

## Navigating WGA's Post-April 12<sup>th</sup> Landscape *Agents' Top Questions Answered*

Over the past several months, the ATA has worked diligently to reach a deal with the WGA. We have approached each negotiating session in good faith, offering thoughtful, fair and comprehensive proposals that addressed their issues and give writers what they want: transparency & disclosures, safeguards and choice. However, the Guild remained set on its predetermined course for chaos and enforcing its "Code of Conduct". The "Code" is a unilateral mandate that will hurt all agencies and writers and disrupt the entire industry. It gives the Guild the authority to control agency business operations, demanding time and resources to comply with the multitude of mandatory requests and notifications. This document is designed to help agencies and their agents navigate this uncertain landscape.

1. **On April 12<sup>th</sup>, the existing Artists' Manager Basic Agreement (AMBA) between the Writers Guild of America (WGA) and the Association of Talent Agents (ATA) expired before an agreement was reached. When will the Guild instruct writers to terminate their agencies?**

WGA leaders have now adopted their "Code of Conduct" that imposes unilateral mandates and control over both writers and agents. They are enforcing Working Rule 23 and demanding that Guild members terminate representation by agents that haven't signed the Code.

2. **Why is the WGA's Code unacceptable?**

The WGA's Code is completely unacceptable for all agencies — large and small — because it imposes a unilateral mandate over individual agency business operations. The Code will set a new and harmful precedent that enables the WGA to, among other things:

- **Demand a variety of confidential client information** from an agency, even against the clients' wishes, including but not limited to, quarterly financial statements, copies of deals, and invoices.
- **Require the agency to provide the WGA such information in an unreasonable timeframe**, including within days of deal commitment and immediate notice of when a job starts.
- **Require agencies to report regularly to the Guild** on a variety of subjects, including providing employment data, film budgets, and lists of projects where the agency is providing services.

- **Require agencies to monitor and notify the Guild of all late payments due to a writer**, even against clients' wishes. Many agencies would need to invest in additional staffing resources to support these new functions.
- **Give the Guild a direct right to approve (or disapprove) film finance deals** negotiated by an agency on its clients' behalf.
- **Enable the WGA, after the initial fixed term, to change the terms of the agreement** on 90 days' notice regardless of the affect it will have on agencies and their business models.
- **Make all disputes subject to Guild-selected arbitrators**, with loss of franchise and substantial financial damages determined by a single arbitrator with no appeal.

### 3. How will the WGA's Code impact artists?

Writers will also be negatively impacted by the WGA's Code. Quite simply, the Code would eliminate jobs, violate writers' privacy and limit artists' individual choice when charting their own career paths. More specifically, the WGA's Code:

- **Removes Artists' Choice.** The WGA is attempting to make decisions about writers' careers on their behalf – wrongfully asserting that writers can't make the right decisions for their own careers.
- **Eliminates Confidentiality.** The Code wipes out financial confidentiality for writers by requiring agencies to provide the Guild with every writer clients' contracts and financial information – with or without the consent of the individual writer client.
- **Reduces Job Opportunities.** The Guild's plan will eliminate hundreds of jobs for writers and artists by hamstringing the film financing market and by eliminating production entities that are producing shows and films that may not otherwise get made.

### 4. How will ATA member agencies operate in the absence of an AMBA?

You should direct all operational questions to leadership within your agency. The ATA Board of Directors has adopted a set of Agency Standards for Client Representation as a voluntary model for agencies to govern their relationship with their writer clients and has encouraged members to adopt them as well. The Agency Standards for Client Representation spells out how we plan to serve and support writer clients who decide to retain our agencies, despite incredible pressure from the Guild to terminate relationships with non-franchised agencies, i.e. those agencies that refused to sign their newly implemented Code. It offers clarity and stability for writer clients and agencies in that it offers transparency, disclosures, safeguards and choice.

**5. How will I know if my client has terminated the agency?**

There are several ways this can happen. WGA members have the option to submit an online form to the Guild, giving the Guild permission to terminate a writer's relationship with his or her agency. In this instance, the Guild will most likely send a list of the writers who have agreed to sever ties to each agency. Some individual writers may also choose to terminate their agents directly.

**6. Will agencies continue to represent WGA members who do not terminate their agencies?**

Yes. While the Guild has forced its writers into the difficult position of having to choose between their union and their agent, the decision remains in the writers' hands. Agencies will continue to represent all writer clients who do not terminate their agents. Agencies have state-approved agency agreements that clients can sign if they want to continue to retain an ATA member agency. However, agents should notify their client that choosing to continue with agency representation could be a violation of Working Rule 23, subjecting the client to potential disciplinary measures enforced by the Guild.

**7. Will I be allowed to speak to my client after he/she terminates my agency? What if he/she asks me if my agency will continue to process payments or provide other services for closed deals?**

Yes. Agents can continue speaking with their clients, but they may not advise clients on starting or continuing a writing deal for future projects. Where payment is concerned, agencies have a fiduciary duty to process checks for former clients unless otherwise directed by that client. If the client chooses to rescind consent for payment processing, you should refer them to the WGA. Additionally, if your agency is still receiving a commission on a closed deal, your agency should continue to service the project if the client authorizes you to do so.

**8. What should I do if it's April 13 and I'm in the middle of a deal for my client?**

You should continue to operate as usual unless your client terminates your agency. If that happens, all agency services on writing deals for that WGA member must cease immediately. If those clients have questions about job opportunities, you can refer them to the WGA.

**9. My client's manager and/or lawyer has told my client it will be business as usual if they terminate the agency. What should I tell them?**

You can inform them that it is a violation of California and New York state laws for anyone other than a licensed talent agent to secure writing services work. Additionally, lawyers are also subject to the ethics and licensing requirements of their state bar [associations](#).

**10. Should I be handing over deal information to client's managers and lawyers?**

If your client requests this information, you should always comply. However, before sending any confidential information, make sure the request is coming directly from your client by asking for their specific request in writing.

**11. What should I do if my client says they will not terminate me, and they expect me to continue representing them?**

The decision to continue retaining your agency is entirely your client's choice. You may continue to represent the client.

**12. What should I do if a studio calls me looking for my writer clients' credits/submission after the client has terminated my agency?**

If your writer client has already terminated your agency, you cannot send this information to the studio. Under no circumstances should agencies continue to make outgoing submissions for staffing or open writing assignments for any writer client that has terminated their agency.

**13. Will the agency still be able to commission a deal if it is interrupted and closed by another party?**

In this instance, you would act as if your client had terminated your agency under any other circumstance. Each instance should be taken on a case-by-case basis.

**14. My client told me that the Guild is forcing her/him to terminate my agency, but my client does not have an outside lawyer or manager. What should I tell my client to do if she/he needs to find work or is closing a deal?**

You may direct them to the WGA, which stated it has a plan to help writers secure employment through an online staffing submission system, peer networks and other agencies who agreed to sign the Code. However, you should also inform them there are many unanswered questions and understandable concerns about the WGA's approach that ultimately puts the Guild's own membership at risk. The WGA's plan for post-April 12 is unproven and risky at best:

- WGA leadership is saying managers and lawyers can stand in for agents. They can't – it's against the law.

- The WGA is also leaning on an unidentified and untested group of volunteers to match the more than 15,000 Guild writers with a finite pool of writing positions.
- The Guild's job portal has its limits – writers will apparently be restricted to only three submissions.
- The writers who will be hurt the worst are those who need employment, have been historically underrepresented, and/or just got agent representation.

**15. What is the penalty for WGA members who violate the WGA's directive that they must terminate their agents?**

You should advise them to contact the WGA with any questions regarding writer discipline.

**16. What should I do if my client tells me they want to go Financial Core? What are the consequences of this decision?**

Agents should strongly advise clients to get the facts on being a Fi-Core non-member from a lawyer. If they don't have a lawyer or can't afford one, they should contact the National Labor Relations Board or the WGA.

**17. What should I tell my client if he/she asks what's going to happen next and whether a deal will be reached? How long is this going to last?**

There are many unanswered questions and understandable concerns at this time. The ATA has worked diligently and in good faith to reach an agreement with the WGA. We've made numerous comprehensive proposals providing choice, disclosure, transparency, shared revenue and a significant investment in inclusion programs. Despite our best efforts, the WGA leadership declared a pathway for compromise doesn't exist. Unfortunately, not to our surprise, the WGA did not accept our offer, did not provide counterproposals and refused to negotiate further. We'll keep fighting for the best interests of our writer clients, all artists and agencies.

**18. Where can I obtain more information?**

The ATA [website](#) has information and a member agency toolkit of materials that are designed to assist agencies with business operations during this time.

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