent or artist shall bring an action at law or in equity against the other party in any dispute or controversy arising out of or in connection with an agency contract hereunder. An agent or artist shall have the right, however, to have any arbitration award hereunder confirmed in accordance with law and shall thereafter have all rights given by law in attempting to collect any monies payable under any such award or any such judgment confirming such award, whether by way of execution on a judgment, garnishment, levy or otherwise. The rights of both agent and artist are specifically limited by the terms and provisions of these regulations, and it is the specific intent that neither party to a controversy may resort to an action at law or in equity except as herein stated.

H. No breach by any agent of the regulations which does not result in suspension or revocation of his/her franchise shall give an artist a defense or right of termination on his agency contract, unless the breach directly and materially affects the artist.

Section XX. Ownership.

A. Ownership is defined in subsection J of Section VIII.

B. No person may succeed to ownership in an agency who has been denied an agent's franchise by AFTRA, or whose agent's franchise has been revoked or suspended, or who is a sub-agent who has been found guilty under Section IX, or who is not qualified under these regulations, including Appendix A hereto. No person may succeed to ownership in an unincorporated agency without filing a new application and securing the consent of AFTRA. Refusal to give such consent may be arbitrated, and may not be withheld if the proposed new owner is a franchised agent.

C. If AFTRA claims that a person who is not qualified has become an owner of an agency (as for instance where the transfer is involuntary by operation of law and the new owner is not qualified or refuses to file a new application and secure the consent of AFTRA) then the matter may be submitted to arbitration, and the Arbitrator(s) may order the said new owner to comply with the regulations, if compliance is possible, or to divest himself of such ownership within the time and upon the terms and conditions specified in the award. Failure to comply with such award shall cancel such ownership interest in such agent. The Arbitrator(s) may reserve continuing jurisdiction. Where AFTRA's claim that a person is not qualified has become an owner of an agency arises under Appendix A, AFTRA's rights and remedies shall be as provided in Appendix A.

Section XXI. Continuity of Management.

A. In order to provide continuity of management, the name or names of not more than four (4) persons connected with the agency must be inserted in paragraph "8"[2] of the agency contract of every artist. Each of such persons must be either an owner or sub-agent of the agency, or both.

(1) If as many as four (4) persons are named, at least two (2) of such persons must remain active in the agency throughout the term of such agency contract. If only three (3) persons are named, at least two (2) of such persons must remain active in the agency throughout the aforesaid term. If only two (2) persons are named, at least one (1) of such persons must remain active in the agency throughout the aforesaid term. If only one (1) person is named then that person must remain active in the agency throughout the aforesaid term.

(2) The artist shall have the right to terminate his agency contract hereunder if both (a) at any time during the term of such contract, any person or persons named in paragraph "8" thereof become inactive for any reason (including death, permanent disability, retirement, or withdrawal from the agency), and (b) the remaining person named in paragraph "8" thereof who continue active in the agency, are less in number than the number required under the preceding paragraph "(1)" hereof.

[2] For purposes of this section, all references to paragraph numbers in "Exhibit C", apply equally to the corresponding paragraphs of Exhibit "C-1".

(3) Promptly after the happening of any contingency which gives the artist the right to terminate hereunder, the agent shall so notify the artist in writing. The artist must make his election not later than thirty (30) days after such notice. Failure to exercise the right of termination within the time provided shall be deemed a waiver thereof, and the agency contract shall continue in full force and effect as though paragraph "8" had been written with the names of the remaining active persons only. If all of the persons named in paragraph "8" of the agency contract become inactive as aforesaid, the contract shall be deemed terminated forthwith, and the artist shall not be required to give any notice of termination, and shall be under no obligation to pay commissions under the agency contract except for commissions payable on compensation received by the artist for services rendered prior to the date of termination; but in such case, the artist shall not be relieved of his/her obligation under paragraphs "3" and "4" of Exhibit "C", to pay such commissions as may be payable after such termination of the agency contract, unless AFTRA consents thereto in writing. If the artist terminates his agency contract hereunder and at least one (1) person named in paragraph "8" of the agency contract remains active as aforesaid, the artist nevertheless remains obligated to pay the agent the agreed commission payable under the agency contract on compensation received by the artist on all employment contracts in existence at the date of such termination (subject to the terms of the agency contract—Exhibit "C"), and the agent remains bound to perform the obligations of the agency contract in respect to such employment contracts.

(4) Where the artist and the agent desire to change or add to the persons named in paragraph "8", they may do so provided that at the time such change or addition is made, the artist consents in writing and a copy of his consent is filed with AFTRA within twenty (20) days. In no event, however, may more than four (4) persons be named in said paragraph "8" at any one time.

B. The agent and the artist may by agreement in writing filed with AFTRA from time to time eliminate one or more of the names set forth in paragraph "8" of Exhibit "C" and substitute others therefor or add others thereto, so long as the total number is never more than four (4), the filing to be within twenty (20) days after such agreement. The artist may not unreasonably object to such substitution, and in case the agent believes the objection to be unreasonable, he may submit the matter to arbitration.

C. The provisions of this section relating to the naming in the agency contract of persons required to be named in paragraphs "7" and "8" of the agency contract (Exhibit "C" or "C-1") may not be waived by the artist without the written consent of AFTRA.

D. The artist's rights hereunder are cumulative, and are in addition to and not in substitution for any other rights the artist may have under these regulations or under substantive law.

Section XXII. Bankruptcy and Other Involuntary Transfers.

A. An "involuntary transfer" means any of the following: an order by any court of the United States or of any State that an agent is a bankrupt or is insolvent, or which orders the reorganization of the agency business of an agent under any State or Federal law, or which appoints a liquidator of the agency business of an agent. An involuntary transfer within the meaning of this section also occurs in the following cases, even though the transfer may not actually be "involuntary": when an agent files a petition in bankruptcy or insolvency or for composition of his debts or for the appointment of a receiver or trustee or liquidator of all or a portion of the agency business, or takes affirmative action under any State or Federal insolvency act for the purpose of bringing the agency business of the agent under the provisions of such insolvency act, or liquidates his agency business, or makes an assignment for the benefit of creditors. An involuntary transfer also occurs in any case where an involuntary transfer of the class described in subsection B of this section takes place, and as a result of such transfer, the agency business or part thereof is permanently taken away from the agent.

B. An "involuntary transfer" of an agency contract occurs when it is finally taken away from the agent by judicial levy, garnishment, attachment, execution, sequestration proceedings, or by foreclosure or forced sale, of the agency business or part thereof.

C. No agency contract may be assigned or transferred by operation of law or otherwise under or by virtue of any "involuntary transfer" described in this section, except when such transfer or assignment is made in accordance with the provisions of Section XXIII. Any attempted assignment or transfer of an agency contract in violation of the preceding sentence shall be null and void.

D. In the event of an "involuntary transfer" of an agent's agency business of the kind described in subsection A hereof, agency contracts between the agent and all artists shall be deemed forthwith terminated and no further commissions

shall be payable to the agent on any earnings of such artists, except commissions payable under the agency contracts on earnings received by such artists for services rendered by such artists prior to the involuntary transfer.

E. This Section XXII applies to all franchised agents, whether incorporated or not. The rights given AFTRA and AFTRA members when involuntary transfers take place under this section shall be cumulative and shall not exclude AFTRA and AFTRA members from taking advantage of other rights which they may have under other sections of these regulations or under substantive law.

Section XXIII. Assignment of Agency Contracts.

A. An agent cannot assign an agency contract except to another franchised agent and then only with the written consent of the artist. The actual assignment must take place and written notice thereof given to the artist within thirty (30) days of the artist's written consent, in order for such consent of the artist to be valid. When a valid assignment of an agency contract is made hereunder, the assignee succeeds to all the rights of the assignor, and is thereafter subject to all the duties and liabilities of the assignor under the assigned agency contract. In the event of such assignment, the assignor remains liable for all obligations incurred prior to the date of the assignment, and the assignee assumes responsibility for all obligations incurred on and after the date of assignment. Copies of both the assignment and consent must be filed with AFTRA in the same manner as agency contracts under subsection F of Section X. Any attempted assignment or consent in violation of this Section is null and void.

B. Any incorporated agency may alter the form under which its agency business is conducted in the following three (3) instances only, without affecting the existence or validity of the agency contracts between such corporate agency and members and without the consent of such members as required under subsection A hereof; provided that such change in form does not involve any change in the ownership of the agency:

(1) A corporate agent may assign the agency contracts between itself and members to a partnership or to a corporate affiliate of the agent, provided such partnership or corporate affiliate is franchised hereunder, and further provided that the agency business conducted by the partnership or by the corporate affiliate is identical in ownership with the stock ownership of the corporate agency.

(2) Where all the stock of an incorporated agent is owned by one (1) individual, such corporation may assign the agency contracts between itself and members to such individual, provided such individual is franchised hereunder.

(3) With the written consent of AFTRA.

No assignment permitted under this subsection B may be made unless the corporate agent first notifies AFTRA in writing of its intention so to do specifying the date upon which the assignment of such contracts shall be effective, listing the names of the members whose agency contracts are to be deemed contracts between the members and the assignee, instead of between the members and the assignor; and provided, further, that written notice of such proposed assignments shall first be given to all members affected thereby.

Section XXIV. Individual Liability; Bonds.

A. Each person who is now or may hereafter be an owner of a franchised agent shall be jointly and severally liable on all contracts between such franchised agent and any artist where any obligation under such contract was incurred to the artist while such person was an owner of such franchised agent.

B. A surety bond, in the amount of $10,000 (which shall be in addition to and separate from any bond required by the applicable state regulations) or other security acceptable to AFTRA, guaranteeing the financial obligations of the agent to artists hereunder shall be provided with the application form franchise. The requirements hereof shall be a condition of the issuance and continuance of a franchise.

The provision of this paragraph shall take effect on October 1, 2002 for existing franchised agents. In the event an existing franchised agent is unable to secure a surety bond by October 1, 2002, the agent may apply to AFTRA for a reasonable extension of time.

In addition, AFTRA may also request that agents who are not, in AFTRA's opinion, financially responsible to deposit with AFTRA adequate security. AFTRA may seek deposit of additional security in cases where there is an indication of financial insecurity, through expedited arbitration. The arbitrator may require such additional security in an amount not to exceed $100,000.

AFTRA may waive these requirements in appropriate circumstances.

Section XXV. Notices.

A. Notices, demands for arbitration and all other papers required by these regulations to be delivered, served, mailed, etc., shall be valid as to AFTRA when mailed or delivered to AFTRA at its main office in New York City or in the case of an agent who has an office in Los Angeles County or its environs, San Francisco or Chicago, when mailed or delivered to AFTRA's office in Los Angeles County or its environs, San Francisco or Chicago, as the case may be; as to agents when mailed or delivered to them at their main office as specified in their application for a franchise, or in any changed designation of address filed with AFTRA, or when sent in the manner provided in paragraph "14" of Exhibit "A-2"; as to members of AFTRA, when delivered to them in writing personally, in which case copies must be sent to AFTRA, or when mailed to them at the last address furnished to the agent by the artist; as to owners and affiliates of any agent, when sent to them in care of the agent in the same manner as prescribed in the case of the agent, or when mailed to them at their main office, or when delivered personally, and a copy thereof shall be sent to the agent; as to sub-agents who have signed Exhibit "D" when sent to them in care of the agent named in the Exhibit "D" in the same manner as prescribed in the case of the agent, or when mailed to them at the last address furnished AFTRA by the sub-agent, or when delivered personally, and a copy thereof shall be sent to the agent named in the sub-agent's application filed with AFTRA.

B. Whenever in these regulations any notice, demand or request is required to be given within a period of time which is less than seven (7) days, it is understood that each day of such period shall be a business day.

Section XXVI. Avoidance of Legal Contracts.

Nothing contained in these regulations including this section shall conflict with any law or regulation of the several states or the United States, unless the application of any such law or laws has been expressly waived in these regulations or in any document or contracts executed pursuant to these regulations. If any provision of the regulations so conflicts, it shall not affect or render illegal the remainder of the regulations. Nothing contained in the regulations shall deprive any person affected thereby of the benefit of any applicable law or laws of the individual states or the United States, unless the application of any such law or laws has been expressly waived in the regulations or in the documents or contracts executed pursuant to the regulations, and any party to an arbitration shall have the benefit of such law or laws. The application of any law or laws of any state or states limiting fees payable to agents is waived by these regulations to the extent inconsistent with the fees permitted by these regulations. In the event there is any dispute as to whether any such law or laws has been expressly waived pursuant hereto, the Arbitrator(s) shall determine such dispute in such proceeding.

Section XXVII. Purpose of Regulations.

These regulations have been drafted after conference and negotiation with the representative agents. They are regulations of the dealings of the members of AFTRA with such agents, and are intended as well to promote more amicable relations between agents and artists, and to insure a higher state of ethics in the dealings between artists and agents and are intended for the benefit of such agents as well as artists.

Section XXVIII. Non-Discrimination:

The parties mutually reaffirm their policy of non-discrimination with respect to race, color, creed, national origin, sex, age, sexual orientation, disability or marital status.

Section XXIX. Amendment and Extension of Regulations.

A. The Association of Talent Agents (herein called "ATA") is a non-profit corporation organized under the laws of California. National Association of Talent Representatives, Inc. (herein called "NATR") is a non-profit corporation organized under the laws of New York. These organizations include in their membership most of the persons, firms and corporations actively engaged in the agency business in the fields covered by these regulations. These regulations have been approved by ATA, NATR and AFTRA, for the mutual benefit of their members and for the purpose of enabling artists and agents to derive greater benefits from their business relationships with each other, and

of promoting and maintaining a high standard of integrity in the said business relationships. No agent is or shall be required to join either ATA or NATR as a condition to receiving a franchise or enjoying the benefits thereof.

B. NATR and ATA have agreed that for the purposes of the fields covered by these regulations, any consent required under this Section XXIX, may be given by ATA not only on behalf of itself but also on behalf of NATR.

C. (1) Any modification, amendment, extension, renewal or termination of these regulations consented to by AFTRA and ATA in writing, shall be as effective and binding on AFTRA, ATA, NATR, and on all franchised agents and on all persons who have signed the Sub-Agent's Application set forth in Exhibit "D" hereof (which persons, for convenience, are referred to herein as "sub-agents"), as though originally written into the regulations, except that no such modification or amendment consented to by AFTRA and ATA, shall change the maximum commission of ten (10%) per cent provided for in these regulations.

(2) If at any time after September 30, 2005, franchising regulations are offered by AFTRA on the same terms and conditions as are specified in these regulations, as amended pursuant to this section, all franchised agents and all sub-agents agree to accept and be bound by such new regulations, and all franchised agents agree to apply promptly for new franchises thereunder.

(3) If the new regulations offered by AFTRA contain terms and conditions which differ from the terms and conditions of these regulations, but such new regulations have been agreed to by AFTRA and ATA in writing, then all franchised agents and all sub-agents agree to accept and be bound by such new regulations, and all franchised agents agree to apply for new franchises thereunder, except that such agreement shall not change the maximum commission of ten (10%) per cent provided for in these regulations.

D. In the event ATA has been dissolved, or has filed a written statement with AFTRA that it is no longer active in the fields covered by these regulations, then the written consent of seventy-five (75%) per cent of the then franchised agents active in the business may be obtained in the place and stead of ATA, with the same force and effect as above set forth in subsection C.

EXHIBIT "A-1"

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS
APPLICATION FOR AGENT'S FRANCHISE UNDER RULE 12-C
FOR AGENTS FRANCHISED UNDER RULE 12-B

The undersigned, and each of them, hereby apply to the AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS, hereinafter called "AFTRA" for an Agent's franchise, for and on behalf of_____ as Applicant.

For convenience the undersigned and applicant may be hereinafter collectively referred to as "APPLICANT".

1. Applicant proposes to conduct the agency business at the following offices, having the following address or addresses:

   _____

   _____

   _____

   No offices not listed herein shall be deemed offices of applicant until notice in writing to AFTRA of the opening of new offices. Applicant agrees promptly to notify AFTRA in writing of any change in the above.

2. Applicant has read Rule 12-C of AFTRA which may hereinafter be referred to as the "Regulations". The said Regulations are incorporated herein by this reference as though set forth in this application, and Applicant agrees to be bound thereby and conform thereto. Applicant has examined the form of Agent's franchise which AFTRA proposes to issue and is familiar therewith and agrees that the Agent's franchise in such form is the one which AFTRA may issue pursuant to this application.

3. Applicant agrees that all statements, agreements and representations made in this application are made for the express benefit of AFTRA and its members, both present and future. Applicant further agrees that this application and the franchise issued pursuant hereto, if one be issued, and the provisions of AFTRA's Rule 12-C, shall constitute a contract between Applicant and AFTRA.

4. All statements attached hereto, and Applicant's franchise application under Rule 12-B are hereby made a part of this application. Except as otherwise expressly set forth in the statement attached hereto, Applicant hereby (1) re-affirms all statements set forth in Applicant's franchise application under Rule 12-B, (2) represents that all said statements are true, correct and complete as of the date of this application, and (3) agrees that all said statements apply to and govern this application for a Rule 12-C franchise and all of Applicant's agency contracts within the scope of Rule 12-C, and are binding upon Applicant.

5. Each person, firm or corporation, and all of them, agree to be individually bound jointly and severally hereunder. Each person who is now or may hereafter be an owner of Applicant (as that term is used in subdivision J of Section X of the Regulations) shall be jointly and severally liable on all contracts between Applicant and any member of AFTRA, where any obligation under any such contract was incurred to such member while such person was an owner of Applicant.

6. Applicant shall attach hereto a statement giving the names of all members of AFTRA with whom Applicant has agency contracts giving the date of execution and term of each contract. Applicant agrees to furnish AFTRA on its written request a correct copy of any such contracts.

7. Agent agrees specifically that he/she has read and accepts the Exhibit entitled "Duty to AFTRA" attached to the regulations.

8. Applicant specifically consents to Section XXIX of the Regulations including the designation of ATA.

Dated at _____ this _____ day of _____ 20___.

_____

APPLICANT

_____

_____

_____

_____

_____

_____

_____

OWNERS OF APPLICANT

(as defined in Section VIII-J of Regulations)

EXHIBIT A-2

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

APPLICATION FOR AGENT'S FRANCHISE UNDER RULE 12-C

FOR AGENTS WHO HAVE NEVER BEEN FRANCHISED BY AFTRA

The undersigned, and each of them, hereby apply to the AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS, hereinafter called "AFTRA" for an Agent's franchise, for and on behalf of:

_____

(Name of agency)

As Applicant.

For convenience the undersigned and Applicant may be hereinafter collectively referred to as "Applicant".

1. Applicant proposes to conduct the agency business at the following offices, having the following address or addresses.

   _____

   _____

   _____

   Phone Number

   Offices not listed herein shall not be deemed offices of applicant until notice in writing to AFTRA of the opening of new offices. Applicant agrees promptly to notify AFTRA in writing of any change of address or phone number.

2. Applicant has read the AFTRA Regulations Governing Agents, as modified by the Memorandum of Agreement for Rule 12-C hereinafter referred to as the "Regulations". The said Regulations are incorporated herein by this reference as though set forth in this application, and Applicant agrees to be bound thereby and conform thereto. Applicant has examined the form of Agent's franchise that AFTRA proposes to issue and is familiar therewith and agrees that the form Agent's franchise is one, which AFTRA may issue pursuant to this application.

3. Applicant agrees that all statements, agreements and representations made in this application are made for the express benefit of AFTRA and it's members, both present and future. Applicant further agrees that this application and the franchise issued pursuant hereto, if one is issued, and the provisions of AFTRA's Rule 12-C, shall constitute a contract between Applicant and AFTRA.

4. All statements attached are a part hereof. Applicant has attached hereto a copy of their state license, where applicable, evidence of an office bank account and client trust account, a written statement detailing the ownership structure of the agency (with the home address and telephone number of each owner), two letters of recommendation from persons employed in the entertainment industry for each owner and a statement setting forth a summary of the experience of each of the undersigned in business and in the entertainment industry, as well as such other facts upon which the undersigned relies in showing his/her qualifications for an agent's franchise.

5. Applicant shall attach hereto a statement giving the names of all members of AFTRA with whom Applicant has agency contracts, giving the date of execution and term of each contract, including extended terms, if any. Applicant shall attach hereto true and correct copies of all agency contracts between Applicant and any member.

6. If any person with whom Applicant has contracts for the splitting of commissions received from members of AFTRA in the fields within the scope of these Regulations, is a person who is engaged in any of the activities prohibited under Appendix A of the Regulations, Applicant agrees to furnish AFTRA with a copy of the contract between Applicant and any such person, which copy is attached hereto.

7. Applicant states that:

   a. No person, firm or corporation engaged in any of the activities described in Appendix A of the Regulations, or affiliate thereof, has any interest in Applicant's business, either directly or indirectly, whether as an owner or otherwise.
   b. No person, firm or corporation who is engaged in the said activities, or affiliate thereof, has any right to share in the profits of Applicant's business, directly or indirectly, or hold any indebtedness from Applicant to such person, firm or corporation or affiliate thereof.

   c. Applicant and Applicant's affiliates are not engaged in any of activities described in Appendix A.

   If any of the foregoing statements are not correct, the incorrect statement or statements should be stricken out and a detailed statement attached to this application setting forth the facts, which caused Applicant to strike out the incorrect statement or statements.

8. Applicant has never been convicted of a crime, involving embezzlement, theft, fraud, forgery or dishonest conduct. If the foregoing is incorrect, Applicant shall strike it out and attach to this application a statement giving all of the details with reference to any such conviction.

9. Each person, firm or corporation, and all of them, agree to be individually bound jointly and severally hereunder. Each person who is now or may hereafter be an owner of Applicant (as that term is used in subdivision J of Section VIII of Rule 12-C) shall be jointly and severally liable on all contracts between Applicant and any member of AFTRA, where any obligation under any such contract was incurred to such member while such person was an owner of Applicant.

10. Each person executing this application where such application is made on behalf of a partnership or corporation, and each sub-agent who has filed an application as provided in Exhibit "D" of the Regulations, states that s/he has no existing contract to act as Agent with artists, or, if such person has any such contracts, then such person states that s/he now holds, or is applying as an individual, for an Agent's franchise from AFTRA.

11. Applicant recognizes that in industries as complicated as those within AFTRA's jurisdiction, waivers may be necessary from time to time with reference to the Regulations and this application, and Applicant agrees that AFTRA may grant such waivers, if permitted by the Regulations, without affecting the Applicant's obligations hereunder.

12. Applicant agrees to conform to the Regulations and does hereby consent to the modification of all existing contracts with reference to industries within the scope of these Regulations between Applicant and present or future members of AFTRA in the manner and to extent set forth in the Regulations.

13. This application shall be of no effect unless AFTRA issues a franchise pursuant hereto. Any initial franchise granted to a new agent shall be a temporary one-year franchise. At the end of such one-year period, the agent will be granted a franchise unless the AFTRA National Office notifies the agent in writing prior to the conclusion of the initial one-year period that the franchise is being denied or that the temporary franchise is being extended.

14. Notice to the party in whose name the franchise is issued shall be notice to all parties who join herein.

15. Applicant attaches hereto a statement setting forth the names of all its subagents (required to sign Exhibit "D" of the Regulations) who are actively engaged in the agency within the scope of these Regulations. No active member of AFTRA will be issued a franchise with AFTRA as an agent or sub-agent without first placing their membership with AFTRA on Honorary Withdrawal status. No franchised agent or sub-agent shall accept employment as an artist in the jurisdiction of AFTRA.

16. Applicant agrees that all his/her present sub-agents within the scope of these Regulations, in the nature of negotiations, procuring employment, advising artists, or the like, have endorsed the acceptance by filing and executing Exhibit "D" of the Regulations and which are attached hereto. Applicant further agrees that at the time applicant employs new sub-agents, Applicant will promptly file with AFTRA a duplicate original of such application executed by such new sub-agent(s).

17. Applicant attaches hereto a statement setting forth a full description of the legal and factual organization of Applicant. Named in said statement are the owners of interests in Applicant and the percentage of interest of each, and the nature

of such ownership, whether stock, partnership, or otherwise. Applicant agrees to notify AFTRA promptly upon the occurrence of any change. AFTRA may request any applicant or any franchise agent to submit from time to time a complete description of the legal and factual organization of such applicant or franchised agent, listing all persons owning an interest therein, the interest owned by each, and all partners, officers and directors, and the applicant or agent shall promptly comply with such request.

18. Applicant agrees that AFTRA will be notified by applicant of any change in the identity of the persons who are owners, officer, directors, or partners or managers of Applicant, in writing, within twenty (20) days after any such change occurs and Applicant has knowledge thereof (or sooner if required under Appendix A).

19. Applicant has never applied for or held a franchise from AFRA or AFTRA under Rule 12,12-A or 12-B, nor been disciplined under Rules 12,12-A or 12-B. The Applicant's franchise, if any, from the following organizations has never been suspended or revoked: Actors Equity Association, Screen Actors Guild, Inc., American Guild of Variety Artists, American Guild of Musical Artists, Inc. If any of the foregoing sentences are incorrect, Applicant shall strike out the incorrect sentence and attach to this application a statement giving the details as to such stricken sentence. The Applicant shall furnish AFTRA with further details, if it requests the same.

20. Applicant specifically consents to Sections XXIX of Rule 12-C, including the designation of ATA.

21. Agent agrees specifically that agent has read and accepts the Duty to AFTRA as outlined in Exhibit I attached to the regulations.

22. Applicant is not interested in any package show as that term is defined in Section VI Rule 12-C. **If the preceding sentence is incorrect, the Applicant shall strike it out and attach to this application a statement listing any package show in which Applicant is interested as of the date of this application.** AFTRA shall be furnished, if it requests the same, with the name of any package show in which Applicant may become interested after the filing of this application.

Please check current applicable union affiliation:

_____ SAG _____ EQUITY _____ AFM

Dated at _____ this _____ day of _____, 19_____.
(City/Location)

I declare under penalty of perjury that the above is true and correct.

OWNERS/APPLICANT
(As defined in Section VIII-J of Regulations)

_____
Signature of Applicant Social Security Number

_____
Signature of Applicant Social Security Number

_____
Signature of Applicant Social Security Number

_____
Signature of Applicant Social Security Number

A corporation must submit a copy of their Certificate of Incorporation (or proof of filing for a Certificate of Incorporation). Please affix the Certificate of Incorporation to the back of this application.

EXHIBIT B

American Federation of Television and Radio Artists

Talent Agent's Franchise

Under Rule 12-C

"Exhibit B"

American Federation of Television and Radio Artists, relying upon an application filed by _____on the_ day of _____ 200_, hereby grants and Agent's Franchise to:

_____

_____

_____

For a period commencing:_____ and ending on September 30, 2005, or on a date certain six (6) months after the giving of notice by either AFTRA or ATA to the other party that the term of Rule 12-C be terminated, whichever date is later, or on such later date as may be fixed in accordance with Section XXIX of the Regulations of the American Federation of Television and Radio Artists Governing Agents (Rule 12-C), and subject to all the terms and provisions of the said Regulations.

Dated at New York, the National Office, this _____ day of _____ 200_.

Temporary Franchise (Initial Franchise only): _____

Expires: _____

AMERICAN FEDERATION OF TELEVISON AND RADIO ARTISTS

By: _____

Greg Hessinger, National Executive Director

This franchise is granted as a temporary one-year franchise. At the end of such year period, this franchise shall be considered a regular franchise, unless written notice is sent from AFTRA on or before _____that a regular franchise is being denied, or that AFTRA is extending this temporary franchise for a period of not more than six months.

EXHIBIT C

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

STANDARD AFTRA EXCLUSIVE AGENCY CONTRACT UNDER RULE 12-C

THIS AGREEMENT made and entered into at_____, by and between

_____hereinafter called the "AGENT," and,

_____hereinafter called the "ARTIST."

WITNESSETH:

1. The Artist employs the Agent as his/her sole and exclusive Agent in the television and radio (hereinafter referred to as the "broadcasting industries") within the scope of the regulations (Rule 12-C) of the American Federation of Television and Radio Artists (hereinafter called AFTRA), and agrees not to employ any other person or persons to act for him/her in like capacity during the term hereof, and the Agent accepts such employment. This contract is limited to the broadcasting industries and to contracts of the Artist as an artist in such fields and any reference hereinafter to contracts or employment whereby the Artist renders his/her services, refers to contracts or employment in the broadcasting industries, except as otherwise provided herein.

2. The term of this contract shall be for a period of_____ commencing the _____ day of _____ 20___.

Note—The initial term may not be in excess of eighteen months. A term of up to three (3) years may be entered into after one (1) year's representation.

3. (a) The Artist agrees to pay to the Agent a sum equal to _____ per cent (not more than 10%) of all monies or other consideration received by the Artist, directly or indirectly, under contracts of employment entered into during the term specified herein as provided in the Regulations. Commissions shall be payable when and as such monies or other consideration are received by the Artist or by anyone else for or on the Artist's behalf. Rider "G" must be attached where artist agrees to pay commission on employment contracts which were in existence prior to the date artist executes agency contract.

   (b) Any monies or other consideration received by the Artist or by anyone for or on his/her behalf, in connection with any termination of any Contract of the Artist on which the Agent would otherwise be entitled to receive commission, or in connection with the settlement of any such contract, or any litigation arising out of such contract, shall also be monies in connection with which the Agent is entitled to the aforesaid commissions; provided, however, that in such event the Artist shall be entitled to deduct arbitration fees, attorney's fees, expenses and court costs before computing the amount upon which the Agent is entitled to his/her commissions.

   (c) Such commissions shall be payable by the Artist to the Agent, as aforesaid, during the term of this contract and thereafter only where specifically provided herein.

   (d) The agent shall be entitled to the aforesaid commissions after the expiration of the term specified herein, for so long a period thereafter as the Artist continues to receive monies or other consideration under or upon employment contracts entered into by the Artist during the term specified herein, including monies or other consideration received by the Artist under the extended term of such employment contracts, resulting from the exercise of an option or options given an employer under such employment contracts, extending the term of such employment contracts, whether such options be exercised prior to or after the expiration of the term specified herein.

   (e) If after the expiration of the term of this agreement and during the period the Agent is entitled to commissions, a contract of employment of the Artist be terminated before the expiration thereof, as said contract may have been extended by the exercise of options therein contained, by joint action of the Artist and employer, or by the action of either of them, other than on account of an Act of God, illness or the like and the Artist enters into a new contract of employment with said employer within a period of sixty (60) days, such new contract shall be deemed to be in substitution of the contract terminated as aforesaid. Contracts of substitution have the same effect as contracts for which they were substituted; provided, however, that any increase or additional salary, bonus or other compensation payable to the Artist (either under such contract of substitution or otherwise) over and above the amounts payable under the contract of employment entered into prior to the expiration of the term of this agreement shall be deemed an adjustment and unless the Agent shall have a valid Agency contract in effect at the time of such adjustment the Agent shall not be entitled to any commissions on any such adjustment. In no event may a contract of substitution with an employer entered into after the expiration of the term of this agreement, extend the period of time during which the

Agent is entitled to commission beyond the period that the Agent would have been entitled to commission had no substitution taken place, except to the extent, if necessary, for the Agent to receive the same total amount of commission he would have received had no such substitution taken place; provided, however, that in no event shall the Agent receive more than the above percentages as commissions on the Artist's adjusted compensation under the contract of substitution. A change in form of an employer for the purpose of evading this provision, or a change in the corporate form of an employer resulting from reorganization or like, shall not exclude the application of these provisions.

(f) So long as the Agent receives commissions from the Artist, the Agent shall be obligated to service the Artist and perform the obligations of this contract with respect to the services of the Artist on which such commissions are based, subject to AFTRA's Regulations Governing Agents.

(g) The Agent has no right to receive money unless the Artist receives the same, or unless the same is received for or on his/her behalf, and then only proportionate in the above percentages when and as received. Money paid pursuant to legal process to the Artist's creditors, or by virtue of assignment or direction of the Artist, and deductions from the Artist's compensation made pursuant to law in the nature of a collection or tax at the source, such as Social Security or Old Age Pension taxes, or income taxes withheld at the source, shall be treated as compensation received for or on the Artist's behalf.

4. Should the Agent, during the term or terms specified herein negotiate a contract of employment for the Artist and secure for the Artist a bona fide offer of employment, which offer is communicated by the Agent to the Artist in reasonable detail and in writing, which offer the Artist declines, and if, after the expiration of the term of this agreement and within ninety (90) days after the date upon which the Agent gives such written information to the Artist, the Artist accepts said offer of employment on substantially the same terms, then the Artist shall be required to pay commissions to the Agent upon such contract of employment. If an Agent previously employed under a prior agency contract is entitled to collect commissions under the foregoing circumstances, the Agent with whom the present contract is executed waives his/her commission to the extent that the prior agent is entitled to collect the same. Where there was in fact an offer communicated to the artist, and the artist acknowledged that he/she in fact received the offer, the fact that the offer had not been reduced to writing may not be used to avoid obligations under this provision.

5. (a) If during any period of ninety-one (91) days immediately preceding the giving of the notice of termination hereinafter mentioned in this paragraph, the Artist fails to be employed and receive, or be entitled to receive, compensation for ten (10) days' employment, whether such employment is from fields under AFTRA's jurisdiction or any other branch of the entertainment industry in which the Agent may be authorized by written contract to represent the Artist, then either the Artist or the Agent may terminate the employment of the Agent hereunder by written notice to the other party. (1) For purposes of computing the ten (10) days' employment required hereunder, each separate original radio or TV broadcast, whether live or recorded, shall be considered a day's employment, but a rebroadcast, whether recorded or live, or an off-the-line recording, or a prior recording or time spent in rehearsal for any employment in the radio or TV industry, shall not be considered such employment. (2) For the purposes of computing the ten (10) days' employment required hereunder, each master sound recording recorded by the Artist shall be one (1) day's employment: For purposes of computing the ten (10) day's employment required hereunder, the week between Christmas and New Years shall not be counted against the 91-day period.

(b) The ninety-one (91) day period which is the basis of termination shall be suspended during any period of time which the artist has declared him/herself to be unavailable or has so notified the agent in writing or has confirmed in writing a written communication from the agent to such effect. The said ninety-one (91) day period which is the basis of termination shall also be suspended (1) during the period of time in which the artist is unable to respond to a call for his/her services by reason of physical or mental incapacity or (2) for such days as the artist may be employed in a field in which the artist is not represented by the agent.

(c) In the event that the Agent has given the Artist notice in writing of a bona fide offer of employment as an Artist in the entertainment industry and at or near the Artist's usual places of employment at a salary and from an employer commensurate with the Artist's prestige (and there is in fact such an offer), which notice sets forth the terms of the proposed employment in detail and the Artist refuses or negligently fails to accept such proffered employment, then the period of guaranteed employment specified in said offer, and the compensation which would have been received thereunder shall be deemed as time worked or compensation received by the Artist in computing the money earned or time worked with reference to the right of the Artist to terminate under the provisions of this paragraph.

(d) No termination under paragraph 5 shall deprive the Agent of the right to receive commissions or compensation on monies earned or received by the Artist prior to the date of termination, or earned or received by the Artist after the date of termination of the Agent's employment on contracts for the Artist's services entered into by the Artist prior to

the effective date of any such termination and during the term or terms specified herein, or commission or compensation to which the Agent is entitled pursuant to paragraphs 3(e) and 4 hereof.

(e) The Artist may not exercise the right of termination if at the time he attempts to do so, either:

(1) the Artist is actually working under written contract or contracts which guarantee the Artist employment in the broadcasting industries for at least one program each week for a period of not less than thirteen (13) consecutive weeks. For the purposes of this sub-paragraph a "program" shall be either (i) a regional network program of one-half (1/2) hour length or more; (ii) a national network program of one-quarter (¼) hour length or more; or (iii) a program or programs the aggregate weekly compensation for which equals or exceeds the Artist's customary compensation for either (i) or (ii), or

(2) the Artist is under such written contract, as described in the preceding sub-paragraph "(1)" or in sub-paragraph "(5)" below, and such contract begins within forty-five (45) days after the time the Artist attempts to exercise the right of termination, or

(3) where the artist attempts to exercise the right of termination during the months of August or September, and the artist is under such written contract as described in the preceding sub-paragraph "(1)" or in sub-paragraph "(5)" below and such contract begins not later than the following October 15th, or

(4) if during any period of ninety-one (91) days immediately preceding the giving of notice of termination herein referred to, the artist has received, or has been entitled to receive, compensation in an amount equal to not less than thirteen (13) times his/her past customary compensation for a national network program of one-half (1/2) hour's length, whether such employment or compensation is from the broadcasting industries or any other branch of the entertainment industry in which the agent may be authorized by written contract to represent the Artist,

(5) The Artist is actually working under written contract or contracts which guarantee the Artist either (a) employment in the television broadcasting field for at least one (1) program every other week in a cycle of thirteen (13) consecutive weeks where the program is telecast on an alternate week basis, or (b) employment for at least eight (8) programs in a cycle of thirty-nine (39) consecutive weeks, where the program is telecast on a monthly basis or once every four (4) weeks.

In the cases referred to in sub-paragraphs (1), (2), (3) and (5) above, the ninety-one (91) day period begins upon the termination of the contract referred to in such sub-paragraphs; and for the purpose of such sub-paragraphs any local program which under any applicable AFTRA collective bargaining agreement is the equivalent of a regional or national network program, shall be considered a regional or national network program as the case may be.

(f) Where the Artist is under a contract or contracts for the rendition of his/her services in the entertainment industry in any field in which the agent is authorized to act for the artist, during the succeeding period of One hundred and eighty-two (182) days after the expiration of the ninety-one (91) day period in question, at a guaranteed compensation for such services of Twenty-five Thousand ($25,000.00) Dollars or more, or where the Artist is under a contract or contracts for the rendition of his/her services during said 182 day period in the radio, sound recording and/or television fields at a guaranteed compensation for such services of Twenty thousand dollars ($20,000.00) or more, then the artist may not exercise the right of termination.

(g) Periods of layoff or leave of absence under a term contract shall not be deemed to be periods of unemployment hereunder, unless under said contract the Artist has the right during such period to do other work in the radio or television field or in any other branch of the entertainment industry in which the Agent may be authorized by written contract to represent the Artist. A "term contract" as used herein means a Contract under which the Artist is guaranteed employment in the broadcasting industries for at least one program each week for a period of not less than thirteen (13) consecutive weeks, and also includes any "term contract" as defined in the Regulations of the Screen Actors Guild, Inc. in respect to the motion picture industry, under which the Artist is working. Also, a "term contract" as used herein relating to the television field means a contract under which the Artist is guaranteed employment in the television field as set forth in sub-paragraph (e) (5) above.

(h) Where the Artist has a contract of employment in the broadcasting industries and either the said contract of employment, or any engagement or engagements thereunder, are cancelled by the employer pursuant to any provision of said contract which does not violate any rule or regulation of AFTRA, the Artist shall be deemed to have been employed and to have received compensation for the purposes of paragraph 5(a) for any such cancelled broadcasts, with the following limitation—where a contract providing for more than one program has been so cancelled, the Artist shall not be deemed to have been employed or to have received compensation under such contract, with respect to more than one such program on and after the effective date of cancellation of such contract.

(i) For the purposes of this paragraph 5, where the Artist does not perform a broadcast for which he has been employed but nevertheless is compensated therefor, the same shall be considered employment hereunder.

(j) If at any time during the original or extended term of this contract, broadcasting over a majority of both the radio stations as well as a majority of the television broadcasting stations shall be suspended, the ninety-one (91) days period mentioned in this paragraph 5 shall be extended for the period of such suspension.

6. The Agent may represent other persons. The Agent shall not be required to devote his/her entire time and attention to the business of the Artist. The Agent may make known the fact that he is the sole and exclusive representative of the Artist in the broadcasting industries. In the event of a termination of this contract, even by the fault of the Artist, the Agent has no rights or remedies under the preceding sentence.

7. The Agent agrees that the following persons, and the following persons only, namely

(HERE INSERT NOT MORE THAN FOUR NAMES)

shall personally supervise the Artist's business during the term of this contract. One of such persons shall be available at all reasonable times for consultation with the Artist at the city or cities named herein. The Agent upon request of the Artist, shall assign any one of such persons who may be available (and at least one of them always shall be available upon reasonable notice from the Artist), to engage in efforts or handle any negotiations for the Artist at such city or its environs and such person shall do so. Employees of the agent who have signed Exhibit D (Application for Sub Agents Franchise) and who are not named herein, may handle agency matters for the artist or may aid any of the named persons in handling agency matters for the artist.

8. In order to provide continuity of management, the name or names of not more than four (4) persons connected with the Agent must be written in the following space, and this contract is not valid unless this is done:

(HERE INSERT NOT MORE THAN FOUR NAMES)

In the event three (3) or four (4) persons are so named, at least two (2) of such persons must remain active in the Agency throughout the term of this contract. In the event only one (1) or two (2) persons are so named, at least one (1) such person must remain active in the Agency throughout the term of this contract. If the required number of persons does not remain active with the Agency, the Artist may terminate this contract in accordance with Section XXI of AFTRA's Regulations Governing Agents.

9. The Artist hereby grants to the Agent the right to use the name, portraits and pictures of the Artist to advertise and publicize the Artist in connection with Agent's representation of the Artist hereunder.

10. The Agent agrees:
(a) To make no deductions whatsoever from any applicable minimums established by AFTRA under any collective bargaining agreement.

(b) At the request of the Artist, to counsel and advise him/her in matters which concern the professional interests of the Artist in the broadcasting industries.

(c) The Agent will be truthful in his/her statements to the Artist.

(d) The Agent will not make any binding engagement or other commitment on behalf of the Artist, without the approval of the Artist, and without first informing the Artist of the terms and conditions (including compensation) of such engagement

(e) The Agent's relationship to the Artist shall be that of a fiduciary. The Agent, when instructed in writing by the Artist not to give out information with reference to the Artist's affairs, will not disclose such information.

(f) That the Agent is equipped, and will continue to be equipped, to represent the interests of the Artist ably and diligently in the broadcasting industry throughout the term of this contract, and that he will so represent the Artist.

(g) To use all reasonable efforts to assist the Artist in procuring employment for the services of the Artist in the broadcasting industries.

(h) The Agent agrees that the Agent will maintain an office and telephone open during all reasonable business hours (emergencies such as sudden illness or death excepted) within the city of _____ or its environs, throughout the term of this agreement, and that some representative of the Agent will be present at such office during such business hours. This contract is void unless the blank in this paragraph is filled in with the name of a city at which the Agent does maintain an office for the radio broadcasting and television agency business.

(i) At the written request of the Artist, given to the Agent not more often than once every four (4) weeks, the Agent shall give the Artist information in writing, stating what efforts the Agent has rendered on behalf of the Artist within a reasonable time preceding the date of such request.

(j) The Agent will not charge or collect any commissions on compensation received by the Artist for services rendered by the Artist in a package show in which the Agent is interested, where prohibited by Section VI of AFTRA's Regulations.

11. This contract is subject to AFTRA's Regulations Governing Agents (Rule 12-C). Any controversy under this contract, or under any contract executed in renewal or extension hereof or in substitution herefor or alleged to have been so executed, or as to the existence, execution or validity hereof or thereof, or the right of either party to avoid this or any such contract or alleged contract on any grounds, or the construction, performance, nonperformance, operation, breach, continuance or termination of this or any such contract, shall be submitted to arbitration in accordance with the arbitration provisions in the regulations regardless of whether either party has terminated or purported to terminate this or any such contract or alleged contract. Under this contract the Agent undertakes to endeavor to secure employment for the Artist.

12. Nothing herein contained shall conflict with any law or regulation authorized by law of the several states or the United States. If any provision hereof or of the Regulations so conflict, it shall not affect or render illegal the remainder of this contract or the Regulations.

(FOR CALIFORNIA ONLY)

This provision is inserted in this contract pursuant to a rule of AFTRA, a bona fide labor union, which Rule regulates the relations of its members to agencies or artists managers. Reasonable written notice shall be given to the Labor Commissioner of the State of California of the time and place of any arbitration hearing hereunder. The Labor Commissioner of the State of California, or his/her authorized representative, has the right to attend all arbitration hearings.

Nothing in this contract nor in AFTRA's Regulations Governing Agents (Rule 12-C) shall be construed so as to abridge or limit any rights, powers or duties of the Labor Commissioner of the State of California.

Whether or not the Agent is the actor's agent at the time this agency contract is executed, it is understood that in executing this contract each party has independent access to the regulations and has relied and will rely exclusively upon his/her own knowledge thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the _____ day of _____, 20___

_____(SS#_____)

ARTIST

_____

AGENT

NOTE: This contract must be signed at least in triplicate. One copy must be promptly delivered by the Agent to AFTRA, one copy must be promptly delivered by the Agent to the Artist, and one copy must be retained by the Agent If AFTRA has an office in the city where the contract is executed, AFTRA's copy of the contract must be delivered to that office within 15 days of execution; or at the Agent's option, to AFTRA's main office in New York City within 30 days of execution.

This agency is licensed by the Labor Commissioner of the State of California. This agency is franchised by the American Federation of Television and Radio Artists.

This form of contract has been approved by the Labor Commissioner of the State of California and by the American Federation of Television and Radio Artists.

(The foregoing references to California may be deleted or appropriate substitutions made in other states.)

EXHIBIT C-1 (Commercials Only)

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS
STANDARD AFTRA COMMERCIALS EXCLUSIVE AGENCY CONTRACT
UNDER RULE 12-C

THIS AGREEMENT made and entered into at _____, by and between _____, hereinafter called the "AGENT," and _____, hereinafter called the "ARTIST."

WITNESSETH:

1. The Artist employs the Agent as his/her sole and exclusive Agent for television and radio commercials (hereinafter referred to as "commercials") within the scope of the regulations (Rule 12-C) of the American Federation of Television and Radio Artists (hereinafter called AFTRA), and agrees not to employ any other person or persons to act for him/her in like capacity during the term hereof, and the Agent accepts such employment. This contract is limited to commercials and to contracts of the Artist as an artist in such fields and any reference hereinafter to contracts or employment whereby the Artist renders his/her services, refers to contracts or employment in commercials, except as otherwise provided herein.

2. The term of this contract shall be for a period of _____commencing the _____day of _____20___.

   Note: The initial term may not be in excess of eighteen months. A term of up to three (3) years may be entered into after one (1) year's representation.

3. (a) The Artist agrees to pay to the Agent a sum equal to _____ per cent (not more than 10%) of all monies or other consideration received by the Artist, directly or indirectly, under contracts of employment entered into during the term specified herein as provided in the Regulations. Commissions shall be payable when and as such monies or other consideration are received by the Artist or by anyone else for or on the Artist's behalf. Rider "G" must be attached where artist agrees to pay commission on employment contracts which were in existence prior to the date artist executes agency contract.

   (b) Any monies or other consideration received by the Artist or by anyone for or on his/her behalf, in connection with any termination of any Contract of the Artist on which the Agent would otherwise be entitled to receive commission, or in connection with the settlement of any such contract, or any litigation arising out of such contract, shall also be monies in connection with which the Agent is entitled to the aforesaid commissions; provided, however, that in such event the Artist shall be entitled to deduct arbitration fees, attorney's fees, expenses and court costs before computing the amount upon which the Agent is entitled to his/her commissions.
   (c) Such commissions shall be payable by the Artist to the Agent, as aforesaid, during the term of this contract and thereafter only where specifically provided herein.

   (d) The agent shall be entitled to the aforesaid commissions after the expiration of the term specified herein, for so long a period thereafter as the Artist continues to receive monies or other consideration under or upon employment contracts entered into by the Artist during the term specified herein, including monies or other consideration received by the Artist under the extended term of such employment contracts, resulting from the exercise of an option or options given an employer under such employment contracts, extending the term of such employment contracts, whether such options be exercised prior to or after the expiration of the term specified herein.

   (e) If after the expiration of the term of this agreement and during the period the Agent is entitled to commissions, a contract of employment of the Artist be terminated before the expiration thereof, as said contract may have been extended by the exercise of options therein contained, by joint action of the Artist and employer, or by the action of either of them, other than on account of an Act of God, illness or the like and the Artist enters into a new contract of employment with said employer within a period of sixty (60) days, such new contract shall be deemed to be in substitution of the contract terminated as aforesaid. Contracts of substitution have the same effect as contracts for which they were substituted; provided, however, that any increase or additional salary, bonus or other compensation payable to the Artist (either under such contract of substitution or otherwise) over and above the amounts payable

under the contract of employment entered into prior to the expiration of the term of this agreement shall be deemed an adjustment and unless the Agent shall have a valid Agency contract in effect at the time of such adjustment the Agent shall not be entitled to any commissions on any such adjustment. In no event may a contract of substitution with an employer entered into after the expiration of the term of this agreement, extend the period of time during which the Agent is entitled to commission beyond the period that the Agent would have been entitled to commission had no substitution taken place, except to the extent, if necessary, for the Agent to receive the same total amount of commission he would have received had no such substitution taken place; provided, however, that in no event shall the Agent receive more than the above percentages as commissions on the Artist's adjusted compensation under the contract of substitution. A change in form of an employer for the purpose of evading this provision, or a change in the corporate form of an employer resulting from reorganization or like, shall not exclude the application of these provisions.

(f) So long as the Agent receives commissions from the Artist, the Agent shall be obligated to service the Artist and perform the obligations of this contract with respect to the services of the Artist on which such commissions are based, subject to AFTRA's Regulations Governing Agents.

(g) The Agent has no right to receive money unless the Artist receives the same, or unless the same is received for or on his/her behalf, and then only proportionate in the above percentages when and as received. Money paid pursuant to legal process to the Artist's creditors, or by virtue of assignment or direction of the Artist, and deductions from the Artist's compensation made pursuant to law in the nature of a collection or tax at the source, such as Social Security or Old Age Pension taxes, or income taxes withheld at the source, shall be treated as compensation received for or on the Artist's behalf.

4. Should the Agent, during the term or terms specified herein negotiate a contract of employment for the Artist and secure for the Artist a bona fide offer of employment, which offer is communicated by the Agent to the Artist in reasonable detail and in writing, which offer the Artist declines, and if, after the expiration of the term of this agreement and within ninety (90) days after the date upon which the Agent gives such written information to the Artist, the Artist accepts said offer of employment on substantially the same terms, then the Artist shall be required to pay commissions to the Agent upon such contract of employment. If an Agent previously employed under a prior agency contract is entitled to collect commissions under the foregoing circumstances, the Agent with whom the present contract is executed waives his/her commission to the extent that the prior agent is entitled to collect the same. Where there was in fact an offer communicated to the artist, and the artist acknowledged that he/she in fact received the offer, the fact that the offer had not been reduced to writing may not be used to avoid obligations under this provision.

5. If during the period of 91 days immediately proceeding the giving of notice of termination, the Artist fails to receive compensation in the sum of $4,000 or more for services and reuse fees for commercials under AFTRA Commercials Contracts in which the Artist was employed during the term of this contract (including a prior contract which this contract renews), then either the Artist or the Agent may terminate the engagement of the Agent hereunder by written notice to the other party. The foregoing right to terminate applies when the Agent is authorized to represent the Artist only for commercials. In the event the Artist is also represented by the Agent under a separate contract for representation in other fields within AFTRA's jurisdiction, the provisions of Section 5 of the Standard AFTRA Exclusive Agency Agreement (Exhibit C) shall govern termination.

6. The Agent may represent other persons. The Agent shall not be required to devote his/her entire time and attention to the business of the Artist. The Agent may make known the fact that he is the sole and exclusive representative of the Artist in the broadcasting industries. In the event of a termination of this contract, even by the fault of the Artist, the Agent has no rights or remedies under the preceding sentence.

7. The Agent agrees that the following persons, and the following persons only, namely

(HERE INSERT NOT MORE THAN FOUR NAMES)

Shall personally supervise the Artist's business during the term of this contract. One of such persons shall be available at all reasonable times for consultation with the Artist at the city or cities named herein. The Agent upon request of the Artist, shall assign any one of such persons who may be available (and at least one of them always shall be available upon reasonable notice from the Artist), to engage in efforts or handle any negotiations for the Artist at such city or its environs and such person shall do so.

8. In order to provide continuity of management, the name or names of not more than four (4) persons connected with the Agent must be written in the following space, and this contract is not valid unless this is done:

(HERE INSERT NOT MORE THAN FOUR NAMES)

In the event three (3) or four (4) persons are so named, at least two (2) of such persons must remain active in the Agency throughout the term of this contract. In the event only one (1) or two (2) persons are so named, at least one (1) such person must remain active in the Agency throughout the term of this contract. If the required number of persons does not remain active with the Agency, the Artist may terminate this contract in accordance with Section XXI of AFTRA's Regulations Governing Agents.

9. The Artist hereby grants to the Agent the right to use the name, portraits and pictures of the Artist to advertise and publicize the Artist in connection with Agent's representation of the Artist hereunder.

10. The Agent agrees:

(a) To make no deductions whatsoever from any applicable minimums established by AFTRA under any collective bargaining agreement.

(b) At the request of the Artist, to counsel and advise him/her in matters which concern the professional interests of the Artist in the broadcasting industries.

(c) The Agent will be truthful in his/her statements to the Artist.

(d) The Agent will not make any binding engagement or other commitment on behalf of the Artist, without the approval of the Artist, and without first informing the Artist of the terms and conditions (including compensation) of such engagement

(e) The Agent's relationship to the Artist shall be that of a fiduciary. The Agent, when instructed in writing by the Artist not to give out information with reference to the Artist's affairs, will not disclose such information.

(f) That the Agent is equipped, and will continue to be equipped, to represent the interests of the Artist ably and diligently in the broadcasting industry throughout the term of this contract, and that he will so represent the Artist.

(g) To use all reasonable efforts to assist the Artist in procuring employment for the services of the Artist in the broadcasting industries.

(h) The Agent agrees that the Agent will maintain an office and telephone open during all reasonable business hours (emergencies such as sudden illness or death excepted) within the city of _____ or its environs, throughout the term of this agreement, and that some representative of the Agent will be present at such office during such business hours. This contract is void unless the blank in this paragraph is filled in with the name of a city at which the Agent does maintain an office for the radio broadcasting and television agency business.

(i) At the written request of the Artist, given to the Agent not more often than once every four (4) weeks, the Agent shall give the Artist information in writing, stating what efforts the Agent has rendered on behalf of the Artist within a reasonable time preceding the date of such request.

(j) The Agent will not charge or collect any commissions on compensation received by the Artist for services rendered by the Artist in a package show in which the Agent is interested, where prohibited by Section VI of AFTRA's Regulations.

11. This contract is subject to AFTRA's Regulations Governing Agents (Rule 12-C). Any controversy under this contract, or under any contract executed in renewal or extension hereof or in substitution herefor or alleged to have been so executed, or as to the existence, execution or validity hereof or thereof, or the right of either party to avoid this or any such contract or alleged contract on any grounds, or the construction, performance, nonperformance, operation, breach, continuance or termination of this or any such contract, shall be submitted to arbitration in accordance with the arbitration provisions in the regulations regardless of whether either party has terminated or purported to terminate this

or any such contract or alleged contract. Under this contract the Agent undertakes to endeavor to secure employment for the Artist.

12. Nothing herein contained shall conflict with any law or regulation authorized by law of the several states or the United States. If any provision hereof or of the Regulations so conflict, it shall not affect or render illegal the remainder of this contract or the Regulations.

(FOR CALIFORNIA ONLY)

This provision is inserted in this contract pursuant to a rule of AFTRA, a bona fide labor union, which Rule regulates the relations of its members to agencies or artists managers. Reasonable written notice shall be given to the Labor Commissioner of the State of California of the time and place of any arbitration hearing hereunder. The Labor Commissioner of the State of California, or his/her authorized representative, has the right to attend all arbitration hearings.

Nothing in this contract nor in AFTRA's Regulations Governing Agents (Rule 12-C) shall be construed so as to abridge or limit any rights, powers or duties of the Labor Commissioner of the State of California.

Whether or not the Agent is the actor's agent at the time this agency contract is executed, it is understood that in executing this contract each party has independent access to the regulations and has relied and will rely exclusively upon his/her own knowledge thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the _____ day of _____, 20_____

_____(SS#_____)

ARTIST

_____

AGENT

NOTE: This contract must be signed at least in triplicate. One copy must be promptly delivered by the Agent to AFTRA, one copy must be promptly delivered by the Agent to the Artist, and one copy must be retained by the Agent If AFTRA has an office in the city where the contract is executed, AFTRA's copy of the contract must be delivered to that office within 15 days of execution; or at the Agent's option, to AFTRA's main office in New York City within 30 days of execution.

This agency is licensed by the Labor Commissioner of the State of California.

This agency is franchised by the American Federation of Television and Radio Artists.

This form of contract has been approved by the Labor Commissioner of the State of California and by the American Federation of Television and Radio Artists.

(The foregoing references to California may be deleted or appropriate substitutions made in other states.)

EXHIBIT "D"

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

Application for a Sub-Agent Franchise

The undersigned hereby applies for an AFTRA Sub-Agent Franchise to act as a sub-agent for the agent named below, as hereinafter set forth:
For convenience the undersigned may be hereinafter referred to as "Applicant", and the American Federation of Television and Radio Artists may be referred to as "AFTRA".
Applicant states and represents that the following are true and correct:

1. Applicant proposes to act as a sub-agent for _____, an agent holding an Agent's Franchise from AFTRA, or an applicant therefor.
2. Applicant has read Rule 12(C) of AFTRA, which may hereinafter be referred to as the "Regulations". The said Regulations are incorporated herein by this reference as though set forth in this application, and Applicant agrees to be bound thereby and conform thereto. Applicant has examined the form of the sub-agents franchise, which AFTRA proposes to issue, and is familiar therewith and agrees that the sub-agent's franchise is such form is the one, which AFTRA may issue pursuant to this application.
3. Applicant agrees that all statements, agreements and representation made in this application are made for the express benefit of AFTRA and of its members, both present and future. Applicant further agrees that this application and the franchise issued pursuant hereto, if one be issued, shall constitute a contract Applicant and AFTRA.
4. Applicant attaches hereto a statement as part hereof summarizing his/her previous business experience.
5. Applicant is not engaged in production or distribution except as permitted by Sections VI and Appendix A of the Regulations.
6. Applicant has never been convicted of a crime involving embezzlement, theft, fraud, forgery or dishonest conduct. If the foregoing is incorrect, Applicant shall strike it out and attach to this application a statement, as part hereof, giving all of the details with reference to any conviction.
7. Has Applicant ever had an agency license revoked, suspended or denied? _____
8. Has any franchise been revoked, suspended or denied by SAG, AGVA, AEA or AFM? _____

I declare under penalty of perjury that the above is true and correct.

Executed on this _____ day of _____ 200__, _____
(City)

_____.
(State)

_____ _____
Applicant (Print Name) Applicant Social Security Number

_____
Applicant Signature

THE UNDERSIGNED FRANCHISED TALENT AGENT OR APPLICANT FOR A TALENT AGENT'S FRANCHISE JOINS IN THE FOREGOING APPLICATION AS OF THE ABOVE DATE AND CERTIFIES THAT THE APPLICANT FOR A SUB-AGENT'S FRANCHISE IS A BONA FIDE EMPLOYEE OF THE UNDERSIGNED.

_____ _____
Talent Agency Owner Signature Dated

EXHIBIT "E"

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

EXTENDED TERM RIDER UNDER RULE 12-C

Note: This rider is optional with the artist, and must be fastened to agency contract and signed by artist on same day as artist signs agency contract. Agency contract not valid unless the term of this rider (including both the first and second extended terms) plus the term of the attached agency contract do not exceed three years in the aggregate.

The attached agency contract for a term of _____, may be extended as hereinafter provided for a further term of _____, which shall be called the "first extended term".

This extended term shall be null and void unless the agent notifies the artist by registered mail not less than ninety (90) days and not more than one hundred and fifty (150) days prior to the termination of the term of the agency contract to which this rider is attached, that the agent desires to hold the artist during this extended term. The extended term shall thereupon become binding on both parties, unless notice shall be given by registered mail by the artist to the agent not more than thirty (30) days after the giving of said notice by the agent to the artist, of the artist's desire to terminate his agency contract at the end of the original term of the said agency contract. upon receipt of said notice, the agent, if he still desires to extend the attached agency contract for the period of the extended term, shall so notify the artist in writing by registered mail not more than thirty (30) days after receipt by him of the aforesaid notice from the artist, and the dispute as to whether or not the attached agency contract shall be renewed for the extended term shall be submitted to the arbitrator(s) provided for in AFTRA's Rule 12-C within ten (10) days after the giving of such notice by the agent. the term shall be extended by the arbitrator(s) if the agent establishes that the agent has contributed substantially to the artist's career. Merely complying with the provisions in the agency contract for at least ten (10) days' work every ninety-one (91) days and otherwise complying with the minimum obligations of the agency contract, shall not be deemed as substantially contributing to the artist's career. it is the intention of this rider that for the agent to be entitled to this extended term, his contribution to the artist's career must be real and not merely consist of efforts that did not have concrete results. The failure of either the artist or the agent to send such notice within the time limit above specified shall be deemed a waiver of the rights conferred. A hearing pursuant to this rider shall be held within ten (10) days after the said submission to the arbitrator(s). The decision of the arbitrator(s) shall be final and binding upon the artist and the agent. The arbitrator(s) shall have the authority solely to determine whether or not the contract shall be extended for not longer than the term of this rider.

If the above described first extended term becomes binding in accordance with the preceding paragraph of this rider, then the said first extended term may be further extended for a "second extended term" of _____ only upon the condition that all the requirements set forth in the preceding paragraph for the "first extended term" are again fully complied with in regard to the "second extended term".

_____

(signature of artist)

EXHIBIT "F"

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

RIDER TO BE ATTACHED TO AFTRA EXCLUSIVE AGENCY CONTRACT
EXHIBIT 'C" COVERING Sound Recordings

The following shall be deemed part of standard AFTRA exclusive agency contract to which it is attached.

This contract also includes the Artist's services for sound recordings, and the term "broadcasting industry" shall also include the sound recordings field, provided the Artist has initialed this rider.

_____

(Artist's Initials)

EXHIBIT "G"

AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS

RIDER TO BE ATTACHED TO AFTRA EXCLUSIVE AGENCY CONTRACT EXHIBIT "C" and EXHIBIT "C-1" WHERE ARTIST AGREES TO PAY COMMISSION TO AGENT ON EMPLOYMENT CONTRACTS WHICH WERE IN EXISTENCE PRIOR TO THE DATE ARTIST EXECUTES AGENCY CONTRACT WITH AGENT.

The following shall be deemed part of standard AFTRA exclusive agency contract to which it is attached.

IMPORTANT

ARTIST SHALL NOT BE OBLIGATED TO PAY COMMISSIONS ON CONTRACTS OF EMPLOYMENT IN EXISTENCE WHEN THIS CONTRACT IS ENTERED INTO, UNLESS ARTIST SIGNS THIS RIDER WHERE INDICATED BELOW:

THE ARTIST AGREES TO PAY THE AGENT THE SAID PERCENTAGES AS PROVIDED FOR IN PARAGRAPHS 3(a) AND 3(b) HEREOF ALSO WITH RESPECT TO CONTRACTS OF EMPLOYMENT IN EXISTENCE WHEN THIS CONTRACT IS ENTERED INTO, UNLESS THE ARTIST IS OBLIGATED TO PAY COMMISSION ON SUCH EXISTING EMPLOYMENT CONTRACTS TO ANOTHER AGENT AS PROVIDED IN THE REGULATIONS.

_____

Signature of Artist

EXHIBIT "H" WORK AUTHORIZATION FORM

AFTRA

Work Authorization Confirmation Form

Agency Name: _____ Date: _____

Performer: _____ SS#/Member ID: _____

Effective Date: _____ Commission Rate:_____ (not to exceed 10%)

This will confirm that, pending the execution of an agency contract in accordance with AFTRA's Regulations Governing Agents, Rule 12C, the above referenced performer has authorized this agency to serve as the performer's agent in the following fields within AFTRA's jurisdiction:

__ Commercials	__ Programs	__ Interactive
__TV Commercials	__TV Programs	___Non-Broadcast
__ On Camera Only	__Serials only	___Promos
__Voice-over only	__ Hosting Only	___Internet
__Radio Commercials	__ Radio Programs	__ Broadcast/News
__Infomercials	__ All Voice Over	

This authorization is **national** in scope unless otherwise limited as follows:

_____Los Angeles _____New York _____Chicago ____Other

This confirmation form confirms that the performer has authorized the agent to procure employment for the performer in the area(s) specified above. The provisions of Rule 12C are incorporated herein, except with respect to the provisions regarding termination, with respect to any work obtained by the agent for the performer pursuant to the performer's authorization.

This authorization shall be terminable at will by the performer, upon written notice to the agent and AFTRA by means providing proof of receipt.

The following agent(s) has (have) been specifically authorized by the performer to procure employment for the performer:

_____ Date: _____

_____ Date: _____

I certify that the above is true and accurate:

_____ _____

Talent Agency Agent's Signature

In order to be effective, this form must be sent to the performer through means providing for proof of receipt (such as certified or overnight mail), with a copy to AFTRA, within 15 calendar days after the date of the authorization.

EXHIBIT "I": DUTY TO AFTRA

Duty of AFTRA Franchised Agents

The parties understand and agree that agencies franchised by AFTRA have a general duty to AFTRA to promote and enhance employment opportunities for AFTRA members at union standards and under union contracts.

The parties also agree that, consistent with a franchised agency's fiduciary duty to its clients, this duty to AFTRA requires that franchised agents engage in specific conduct intended to carry this duty.

Pursuant to these principles, the parties agree that each AFTRA franchised agency shall undertake the following affirmative obligations:

1. To promote and enhance employment opportunities for AFTRA members under union contracts by:

    a) Encouraging employers to produce under union contracts and at union standards; and

    b) Identifying to AFTRA non-signatory employers and unorganized productions to the extent known and sharing information relating to future trends in the entertainment and news industries.

2. To inform and educate clients (both union and non-union) on the benefits of union standards and the detrimental effects of performing struck work, working without a union contract, or rendering services for less than union scale;

3. To support and participate in AFTRA's educational and advocacy efforts on behalf of its members, where appropriate; and

4. To regularly participate in AFTRA events designed to provide access to agents for new members and members not currently represented by an agent.

These general obligations are not intended to establish any specific covenants on the part of individual agents, and an agent's failure or inability to comply with any particular obligation would not constitute a violation of Rule 12C nor give rise to any private right of action by AFTRA. Instead, the parties intend for agencies to use this list of obligations as a guideline for the carrying out of their duty, provided it is not inconsistent with their fiduciary duty to clients.

The parties agree to develop an education campaign for agents on the meaning and scope of this duty.

APPENDIX A
Financial Investments

This Appendix A is intended as a comprehensive substitute in Rule 12-C for all provisions in Sections VI of Rule 12-B Agency Regulations. This Appendix A is not intended to apply retroactively to prohibit any transaction undertaken by an agent in compliance with Rule 12-B prior to the effective date of Rule 12-C. (Note: References to section numbers in this appendix are to rule 12-C as it will be formatted)

I. Agents shall not invest in a prohibited entity ("Prohibited Entity"), or an affiliated entity ("Affiliated Prohibited Entity"), nor shall an agent own an interest in a production,3 engage in production or distribution, or own or control, directly or indirectly, any interest in a production or a producing or distributing company ("Interest In A Production Or A Producing Or Distributing Company") except as provided below: For the purposes of these Regulations, commissions that an agent receives from an artist, director, writer, or other person acting in a production capacity, or from an entity loaning out the services of such an individual, do not constitute an interest in a production, except insofar as an agent receives a financial interest as described in Section I(D) as a commission or in lieu of a commission.

A. An agent may acquire an interest in an entity that is not a Prohibited Entity or an Affiliated Prohibited Entity. If, however, such an entity becomes a Prohibited Entity or an Affiliated Prohibited Entity, the agent must divest its interest as soon as commercially reasonable. Notwithstanding the foregoing, an agent shall not invest in or own any interest in an entity providing services for an artist, including photography, audition tapes, demonstration reels or similar materials, business management, personal management, coaching, dramatic school, casting or talent brochures, agency-client directories, or other printing, or a paymaster or payroll company as defined in the Regulations and the agent shall comply at all times with the provisions of Section 1700.40 of the California Labor Code.

An agent may own up to 5% of the securities of a Prohibited Entity that is publicly traded on a recognized stock exchange.

B. Permitted Financial Interest in Project Financing, Foreign Sales and Merchandising

1. Project Financing

An agent may finance, for fair consideration for value received, a television program, provided that the agent's investment in the program does not exceed 15% of total production cost. Under no circumstances may the agent be the single largest financier in a television l program.

2. Foreign Sales Agency

An agent may actively engage in directly performing foreign sales and receive compensation for such services in the form of fees or a share of profits and proceeds in the program being sold. If the agent engages in foreign sales prior to production of the program, the agent's fee for such services must be commercially reasonable.

3. Merchandising Rights Licensing

An agent may license merchandising rights for a program or a producing or distributing company and receive a commercially reasonable fee in exchange for such services.

C. Permitted Financial Interests In Financial and Talent Packaging

An agent may perform any or all of the following activities. Rules regarding packaging shall be as provided in Section VI of the Rule 12-C.

---

[3] "Production" as used herein, is any production produced within a field covered by AFTRA collective bargaining agreements, including sound recordings, advertising, or programs, whether produced or distributed by any means or method now known or which may be developed hereafter.

APPENDIX A
Financial Investments

1. Talent Packaging

   When an agent packages a radio or television program ("packaging"), that agent may acquire an interest in the packaged production. Agents shall be entitled to compensation for a television package under the current provisions.

2. Financial Packaging

   In consideration for raising financing from a party unaffiliated with an agent for a television program, an agent may obtain a commercially reasonable financing fee.

D. Agent's Interest In Production Companies

1. Agents retain the right to represent producers. Either as compensation for services rendered or through investment, or a combination thereof, an agent may acquire up to 20% of a producing or distributing company, except that an agent may not acquire an interest in a "prohibited investor" (as defined in Appendix C) or an affiliate of such a prohibited investor (as affiliate is defined in Attachment B).

2. An agent may acquire from an artist/client(s) an interest in a producing or distributing company. Such interest shall not exceed in aggregate 20% of such a company. Upon the termination of the agent/artist relationship, the artist/client shall have the right to repurchase for fair market value the agent's interest in the artist's producing or distributing company, such fair market value to be determined by arbitration if necessary.

II. Conditions And Limitations On Agent's Financial Interests

No agent shall make an investment or hold a financial interest described in Sections I(B), (C), or (D) unless the following conditions are met: Moreover, no agent shall hold a financial interest in a program or production producing or distributing company that in aggregate exceeds 20% exclusive of any cash fees an agent may receive under Sections (I)(B)(2), I(B)(3), or I(C)(2).

A. The agent's fiduciary obligation to the artist/client shall not be impaired nor diminished by reason of the agent's investment or interest;

B. The terms and conditions of the artist/client's employment shall be at least as favorable as the terms and conditions of employment that would have been offered but for the agent's investment or interest. For clarification, it is noted that some agents' services will impact the terms of an artists' employment but will not violate this section unless that impact is greater than it would have been had the same services been performed by a non-agent.

C. The agent shall not act as a producer. For purposes of this section only, the term "producer" means any person who participates in employment decisions regarding the casting, hiring or firing of artists (other than strictly in the agent's capacity as the representative of a director, writer, person acting in a production capacity, or artist, and always consistent with the agent's fiduciary duty to the artist).

D. An agent investing or holding a financial interest in a company must disclose to the company in which the agent holds the financial interest the following:

1. The agent is franchised by AFTRA and must comply with all provisions of the Regulations; and the agent shall provide such to the company in which the agent owns an interest.

2. The agent's paramount duty is to the artist/client with whom the agent's relationship is that of a fiduciary and to whom the agent owes a duty of loyalty as set forth in the Regulations.

3. All dealings on behalf of the artist/client between the agent and the company in which the agent owns an interest must be at arm's length.

4. In the event of any dispute between an artist/client and the company in which the agent owns an interest, the agent's sole duty will be to support the interests of the artist/client whom the agent represents.

5. All communications between the artist/client and his/her agent, including, without limitation, information regarding an artist/client's compensation history, are confidential, and except as are

permitted by the Regulations or required by law, cannot be disclosed by the agent to the company in which the agent owns an interest.

E. The agent shall obtain a representation and warranty from the company in which the agent owns an interest that it understands the agent's duties as disclosed and that it will not take any action to interfere with or coerce the agent in the performance of the agent's duties to the artist. AFTRA and the agent's clients will be express third party beneficiaries of that representation and warranty. The required disclosures to the artist/client and to AFTRA shall be clear and conspicuous and shall include either a copy of the contractual provisions making the required disclosures and constituting the necessary representation and warranty or an affidavit attesting that these requirements have been satisfied.

F. Prior to entering into any agency contract with an artist, the agent must inform the artist that the agent engages in the activities described in Sections I(B), (C), or (D), as applicable.

G. Within 21 days of engaging in a transaction described in section I(D), the agent shall provide AFTRA and all artist/clients of the agency with an appropriate disclosure specifying the company or entity with which the agent has contracted and either a copy of the representation and warranty required under Paragraph II(E) or an affidavit attesting that the requirements of Paragraph II(E) have been satisfied. Following such disclosure, unless the agent acquires less than 10% of an artist/client production or distribution company, an artist/client may within 30 days after receipt of such disclosure terminate his/her agency contract. In such event, the agent shall retain the right to receive commission or compensation on moneys earned or received by the artist prior to the date of termination, or earned or received by the artist after the date of termination of the agent's engagement, on contracts for the artist's services entered into by the artist prior to the effective date of any such termination.

H. Notification and Independent Representation.

In addition to the other requirements stated in the Regulations, an agent who owns a financial interest in a program or producing or distributing company and who represents an artist/client in connection with potential employment with such company shall comply with the following:

1. Not later than when an artist is advised of an audition, or in the absence of an audition, not later than the commencement of negotiation on the terms of employment, the agent seeking the engagement for the artist must disclose to the artist the existence of any financial interest the agent has in the program or in the producing or distributing company at issue. In the event that an agent acquires an interest in a program or a production producing or distributing company after the artist is advised of an audition or after the commencement of negotiation on the terms of employment involving the program or the company in which the agent owns the interest, within 72 hours the agent must disclose the existence of such interest to the artist/client. If the agent's interest in a program or a production producing or distributing company exceeds 10% or if the agent has an interest of 10% and is also entitled to cash fees pursuant to Sections I(B)(2), I(B)(3), and I(C)(2)), the agent must so notify the artist. In carrying out the requirements of this subsection, the agent will not be held liable for immaterial breaches or breaches that the agent shows to be the product of an error or omission made after a good faith inquiry.

2. The agent must advise all such artist/client(s) of his/her right to seek independent representation pursuant to the provisions of this subsection II (H) and must grant the artist/client(s) the right to seek such independent representation.

3. The parties shall designate Sol Rosenthal as Negotiator and Richard Reiseberg as Alternate Negotiator. The initial term of appointment shall be for one year to be renewed automatically from year to year unless the parties agree to a substitution or elimination of one of the Negotiators. The Negotiator's fees shall be computed on an hourly basis, the rates to be negotiated in advance by the parties. Copies of the Negotiator's billings shall be sent to AFTRA, the ATA and NATR and the involved agent. The Negotiators shall be paid from the Fund described in Section II(H)(4).

4. The parties will establish a Negotiators Fund ("Fund") and agree to open a bank account at a bank to be determined by the parties. ATA-NATR shall pay monies into the Fund periodically in amounts

appropriate to maintain a minimum balance at all times, such minimum balance to be agreed upon by the parties.

I. The agent grants the artist/client an absolute right to reject, without retribution, his or her employment in any production in which the agent holds an interest.

J. With respect to talent packaging under Section I(C)(1), the agent shall not charge or collect any commission whatsoever from the artist/client on the compensation received by the artist/client in connection with the investment or interest.

K. For transactions made pursuant to Sections I(B)(1), I(C), and I(D), the agent shall provide a summary of the transaction to AFTRA with information in sufficient detail to permit AFTRA to clearly understand the nature and scope of the agent's financial interest within 21 days of the acquisition of such interest. The agent shall also provide to AFTRA copies of all employment contracts concerning any transaction between or among artist/client(s) of an agent and a production producing or distributing company in which the agent owns an interest by the earlier of the first day of employment of the artist or within 15 days following execution of the employment contract.

L. The agent shall not represent any owner or producer of a production in connection with a disciplinary referral under Section V of this proposal or other claims, grievances, or arbitrations.

M. Agent shall appoint a compliance officer charged with the responsibility to monitor the agent's compliance with its fiduciary responsibilities to its clients. Agents shall notify AFTRA of the identity and contact information of the compliance officer within 10 days of the officer's appointment and within 10 days of any change in the identity or contact information of the compliance officer. The compliance officer shall have the responsibility to provide AFTRA with all documentation, notices, and other information required under this proposal and otherwise in the Agency Regulations.

N. Any production over which AFTRA effectively exercises jurisdiction, including enforcing its own work rule, in which an agent owns an interest pursuant to paragraphs I(B) or I(C) must be produced under terms and conditions consistent with the applicable AFTRA collective bargaining agreement for that field.

III. An agent shall not assign or transfer an interest in an agent other than (i) to an employee, officer, director, or existing shareholder (or equivalent equity owner), or (ii) in connection with the sale, merger or other acquisition of an agent by another agent, except as provided below.

A. Public Offering

Subject to the following conditions and the conditions set forth in Paragraph III(D), an agent may receive cash or other valuable consideration in return for securities offered to the public pursuant to a registration statement declared effective under the Securities Act of 1933:

1. Prior to engaging in a public offering, an agent must obtain the approval of all necessary authorities.

2. Any registration statement filed with the Securities and Exchange Commission must clearly disclose (i) the existence and nature of the agent's fiduciary duty and the AFTRA Regulations and franchise, and (ii) shall specifically note the consequences of an entity described in Paragraph III(D)(3) owning an amount of securities in excess of the limitation set forth in that Paragraph.

3. The agent shall provide AFTRA with a copy of all filings made with the SEC concurrently with providing such filings to the SEC and, to the extent obtained by the agent, any filings made with the SEC by a party holding an interest in an agent related to that party's interest in the agent, including, without limitation, filings required under section 13(d) of the Securities Exchange Act of 1934.

4. When the issuer becomes aware through the filing of a 13(d) notice that an entity identified in Section III(D) owns 5% or more of the issuer's stock, the issuer shall trigger a redemption or comparable right if the interest owned by such entity exceeds the applicable threshold set forth in Section III(D).

B. Private Placement

Subject to the following conditions and the conditions set forth in Paragraph III(D), an agent may receive cash or other valuable consideration in return for securities offered through a "private placement" to (i) mutual funds; (ii) banks, savings and loan institutions, and insurance companies; (iii) ERISA-qualified pension plans, provided that no securities shall be offered or sold to an ERISA-qualified pension plan that is affiliated with a Prohibited Entity or Affiliated Prohibited Entity unless authority to make all investment decisions for such pension plan is vested in persons independent of the Prohibited Entity; and (iv) other investors who are not prohibited entities or affiliates and who are not otherwise described herein (collectively, "permissible investors").

1. Prior to engaging in a private placement, an agent must obtain the approval of all necessary authorities.

2. The agent shall provide AFTRA with a copy of the offering circular or other disclosure document, if any, and any other documentation used in connection with the offer or sale of securities through the private placement. The agreements pursuant to which such securities are sold must clearly disclose (i) how, if at all, proceeds from the sale of securities will be used to create growth in the agent's talent business; (ii) the existence and nature of the agent's fiduciary duty and the AFTRA Regulations and franchise; (iii) the amount and nature of the sale of securities and the mechanism by which the agent will maintain at all times the ability to elect a majority of the board of directors of the agency; and (iv) shall specifically note the consequences of a entity described in Paragraph III(D)(3) owning in excess of the limitation set forth in that Paragraph. AFTRA shall treat the disclosed materials as confidential ("confidential materials") and limit their dissemination to the National Executive Director, Associate National Executive Director, Director of Legal and Legislative Affairs, Director of Finance, and the National Director(s) of Entertainment Programming, Broadcast, Sound Recordings or the Assistant National Executive Director for Commercials/Non-Broadcast, as appropriate. These individuals will be permitted to share the confidential materials with other persons with special expertise in a relevant field, but only as essential to effectuate the purposes for which the confidential materials are provided. Moreover, these additional persons, if any, shall agree to comply with a duty of confidentiality.

C Private Sale of Existing Securities

Subject to the following conditions and the conditions set forth in Paragraph III(D), an agent may receive cash or other valuable consideration from permissible investors in return for their securities in the agency:

1. Prior to engaging in such a sale, an agent must obtain the approval of all necessary authorities.

2. The agent shall provide AFTRA with a copy of the documentation used in connection with the offer or sale of securities through the private sale. The agreements pursuant to which such securities are sold must clearly disclose: (i) how, if at all, proceeds from the sale of securities will be used to create growth in the agent's talent business; (ii) the existence and nature of the agent's fiduciary duty and the AFTRA Regulations and franchise; (iii) the amount and nature of the sale of securities and the mechanism by which the agent will maintain at all times the ability to elect a majority of the board of directors of the agency; and (iv) shall specifically note the consequences of a entity described in Paragraph III(D)(3) owning in excess of the limitation set forth in that Paragraph. AFTRA shall treat the disclosed materials as confidential ("confidential materials") and limit their dissemination to the National Executive Director, Associate National Executive Director, Director of Legal and Legislative Affairs, Director of Finance, and the National Director(s) of Entertainment Programming, Broadcast, Sound Recordings or the Assistant National Executive Director for Commercials/Non-Broadcast, as appropriate. These individuals will be permitted to share the confidential materials with other persons with special expertise in a relevant field, but only as essential to effectuate the purposes for which the confidential materials are provided. Moreover, these additional persons, if any, shall agree to comply with a duty of confidentiality.

D. Prerequisites to Investments

1. The agent's fiduciary obligation to the artist/client shall not be impaired nor diminished by reason of the agent's investment or interest.

2. The securities issued shall be non-voting or shall be structured in such a way to ensure that franchised agents maintain at all times the ability to elect a majority of the board of directors of the agency.

3. Limitations of investment:

   (a) AFTRA will maintain a list of "prohibited investors" (see Appendix C) who may not themselves own any interest in an agent, nor shall their affiliates (as defined in Appendix B) own any interest in an agent. In the event that AFTRA identifies a party who holds an interest in an agent as a prohibited investor, the prohibited investor shall be required to disgorge the interest as soon as commercially practicable.

   (b) No "large advertiser" or affiliate of a "large advertiser" (as defined in Attachment B) may own more than 10% of the outstanding securities issued by the agent. One year after a party described in this section acquires a 10% interest in the agent, such party may increase its interest up to 20% of the outstanding securities of the agent if the agent seeking the increase notifies the AFTRA representatives to the Joint Advisory Committee and the AFTRA representatives do not object to the increase within 30 days. If the AFTRA representatives object to the increase, they shall present the agent with notice of alleged violations of those provisions of the current Regulations listed in Section XVI(1-3), VI or X(K)(15), of this Appendix A to the Regulations, or of state or federal law related to the application of this agreement. Following such notice, the agent may seek to cure any alleged violations, may refer the matter to arbitration, or both. In case of arbitration, AFTRA will have 30 days to prepare for the arbitration hearing, where AFTRA will bear the burden of presenting evidence of the agent's material non-conformance with those provisions of the current Regulations listed in Section XVI(1-3), VI or X(K)(15), of this Appendix A to the Regulations or of state or federal law related to the application of this agreement. Evidence that the agent has cured or attempted to cure any alleged violations shall bear upon the arbitrator's assessment of materiality. The arbitrator shall be instructed to render his or her decision within 30 days of the arbitration hearing. In the event that the arbitrator finds a material violation, the agent's requested increase will be rejected and the agent will be disqualified from seeking an increase in financial interest for 1 year from the date of the arbitrator's decision. In the event that an investing party covered by this subsection has acquired or owns an interest in an agent exceeding 10% or 20%, as applicable, the party shall be required to disgorge the excess interest held by such party as soon as commercially practicable.

   (c) No "large advertising agency" (as defined in Appendix B) may own more than 10% of the outstanding securities issued by an agent principally located in New York City, Los Angeles, Chicago, or Miami. Large advertising agencies may not own any interest in an agent principally located in a place other than New York City, Los Angeles, Chicago, or Miami. One year after a party described in this section acquires a 10% interest in the agent, such party may increase its interest up to 20% of the outstanding securities of the agent if the agent seeking the increase notifies the AFTRA representatives to the Joint Advisory Committee and the AFTRA representatives do not object to the increase within 30 days. If the AFTRA representatives object to the increase, they shall present the agent with notice of alleged violations of those provisions of the current Regulations listed in Section XVI(1-3), VI or X(K)(15), of this Appendix A to the Regulations, or of state or federal law related to the application of this agreement. Following such notice, the agent may seek to cure any alleged violations, may refer the matter to arbitration, or both. In case of arbitration, AFTRA will have 30 days to prepare for the arbitration hearing, where AFTRA will bear the burden of presenting evidence of the agent's material non-conformance with those provisions of the current Regulations listed in Section XVI(1-3), VI or X(K)(15), of this Appendix A to the Regulations, or of state or federal law related to the application of this agreement. Evidence that the agent has cured or attempted to cure any alleged violations shall bear upon the arbitrator's assessment of materiality. The arbitrator shall be instructed to render his or her decision within 30 days of the arbitration hearing. In the event that the arbitrator finds a material violation, the agent's requested increase will be rejected and the agent will be disqualified from seeking an increase in financial interest for 1 year from the date of the arbitrator's decision. In the event that an investing party covered by this subsection has acquired or owns an interest in an agent exceeding 10% or 20%, as applicable, the party shall be required to disgorge the excess interest held by such party as soon as commercially practicable.

   (d) No large broadcaster (who is not a prohibited investor) may own more than 20% of the outstanding securities issued by the agent. Large Broadcasters shall be defined as the top twenty-five television broadcast companies and the top twenty-five radio broadcast companies. Such determination shall be

made annually on January 1 and shall be based upon revenue. In the event that an investing party owns an interest in an agent exceeding 20%, and such investing party then becomes a Large Broadcaster, the party shall be required to disgorge the excess interest held by such party as soon as commercially practicable.

(e) No advertiser engaged in production, and no advertising agency, may own more than 10% of the outstanding securities issued by an agent located in a market with 20 or fewer AFTRA franchised talent agencies. One year after a party described in this section acquires a 10% interest in an agent; such party may increase its interest up to 20% of the outstanding securities if the agent seeking the increase notifies the AFTRA representatives to the Joint Advisory Committee within 30 days.

(f) Except as limited above, no party engaged in the production or distribution of productions who is not a prohibited investor or an affiliate of any such entity (as defined in Attachment B) may own more than 20% of the outstanding securities issued by the agent. In the event that such an investor acquires or owns an interest in an agent exceeding 20%, the party shall be required to disgorge the excess interest held by such party as soon as commercially practicable.

(g) Except as limited above, no party that is an "advertising agency" as that term is commonly understood and that is not otherwise described in Section III(D)(3) (c) or an affiliate of any such entity (as defined in Appendix B) may own more than 20% of the outstanding securities issued by the agent. In the event that such a party acquires or owns an interest in an agent exceeding 20%, the party shall be required to disgorge the excess interest held by such party as soon as commercially practicable.

(h) If an entity described in Paragraphs III(D)(3)(b), (c), (d), (e), (f) or (g) acquires or owns securities issued by the agent, the aggregate amount of securities owned by all such entities described in Paragraphs III(D)(3)(b), (c), (d), (e) (f) or (g) shall not exceed (10% or) 20% of the outstanding securities issued by the agent. In the event the aggregate amount of securities acquired or owned by such entities exceeds (10% or) 20%, the entities shall be required to disgorge the excess interests held by such entities, as soon as commercially practicable.

4. Prior to entering into any agency contract with an artist, the agent must inform the artist that the agent engages in the activities described in Paragraphs III(A), (B), or (C), as applicable.

5. In the event that a party described in Paragraphs III(D)(3)(b), (c), (d) ,(e) (f) or (g) acquires an interest of 5% or more of the outstanding public securities of an agent or in the event that a party described in Paragraphs III(D)(3)(b), (c), (d), (e), (f) or (g) acquires any interest in an agent through private placement or private sale, within 21 days of such acquisition of an interest in the agent, the agent shall provide AFTRA and all artist/clients of the agency with an appropriate disclosure specifying the company or entity with which the agent has contracted, the nature and amount of the interest acquired, and either a copy of the representation and warranty required under Paragraph III(D)(8) or an affidavit attesting that the requirements of Paragraph III(D)(8) have been satisfied. Following such disclosure, an artist/client may within 30 days after receipt of such disclosure terminate his/her agency contract. In such event, the agent shall retain the right to receive commission or compensation on moneys earned or received by the artist prior to the date of termination, or earned or received by the artist after the date of termination of the agent's engagement, on contracts for the artist's services entered into by the artist prior to the effective date of any such termination.

6. Notification and Independent Representation

(a) In the event that a party described in Paragraphs III(D)(3)(b), (c), (d), (e), (f) or (g) acquires an interest of 5% or more of the outstanding public securities of an agent or in the event that a party described in Paragraphs III(D)(3)(b), (c), (d), (e), (f) or (g) acquires any interest in an agent through private placement or private sale, not later than when an artist is advised of an audition, or in the absence of an audition, not later than the commencement of negotiation on the terms of employment, the agent must to disclose the existence of that interest to all artist/clients who are proposed for employment by the party (or an affiliate of the party) holding the interest in the agent. In the event that a party who may employ artist/clients of the agent acquires such an interest in the agent after the artist is advised of an audition or after the commencement of negotiation on the terms of employment involving the party who owns an interest in the agent, within 72 hours the agent must disclose a summary of such interest to the artist/client. The artist shall have the right to refuse such audition or employment without retribution. In carrying out the requirements of this subsection, the agent will

not be held liable for immaterial breaches. Nothing herein shall affect or modify any existing notice and termination requirements under Sections X and XI of Rule 12-C.

(b) The agent must advise all such artist/client(s) of his/her right to seek independent representation pursuant to the provisions of this subsection III(D)(6) and must grant the artist/client(s) the right to seek such independent representation.

(c) The parties shall designate Sol Rosenthal as Negotiator Richard Reisberg as Alternate Negotiator. The initial term of appointment shall be for one year to be renewed automatically from year to year unless the parties agree to a substitution or elimination of one of the Negotiators. The Negotiator's fees shall be computed on an hourly basis, the rates to be negotiated in advance by the parties. Copies of the Negotiator's billings shall be sent to AFTRA, the ATA and NATR and the involved agent. The Negotiators shall be paid from the Fund described in Section II(H)(4).

7. In the event that a party described in Paragraphs III(D)(3)(b), (c), (d), (e), (f) or (g) acquires any interest in an agent through private placement or private sale or in the event that any other party acquires more than 5% of the outstanding securities of an agent, the agent must disclose to such party the following:

(a) The agent is franchised by AFTRA and must comply with all provisions of the basic contract and Regulations; and the agent shall provide such to the company owning the interest in the agent.

(b) The agent's paramount duty is to the artist/client with whom the agent's relationship is that of a fiduciary and to whom the agent owes a duty of loyalty as set forth in the Regulations.

(c) All dealings on behalf of the artist/client between the agent and the company owning the interest in the agent must be at arm's length.

(d) In the event of any dispute between an artist/client and the company owning the interest in the agent, the agent's sole duty will be to support the interests of the artist/client whom the agent represents.

(e) All communications between the artist/client and his/her agent, including, without limitation, information regarding an artist/client's compensation history, are confidential, and except as are permitted by the Regulations or as required by law, cannot be disclosed by the agent to the company owning the interest in the agent.

8. Under the circumstances described in paragraph IV(D)(7), the agent shall obtain a representation and warranty from the party owning an interest in the agent that the party understands the agent's duties as disclosed and that it will not take any action to interfere with or coerce the agent in the performance of the agent's duties to the artist. AFTRA and the agent's clients will be express third party beneficiaries of that representation and warranty. The required disclosures to the artist/client and to AFTRA shall be clear and conspicuous and shall include either a copy of the contractual provisions making the required disclosures and constituting the necessary representation and warranty or an affidavit attesting that these requirements have been satisfied.
9. When an artist is employed by a party holding an interest (or an affiliate of the party) in the artist's agency, the employment contract shall be furnished to AFTRA by the agency, and the terms and conditions of the artist/client's employment shall be at least as favorable as the terms and conditions of employment that would have been offered but for the party's interest in the agency.
10. The agent shall not represent any owner or producer of a production in connection with a disciplinary referral under Section V of this Appendix or other claims, grievances, or arbitrations.
11. Any production over which AFTRA exercises effective jurisdiction, (including enforcing its own work rule), produced by a company owning an interest in an agent must be produced under terms and conditions consistent with the applicable AFTRA collective bargaining agreement.
12. Agent shall appoint a compliance officer charged with the responsibility to monitor the agent's compliance with its fiduciary responsibilities to its clients. Agents shall notify AFTRA of the identity and contact information of the compliance officer within 10 days of the officer's appointment and within 10 days of any change in the identity or contact information of the compliance officer. The compliance officer shall have the responsibility to provide AFTRA with all documentation, notices, and other information required under this proposal and otherwise in the Agency Regulations.

IV. Remedies.

A. If the artist/client believes the agent has dealt with a company or production in which the agent has invested or owns an interest (or for which the agent has procured financing), or with a person owning an interest in such

agent in contravention of the agent's fiduciary duty, and the artist has been harmed by such contravention of the agent's fiduciary duty, the artist may refer his/her claim to expedited arbitration. The artist/client shall refer such claim within ninety (90) days of discovery of the alleged breach of fiduciary duty. The arbitrator shall determine the claim within thirty (30) days of the arbitration hearing.

B. In such proceeding, the arbitrator may provide any form of equitable relief that may include disgorgement of the agent's ill-gotten gains and injunctive relief and also any award of damages not to exceed treble damages. The arbitrator may also revoke the agent's franchise or impose any other penalty otherwise provided for in the Regulations.

C. AFTRA may initiate a proceeding under this section to remedy violations of the financial interest provisions. In such a proceeding, the remedies will be limited to those provided in Section XVI of the Regulations and disgorgement of ill-gotten gains and other equitable relief.

D. If, in such proceeding, an agent is found to have violated any of the provisions of this Appendix and if the arbitrator determines this violation to have been very serious, the arbitrator may order the agent to send notice of such violation to all artist/clients of that agent describing the underlying facts of the violation in sufficient detail to allow the artist/client to understand the violation, and including a copy of any arbitrator's opinion arising from that violation.

E. If the artist/client or AFTRA prevails in a proceeding under this section, the arbitrator may order the agent to pay the artist/client's or AFTRA's reasonable attorneys' fees and costs. If an agent prevails in a proceeding under this section, the agent shall only be entitled to recover reasonable attorneys' fees and costs if the arbitrator determines that the referral to such proceeding was frivolous or in bad faith.

F. Arbitrations conducted pursuant to this proposal shall be conducted by one of the following mutually agreed upon arbitrators: Richard Reisberg and Sol Rosenthal, and such other persons as mutually agreed upon by the parties. The arbitrations shall be conducted according to AAA arbitration rules or such other rules to which the parties agree.

V. Miscellaneous

A. Joint Advisory Committee to examine impact of Appendix A.

1. Upon adoption of this proposal, AFTRA and ATA-NATR shall convene a Joint Advisory Committee to examine the impact of the provision of this proposal on the entertainment industry and the artist/agent relationship. Such committee is intended as a cooperative venture to provide informed and meaningful guidance on issues arising from this agreement. The committee shall meet regularly and report its findings no less frequently than annually to AFTRA and to ATA-NATR.

2. No later than November 30, 2004, AFTRA shall deliver a report providing its assessment and analysis of this financial interest proposal on the entertainment industry and on artist-agent relations specifically. ATA-NATR shall have 30 days within in which to deliver their own report on the same subject as well as comments on the AFTRA report.

B. In addition to any provisions incorporated above, Section VI of Rule 12-C is incorporated into this Section

C. Notwithstanding Section VIIID of the Regulations, AFTRA will prepare for review by its members a full list of an agent's financial interests including the size of those interests.

APPENDIX A
Financial Investments

ATTACHMENT A

Prohibited entity includes any person, firm, or corporation engaged in production or distribution of, any production within fields covered by AFTRA collective bargaining agreements, including but not limited to any entity signatory to a AFTRA collective bargaining agreement or any entity affiliated with such signatory entity; provided, however, that an advertiser shall not be a Prohibited Entity or an Affiliated Entity due solely to its status as an advertiser except if such advertiser is a "large advertiser" as defined in Appendix B. AFTRA may revise the list of prohibited entities to add other entities that become the functional equivalent of those companies originally deemed to be prohibited entities. If the ATA objects to AFTRA's proposed addition to the roster of prohibited entities, the dispute will be referred to arbitration.

Interest in a program, production or distributing company shall include any interest as an owner, member, or shareholder and any share of the profits or proceeds of a motion picture producing or distributing company, or of a particular motion picture or producer and shall further include acting as an officer or director of a motion picture production or distributing company. An agent, however, may serve as a director of a corporation that spends less than 1% of the company's total revenue on production.

An Affiliated Prohibited Entity shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a Prohibited Entity. "Common control" as used herein shall include any company that produces a motion picture or pictures over which the Prohibited Entity has the right to exercise significant business and/or creative control (by way of example, significant creative and/or business control includes but is not limited to, approval of script, storyboards, budget, expenditures, locations, principal cast, other key personnel, approval of revenue participation and/or product placement, and the right to approve final cut or re-edit a motion picture). For avoidance of doubt, if a non-Exhibit C production or distribution company has creative control over a motion picture financed by an Exhibit C company, such control will not make such a non-Exhibit C production or distribution company an affiliate of the Exhibit C company. In addition, creative control does not include the traditional TV network element approvals or the traditional approvals of a studio in the pick-up of a motion picture.

ATTACHMENT B

An "affiliate" of, or person "affiliated" with, a specified person shall mean a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified. "Common control" as used herein shall include any company that produces a motion picture or pictures over which the person has the right to exercise significant business and/or creative control (by way of example, significant creative and/or business control includes but is not limited to, approval of script, storyboards, budget, expenditures, locations, principal cast, other key personnel, approval of revenue participation and/or product placement, and the right to approve final cut or re-edit a motion picture). For avoidance of doubt, if a non-Exhibit C production or distribution company has creative control over a motion picture financed by an Exhibit C company, such control will not make such a non-Exhibit C production or distribution company an affiliate of the Exhibit C company. In addition, creative control does not include the traditional TV network element approvals or the traditional approvals of a studio in the pick-up of a motion picture.

"Large advertisers" shall include any member of the Association of National Advertisers that has authorized the Joint Policy Committee to bargain on its behalf, affiliates of such entities, Pepsico, Phillip Morris Co., Toyota Motor Corporation, Honda Motor Corporation, Diageo, and Tricon Global Restaurants, and Grey Global Group and their affiliates. AFTRA may revise the list of large advertisers to add other entities that become the functional equivalent of those companies originally deemed to be large advertisers. If the ATA objects to AFTRA's proposed addition to the roster of large advertisers, the dispute will be referred to arbitration.

"Large advertising agencies" shall include any advertising agency whose billings are more than 50% derived from a single large advertiser or affiliates of such entities, Ominicom, WPP, IPG, Bcom3, Havas, and Publicis, and their affiliates. AFTRA may revise the list of large advertising agencies to add other entities that become the functional equivalent of a large advertising agency. If the ATA objects to AFTRA's proposed addition to the roster of large advertising agencies, the dispute will be referred to arbitration.

ATTACHMENT C

Entities that are generally classified in their respective industries as (1) major studios; (2) major broadcasters; or (3) major record labels shall be considered "Prohibited Investors." AFTRA and ATA/NATR agree that, as of the date of execution of the agreement, the following entities are "Prohibited Investors":

Sony, News Corp./Fox, Disney, AOL/TimeWarner, Viacom, Dreamworks, MGM, General Electric, Vivendi Universal , Clear Channel Broadcasting, Tribune Broadcasting, EMI and BMG and residents of any country designated by the United States Department of State as a sponsor of terrorism.

AFTRA may revise the list of prohibited investors to add other entities that become the functional equivalent of a prohibited investor. If the ATA objects to AFTRA's proposed addition to the roster of prohibited entities, the dispute will be referred to arbitration.

Sideletter #1

American Federation of Television and Radio Artists
260 Madison Avenue
New York, NY 10016

Dear Sir/Madam:

During the course of negotiations that resulted in the 2002 AFTRA Regulations Governing Agents, Rule 12-C, the parties agreed to the following clarification:

After the expiration of the later of (i) the term of an agency contract or (ii) the date on which the agent's representation of the artist terminates, if an employment contract of an artist made during the term of such agency contract or representation period is extended for a longer period than that already prescribed in the employment contract, the former agent is not entitled to receive commission for that portion of the term of the artist's employment contract which extends beyond the term (including options provided for in the employment contract) as it existed at the date of the expiration of the agency contract or representation period. This provision is inapplicable where the renewed, extended or new employment agreement is entered into during the valid term of the prior agency contract.

Very Truly Yours,

Association of Talent Agents/
National Association of Talent Representatives

/s/ Karen Stuart for ATA/Philip Adelman for NATR

ACCEPTED AND AGREED

American Federation of Television and Radio Artists

/s/ Greg Hessinger

Sideletter #2

American Federation of Television
and Radio Artists
260 Madison Avenue
New York, New York 10016

Dear Sir/Madam:

The following shall clarify the intent of the parties in the negotiation and administration of the new Section XI-C, Special Provisions for Long-Term Employment Contracts.

1. The term "same company for substantially the same employment" as used in Section XI-C(2) regarding broadcast contracts is not intended to mean:

- Two different stations owned by the same company, where such stations are separately operated (e.g., WCBS-AM vs. WINS-AM in NY).
- Two separate programs on the same network (e.g., NBC's "Dateline" vs. "The Today Show") where the artist's employment contract restricted the employer's ability to assign the artist to work that other show).

Employment on the same local station's news programming is considered substantially the same employment. For example, anchoring the 12 noon news and later the 5 p.m. news on the same TV station is considered "substantially the same employment" with the same company (unless the artist's employment agreement did not provide the employer the ability to assign the artist to work that other show).

The term "same company for five years or more" means the company that currently employs the artist. (E.g., if the artist is currently working at ABC, the fact that he/she worked under broadcast contracts at CBS for 10 years does not count towards the five year service requirement, only five consecutive years at ABC would count).

2. Where the employer requests early renegotiations and artist agrees to same, or where artist requests early renegotiations, the sixty day window shall be deemed closed. It is understood, however, that where the employer initiates the request to negotiate early, the artist shall have the opportunity to exercise this section and have another franchised agent negotiate the successor employment contract subject to the terms of Section XI-C (assuming that the original expiration of the employment agreement would have qualified for the option and the artist had not re-signed with the agent within 12 months of new renegotiation date).

It is the intention that once the artist authorizes his/her current franchised agent to commence negotiations on his/her behalf the window to exercise XI-C shall be closed and that agent will be entitled to commission on that employment agreement as otherwise provided in the Regulations.

3. It is understood that the term "franchised agent" means AFTRA franchised agent, and that if a franchised agent is not used this section is not applicable, and the current agent will be entitled to commission as provided under Rule 12-C.

4. It is the intent of the provision that where the new successor employment agreement for the same employment commences before the expiration of the agency agreement, the "new" agent would receive the commission on the new employment agreement (it being understood that the prior agent will commission the value of the expiring employment agreement through the expiration date set forth therein), even if it starts prior to the original expiration date of the agency agreement.

Example: Agency agreement expires 6/30/03. Employment agreement expires 3/31/03. Artist exercises right to have new franchised agent negotiate successor agreement, and successor agreement is negotiated, commencing 4/1/03. In this example, the commission obligation is to the new agent on that contract only, starting 4/1/03. All other commission obligations are subject to the agency regulations.

Example: Same facts as above, but in addition to staff agreement, the first agent negotiates a two year exclusive voice-over commercial endorsement deal for a major advertiser on 5/1/03. The first agent will be entitled to the commission on that endorsement deal for the entire two years of that deal, as otherwise provided under Rule 12-C.

5. The rights provided for in Section XI-C(1)(f) and XI-C(2)(e) may only be exercised where the artist in good faith asserts that the "prior" agent has failed to assist in procuring appropriate employment, or failed to vigorously represent the artist in the negotiation and administration of artist's employment agreement.

   It is further understood that where the artist's employment agreement prohibits the artist from seeking or accepting employment with other employers (exclusivity provisions, rights of first refusals), the artist cannot use the agent's compliance with the terms of the employment agreement as grounds for exercising this provision. It is understood that the good faith assertion must be based on some factual basis. For example, if an artist is given false information that forms the basis of the belief that the original agent failed to assist in procuring appropriate employment, that shall not be a basis for exercising the rights under XI-C.

6. Termination of an agency contract under Section XI-C does not affect an agent's ability to commission employment agreements entered into during the term of the agency agreement after the expiration or term of such agreement, including contracts of substitution.

Very Truly Yours

Association of Talent Agents/
National Association of Talent Representatives

/s/ Karen Stuart for ATA/Philip Adelman for NATR

ACCEPTED AND AGREED

American Federation of Television and Radio Artists

By /s/ Greg Hessinger

Sideletter #3

American Federation of Television
and Radio Artists
260 Madison Avenue
New York, New York 10016

Dear Sir/Madam:

During the course of negotiations that resulted in the 2002 AFTRA Regulations Governing Agents, Rule 12-C, the parties discussed certain practices with respect to the submission of artists.

The parties discussed the following examples:

AFTRA advised ATA/NATR that it had received reports of agents who required headshots to accompany resumes and audio reels/CD's for artists being submitted for voice over work. It was agreed that head shots should not be required as a condition of submitting the artist for voice over work.

AFTRA advised ATA/NATR that it had received reports of agents who required artists to list physical disabilities on their resumes. Where the artist does not want to disclose that information on his/her resume, it was agreed that an agent should not require the artist to do so as a condition to submitting the artist.

The above examples were not intended to be exhaustive, but were examples of specific conditions that the parties acknowledged should not be imposed by agents in these fact circumstances.

During discussions, ATA/NATR acknowledged it is a violation of 12-C for an agent (or sub-agent) as a condition of representation, to request that an artist engage in sexual activity. It is understood that doing so is grounds for discipline under 12-C and its predecessor regulations.

Very Truly Yours,

Association of Talent Agents/
National Association of Talent Representatives

/s/ Karen Stuart for ATA/Philip Adelman for NATR

ACCEPTED AND AGREED
American Federation of Television and Radio Artists

By /s/ Greg Hessinger

Sideletter #4

American Federation of Television and Radio Artists
260 Madison Avenue
New York, New York 10016

Dear Sir/Madam:

During the course of negotiations that resulted in the 2002 AFTRA Regulations Governing Agents, Rule 12-C, the parties discussed the appropriate treatment of major record labels that were not otherwise included in Attachment C of the Financial Investment Provisions ("Attachment C") as Prohibited Investors under another category. AFTRA asserted that such companies would most properly be included in Attachment C, given the fact that major record labels are signatory companies that regularly engage AFTRA members. ATA/NATR asserted that inclusion would not be appropriate because ATA/NATR member agencies were not currently engaged in the business of representing talent in negotiations with record labels.

The parties agreed to include major record labels on the Prohibited Investor list with the following understanding. In the event that during the term of Rule 12-C or any extension thereof, an agency wishes to enter into a financial interest transaction with a major record label or any successor entity, such agency may apply to AFTRA for a waiver to permit the proposed transaction. If, at the time of the waiver application, the agency represents and warrants that it does not engage in the business of representing talent in negotiations with record labels, AFTRA shall grant such waiver administratively. If AFTRA denies the application, the agency shall have the right to refer the matter to expedited arbitration. The arbitrator shall base his/her decision of whether to grant the waiver solely on the basis of the factual question of whether the agency is engaged in the business of representing talent in negotiation with record labels.

Any waiver granted under this Sideletter shall be subject to the following conditions:

1. Investment by an agency into a major record label shall be capped at 20%.
2. Investment by a major record label into an agency shall be capped at 20%.
3. The agency shall not engage in the business of representing talent in negotiations with record labels. In the event that the agency wishes to enter into such representation activities, any financial interest permitted by the waiver shall be disgorged prior to the agency commencing those representation activities.
4. In the event that the affected major record label subsequently becomes affiliated with a Prohibited Investor, the waiver shall terminate immediately and any financial interest permitted by the waiver shall be disgorged as soon as commercially practicable.

The parties also agreed that at the time of this Sideletter the companies that would qualify for treatment hereunder are EMI and BMG. In the event that Warner Music, Universal Music or Sony Records become unaffiliated with the companies in Attachment C, those labels will be covered by this Sideletter.

Very Truly Yours,

Association of Talent Agents/
National Association of Talent Representatives

/s/ Karen Stuart for ATA/Philip Adelman for NATR

ACCEPTED AND AGREED
American Federation of Television and Radio Artists

By /s/ Greg Hessinger

Sideletter # 5

American Federation of Television and Radio Artists
269 Madison Avenue
New York, New York 10016

Dear Sir/Madam:

During the course of negotiations that resulted in the 2002 AFTRA Regulations Governing Agents, Rule 12-C, the parties deleted certain provisions and added others. With respect to any deleted provision of the Agreement having to do with an agent's ability to seek a waiver from AFTRA from any regulations imposed by Rule 12-C, including but not limited to the new Appendix A, both parties acknowledge that it was not their intent to eliminate or in any way prohibit a franchised agent from seeking a waiver from AFTRA or prohibit AFTRA from granting any such waiver.

Very Truly Yours,

Association of Talent Agents/
National Association of Talent Representatives

/s/ Karen Stuart for ATA/Philip Adelman for NATR

ACCEPTED AND AGREED
American Federation of Television and Radio Artists

By /s/ Greg Hessinger