

# **Actors' Equity Association**

## **AGENCY REGULATIONS (Rule A and Interim Regulations)**

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## **RULE A - EQUITY - AGENCY REGULATIONS**

ACTOR'S EQUITY ASSOCIATION (herein called "Equity") promulgates this Rule A effective June 4, 1958, in order to regulate the dealings of its members with agents and artists' managers relating to the employment and professional careers of actors in the legitimate theatre industry. This rule was promulgated after discussions between "Equity" and Theatrical Artists Representatives' Association, Inc. (herein called TARA), a New York non-profit membership corporation, composed of representative agents and artists' managers in the legitimate theatre industry. The following terms are as agreed as between EQUITY and TARA.

### **SECTION I - DEFINITIONS**

#### **(A) Agents, or Artist's Managers; Agency Business and Agency Services:**

An Agent of Artist's Manager is any person, co-partnership, association, firm, corporation, or any form of business entry, who for compensation or otherwise, offers to or does represent, act as the agent, manager, personal manager, or representative of, negotiate for, procure employment for, counsel or advise any member of "Equity" about or relating to his employment or professional career in the legitimate theatre industry. The terms "agent", "agency", and "artist's manager", as used herein are synonymous. The phrase "agency business" is the legitimate theatre industry, as herein defined. The phrase "agency services" is the rendition of services as an agent as herein defined, in the legitimate theatre industry.

#### **(B) Sub-Agent:**

A sub-agent is a person, who is employed by a franchised agent to render agency services, as herein defined.

#### **(C) Business Manager:**

A business manager is a person, firm or corporation whose services with respect to members of "Equity" are limited to the giving of financial advice or management of financial affairs. A business manager shall not be deemed an agent within the scope of these regulations, if and only if such person, firm or corporation does not otherwise engage in the business of an agent as herein defined. Solicitation of employment for an Actor shall be presumptive proof (incapable of being rebutted) that the Business Manager is acting as an agent and in violation of the terms of Rule A in that he is operating without a franchise from "Equity". If an Actor shall employ such non-franchised agent, he shall have violated the actor's obligations to be performed under this Rule A and at the request of TARA or a franchised agent, or the members, executives or Council of "Equity", may be subject to disciplinary action by "Equity".

#### **(D) Attorney At Law:**

An attorney at law who performs services for a member of "Equity" shall not be deemed to be an agent unless such services include solicitation of employment in the legitimate theatre for the member, or the attorney holds himself out as an agent or engages generally in the business of an agent. Solicitation of employment for an actor shall be presumptive proof (incapable of being rebutted) that the attorney at law is acting as an agent and in violation of the terms of Rule A, in that he is operating without a franchise from "Equity". If an actor shall employ such non-franchised agent, he shall have violated the actors' obligations to be performed under this Rule A and at the request of TARA, or a franchised agent, or the members, executives or Council of Actors' "Equity", may be subject to disciplinary action by "Equity".

**(E) Actor:**

The word "actor" means any person who renders services as a performer, understudy, or stage manager within the jurisdiction of "Equity", but not chorus. The word "actor" shall also include persons who perform services as directors in or for productions performed pursuant to a "stock contract" issued by "Equity".

**(F) Member:**

The word "member" is defined to mean a present or future member of "Equity". An actor, who is not a member when he signs a contract with an agent comes under the terms of these regulations and said contract is modified in accordance with these regulations as soon as he becomes a member, if the agent be then or thereafter franchised by "Equity". "Actor" and "member" are synonymous except as differentiated in this paragraph.

**(G) Agency Contract:**

An agency contract is a contract between an agent and a member providing for the rendition of agency services. The terms "agency service contracts" and "artist's manager's contract" are deemed synonymous.

**(H) The Legitimate Theatre Industry:**

The Legitimate Theatre Industry shall mean that branch of the entertainment industry in which actors render services in productions described in paragraph E of this Section I. No provisions of this Rule A shall be deemed to apply to any phase of the entertainment industry except the legitimate theatre industry, as herein defined.

**(I) Rule A:**

The phrase "Rule A" shall be deemed to mean and refer to all the terms herein contained, including the exhibits hereto attached. The word "Regulations" shall be deemed synonymous with "Rule A."

**(J) Franchised Agent and Affiliate:**

A "Franchised Agent" is an agent who has obtained a franchise from Equity under this Rule A. The term "Affiliate" means any business entity owned, controlled or operated by an agent, any parent or subsidiary of an agent, any corporation in the same corporate system as an agent, and any business entity which is connected with an agent through ownership or control by substantially the same interests as own or control the agent.

**(K) Person:**

The word "person" as used herein shall include any form of business entity, including but not limited to: (a) any individual or individuals, co-partnership, associations, firms, corporations and trusts.

**(L) Collective Bargaining Agreement:**

A "Collective Bargaining Agreement" includes all "Equity" agreements and/or contracts with employers or producers, "Equity's" Basic Agreement with the League of New York Theatres, any arbitration award to which "Equity" is a party establishing minimum terms and conditions established by EQUITY by rule or regulation in cases where "Equity" does not have agreements with employers establishing such minimums; and further includes, but is not limited to letters (whether addressed to "Equity" or not) signifying willingness to abide by "Equity's" minimum terms and conditions for employment even though no formal contract has been made with the signatories to such letters.

**(M) Stock Engagement:**

A "Stock Engagement" is any engagement at a Stock Company, or Summer Theatre, or any engagement under a Unit Contract for Stocks, as such terms are defined in the Equity Rules Governing Employment In Dramatic (or Musical) stock.

**SECTION II - SCOPE OF RULE A:**

**(A) Application To Equity Members:**

Rule A applies only to the activities of "Equity" members as actors in the legitimate theatre industry. Rule A is for the benefit of "Equity", its present and future members, and of franchised agents.

**(B) Application To Future Members:**

"Equity" will accept for filing as provided in Paragraph (D) of Section V herein, agency contracts (in the form of Exhibits E, F & G) between a franchised agent and any actor who is not a member of "Equity" when he signs such contract only where such contract provides that the actor will become a member of "Equity" in good standing upon any employment in the legitimate theatre industry.

**(C) Actors May Accept More Favorable Terms; But Not Less Favorable Ones:**

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

**(D) Affiliates Of Agents Must Comply With Rule A:**

No affiliate of an agent shall engage in the agency business unless such affiliate is also a franchised agent. 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) When Agents And Sub-agents Are Bound by Rule A:**

These regulations shall become binding upon each applicant and upon "Equity", upon the acceptance by "Equity" of such applicant's application for franchise and the issuance of said franchise hereunder.

**(F) Issuance Of Franchises By Equity:**

EQUITY agrees that, during the period of these Regulations (as provided in paragraph A of Section III hereof) no franchise shall be issued upon terms and conditions other than those specified in this Rule A, nor will Equity adopt any articles, by-laws, rules, orders, by way of amendment or otherwise, or do any other thing or act which will conflict with or change any of these regulations.

**(G) Waivers:**

The provisions of paragraph (F) of Section II do not, however, prevent "Equity" from granting waivers to agents or sub-agents from time to time excusing compliance with any of these regulations, or waivers may be given by "Equity" in other special instances; provided such waivers are given in good faith and without intent either to evade these regulations or give an unfair competitive advantage to

any other agent or agents. Waivers once given shall be deemed irrevocable during the term of this Rule A unless otherwise stated at the time the waiver is given.

### **SECTION III - EFFECTIVE PERIOD FOR RULE A:**

#### **(A) Term Of Rule A:**

Rule A shall be effective as to all franchised agents and to all actors beginning with June 4, 1958, and shall remain in full force and effect until and including June 4, 1963, and thereafter until terminated by either "Equity" or TARA by giving six months prior written notice to the other. Such notice may be given by either party at any time on or after December 4, 1962.

#### **(B) Amendment During The Term By Agreement:**

On notice from either "Equity" or TARA given to the other in writing at any time on or after June 4, 1960, "Equity" and TARA shall promptly meet to discuss any change amendment or other matter affecting these regulations desired by the party giving notice. "Equity" and TARA agree in good faith to discuss and attempt to reach agreement in the mutual interest of "Equity" members, artists' managers and agents, and the legitimate theatre industry on any such matter raised by the other; and to amend these Regulations accordingly.

#### **(C) Termination Of Prior Franchises; Prohibited Against Dealing With Agents Not Franchised:**

All Personal Representatives' Permits, Employment Agents' Permits and Special Representatives' Permits issued by EQUITY are hereby declared terminated as of June 4, 1958. From and after June 4, 1958, no actor may engage, use or deal through any agent in the legitimate theatre industry, unless such agent has an agency franchise from "Equity" in full force and effect under this Rule A; except that up to and including October 4, 1958, "Equity" members may enter into contracts in accordance with these regulations with formerly franchised agents who have applied for franchises hereunder, which contracts shall be valid for all purposes if but only if the agent shall be valid for all purposes if but only if the agent shall receive or be entitled to receive a franchise from "Equity" hereunder by or before October 4, 1958.

#### **(D) Actors Contracts With Agents Not Applying For New Franchises:**

Nothing herein contained shall be construed so as to require members to terminate existing contracts with agents entered into before June 4, 1958, but such contracts with agents entered into before June 4, 1958, but such contracts shall be deemed modified in accordance with these regulations, as provided in Section XIII hereof, unless the agent involved informs "Equity" in writing on or before July 30, 1958, that he does not intend to apply for a franchise under this Rule A.

### **SECTION IV - FRANCHISE PURPOSES, QUALIFICATIONS & REQUIREMENTS: THE RIGHT TO FRANCHISE:**

#### **(A) Purpose Of Franchising And Of These Regulations:**

The purpose of the franchising procedure is to assure that agents franchised to represent actors in the legitimate theatre industry be persons who are properly and adequately qualified to represent the interests of "Equity" members, as provided herein. These regulations have been drafted by "Equity" after thorough investigation of the agency field and after conferences with "Equity" members and TARA and agents. They are Regulations of the dealings of members of "Equity" with agents relating to the employment or professional career of actors in the legitimate theatre industry, and are intended as well, to promote more amicable relations between agents and actors, to derive greater benefits from the business relationships between members of "Equity" and agents, and to insure a higher state of ethics in the dealings between actors and agents and are intended for the mutual benefit of both agents and actors.



**(B) Franchise Qualifications:**

It is the intent of this Rule A, and of "Equity", to restrict the granting of agency franchises to those persons who are qualified to be agents by reason of background and experience, who are financially responsible, who are of sound, reliable, ethical and moral character and able to operate such agency in a business-like manner, who will be able to represent expertly and knowingly the interests of actors, and who will deal with actors fairly and honestly. Franchised agents shall be persons or organizations who are making the agency business their principal business activity and source of livelihood.

**(C) Grant Of Franchises To TARA Members:**

Franchises shall be issued hereunder by "Equity" to all agents who are now members of TARA in good standing, subject, however, to the provisions of Paragraph K of this Section IV and to the individual TARA member furnishing "Equity", on or before September 4, 1958 the application described below, together with all the information therein called for. Franchises issued to TARA members shall be effective during and throughout the term of this agreement, subject to the conditions herein specified.

**(D) Grant Of Franchises To Others:**

All other persons presently engaged in the agency business, and presently franchised by "Equity" may file applications for franchises with "Equity" hereunder, provided that such applications are filed on or before September 4, 1958.

**(E) New Applicants For Franchises:**

Any person who may hereafter enter into the agency business shall make application for a franchise hereunder, prior to engaging in said business. Such persons hereafter entering into the agency business shall not undertake the active performance of agents or artists' managers functions hereunder, until such franchise has been granted. All applications for agents' franchises by applicants not franchised by "Equity" prior to June 4, 1958, must be accompanied by letters from five "Equity" members in good standing, stating that they desire the applicant to represent them as an agent in the legitimate theatre industry. Any applicant for agent's franchise not franchised by "Equity" prior to June 4, 1958, may, upon making such application, be required to appear before "Equity" for an examination with respect to his qualifications.

**(F) Franchise Application Procedure:**

Applications for franchise under this Rule A are to be made by filing with "Equity" an application in the form provided for in Exhibit A attached herewith (in the case of agents' franchise), and in the form provided for in Exhibit B attached herewith (in the case of sub-agents). Such applications, accurate in all respects, must be duly executed by the person or persons filing said application, and such other parties as may be required by these regulations. All franchise applications must be filed at "Equity's" New York Office, 226 West 47th St. New York 36, New York.

**(G) Responsible Parties:**

(1) Corporations:

If the applicant is a corporation, the officers, directors and stockholders of the corporation listed as such at the time the application is filed shall be deemed, at the option of "Equity", to be the officers, directors and stockholders of said corporation until "Equity" is notified in writing of any substitutions, additions or changes in said officers, directors and stockholders listed with "Equity" as aforesaid, shall be deemed to be the officers, directors and stockholders of the corporation.

(2) Partnerships:

If the applicant is a partnership, the persons named as partners in said application shall, at the option of "Equity", be deemed to be the partners for the purposes hereof until any changes in the list of partners are brought to the attention of "Equity" by written notice.

(3) Information About Structure And Persons Having Ownership Interest:

"Equity" may, by written request, require any applicant or 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 thereof, in which event the applicant or agent shall promptly comply with such request. Each agent shall notify "Equity" of any change in ownership within ten days after knowledge of such fact.

(4) Persons Who Must Sign Franchise Applications:

The application for an agent's franchise shall be executed by the applicant and by each and every person, firm or corporation having an interest in Applicant, directly or indirectly, providing, however, that any stockholder not active in the business of applicant who holds less than 5% of the total stock or any partner not active in the business of applicant who has less than 5% participation interest in the business, shall not be required to execute an application, providing the stockholders or partners holding or owning at least 75% of the total stock or participating interest in the applicant sign the application. The due execution of the application by each person executing it shall be acknowledged before a notary public or an equivalent officer. An owner of an agent who executes a franchise application need not be franchised as a sub-agent.

**(H) Franchise Application Statements Warranted By Agent:**

Notwithstanding anything else herein contained, the agent agrees that the application filed by him contains no false or misleading statements, and that any franchise issued by "Equity" may be revoked thereafter if an arbitration tribunal, after a hearing, finds that the application did contain false or misleading statements which were material.

**(I) Agents Agreement To Comply In Good Faith:**

When an agent applies for a franchise, it is of the essence hereof that the agent be deemed to have agreed with "Equity" as follows: that the agent will not evade, circumvent or violate, or seek to 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.

**(J) Form Of Franchises.**

Attached hereto and marked Exhibit C is the form of franchise which "Equity" will issue to agents and attached hereto and marked Exhibit D is the form of franchise which "Equity" will issue to sub-agents. Any franchise so issued shall constitute a contract between "Equity" and the person to whom said franchise is issued.

**(K) Equity Agrees To Grant Franchises Unless Applicant Not Qualified:**

"Equity" hereby declares and agrees that it will grant franchises under this Rule A to all TARA members and all other previously franchised agents who file said applications hereunder, unless in "Equity's" opinion the application or investigations thereof, discloses facts which show the applicants not qualified.

**(L) Arbitration Of Refusals:**

In the event EQUITY fails or refuses to grant a franchise to an applicant, the applicant shall have the right to arbitrate "Equity's" refusal to grant the franchise hereunder. In the event "Equity" should refuse such application to any TARA member, TARA shall participate in the arbitration procedure and determination, as set forth in this Rule A.

**(M) Equity To Hold Information Confidential:**

All information furnished "Equity" by an applicant for a franchise hereunder or by a franchised agent pursuant to these regulations, shall be held confidential by "Equity" except where material in arbitration proceedings or as otherwise provided in the regulations.

**SECTION V - CONTRACTS BETWEEN AGENTS AND MEMBERS:**

**(A) Three Permissible Types Of Contracts:**

There are three types of contracts which may be entered into between "Equity" members and franchised agents.

(1) Exclusive Management:

The Exclusive Management Contract may cover the entire legitimate theatre industry, or may be limited, if so agreed in writing, to one or more specified engagements. The duties and obligations of the agent under said contract are set forth in Paragraph K of this Section V.

(2) Special Management:

The Special Management Contract may be entered into only with respect to a specific engagement or engagements. The duties and obligations of the agent under said contract are set forth in Paragraph L of this Section V.

(3) Agency Authorization:

The Agency Authorization may also be entered into only with respect to a specific engagement or engagements. Except where an actor has signed an Exclusive Management, or Special Management contract, the Authorization is to be used where the weekly salary the actor may be entitled to receive is less than \$50.00 over the applicable "Equity" Production or Industrial Show Contract Minimum. The duties and obligations of the agent under said contract are set forth in Paragraph M of this Section V.

**(B) No Contracts To Be Less Favorable To Actors; All changes Subject To Equity Approval:**

An Actor may take a contract more, but not less, favorable to him than the form of contract specified in the regulations, provided that such contract is submitted to "Equity" for approval and such approval is granted in writing. Except as otherwise herein specifically provided, no deviation, addition or deletion shall be made in the agency contract save with the written approval of "Equity". Any such deviation, addition or deletion shall be submitted by the agent to "Equity" in writing within fifteen days after the same is made. If a deviation, addition or deletion be disapproved, the agent must forthwith notify the actor in writing of such fact and the contract shall be deemed to have been executed as though such deviation, addition or deletion had not been made. Nothing herein contained shall prevent the parties from contracting that, should such deviation, addition or deletion not be approved by "Equity", then any party may disaffirm the contract within a stated number of days after notice of such disapproval by "Equity".

**(C) Agency Contracts To Be In Writing:**

All agency contracts between an agent and a member must be in writing and, except as provided below, must be executed before the agent may submit the actor for an engagement or hold himself out as the representative of the actor. All agency contracts not in writing, not executed prior to submission of the actor, or not complying with these regulations, whether as to form, filling in of blanks, execution, delivery, filing, or otherwise, shall be void at the option of the actor. The agent shall have no right to receive any commission on a reasonable or any basis for services rendered or otherwise, under such voided contract. Nothing herein contained shall prevent an actor from authorizing a franchised agent by telegraph or other written communication, or by oral communication if confirmed in writing within 72 hours thereafter, and provided such telegraphic or other written communication or confirmation refers to these regulations, to negotiate employment for the actor as specified in such communication. The agency contract entered into the aforesaid circumstances, unless otherwise specifically provided, shall be terminable at will and in any event shall, unless sooner terminated, terminate 120 days from the date of the original authorization. The employment of the agent under such an agreement shall be subject to these regulations and the appropriate form contract attached hereto and the agent shall be entitled to receive commission at the maximum applicable rates specified in these regulations from any contract of employment made or entered into within the scope of said authorization or confirmation.

**(D) Execution Of Agency Contracts:**

Agency contracts must be executed only by the agent, or an authorized sub-agent of the agent. No agency contract may be dated other than the date of its execution, but its term may be specified to commence at some date in the future, which date may be fixed by the happening of an event. In the interim, the agent may render services without commission or remuneration. All such agency contracts executed pursuant to the provisions hereof shall be deemed to bind, jointly and severally, every person, firm or corporation owning an interest in the agent, directly or indirectly, as ownership interest is defined in Section IV (G) above.

**(E) Filing Of Agency Contracts With Equity:**

All agency contracts shall be signed at least in triplicate. One copy must be promptly delivered by the agent to "Equity" at "Equity's" New York office within 21 days after execution. One copy must be promptly delivered by the agent to the actor; the remaining executed copies are to be retained by the agent.

**(F) Maximum Commission Rates:**

The maximum commission rates payable for agency services by actors in the legitimate theatre industry shall be as follows:

(1) Under the Exclusive Management contract (Exhibit E) and under the Special Management contract (Exhibit F), the maximum rates of commission payable shall be:

- a. For actors receiving \$1,000 per week or more - 10%.
- b. For actors receiving under \$1,000 per week, but not less than \$50.00 per week over the applicable EQUITY Production or Industrial Show Contract minimum, 5% on the first \$200.00 per week plus 10% on all sums above \$200.00 per week.
- c. For all actors receiving less than \$50.00 over the applicable EQUITY Production or Industrial Show Contract minimum, and for all actors on stock engagements - 5% of all sums received, but for a maximum of the first ten (10) weeks under the employment contract.

(2) Under the Agency Authorization (Exhibit G) the maximum commission allowable shall be 5% for a maximum of the first ten (10) weeks under the employment contract.

The terms "receiving" or "received" by the actor, as used in this paragraph (F), refers to any and all salary, interest, remuneration or compensation of any kind received by the actor or for or on his behalf, but shall not, however, apply to minimum per diem or other minimum expense payments required under the applicable "Equity" employment rules.

The above limitations of commission may not be avoided or evaded by any device or arrangement for the payment to the agent of additional compensation for other services to be rendered by the agent to the actor, such as, by way of example, but not by way of limitation, services for publicity, business management, coaching or dramatic schools or by the acceptance by the agent, directly or indirectly, of a bonus or gratuity in any form from the actor.

In no event shall an actor pay more than the maximum commission specified above. If an actor has contracted to pay more than the maximum commission to two or more agents, the agent to receive the commission shall be decided in accordance with Section VIII below, but, in any event, the actor shall only pay the maximum commission allowable herein.

No "Equity" member employed under a Chorus contract or engaged to perform Chorus work shall pay commission to any agent. Nothing in this Rule A shall be deemed to permit any agent to charge or collect any such commission from such "Equity" member in connection with such Chorus engagement.

**(G) No Commissions To Be Paid To Those Acting As Employers:**

Except as hereinafter expressly permitted, no person who directly or indirectly occupies the position of an employer toward any actor, may collect any commission whatever from such actor, with respect to any engagements as to which such employment relationships exists in the legitimate theatre industry within the scope of these regulations; nor may this provision be evaded by the use of controlled or affiliated corporations, firms or persons.

An agent may not collect commissions from an actor who secures employment through him if said agent, or any affiliate of said agent, is also acting as the agent or representative of the manager, either in the capacity of casting director, or casting agent, exclusive or otherwise, with or without fee.

An agent may not collect commissions from any actor who secures employment through him if said agent, or any affiliate of said agent, is also acting as the packager of the same production, either on the agent's own behalf, or on behalf of the manager or any other person, with or without fee. (See also VI (B) below)

**(H) Theatre Representation Agreement; To Be Separate Document:**

Any contract between an agent and an "Equity" member with reference to representation in branches of the legitimate theatre industry other than acting, for example, writing and directing (other than directing in Stock), or any such agreement with reference to representation by the agent of such actor in entertainment fields other than the legitimate theatre industry may not be included in the agency contract herein referred to, but must be the subject of a separate contract between the agent and the actor, and none of the regulations of Rule A shall be applicable to such separate contract.

**(I) Agency Contracts And Continuance Of Franchise:**

The existence of an agency contract between an actor and a franchised agent is conditioned upon the agent at all times having an agent's franchise from "Equity" under this Rule A, except as otherwise provided herein. If the franchise of a sub-agent employed by such agent is revoked as herein provided, the agent employing such sub-agent agrees to terminate the employment of such

sub-agent in rendering agency services in the legitimate theatre industry within 15 days after the written notice to the agent from "Equity" of such revocation of the sub-agent's franchise. If an agent's franchise is revoked or surrendered as provided herein, or if any of the sub-agents employed by the agent ceases to have a sub-agent's franchise from "Equity" as a result of revocation or surrender of such franchise, but nevertheless continues to be employed by the agent in the legitimate theatre industry after the expiration of the aforesaid notice period of 15 days, then all agency contracts between the agents and actors shall terminate, without prejudice however to the right agent to collect commissions earned prior to the date of such termination. In the case of sub-agents, "Equity" may relieve an agent from an inadvertent failure to terminate the employment of such sub-agent in the legitimate theatre industry within said fifteen (15) day period. The word "earned" is herein defined to mean commissions on payments received by the member or which the member is entitled to receive for services rendered by the member up to date of the termination of the agency contract, pursuant to the provisions of the preceding sentence, but shall not include any monies earned by the member after the termination of the agency contract, even though such services are rendered by the member under employment contracts entered into by such member prior to the date that such agency contract was terminated pursuant to this specific Paragraph (I).

**(J) Agency Contracts With Agents Not Renewing Franchise After Expiration Of Rule A:**

Should new regulations with reference to franchising not become effective on or after June 4, 1963, or on or after a date certain six (6) months after the giving of the first notice by either "Equity" or TARA to the other party that the term of this Rule A be terminated, whichever date is the later, or should any agent holding a franchise expiring on said later date fail or refuse to renew his franchise under any such new regulations issued by "Equity", nevertheless agents who on said later date have a franchise hereunder, and who continue to render services under agency contracts existing at said time, and comply with these regulations 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 with respect to such agency contracts, and such contracts only, and failure to maintain such franchise of any agent in such event shall not affect or render void any such agency contracts.

**(K) Duties Of Agents Under Exclusive Management Contracts:**

The agent makes the following agreements, covenants, representations and warranties with reference to all Exclusive Management Contracts entered into between the agent and actors in the form of Exhibit E:

- (1) At the request of the actor, to counsel and advise him in matters which concern the professional interest of the actor as an actor in the legitimate theatre industry.
- (2) To be truthful in his statements to the actor,
- (3) In the performance of the agency contract, not to conceal facts from the actor which are pertinent and which the actor is entitled to know.
- (4) To use all reasonable efforts to assist the actor in procuring employment for the services of the actor in the legitimate theatre industry.
- (5) The agent's relationship to the actor shall be that of a fiduciary. The agent, when instructed in writing by the actor not to give out information with reference to the actor's affairs, will not disclose such information.
- (6) The agent will not engage in dishonest or fraudulent practices with regard to making or entering into the agency contract with the actor or the performance thereof.
- (7) The agent may represent actors of the same general qualifications and eligible to the same parts

or roles. 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 actor so requests, the agent will deliver to the actor a list of the actors of the same qualifications and eligible to the same parts or roles, represented by the agent.

(8) The agent shall owe to the actor the duty to consider only the interests of the actor in any dealings by the agent for the actor pursuant to the agency contract, and shall never consider or act in the interests of the agent or any producer when such interests are opposed to the interests of the actor.

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

(10) The office and telephone specified in the agency contract between the agent and the actor will not be shared with anyone else without the written approval of "Equity"; provided, however, that corporations having interlocking partners may occupy the same office and use the same telephones. The agent agrees to cooperate with "Equity" 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 really not theirs.

(11) The agent agrees that he will be available to the actor during reasonable business hours at the aforesaid office, subject to absence of the agent from his office occasioned by his agency activities outside of his office, and subject further to reasonable absences due to illness or reasonable vacation periods. In the event that absences due to illness or vacation are so long as to prejudice the interests of the actor, then the agent at the request of "Equity" or the actor, agrees to supply a substitute franchised agent reasonably equipped to render services on behalf of the actor during such absences. The said office shall have someone available to receive telephone calls during business hours while the agent is out of the office, and the agent shall call back on such calls within a reasonable time thereafter.

(12) That the agent is equipped and will continue to be equipped to represent the interests of the actor ably and diligently in the legitimate theatre industry throughout the term of his agency contract with the actor and that he will so represent the actor. The agent's duties shall include the full representation of the actor in his career in the legitimate theatre industry, and are not limited to securing employment. The agent's duties under his agency contract with the actor shall include his agreement:

(a) To seek out and confer with procedures and others in the legitimate theatre industry who may employ or recommend the employment of the actor in the legitimate theatre industry.

(b) To read scripts of proposed productions in the legitimate theatre industry, which scripts are made available by the actor and in which the actor is interested in performing; the agent to express his opinion to the actor with reference to the suitability of such script for the actor's possible performance therein;

(c) To be available at reasonable times to represent the actor in dealings pertaining to the actor's profession (as an actor) with the actor's employers or prospective employers in the legitimate theatre industry, said representation to include negotiation of contracts of employment and, as and when requested by the actor, attendance at any and all conferences regarding said negotiations held within reasonable hours in a city where the agent maintains an office.

(d) To read proposed employment contracts to be entered into by the actor as an actor in the legitimate theatre industry and to give business advice as to same, and advisability thereof.

(e) To perform his said duties as an actor's agent in a painstaking and competent manner and for the purposes of attempting to advance and promote the professional career of the actor as an actor in the legitimate theatre industry.

(13) At the written request of the actor, given to the agent not oftener than once every four weeks during the existence of the agency contract, the agent shall give the actor reasonable detailed written information, stating what efforts the agent has rendered on behalf of the actor within a reasonable time preceding the date of such request.

**(L) Duties Of Agents Under Special Management Contracts:**

The agent makes the following agreements, covenants, representations and warranties with reference to all Special Management Contracts entered into between the agent and actors in the form of Exhibit F:

(1) To use all reasonable efforts to assist the actor in procuring the employment in the engagement specified in said Special Management Contract, and more particularly agrees:

(a) At the request of the actor, the agent or his sub-agent, if approved by the actor when the agent sends the actor to the specified Manager in the city in which the agent maintains an office for the purpose of securing the engagement set forth in said Special Management Contract.

(b) The agent further agrees to negotiate with the specified Manager on behalf of the actor as to salary and terms of the actor's proposed contract with said Manager regarding the engagement specified in said Special Management Contract, and to give the actor business advice as to the same, and the advisability thereof, and to examine and counsel the actor on any and all proposed contracts between the actor and the specified Manager with respect to the said engagement; and, as and when requested by the actor, to attend any and all conferences between the Manager and actor regarding such negotiations, held during reasonable hours in a city where the agent maintains an office.

(c) The agent further agrees to perform his duties as the actor's agent in a painstaking and competent manner, and for the purpose of attempting to conclude negotiations for a contract between the actor and said specified Manager for said engagement.

(2) The agent also agrees to service the actor with respect to and during the term of the Specified Employment Contract.

(3) The agent's relationship to the actor shall be that of fiduciary. The agent, when instructed in writing by the actor not to give out information with reference to the actor's affairs, will not disclose such information. The agent, may, however, represent actors of the same general qualifications and eligible for the same parts or roles. Such representation shall not constitute a violation of the fiduciary obligation of the agent.

(4) The provisions of Section V, paragraph (K) sub-paragraphs (2), (3), (6), (8), (9), (10) and (11) shall be applicable as though set forth in full in this paragraph (L).

**(M) Duties Of Agents Under Agency Authorizations:**

The agent makes the following agreements, covenants, representations and warranties with reference to all Authorizations entered into between the agent and members of "Equity" in the form of Exhibit G:

(1) At the request of the actor, the agent agrees to accompany the actor to at least the first audition or interview, which shall be at a specified time. If the management of the production does not permit



the agent to attend the audition, the agent's failure to attend such audition shall not be deemed a breach hereof, but in such event the agent shall be obligated to attend the first interview if so requested by the actor.

(2) The agent further agrees to negotiate with the Manager on behalf of the actor as to the salary and terms of the member's proposed contract with the specified Manager regarding the engagement specified in said Agency Authorization.

(3) The agent's relationship to the actor shall be that of a fiduciary. The agent, when instructed in writing not to give out information with reference to the actor's affairs, will not disclose such information. The agent may, however, represent actors of the same general qualifications and eligible for the same parts or roles. Such representation shall not constitute a violation of the fiduciary obligation.

(4) The provisions of Section V, Paragraph (K) sub-paragraphs (2), (3), (6), (8), (9), (10) and (11) shall be applicable as though set forth in full in this paragraph (M).

(5) Upon the execution by said specified Manager and the actor of the employment contract regarding said engagement, the agent's rights to commissions under such Authorization regarding said employment contract and the salary specified therein at the time of its execution shall be deemed perfected, and the agent shall not be required to render further agency services with respect to said engagements covered by said employment contract.

**(N) Agents Not To Be Required To Render Legal Services:**

Nothing contained in any agency contract or in this Rule A, or any Regulation thereof, shall ever be construed as requiring any agent to render legal services which would constitute practice of the law and which may be lawfully rendered only by a duly admitted member of the Bar.

**(O) Actors May Not Waive Rights Under Rule A:**

The actor may not waive any of the provisions of these Regulations or of the form agency contracts attached hereto, except with the written consent or waiver of EQUITY. Any attempted waiver without such consent is void.

**(P) Collection Of The Actors' Money By Agents:**

An agent shall not collect monies belonging to an actor unless the agent has a prior written authority from the actor to do so, which authority may be rescinded by the actor by written notice to the Producer and agent at any time. All monies belonging to the actor received by the agent shall be faithfully accounted for by the agent and promptly paid over to the actor, or as directed by the actor in writing, provided that the agent may deduct from such monies any commission payable, as well as any monies owing from the actor to the agent whether for past commissions or for loans made to the actor or monies advanced for the actor. The monies belonging to the actor shall not be commingled with monies belonging to the agent but shall be segregated and kept in a separate account which may be known as "Client's Account" or "Trust Account," or an account similar in nature. Each agent may have one or more of such client's accounts or trust accounts and may keep all monies of all clients in one or more of such client's accounts or trust accounts.

**(Q) Duration Of Agents' Right To Commissions:**

The contract between the agent and actor may provide that the agent's right to commissions there under continue throughout the term of any employment contract made during the period when the Exclusive Management Contract or Special Management Contract is in effect, and of any modifications, extensions, renewal or substitutions of such employment contract, whether or not such

employment contract and/or said modifications, extensions, renewals or substitutions continue after the expiration of the term of said Exclusive Management Contract or Special Management Contract, as the case may be. The agent shall, however, continue to render to the artist, throughout the term of said employment agreement, and of said modifications, extensions, renewals, or substitutions, all of the services with respect to such specific engagement that he would have been obligated to render under the Exclusive Management Contract or the Special Management Contract, as the case may be, had they continued in effect throughout such term.

**(R) Term Of Agency Contracts:**

(1) Three Year Limit:

No agency contract entered into hereunder by an agent with a member of "Equity" shall be for a term longer than three years. If the parties so contract, such contract may be terminated at will, or may be for a definite term, but such term shall not be longer than three years.

(2) Initial Limit:

The Initial Exclusive Management Contract between an actor and an agent shall not specify a term longer than one year, unless the actor and the agent have had a written agency contract covering their agency relation in one or more fields of the entertainment business other than the legitimate theatre industry, in effect as between them for a continuous period of not less than one year, and still in effect with no time gaps, at the time that the actor signs the agency agreement with such agent hereunder. In such latter event, the agency agreement hereunder may be for a term longer than one year, even though it is the initial Exclusive Management contract between the actor and agent covering the legitimate theatre field; but in such case the term of the contract hereunder, if longer than one year, shall not be longer than the remaining term of such other agency contract between such actor and agent covering such other phase of the entertainment business. In the event the actor has in effect at that date with the agent more than one such other agency contract, the term of the Exclusive Management contract signed hereunder may be as long as that of the longest such other agency contract, provided, however, that in no event may such Exclusive Management contract hereunder be longer than a three year period.

**(S) Time Of Renewals & Extensions Of Agency Contracts:**

Where there is an agency contract between a franchised agent and an actor, no renewal or extension of such agency contract in that category may be made between such agent and such actor except during the last one-third of the term of the agency contract.

**(T) Obligations Of Sub-Agents:**

These Regulations impose various obligations on agents, and in some instances the words "and sub-agents" have been omitted. Notwithstanding such omissions, sub-agents shall be deemed to have agreed to the same obligations hereunder as agents, unless the context otherwise requires.

**SECTION VI - LIMITATIONS ON AGENT'S RIGHT TO REPRESENT OTHERS:**

**(A) Agents Not To Receive Gratuities:**

No agent shall receive, directly or indirectly, any gifts or gratuities from any producer of legitimate theatre productions in the United States and Canada, except such gifts as may be customary under ordinary social usages or except by way of testamentary or inter vivos disposition.

**(B) Representation Of Others:**

EQUITY recognizes that most agents are or may be in the general agency business and that their business is not or may not be confined solely to the representation of actors. Therefore, it is agreed as follows:

(1) An agent may represent, as an agent, an executive or other employee of a producer of live presentations in the legitimate theatre industry and may receive a bona fide commission from such person for such representation. Such persons may include but are not limited to writers, directors, designers, actors, choreographers, composers, lyricists and any and all other persons, firms or corporations, which may enter into any agreements with such producer to render or furnish such producer any kind of services or materials in connection with such live presentations in the legitimate theatre industry or otherwise. In each case the agent may receive a bona fide commission for such representation, without any diminution of his rights to commissions from actors who have signed representation agreements hereunder.

(2) If an agent represents, as an agent, a producer of live presentations in the legitimate theatre industry in connection with a live presentation in such industry, and the agent receives a bona fide commission or other fee or consideration from such producer for such representation, then the agent may not charge any commission whatsoever from any actor on the compensation which such actor receives from such producer in connection with the rendition of services by the actor as an actor in such live production, although such agent may charge or collect such commission from such producer in connection therewith.

In proper circumstances, however, where the agent's representation of the producer is not adverse to the interest of an actor or actors, as determined by "Equity", the agent may receive such compensation from such actor or actors. (See also Section V, Paragraph (G)).

(3) An agent may acquire from any such producer in the legitimate theatre industry any article or other thing of value, as and for bona fide commissions or in lieu of commissions payable by the producer to the agent as referred to in the provisions of sub-Paragraph (2) of this Paragraph B, including but not limited to the agent acquiring an ownership interest in said producer, or acquiring a share of the profits or proceeds of a producer or of a particular live presentation in the legitimate theatre industry, and the agent shall not be deemed to have violated these regulations; provided that if such ownership, interest or share of profits shall exceed ten (10%) percent of this entire said ownership, interest or share of profits relates to proceeds realized by the Producer from live presentations in the legitimate theatre industry, then such excess interest shall be subject to the provisions of Paragraph D of Section VII below.

(4) In the event a client of the agent is employed by a Producer in the production of a live presentation in the legitimate theatre industry, and in the event such client is not an employer in such enterprise, and in the event such client receives compensation computed or based, in whole or in part, on the profits or proceeds of such live presentation or otherwise, and if by reason of such employment the agent becomes entitled to receive a commission based on his client's participation in the profits or proceeds of such live presentation or in the Producer, the agent shall not be deemed to have violated any of these regulations and none of these regulations shall be deemed applicable to or affected by same.

**SECTION VII - AGENTS TO BE INDEPENDENT**

**(A) Producers Not To Own Or Control Agents:**

Other than as herein permitted, no person, firm or corporation or any affiliate thereof engaged or employed in the production of live presentations in the legitimate theatre industry, or owning any interest in any company so producing, shall own any interest in an agent, directly or indirectly, nor shall any such person, firm or corporation own or control any indebtedness of the agent or of any of

its owners, except such indebtedness as may be incurred in the ordinary course of business, nor shall any such person, firm or corporation share in the profits of the agent. However, if an owner of an agent sells his interest in such agent and takes in connection with such sale in whole or in part, notes or evidences of indebtedness for such purchase price, even though secured by the stock of the agent, and such former owner before payment of such notes engages in the business of acting as a producer in the legitimate theatre industry, the agent shall be unaffected thereby and there shall be no violation of the preceding sentence. Should any indebtedness represented by notes or other written documents of an agent come into the ownership of any person, firm or corporation engaged in the business of production in the legitimate theatre industry after negotiation thereof by the original holders of such obligations without the connivance of the agent, the ownership of such obligations of any such person, firm or corporation shall not be a violation hereof by the agent.

**(B) Agents Not To Be Or To Own Producers:**

Except as otherwise herein provided in these regulations, an agent or an owner of an interest in an agent shall not engage in the production of said live presentations in the legitimate theatre industry, or own or control, directly or indirectly, any interest in a producer in the legitimate theatre industry insofar as said interest relates to said live presentations in the legitimate theatre industry. The term "interest in a producer in the legitimate theatre industry" for the purposes of this Section shall include any interest as owner or stockholder, or any proprietary share in the profits or proceeds of a producer in the legitimate theatre industry realized by such producer from said live presentations in the legitimate theatre industry.

**(C) Exceptions:**

Notwithstanding the foregoing provisions, agents may own, control or have interests in producers under the following circumstances:

(1) Industrial Shows:

The agent may engage in the production of live presentations in the industrial show field under "Equity's" jurisdiction, or own or control the producer thereof; provided that the agent shall receive no commission from any actor engaged in rendering services in connection with such industrial show.

(2) Interests Not Exceeding 10%:

An agent or the owners of an interest in an agent may acquire an interest in a producer in the legitimate theatre industry, or in any of said live presentations in the legitimate theatre industry, but, except as otherwise provided in these regulations, such interest may not exceed ten (10%) percent of the total interest in said producer or in said live presentation as defined in Paragraph B above. However, an agent or an owner of an agent may own a greater interest under the circumstances permitted under Paragraph D hereof.

(3) Notice Of Interest To Equity And To Actors:

The agent shall disclose to "Equity", in writing, his interest in a producer in the legitimate theatre industry at the time he acquires said interest and shall further disclose said interest, in writing, to each actor who has an agency contract with such agent before submitting the actor to said producer for employment. The actor, at his option, may notify the agent that he does not wish the agent's services in connection with said employment, in which event the actor and agent are relieved of their obligations with respect to said employment.

(4) Interests Of Sub-Agents:

The interest of a sub-agent shall be deemed to be the interest of the agent employing him for the purposes of this Paragraph C as soon as the agent has knowledge thereof. Any sub-agent having

an interest in a producer in the legitimate theatre industry shall disclose to his employer agent and to "Equity" in writing his interest in such producer in the legitimate theatre industry at the time he acquires such interest; and shall also disclose said interest in writing to each actor on whose behalf he is functioning, before submitting such actor to said producer for employment. The actor at his option may notify such sub-agent and the agent employing such sub-agent that he does not wish such sub-agent to act on his behalf in connection with said employment, in which event the agent shall promptly designate himself or another sub-agent; failing which the actor and agent are relieved of their obligations with respect to said employment.

**(5) No Violation Due To Non-Disclosure Prior To June 4, 1958:**

Any failure by the agent to make such disclosure to the actor prior to June 4, 1958, with respect to any such interest acquired by such agent prior to June 4, 1958, shall not in any way be deemed a violation of these regulations or any provisions of the past, present and future agency contract between the actor and the agent and "Equity" further hereby agrees on behalf of "Equity" and its members that any claims, if any, by any of its members against any agent or sub-agent arising out of such failure to disclose prior to June 4, 1958, are hereby waived. However, if an agent or sub-agent or the owners of an agent, at the time application for a franchise is filed with "Equity", owns any interest in a producer in the legitimate theatre industry or in a said live presentation in the legitimate theatre industry, the application shall have attached to it a statement specifying such ownership. "Equity" may refuse to issue a franchise on such grounds, if the interest exceeds the amounts noted above.

**(D) Disposition Of Excess Interests:**

If an agent's interest in a producer in the legitimate theatre industry or in said live presentation in the legitimate theatre industry (other than in Industrial Shows) is in excess of said ten (10%) percent referred to in Paragraph (C) of this Section VII and if "Equity" believes that such excess interest is adverse to the interests of "Equity" or "Equity" members, "Equity" may object to such interest in writing. If the agent disputes the contention of "Equity" that such particular interest is so adverse, the dispute shall be submitted to arbitration and in such arbitration the burden of proof shall be upon the agent to show (1) that such excess interest is not adverse to the welfare of "Equity" and its members; and (2) that by having acquired such excess interest from the producer, such acquisition will not affect the agent's independence in his dealings for his clients' engagements as actors in the legitimate theatre industry by such producer. If the arbitration tribunal makes a finding adverse to the agent, and finds that such excess interest is adverse to "Equity" and its members, and that such independence is so affected, said arbitration tribunal shall in its award, require the agent or the owners of the agent in question to elect whether to continue in the agency business without such excess interest or whether to surrender his agent's franchise hereunder and shall require the agent to surrender any commissions theretofore received or thereafter due from actors in connection with such production. The arbitration tribunal in its award shall specify the terms and conditions upon which, and the time within which, such election must be made.

**SECTION VIII - ARBITRATION**

**(A) Settlement And Arbitration Of All Disputes:**

All disputes and controversies of any kind and nature whatsoever between an agent and "Equity" or between an agent and an actor, or between TARA and "Equity", arising out of or in connection with or under these regulations, or any agency contract between the agent and an actor executed prior to, on, or since June 4, 1958, as to the existence of such contract, its execution, its validity, the right of either party to void the same on any grounds, its construction, performance, non-performance, operation, breach, continuance, or termination, or the right to receive commissions, or arising out of or in connection with or under any provisions of these regulations, or the meaning, interpretation, breach, or enforcement thereof, shall be submitted for settlement to a joint committee of "Equity" and of TARA, unless the individual agent involved in such dispute or controversy objects, by notice in

writing to TARA and "Equity" to such settlement effort.

**(B) Arbitration Procedure:**

In the event of such obligation, or in the event no settlement can be effected by such joint "Equity"-TARA committee within a reasonable time, all such disputes shall be submitted to arbitration in accordance with the following procedure:

(1) "Equity" on the one hand, and either TARA, or the franchised agent concerned, on the other, may demand such arbitration in writing. Such demand shall include the name of the arbitrator appointed by the party demanding arbitration.

(2) With three (3) days after such demand by TARA or the franchised agent concerned, "Equity" shall name its arbitrator, or in default of such appointment such arbitrator shall be named forthwith by the American Arbitration Association. If the demand for arbitration is made by "Equity", TARA shall name the second arbitrator (or in default of such appointment such arbitrator shall be named by the American Arbitration Association); except that if the individual agent concerned shall object in writing within three (3) days after such notice from "Equity" to having the second arbitrator selected by TARA and shall in such written objection also name his own nominee for second arbitrator, and if the matter in controversy does not directly affect any other agent or agents, then his nominee shall be the second arbitrator. The two arbitrators so appointed shall select a third within a period of five (5) days, from a panel submitted to them by the American Arbitration Association, and in lieu of their agreement upon such third arbitrator, he shall be appointed by the American Arbitration Association.

(3) The arbitration hearing shall be held on two (2) days notice and shall be concluded within fourteen (14) days unless otherwise ordered by the arbitrators. 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 a majority of the arbitrators 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.

(4) "Equity" shall be an ex officio party to all arbitration proceedings hereunder in which any actor is involved, and "Equity" may do anything which an actor named in such proceeding might do. "Equity" shall act on behalf of the actor in any arbitration proceedings, against an actor, and in accordance with "Equity's" Constitution and By-laws, no actor is authorized to commence any arbitration proceedings, except with the consent of EQUITY or through "Equity's" action.

(5) TARA shall be an ex officio party to all arbitration proceedings hereunder in which an agent is involved. However, if the agent has given to TARA, "Equity" and all other parties notice of objection to TARA acting on such agent's behalf, TARA's participation shall not substitute for that of the agent, unless the matter in controversy directly affects another agent or agents. If TARA does not act for the agent, TARA may nevertheless be represented at the hearing, but the agent involved, in such event, shall have the right to name the arbitrator as set forth in sub-paragraph (2) above, and may file such other documents or take such other steps as the interested party to the arbitration as he may elect. In any event, copies of all notices, demands, and other papers filed by any party whatsoever in arbitration proceedings under these Regulations shall be promptly filed with "Equity" and with TARA.

**(C) Prior Disputes:**

Any dispute or controversy between an agent and "Equity" or an actor, which at the time of the promulgation of this Rule A is actually in arbitration or litigation, shall, as to the question of arbitrability of the dispute be governed by the arbitration provisions applicable to such dispute or controversy whether by way of claim or law, which were in existence at the time said arbitration or litigation was instituted.

**(D) A.A.A. Rules To Govern:**

All arbitrations hereunder, and all matters and procedure relating thereto, shall be governed by the rules then obtaining of the American Arbitration Association where not otherwise provided for herein.

**(E) Compliance With Awards:**

(1) Agents and their affiliates, TARA and "Equity", shall promptly comply with awards made by the arbitration tribunal.

(2) Members of "Equity" are required to comply with awards made by the arbitration tribunal. Any willful or intentional failure or refusal of any member of "Equity" to comply with an award made by the arbitration tribunal shall be deemed prejudicial to the interest of "Equity" and subject to the penalties for such conduct.

**(F) Awards Of Commissions:**

(1) Future Earnings:

Subject to the provisions of these regulations, any judgment or arbitration award by reason of the breach of an agency contract by an actor shall give the agent, with respect to the actor's future earnings, only the right to receive money with respect to the actor's said earnings if, as and when the actor receives the same or the same is received for and on his behalf, and not otherwise, and the right of an agent to recover damages for an actor's breach of an agency contract with respect to the actor's future earnings is so limited.

(2) Commissions Already Due:

If an actor has already received monies 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 payable forthwith. An agent has no right to collect commissions because the agent obtained an offer of an engagement which the actor refused, or because the actor terminates or breaks a contract of employment which the agent has obtained for the actor, subject in the latter case to the right of the agent to receive commissions on the monies or other consideration which the actor has received prior to such termination or thereafter receives on account of any such termination, if the actor receives anything.

(3) Sums Other Than Commissions:

The agent has no interest whatsoever in any contract of employment entered into by the actor, unless such interest is created in a separate instrument between actor and agent for good and sufficient reason or consideration, as for example, a loan by agent to actor, or for monies past due from actor to agent; furthermore, the absence of such separate instrument does not affect the right of the agent to receive commissions under an agency contract if the actor receives monies or said consideration on which said commissions are payable.

(4) Agent's Rights As To Future Earnings:

The agent's sole right regarding the actor's future earnings in the event of a breach of an agency contract by an actor is to receive from the actor the percentage of commissions specified in the agency contract, if, as, and when the actor receives or has received monies or other consideration on which such percentage is payable, and the agent shall not be entitled to receive such commission regarding any monies which neither the actor, nor anyone on his behalf, receives, irrespective of the reasons why the actor or any person on his behalf does not receive the same may be by reason of default of the actor. Nothing herein provided shall prohibit an agent from securing confirmation of an award against the actor and thereafter from enforcing compliance with any judgment rendered on

said award in accordance with law. Furthermore, an agent may levy execution on any judgment against an actor on account of any amounts payable under such judgment.

**(5) Services By Agent After Award:**

When an arbitration tribunal shall render an award in favor of the agent for the full commissions at the rate stipulated in or accruing under the agency contract, the agent shall be under no further obligation to render any agency services to the actor except as follows: if the actor so desires and expresses such desire in a written communication to the agent delivered to the agent on or before the expiration of a period of thirty (30) days after the date said award is rendered by the arbitration tribunal, the agent shall render agency services on the engagement or engagements concerned to the actor under said agency contract as long as the agent is entitled to receive such full commission under the award. The right of the agent to receive the commissions awarded by the arbitration tribunal shall not be subject to reduction, delimitation or termination whatever by any other provisions of these regulations, even though the agent may be relieved of the obligation to render services to the actor as herein provided.

**(G) Arbitration Sole Remedy:**

No actor or agent 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. No actor or agent 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. An agent or actor 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, whether by way of execution on a judgment, garnishment, levy or otherwise. The rights of both actor and agent 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. The references in this Paragraph G to actors or agents shall also be deemed to refer to "Equity" and TARA, respectively, insofar as "Equity" and/or TARA are acting for or on behalf of any actor or agent or are otherwise party to any dispute or controversy hereunder.

**(H) Breach By Agent Affects Only Actor Concerned:**

No breach by any agent of the Regulations which does not result in suspension or revocation of his franchise shall give a member a defense or right of termination of his agency contract, unless the breach directly affects the actor.

**(I) Conflicting Claims By Two Or More Agents:**

In the event conflicting claims are made against any actor by two or more agents, the actor shall deposit with "Equity" the monies claimed due, to be held in escrow pending settlement. An "Equity"-TARA joint committee shall seek to resolve or settle the conflict involved, unless either of the agents shall object in writing, in which case (or in the event no resolution or settlement is effected within a reasonable time), either of the agents involved may demand that the conflict be settled by arbitration. In any such instance the matter is to be submitted to arbitration in accordance with the procedure set forth in Paragraph A and B of this Section VIII, above.

**SECTION IX - CORRESPONDENT AGENTS:**

**(A) Agent May Use Others, But Cannot Add To Actor's Costs:**

An agent may use a correspondent or other agent in order to service or obtain employment for an actor; but in no event may the use of such correspondent or other agent in any way impose any obligations upon the actor or relieve the agent of any of his duties to the actor under these regulations. The total aggregate maximum commissions which the actor may pay to any and all



agents are the maximums set forth in Section V above. The franchised agent may share these maximum commissions with a correspondent or other agent or other party not in conflict with any other provision of these regulations, but the artist may not be required to pay any amount whatever to the correspondent or other agent or other party.

**(B) Domestic Correspondents Must Be Franchised; Actor Must Be Notified:**

In no case shall an agent use a correspondent or other agent in order to service or obtain employment for an actor unless:

(1) The correspondent or other agent is franchised by "Equity" (except that this requirement shall not apply with respect to services or employment in areas outside the United States or Canada); and

(2) The agent notifies the actor of the appointment of such correspondent or other agent prior to the first employment which the correspondent or other agent is expected to service.

**SECTION X - BARRING**

**(A) Over-Zealousness No Breach:**

It shall never be deemed to be a violation of these regulations or a breach of any agency contract for an agent to be over-zealous in representing the interests of a client.

**(B) Barred Agents To Furnish Substitutes:**

If an agent is barred by any employer where an actor is employed or might secure employment, or from contact with such employer, by action of the employer, the agent shall submit to the actor the name of an agent who will substitute as his agent with such employer during the period the actor's agent is barred. If the substitute agent submitted by the agent is not satisfactory to the actor, the actor may state that fact and the agent shall continue to name another substitute agent or agents until acceptance by the actor, until the fifth substitute agent is named, who, if the others have been rejected must be accepted by the actor. All agents submitted must have standing and ability commensurate with the barred agent. All submissions and objections must be promptly made and be in writing. The substitute agent must agree in writing to service the actor without remuneration from the actor where the agent is barred or the substitution is invalid. In the event of such barring and failure by the agent to comply with this section, the actor may terminate his contract. The actor is the client of the original agent; the substitute agent only substitutes where the original agent is barred. Failure of the substitute agent to service the actor shall be a breach of these Regulations, but the original agent shall not be prejudiced thereby, but must name another substitute agent as soon as reasonably possible. If any employer or prospective employer refuses to deal with any substitute agents to such an extent that it becomes apparent he will not deal with any substitute agent, neither the original agent nor the substitute agent or agents shall be prejudiced thereby, and "Equity" shall take appropriate action in the premises.

**SECTION XI - DISCIPLINARY PROVISIONS AND PROCEDURE**

**(A) Forms Of Discipline Against Agents:**

Agents and sub-agents shall be subject to liquidated damages or to suspension or revocation of franchise, in accordance with the provisions herein specified, but only in accordance therewith.

**(B) Offenses Where Damages Can Be Levied Or Commissions Stopped:**

If the arbitration tribunal should find that an agent or sub-agent has committed any of the following offenses, it may, in its discretion, assess liquidated damages against the agent or sub-agent not to exceed Five Thousand (\$5,000.00) Dollars and may also, if said offense directly affects an agency

contract, direct that no commission need be paid there under:

- (1) Willful and intentional violation of any provisions of these regulations.
- (2) The employment by an agent of any person as a sub-agent in the legitimate theatre field where such person does not hold a franchise to act as a sub-agent.
- (3) Failure of the agent promptly to pay over to the actor all monies belonging to the actor as to which the agent has not been authorized in writing to make other disposition by the actor, or with reference to which money the agent has not been restrained by lawful authority from paying over to the actor.
- (4) The sharing of commissions, fees, earnings or proceeds in violation of these regulations.
- (5) Engaging in or being interested in the production of live presentations in the legitimate theatre industry in violation of these regulations.
- (6) Knowingly and willfully advising members of "Equity" not to comply "Equity's" rules and regulations.
- (7) The bringing of a suit or proceeding in law or in equity, in violation of the arbitration provisions of these regulations, or the attachment, garnishment or levy on the funds or property of the actor in violation of the provisions contained in these regulations.

**(C) Offenses Where Franchises Can Be Suspended Or Revoked, Or Damages Levied Or Commissions Stopped:**

If the arbitration tribunal shall find that an agent or sub-agent has committed any of the following offenses, it may order the franchise of an agent or sub-agent suspended or revoked, or may, in its discretion assess against the agent liquidated damages of not exceeding Five Thousand (\$5,000.00) Dollars and may also, if said offense directly affects an agency contract, direct that no commission need be paid there under.

- (1) Willful failure to comply with the awards made by an arbitration tribunal hereunder.
- (2) Theft, embezzlement, misappropriation of funds, forgery, fraud or dishonest conduct directly affecting the relationship between the agent and actors who have agency contracts with the agent. Dishonest conduct as used in this Section means willful conduct which, apart from questions 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 a person as being unfit to engage in business as an agent or sub-agent, as the case may be. If an agent or sub-agent has been convicted of any such offense in a criminal proceeding by any State of the United States, the record of conviction when presented to the arbitration tribunal 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 or sub-agent from being tried before an arbitration tribunal or any alleged offense of the kind hereinbefore specified, it being the purpose and intent hereof to require an arbitration tribunal hereunder to proceed with a hearing on any such alleged offense without reference to the tendency of any other proceedings.
- (3) Charging, collecting or contracting to charge or collect from an actor, directly or indirectly, any sum or sums in excess of the maximum percentages provided for in this Rule A, whether as commissions, fees, or other charges for performing any other services for an actor, whether as attorney, business manager, publicity agent or otherwise, except as specifically permitted in this Rule A. It shall not be deemed to be a violation hereof if an agent by reason of innocent inadvertence and without knowledge or intent charges or collects compensation in excess of said maximum percentages, if such agent refunds the same immediately after knowledge thereof, or if such agent, immediately after knowledge thereof, believing in good faith he has not charged any sum in excess

of the maximum percentages provided for in this Rule (A), deposits such alleged excess in escrow with provision for immediate arbitration of the issue of whether such sum was in excess of the maximum percentages provided for in this Rule (A) and for repayment of the escrowed amount to the actor in the event the arbitration determines that such sum was in fact in excess.

(4) Failure to pay within a period of thirty (30) days after notice of delinquency any fee called for under Section XIX of these regulations, or failure to comply with any other provisions of said Section XIX, after due notice thereof.

(5) Violation of Section VII of these regulations as provided in said Section. It shall not be deemed to be a violation hereof if an agent by reason of innocent inadvertence and without knowledge or intent commits a violation of Section VII, if after receiving knowledge of such violation or notice thereof from "Equity", he immediately corrects, or takes steps immediately to correct such violation.

(6) Willful violation of the provisions of Paragraph (H) relating to false or misleading statements in franchise applications.

(7) Holding himself out as the representative of an actor when he has no authorization from the actor so to do, or continuing to hold himself out in any manner as the representative of an actor after the actor has by written notice disaffirmed or terminated his agency contract, or dismissed or otherwise concluded his relationship with the agent, even though such dismissal by the actor is wrongful.

(8) Willful misuse of his franchise for purposes not directly connected with his business as an agent, such purposes being in particular the advertising of the fact that he is a franchised agent in order to attract business for a dramatic school, or dramatic coaching school.

(9) Change of ownership of the agent in violation of Paragraph 14 of the application, Exhibit A.

(10) Where a franchised agent has been adjudicated a bankrupt or where there has been any other similar transfer, voluntary or involuntary of the agent's agency business. In such cases, liquidated damages may not be assessed under these regulations.

(11) 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 "Equity" where the subject matter of the action is arbitrable under these regulations; unless such action or proceeding is withdrawn promptly after written demand by EQUITY upon the agent.

(12) The second finding of guilt in any of the offenses specified under Paragraph (B) above. In such case, liquidated damages may not be assessed under these regulations.

**(D) Liquidated Damages - Payments:**

Liquidated damages may be assessed against an agent or sub-agent in any disciplinary proceedings for any of the offenses hereinbefore specified in a sum not to exceed Five Thousand (\$5,000.00) Dollars. Such damages shall be paid to "Equity". If an agent or sub-agent fails to pay within the time allowed for payment by the arbitration tribunal, or as the same may be extended by such tribunal, the arbitration tribunal shall then have authority to suspend or revoke the agent's or sub-agent's franchise. Such damages may be collected as a judgment in favor of "Equity" as an additional remedy.

**(E) Revocation Of Franchise - Effects:**

If the Franchise of any agent or sub-agent is revoked pursuant to this Section XI no member of "Equity" shall thereafter engage, use or deal through any such agent or sub-agent in the legitimate theatre industry. In the event of the revocation of an agent's franchise, agency contracts then in force between the agent and members of "Equity" shall ipso facto and without further notice

terminate as of the date of the award made by the arbitration tribunal to that effect, except that the agent may retain and collect any commissions theretofore earned under said agency contracts. The word "earned" as used in the foregoing sentence means commissions on payments received or to be received by the actor for services rendered prior to the date of revocation, but does not include commissions on payments to be received by the actor for services rendered after such date even though under contracts of employment entered into by the actor before such date.

**(F) Suspensions Of Franchise - Effects:**

The suspension of an agent's franchise hereunder shall not give the actor the right to terminate the agency contract with the agent during such suspension period, unless the arbitration tribunal gives such right, but the actor may have services rendered to him by another franchised agent either pursuant to the decisions of the arbitration tribunal or, if the arbitration tribunal makes no provision here for, then, with such franchised agent as the actor selects, and the actor need not pay any commission to the suspended agent on compensation received by the actor for work done by the actor during the suspension period, or on contracts entered into by the actor during such suspension period.

**(G) Responsibility For Franchise Revocations Or Suspension Among Those Controlling The Agent:**

In any proceeding for suspension or revocation of a franchise, the agent shall in his answer list all officers and directors, and all stockholders, partners, and sub-agents, and the answers shall be deemed filed on 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 arbitration tribunal 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 arbitration tribunal shall discriminate among the guilty and the innocent, and shall specifically adjudge the effect on each of them of its decision, including whether or not they forfeit their rights to be agents or sub-agents in the future. In the event the arbitration tribunal shall find a sub-agent guilty and shall render a decision that such sub-agent's franchise shall be suspended or revoked, then the franchise of the agent in whose employ the sub-agent was while the said offense had been committed shall not be similarly suspended or revoked unless the arbitration tribunal specifically and separately finds the agent was also guilty and committed the same offense, and specifically finds that such agent's franchise should be similarly revoked or suspended, and that such revocation or suspension is justified or authorized under the express provisions of this Section XI. The arbitration tribunal in protecting the innocent owners and punishing the guilty may provide that the innocent owners and punishing the guilty may provide that the innocent owners form a new entity to which all agency contracts with members of "Equity" shall be transferred and that the guilty party or parties lose their rights to derive any income, profit, or benefit from such agency contracts or such members of "Equity". All agents and persons interested in agents, including "Equity" and members of "Equity", shall comply with the decision of arbitration tribunal in any such proceeding, and the same shall be enforceable by legal proceedings by any interested party, including "Equity", and the decision of the arbitration tribunal shall be conclusive. The arbitration tribunal 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.

**(H) Suspension Of Franchise - Conditions Arbitrators Can Impose:**

If the franchise of an agent be suspended, the order for such suspension by the arbitration tribunal may provide:

- (1) That the agent may not execute any contract to represent any actor during the period of the suspension; or
- (2) That the agent may not collect any commissions from any actor during the period of the

suspension; or

(3) That the agent may collect a commission from a member during the term of the suspension only upon condition that he arranges with another competent agent acceptable to the member involved, to represent the member during the period of the suspension; or

(4) The order of suspension may provide for any one or more of the foregoing consequences of the suspension or for such other additional consequences as may seem just and proper to the arbitration tribunal.

**(I) Disciplinary Proceedings - Procedure:**

Disciplinary proceedings against any agent or sub-agent on charges that an agent or sub-agent has violated any of these regulations shall be commenced only upon the filing of a complaint by "Equity". In no event will disciplinary proceedings hereunder be commenced upon the request or at the solicitation of any other person except a member of "Equity", but they may be commenced by "Equity" on its own motion. Nothing herein contained shall in any wise limit the disciplinary powers of constituted governmental authorities. Disciplinary proceedings hereunder shall be held in accordance with the provisions regarding arbitration proceedings contained herein in Section VIII, and, in addition, in accordance with the following:

(1) The proceedings shall be commenced by the filing by "Equity" of a written statement of claim with the respondent agent or sub-agent, and with TARA; which written statement of claim shall set forth in substance the matters and things complained of, in sufficient detail to enable and permit the person or persons charged to answer said claim and to prepare to defend themselves said claim and to prepare to defend themselves properly and adequately on the said charges.

(2) The arbitration tribunal to hear the matter shall be selected and said proceedings conducted as provided in Section VIII, except that in any proceeding to discipline any agent or sub-agent, such agent or sub-agent shall at all times have the right to name his arbitrator and otherwise act on his own behalf, personally or through counsel or any representative of his own choosing. TARA may not act on his behalf unless he consents thereto. TARA may, however, appear at the arbitration, and shall have the right to be heard, to file documents and briefs, and to introduce witness, on behalf of the general interests of all agents, if in TARA's opinion such interests so require. The arbitration tribunal in its decision may specify the disciplinary action for any party or parties found guilty, among those originally named as respondents, which disciplinary action shall be provided for in this Section XI.

(3) In any disciplinary proceeding previous violations of which the agent has been found guilty may be cited, and the arbitration tribunal may consider them in fixing the penalty for any subsequent violation.

(4) The decision of the arbitration tribunal in such disciplinary proceeding as authorized herein shall be final upon the parties and shall not be subject to review by the courts, but if the arbitration tribunal shall find any agent or sub-agent guilty and award suspension or revocation upon such terms and conditions as specified in said award, EQUITY may stay such decision and may relieve the agent or sub-agent there from on such terms and conditions more favorable to such agent or sub-agent as it may deem proper.

(5) There shall be no suspension or revocation of a franchise or any other action taken against such agent or sub-agent in such disciplinary proceeding pending a final decision of the arbitration tribunal.

## **SECTION XII - SURRENDER, SUSPENSION OR REVOCATION OF FRANCHISE**

### **(A) Agent's Right To Surrender Franchise:**

A franchised agent shall have the right to surrender a franchise at any time by delivering the franchise to "Equity" 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 members of "Equity" without making a new application to "Equity" for a franchise. In such event, "Equity" 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.

### **(B) Effect Of Surrender On Agency Contracts:**

If a franchise is surrendered, all existing agency contracts between members and the agent shall terminate as of the date of the surrender of the franchise, and the members shall be under no further obligation to the agent, nor shall the agent be under any further obligation to the members; provided, however, such surrender of such franchise shall not relieve the agent from any liability incurred to members before such surrender. The members shall be obligated to pay commissions to the agent on monies earned by the members prior to the termination in connection with which the agent was entitled to commissions under the agency contracts, but members shall not be under any obligation to pay commissions to the agent on any monies earned by members after the termination of the agency contracts, even though such monies are earned by members on employment contracts in existence at the date of the termination of the agency contracts.

### **(C) Effect Of Surrender, Suspension Or Revocation Of Franchise On Agency Contracts:**

In the event the agent or sub-agent surrenders his franchise or his agency franchise is suspended or revoked, his franchise rights there under shall automatically be deemed suspended or terminated as the case may be, and the physical franchise permit (Exhibit C, or in case of a sub-agent, Exhibit D), shall thereupon immediately be returned to "Equity". In the case of suspension, "Equity" shall immediately return such physical franchise permit to the agent or sub-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 sub-agent of the agent shall engage in the agency business while such surrender, suspension or revocation is in force and effect; and agency contracts with "Equity" members made while such surrender, suspension or revocation is in force and in effect are null and void. The arbitration tribunal 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, "Equity" and "Equity" members specifically agree that these regulations (particularly including the arbitration provisions of Section VIII) shall remain in full force and effect in all such cases.

### **(D) Effect Of Revocation Of Franchise:**

If an agent's franchise from "Equity" is revoked as provided in these regulations, then all agency contracts between the agent and members of "Equity" 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 actor, except commissions already payable pursuant to the agency contract on earnings of the actor for services rendered by the actor prior to the date of revocation. The agent agrees that no member of "Equity" shall thereafter engage, use or deal through any such agent.

### **SECTION XIII - MODIFICATION OF EXISTING AGENCY CONTRACTS, AND RENEWAL OF AGENCY CONTRACTS**

#### **(A) Existing Agency Contracts Deemed Modified To Conform Hereto:**

Except as in this Section otherwise provided, all existing agency contracts between franchised agents and actors in existence on June 4, 1958, are hereby and shall be deemed modified as of June 4, 1958, to conform with all of the provisions of these Regulations, including the provisions of the form agency contracts attached to these Regulations.

#### **(B) Actors To Keep Benefit Of More Favorable Terms Unless They Specifically Agree To New Terms:**

Where a provision of an existing agency contract including commission rate is more favorable to the actor, then the more favorable provision shall remain in effect and shall not be deemed modified except as hereinafter specifically provided. Where the actor, on or after June 4, 1958, expressly agrees in writing that a provision in an agency contract which had been in effect prior to June 4, 1958, and which was more favorable to the actor than the comparable provision provided for in these regulations, is to be modified so as to conform to the provisions of these regulations may be substituted for the original provision in the pre-existing agency contract; provided the agent shall promptly notify "Equity" of each such agreement, and "Equity" may, by notice to Agent within ten business days after such notification, disapprove such substitution, if such substitution is not in accordance with the general purposes of these Regulations.

#### **(C) Agency Contracts For Other Fields Are Severable:**

Anything to the contrary herein notwithstanding, where there is an existing agency contract covering fields other than the legitimate theatre industry covered by 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 legitimate theatre industry within the scope of these Regulations only and shall be severable as to the other fields covered by such existing agency contracts. "Existing agency contracts" as used herein shall apply to only those agency contracts, or portions thereof, between franchised agents and actors which govern the services of the actor in the legitimate theatre industry within the scope of these Regulations.

### **SECTION XIV - WAIVERS**

#### **(A) Equity May Waive Application, Franchise And Other "Rule A" Requirements:**

"Equity" may grant waivers to agents from time to time, including waivers with respect to the dates, form, information required or other requirements affecting applications for agents franchise hereunder, waivers with respect to said agent's franchise, and, any time after such agent's franchise has been issued hereunder by "Equity", with reference to, or excusing compliance with, any of these Regulations, and "Equity" as well as each member of "Equity" shall be bound by all waivers so granted by "Equity".

#### **(B) Waivers To Be Given Fairly And In Good Faith:**

"Equity" agrees that such waivers are to be given in good faith and without intent either to evade these regulations or give an unfair competition advantage to other agents. Waivers once given shall be deemed irrevocable during the term of this Rule A, unless otherwise stated at the time the waiver is given.

## **SECTION XV - MISCELLANEOUS**

### **(A) Use Of Words:**

In reading, interpreting or construing these Regulations and any of the documents or exhibits included herein, referred to herein or attached hereto as exhibits, the singular shall be deemed to include the plural unless otherwise indicated by the context, and the masculine or neuter shall include all genders unless otherwise indicated by the context.

### **(B) No Deprivation Of Rights Under Applicable Laws:**

Nothing contained in these Regulations shall deprive any person affected thereby of the benefit of any applicable substantive laws of the individual states or the United States, unless the application of any such law or laws has been expressly or impliedly waived hereunder, and any party to an arbitration shall have benefit of such law or laws. In the event there is any dispute as to whether any such law or laws has been expressly or impliedly waived hereunder the arbitration tribunal shall determine such question in such proceeding. Nothing herein contained shall be construed as to limit or abridge any rights, powers or duties which state or federal authorities have, or may have, in the laws of the several states or the United States.

### **(C) No Conflict With Laws:**

Nothing herein contained shall conflict with any law or any regulations authorized by law of the several states or the United States, it being agreed, however, that no such law or laws shall be deemed applicable if expressly waived under these Regulations or under any contract, waiver or other document executed pursuant to these Regulations. The application of any law or laws of any state, or statements limiting fees payable to agents is waived by these Regulations to the extent inconsistent with the fees permitted by these Regulations under the conditions set forth under these Regulations. If any provisions of these Regulations so conflict, it shall not affect or render illegal the remainder of these Regulations, unless the portion declared illegal goes to the essence of these Regulations, and in case of any dispute as to whether such portion is of the essence or not, or as to whether any law or laws have been expressly waived pursuant hereto, the dispute shall be settled by arbitration hereunder. "Equity" agrees that such dispute as to such alleged illegality may be commenced only by an agent or by TARA or by "Equity", and not solely by a member of "Equity". If any such question of illegality shall arise in any dispute between an agent and actor hereunder, then either party shall have the right to join "Equity" and/or TARA as a party to such dispute, and either "Equity" or TARA or both shall have the right to join in such dispute as a party of its own motion.

### **(D) Headings Not To Affect Meaning:**

The designations and headings of the Sections of this Rule A are solely for convenience of reference, and shall have no effect whatever in the construction of any of the provisions of this Rule A.

## **SECTION XVI - NOTICES**

### **(A) All Notices To Be Written:**

All notices, except where otherwise provided herein, shall be given in writing.

### **(B) Notices To Equity:**

Notices to "Equity" shall be directed to its main office, at 226 West Forty-seventh Street, New York, New York.



**(C) Notices To TARA:**

Notices to TARA shall be directed to it at the office of its counsel, Michael Halperin, 1740 Broadway, N.Y.C., or such other address as TARA shall hereafter designate to "Equity".

**(D) Notices To Agents:**

Notices to agents and sub-agents shall be directed to the address of the agent listed with "Equity", and if none be listed, by leaving a copy at the office of TARA, except in the case of agents, or sub-agents not listed with "Equity" as members of TARA, where, if no address of the agent be listed with "Equity", the copy of the notice is to be left at the office of "Equity". If the notice is addressed to the agent in care of TARA or "Equity", then the notice shall be deemed delivered to the agent not later than five days after the delivery of the notice to TARA or "Equity", as the case may be.

**(E) Notices To Actors:**

Notices to actors shall be directed to them at their address listed with "Equity", and if none be listed, by leaving a copy at the office of "Equity". If the notice is addressed to the actor in care of "Equity", then the notice shall be deemed delivered to the actor not later than five days after the delivery of the notice to "Equity".

**(F) Notice Delivery Methods:**

Notices may be delivered personally, or by mail, telegram, cablegram or radiogram. In the event notice is mailed, the notice shall be deemed delivered within the usual time for delivery of mail after mailing. All notices shall have postage or transmission cost pre-paid. If the notice be given by telegram, cable or radio, then the notice shall be deemed given one day after the deposit of said notice for transmission with the communication system. Notice to be given to any owners, directors, officers, partners or employees of an agent, may be directed to such person or persons at the address of the agent, and notice to the agent shall be notice to them, though they not be named therein.

**SECTION XVII - INFORMATION TO BE HELD CONFIDENTIAL BY EQUITY**

All information filed hereunder or in connection herewith with "Equity" shall be confidential and kept as such except as to persons in the employ of "Equity" charged with the administration of these Regulations, clerical assistants thereof and the attorneys for "Equity" engaged by "Equity" in connection with these Regulations. Such information may be divulged by "Equity" to arbitration tribunals before which matters are pending involving such information. "Equity" will take an agreement from the persons in its employ having access to such information not to disclose the same during the term of their employment, or thereafter. In no event shall members of "Equity" have access to such information, but, persons in the employ of "Equity" charged with the administration of these Regulations may make available to the Council of "Equity" or committees thereof, or the general membership, statistical data compiled from such information unconnected with names of agents or "Equity" members for study as to the operation of this Rule A. "Equity" shall make no public disclosure of an agent's list of clients, but may answer any inquiry as to whether a stated actor has an agent or who is his agent.

**SECTION XVIII - FRANCHISE FEES**

(A) Each applicant for an agent's franchise shall upon the granting of the franchise by "Equity" pay an issuance fee of One Hundred (\$100.00) Dollars. No franchise (Exhibit C) will be issued to the agent until such fee has been paid to and received by EQUITY.

(1) All agents holding "Equity" franchises prior to the effective date of this Rule A, to wit: June 4, 1958, and who in accordance with these regulations make applicable for new franchises under this Rule A shall be deemed to have complied with the provision of this Section XVIII, Sub-section (A).

(B) Every franchised agent shall pay an annual franchise fee, as condition of holding a franchise, of thirty (\$30.00) Dollars per year, due and payable on the first day of January in each calendar year. Annual franchise fees in the case of a new applicant under this Rule A shall be pro-rated from the first day of the month in which a franchise is granted to the end of the first calendar year.

(1) All agents holding "Equity" franchises prior to the effective date of this Rule A, to wit: June 4, 1958, and who in accordance with these regulations make application for new franchises under this Rule A and who have paid to "Equity" all franchise fees called for under the prior "Equity" franchise shall be given credit for such prior agency franchise fee paid and applicable to the year 1958.

(C) Sub-agents will pay an annual franchise fee of ten (\$10.00) Dollars in the year in which their sub-agents' franchise is granted, and ten (\$10.00) Dollars each January first thereafter.

(D) Sub-agents shall pay a fee of Ten (\$10.00) Dollars for a transfer of sub-agent's franchise.

#### **SECTION XIX - NOTICE TO EQUITY MEMBERS**

"Equity" agrees that by no later than July 30, 1958, it will give effective legal notice of the promulgation of this Rule A to its members. Any franchised agent may notify his clients of the fact that he has received an agent's franchise hereunder and that any contracts between the clients and the agent are modified in accordance with this Rule A, but such failure to give such notice by the agent shall not affect such modification, or have any other effect whatever.

#### **SECTION XX - 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 "9" of the agency contract of every actor. Each of such persons must be either an owner or employee 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 actor 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 "9" thereof become inactive for any reason (including death, permanent disability, retirement, or withdrawal from the agency), and (b) the remaining persons named in paragraph "9" thereof who continue active in the agency are less in number than the number required under the preceding paragraph "(1)" hereof.

(3) Promptly after the happening of any contingency which gives the actor the right to terminate hereunder, the agent shall so notify the actor in writing. The actor 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 "9" had been written with the names of the remaining active persons only. If all of the persons named in paragraph "9" of the agency contract become inactive as aforesaid, the contract shall be deemed

terminated forthwith, and the actor 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 actor for services rendered prior to the date of termination; in such case, the actor shall not be relieved of his obligation under paragraphs "3" and "4" of Exhibit "E", to pay such commissions as may be payable after such termination of the agency contract, unless "Equity" consents thereto in writing. If the actor terminates his agency contract hereunder and at least one (1) person named in paragraph "9" of the agency contract remains active as aforesaid, the actor nevertheless remains obligated to pay the agent the agreed commission payable under the agency contract on compensation received by the actor on all employment contracts in existence at the date of such termination (subject to the terms of the agency contract - Exhibit E), and the agent remains bound to perform the obligations of the agency contract in respect to such employment contracts.

(4) Where the actor and the agent desire to change or add to the persons named in paragraph "9", they may do so provided that at the time such change or addition is made, the actor consents in writing and a copy of his consent is filed with "Equity" within twenty (20) days. In no event, however, may more than four (4) persons be named in said paragraph "9" at any one time.

(B) The agent and the actor may by agreement in writing filed with EQUITY from time to time eliminate one or more of the names set forth in paragraph "10" of Exhibit "E" and substitute others therefore 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 actor 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 "9" and "10" of the agency contract (Exhibit "E") may not be waived by the actor without the written consent of "Equity". Paragraphs "9" and "10" of Exhibit "E" shall not apply to existing agency contracts dated and executed before June 4, 1958.

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

## **SECTION XXI - AGENTS NOT TO DEAL WITH DEFAULTING MANAGERS**

Franchised agents shall not arrange for or enter into any contract of employment on behalf of an actor for services to be performed for any producer, manager or similar person who has been placed on the Defaulting Managers list of "Equity". This provision shall not apply unless the agent has notice that a particular producer, manager or similar person is on said list.

## **Equity Agency Interim Regulations and Modifications to Rule A**

1. These Regulations, together with the provisions of the Equity Rules Governing Rule A (effective June, 1958), and modified hereinafter, and the provisions of the 2008 standard form Specific Engagement and Exclusive Management contracts, all of which documents are incorporated herein by reference as though set forth at length, govern the representation of Equity members by theatrical agents who are franchised by Equity. "Franchised Agent" as used herein shall include agents and subagents.

2. Franchised Agents are bound by these Regulations when representing an Equity member or an actor who is to become an Equity member pursuant to the terms of a collective bargaining agreement between Equity and an Employer and in accordance with applicable federal and state laws.

These Regulations do not govern the franchised agent's representation of an actor who is not and does not become a member of Equity, and do not require that an actor must become a member of Equity in order to be represented by a franchised agent.

3. Only Equity franchised agents may represent Equity members.

4. Commission Schedules:

(A) Commission shall be applicable in accordance with the following:

Tier I: For weekly contractual salaries of \$525 or less, a 5% commission shall be applicable.

Tier II: For weekly contractual salaries of greater than \$525, a 10% commission shall be applicable, except that the rehearsal period at minimum salary is commissionable at 5%.

(B) Commission is not applicable:

(1) On the Equity minimum portion of out-of-town expense monies or per diem.

(2) On employment procured for an actor while the agent is acting as or for an employer (e.g., as a casting director). This provision shall apply to actors submitted by an agent in the agency of the agent acting for the employer.

(C) Commission on Chorus Contracts: Commission on chorus contracts shall be applicable only in accordance with the Regulations and modifications herein. If after one year the weekly salary of an Equity Chorus Contract does not exceed the Equity established minimum salary (including all required minimum salary increments), an actor may elect to continue to pay commission.

(D) Provisions for Commission on Chorus Contracts: The following are the provisions pursuant to which commission by actors under chorus contracts will be made. These provisions assume that the submission, audition, and negotiation were done in good faith. If there is adequate evidence of bad faith or misrepresentation, the application for commission may be denied (see (E) below). These provisions amend Rule A.

Full commission allowable will be paid under any of the following circumstances:

(1) If any Exclusive Management contract has been in effect, regardless of agent involvement.

(2) Actor is signed to a contract for the season (three or more shows) with a LORT Theatre and is doing a majority of roles as a principal.

(3) Actor is submitted for and auditions for principal role and actor is offered chorus with understudy for that role.\*

(4) Actor submitted and auditioned for principal role, gets role and Equity converts role to chorus; provided that Equity has not previously determined the role to be chorus.\*

(5) The Actor is submitted and auditions for a principal role; the Actor does not get a principal or understudy role, but does get a chorus contract as a result of that audition. Under these circumstances, a commission is payable if the agent has obtained at least four prior auditions (excluding callbacks) for principal roles in Equity's jurisdiction for the actor in the preceding 12 months.\*

(6) The actor is submitted and auditions for a role as understudy to a principal already cast; the actor does not get that role but is signed to a chorus contract as a result of that audition. Under these circumstances, a commission is payable if the agent has obtained at least four prior auditions (excluding callbacks) for principal roles in Equity's jurisdiction for the actor in the preceding 12 months.\*

\*For items (3) through (6), the same restrictions on allowability of commissions will apply to chorus contracts as to principal contracts, with respect to renewal rules and duration of commission, except that commission under these circumstances shall be limited to the Production and LORT contracts.)

#### (E) Procedures for Commission on Chorus Contracts

(1) An agent shall file any Exclusive Management contract pursuant to Paragraph D(1) above. Equity will then take the appropriate steps to notify the Producer of the deduction. If the actor falls within Paragraph D(2) - (6) above, the agent will submit an application for commission to Equity and the actor involved. If the application falls within Paragraphs D(2) - (6) above, and no objection to payment of the commission on grounds of bad faith or misrepresentation is made within 10 working days of the receipt by Equity of the application, and 15 days after mailing by the agent of a copy of the application to the actor, the commission shall be payable.

(2) If an objection to payability of the commission is raised under Paragraph D above, the agent may take an application to the Joint Committee for decision. The Joint Committee shall be comprised of the Chair of the Agency Committee, the Chair of the Advisory Committee for Chorus Affairs (ACCA), the Chair of the Employment Contract Committee for which the claim is being made, and a representative from the National Association of Talent Representatives (NATR). The Chairs may appoint a designee from his/her Committee if the actual chair is unable to attend. The Joint Committee shall make such determination as it deems proper which shall be final and binding on the actor. Only official members of the Joint Committee shall have the right to vote and decide on applications for chorus commissions which reach the Joint Committee.

(3) Chorus Dispute Arbitration. An agent whose commission application is rejected by the Joint Committee shall have the right to appeal to a mutually designated standing arbitrator, who shall be Richard Adelman, on an expedited basis for a final and binding decision on the payability of the agent's application for commission. In the event Richard Adelman refuses or is otherwise unavailable to act as arbitrator for a period of two months, the parties will select a substitute arbitrator until Adelman is again available to hear and decide pending disputes. In the absence of agreement on a substitute, the parties will use the expedited labor rules of the American Arbitration Association. The actor or Equity shall have the burden of proof of a misrepresentation or bad faith or lack of bona fide offer. No attorneys shall be used and no briefs shall be filed. The arbitrator's decision shall be as brief as possible and in writing. The cost of arbitration shall be shared equally by both sides.

(4) Any set of circumstances where there is agent involvement and an actor signs a chorus contract but which is not encompassed by Paragraph D(1) – (6) above shall not be commissionable. If an agent, nevertheless, feels that the agent is entitled to commission, the agent may appeal to the Joint Committee where Equity retains the exclusive right to make determinations in such circumstances. Determinations of the Joint Committee will be final; provided that an appeal by the actor or the agent in such circumstances may be permitted to Equity's governing body, where said body decides to hear such an appeal.

5. Disputes: After a dispute has been presented to Equity and the dispute has not been resolved, arbitration by a single arbitrator mutually selected by the parties shall be the final and exclusive recourse for disputes under these Regulations, except as otherwise provided for chorus contract disputes. Arbitration shall be governed by the voluntary labor rules of the American Arbitration Association. Costs are to be shared equally between the two parties.

6. No agent may collect commissions after the revocation or surrender of the agent's franchise or during the period of suspension of the franchise, and all existing agency contracts will be null and void following revocation or surrender of a franchise. An actor may terminate any agency contract with an agent whose franchise has been suspended.

7. A franchised agent is permitted to use a corresponding franchised agent but in no event shall double commission be charged.

8. No franchised agent shall procure employment for members with any employer the agent knows to be on Equity's Defaulting Employers list.

9. Agent Access: Agents will make efforts to provide opportunities for Equity members to be seen by them. Please see attached Memorandum of Understanding No. 1.

10. Agents to be Independent:

(A) Producers not to own or control Agents: No person, firm or corporation or any affiliate thereof engaged or employed in the production of live presentations in the legitimate theatre industry, or owning any interest in an agent, directly or indirectly, nor shall any such person, firm, corporation own or control any indebtedness of the agent or of any of its owners, except such indebtedness as may be incurred in the ordinary course of business, nor shall any such person, firm or corporation share in the profits of the agent.

(B) Agents not to be or to own producers: Except as otherwise provided in the Regulations, an agent or an owner of an interest in an agent shall not engage in the production of said live presentations in the legitimate theatre industry, or own or control, directly or indirectly any interest in a producer in the legitimate theatre industry.

(C) Exceptions: Agents may control, own or have interests in producers under the following circumstances: (i) An agent or the owners of an interest in an agent may acquire an interest in a producer in the legitimate theatre industry, or in any of said live presentations in the legitimate theatre industry, but, except as otherwise provided in the Regulations, such interest may not exceed 10% of the total interest in said producer or in said live presentation; (ii) the agent shall disclose to Equity, in writing, the agent's interest in a producer in the legitimate theatre industry at the time the agent acquires said interest, in writing, to each actor who has an agency contract with such agent before submitting the actor to said producer for employment. The Actor, at Actor's option, may notify the agent that the actor does not wish the agent's services in connection with said employment, in which event the actor and the agent are relieved of their obligation with respect to said employment.

11. An actor may enter into a contract which is more but not less favorable than the Exclusive Management Contract or Specific Engagement Contract.

12. All agency contracts must be executed in writing with a copy furnished to Equity.
13. In the event Equity permits any franchised agents to represent members on terms more favorable than terms set out in these Regulations, the more favorable terms shall be deemed to apply to all franchised agents.
14. Termination of Exclusive Management Contracts:
  - (A) If during any 90 day period the agent fails to secure for the actor a bona fide offer of employment from an employer commensurate with the actor's prestige for at least four weeks at the actor's customary salary, which offer is communicated by the agent to the actor in reasonable detail and in writing, then in such case the actor shall have the right to terminate the agreement by notice in writing to the agent and to Equity.
  - (B) The 90 day period described above shall be extended during any period when: 1) the actor has notified the agent in writing of his unavailability; 2) the actor is employed and is therefore unavailable; and 3) the actor is unable to respond to a call for services by reason of mental or physical incapacity.
  - (C) No termination under this paragraph shall deprive the agent of the right to receive commissions on monies earned or received by the actor prior to the date of termination or earned or received by the actor after the date of termination of the agent's agreement on contracts for the actor's services entered into by the actor prior to the effective date of any such termination.
  - (D) Termination for other reasons: The actor and the agent may agree that one or more persons individually named on the face of the Exclusive Management contract shall represent the actor and in the event such person or persons listed on the contract discontinues relationship with the agency, the actor then has the right to terminate the agreement.
15. These Regulations shall be in effect for no less than a period of three years to October 1, 1987, after which, upon 90 days notice, either the Agents' Association(s) or Equity may request renewed discussion regarding these Regulations.

Revised 01.02.08

Memorandum of Understanding No. 1  
As of June 24, 2008

This will confirm the understanding reached during the 2007/2008 negotiations with respect to Section 9, **Agent Access**. The parties agree to meet before the end of calendar year 2008 to prepare a written outline of the agreed upon terms of a new access program.

Sincerely,

Ken Slevin

Karen Stuart

Accepted and Agreed

By:  \_\_\_\_\_, on behalf of AEA  
John Pasulo

 \_\_\_\_\_, on behalf of NATR  
Ken Slevin

 \_\_\_\_\_, on behalf of ATA  
Karen Stuart



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By: \_\_\_\_\_ [signed] \_\_\_\_\_, on behalf of AEA  
John Fasulo

\_\_\_\_\_ [signed] \_\_\_\_\_, on behalf of NATR  
Ken Slevin

\_\_\_\_\_ [signed] \_\_\_\_\_, on behalf of ATA  
Karen Stuart

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**Agreed upon new Agent Access language as of May 17, 2011**

Each Eastern Region Franchised Agency shall ensure that a franchised agent or sub-agent from its staff attends at least one complete Agent Access Auditions (AAA) Session (i.e. open auditions for non-agency signed Equity Members) during each calendar year. Up to three (3) Agencies may be represented at each session. AAA Sessions shall be a minimum of three (3) hours. Agents attending each session shall audition a minimum of 54 Equity Actors (provided 54 Actors have signed up) and shall audition alternates as time permits within the 3 hour session.

Based on the NATR Recommendation, AAA sessions will not be held in March/April due to the nature of the agency business, i.e. agents attending many college showcases, etc.

Equity shall schedule an equal number of Musical Sessions and Dramatic Sessions during each calendar year and will provide the schedule to each franchised agency on or about January of each year. Each agency shall contact the Equity Auditions Department to reserve its AAA Session date. Reservations will be scheduled on a first-come, first-served basis. Equity encourages agents to alternate attendance between Musical Sessions and Dramatic Sessions annually.



## **Procedures For Obtaining An Equity Agency Franchise**

1. Complete and notarize the enclosed application.
2. Submit to the appropriate Equity Regional Office Agency Department:
  - Five letters of recommendation from Equity Members in good standing.
  - A letter or resume giving the professional background in the Entertainment Industry for each Agent listed on the application.
  - A Statement of Ownership (plus a copy of your corporate seal & copy of your State's incorporation or partnership papers).
  - A copy of your State (or City's) license.
  - Copies of SAG-AFTRA franchise.
  - Proof of existing "client" bank accounts.
3. Equity Staff will post your application notice on the Equity Audition Center Bulletin Boards.
4. An Equity Representative will meet with you at your office to verify your commercial space (Copies of Rule Books will be given to the agent during the office visit.)

Equity must approve in writing if you share office space with another organization. Equity has determined that the sharing of space with: personal management companies, photographers, publicists, non-franchised agents, dramatic schools, casting directors, producers, and acting or modeling coaches is a conflict of interest.

5. The Chair of the Agency Committee will review your application and make a recommendation to the appropriate Regional Board. The Chair may call an Agency Committee Meeting and request that you appear before the Committee to answer any question arising from your application or Staff questions.
6. When the Regional Board approves your application, Staff will mail a formal agency document to your office.

11/17/14



### **APPLICATION FOR AGENT'S FRANCHISE**

The undersigned (hereinafter "Applicant") hereby apply to Actors' Equity Association (hereinafter "Equity"), for an Agent's Franchise, for and on behalf of \_\_\_\_\_ as Applicant.

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

Applicant agrees to notify Equity promptly of any change in the above address or addresses.

2. Applicant has read the Equity Agency Regulations (Rule A and Interim), together which are hereinafter referred to as the 'Regulations'. These Regulations are incorporated herein by reference as though set forth at length, and Applicant agrees to be bound thereby and conform thereto. Applicant has examined the form of Agent's Franchise and is familiar therewith.

3. Applicant agrees that all statements, agreements and representation made in this application are made for the express benefit of Equity and of its members, both present and future. This application and any Franchise issued pursuant hereto shall constitute a contract between Applicant and Equity.

4. All statements attached hereto are made a part hereof. Applicant has attached hereto a statement setting forth a summary of the business experience of each of the undersigned.

5. Except to the extent permitted by the Regulations, no person, firm or corporation who is engaged in the production of live presentations in the legitimate theatre industry has an interest in Applicant's business, either directly or indirectly, whether as an owner or otherwise, and no person, firm or corporation who is engaged in the production of the legitimate theatre industry has any right to share in the profits of Applicant's business, directly or indirectly, or holds any indebtedness from Applicant to such person. Applicant is not engaged in the production of live presentations in the legitimate theatre industry. (If Applicant has any interest whatever in the production of live presentations in the legitimate theatre industry, or if anyone engaged in the production of such presentation has any interest whatever in Applicant, attach detailed statement thereof.)

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 and attach to this Application a statement giving all of the details with reference to any such conviction.)

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

8. Each person executing this Application states that he has no existing contracts to act as agent with members of Equity, or, if such person has any contracts, then such person states that he now holds, or is applying as an individual, for an Agent's Franchise from Equity.

9. Applicant agrees to conform to the Regulations and does hereby consent to the modifications of all existing agency contracts with reference to the legitimate theatre industry between Applicant and present or future members of Equity in the manner and to the extent set forth in the Regulations.

10. This Application shall be of no effect unless Equity issues a franchise pursuant hereto.

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

12. 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 interest of each, and the nature of such ownership, whether stock, partnership, profit sharing or otherwise. If Applicant is a corporation, such statement also contains the names of the officers, directors and stockholders of Applicant. Such statement also contains the names of all employees who are actively engaged in the conduct of the agency as franchised sub-agents in the Equity field or who are applying for Franchises as such sub-agents. Applicant agrees that Equity will be notified promptly in writing by Applicant of any change in the identity of the persons who are owners, officers, directors, partners or managers of Applicant.

13. Applicant agrees that any person who has been denied an agent's or sub-agent's franchise by Equity, or whose agent's or sub-agent's franchise has been revoked, or any person whose agent's or sub-agent's franchise has been suspended, is still under suspension, may succeed to ownership in Applicant only if Applicant surrenders the franchise granted hereunder. In the event any person succeeds to ownership in Applicant and fails to file a new application and secure the consent of Equity, the franchise granted hereunder may be terminated by Equity. If Equity claims that any person who is not qualified has become an owner (as for instance when the transfer is involuntary by operation of law, and the new owner is not qualified or refuses to file a new application to secure the consent of Equity), then Equity may submit the matter to arbitration and the arbitrator may order the new owner to comply with the Regulations, if compliance is possible or, if such new owner does not do so and does not divest himself of ownership within the time and upon the terms and conditions specified in the award, said arbitrator may cancel and revoke the franchise granted hereunder.

14. Attached is a schedule listing all actors with whom Applicant has existing contracts to act as agent for such actors in the legitimate theatre industry. At the request of Equity, Applicant agrees to furnish Equity with a complete copy of each such existing contracts in the form in which it was signed. Regarding said contracts which were heretofore signed by Applicant with such actor under a Personal Representative's Permit heretofore duly issued by Equity to Applicant, and which contracts shall be modified as provided in paragraph 9 above, the name or names of the persons in Applicant's employ and the city specified in the attached schedule shall be deemed inserted in said contracts.

15. Applicant has never been disciplined by Equity in connection with any franchises heretofore held by him nor have such franchises ever been suspended or revoked by Equity. The Applicant's franchise, if any, from the following organizations has never been suspended: SAG-AFTRA, American Guild of Variety Artists, American Guild of Musical Artists. (If any of the foregoing sentences of this paragraph are incorrect, Applicant shall strike the incorrect sentences and attached to this application a statement giving the details as to such stricken sentences. Equity shall be furnished with further details by the Applicant, if it requests the same.)

Dated: \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
Applicant

The undersigned owners of Applicant join in the foregoing:

\_\_\_\_\_  
\_\_\_\_\_

Sworn before me \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public



## **Procedures for Obtaining an Equity Subagent's Franchise**

1. Applicant is required to familiarize himself/herself with the current Equity Agency Regulations, Contracts, and Commission Schedule and have a working knowledge of Equity Employment Contracts and Rule Books.
2. Complete the attached Franchise application. (Both the signatures of the Applicant and Agent/Owner(s) must be notarized.)
3. Include with the application for Equity's files a professional resume and/or a brief letter describing your employment history and educational background in the entertainment industry. (Please include your previous employment with a Franchised Equity Agency.)
4. Pursuant to Equity's Agency Regulations: "A Subagent is a person who is employed by a Franchised Agent to render Agency services..." A Subagent must be an employee of an agency. We will not accept a Subagent franchise for an Independent Contractor.
5. All Equity Members who apply for A Subagent franchise must go on "withdrawal" with the Equity Membership Department.
6. The Agent/Owner is required to inform Actors' Equity Association when the Subagent leases the Agency's employ.

Rev 11/17/2014



**APPLICATION FOR SUB-AGENT'S FRANCHISE**

The undersigned (hereinafter "Applicant") hereby applies for a Franchise as a Sub-Agent for the Agent named below, as hereinafter set forth. Applicant states and represents that the following are true and correct:

1. Applicant proposes to act as Sub-Agent for \_\_\_\_\_, an Agent holding an Agent's Franchise from Actors' Equity Association (hereinafter "Equity").
2. Applicant has read the Equity Agency Regulations (Rule A and Interim) together hereinafter referred to as the 'Regulations'. These regulations are incorporated herein by reference as though set forth in full and Applicant agrees to be bound thereby. Applicant has examined the form of Sub-Agent's Franchise which Equity proposes to issue and is familiar therewith.
3. Applicant agrees that all statements, agreements and representations made in this application are made for the express benefit of Equity and its members, both present and future. Applicant further agrees that this application and Franchise issued pursuant hereto shall constitute a contract between Applicant and Equity.
4. Applicant has attached hereto a statement summarizing his previous business experience.
5. Applicant is not engaged in the production of live presentations in the legitimate theatre industry except as stated on the attached schedule and permitted by Sections VI and VII of the Rule A.
6. Applicant has never been convicted of a crime involving embezzlement, theft, fraud, forgery or dishonest conduct, nor disciplined by Equity, SAG-AFTRA, AGVA or AGMA, in connection with any agency regulations. (If the foregoing is incorrect, Applicant shall strike it and attach to this application a statement giving all the details with reference to any such matter.)

Dated: \_\_\_\_\_, 20 \_\_\_\_ Sworn before me \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Notary Public

The undersigned Franchised Agent or applicant for an 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.

Dated: \_\_\_\_\_, 20 \_\_\_\_ Sworn before me \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
Agent/Owner

\_\_\_\_\_  
Notary Public

# Actors' Equity Association

Branch of Associated Actors and Artists of America  
(Affiliated with the AFL-CIO)

## Exclusive Management Contract Under Equity Agency Regulations

THIS AGREEMENT is made and entered into between \_\_\_\_\_, an Equity Franchised Agent ("Agent"), and \_\_\_\_\_ ("Actor") in accordance with the Equity Agency Regulations ("Regulations").

1. The Agent shall be the Actor's sole and exclusive agent in the legitimate theatre industry. This contract is limited to the legitimate theatre industry and to contracts of the Actor as an actor in said industry. The Actor warrants he has the right to sign this agreement and has no other agreement in effect which is in conflict herewith. The Agent and the Actor are both bound by the provisions of the Regulations, which govern the relations of members of Actors' Equity Association as actors with agents. Said Regulations as they exist and as they may be amended from time to time (including but not limited to commissions as currently set out below) are made part of this agreement.

2. The term of this contract shall be for a period of \_\_\_\_\_ (not in excess of 3 years) commencing \_\_\_\_\_ (date). The initial contract between Actor and Agent shall not be for more than eighteen months.

3. (a) **COMMISSIONS.** Commissions shall be applicable in accordance with the following schedule: TIER I: Weekly contractual salaries of \$525 or less, a 5% commission shall be applicable. TIER II: For weekly contractual salaries of greater than \$525, a 10% commission shall be applicable, except that the rehearsal period at minimum salary is commissionable at 5%. If after one year the weekly salary on an Equity Chorus Contract does not exceed the Equity established minimum salary (which includes all required minimum salary increments), an actor may elect to continue to pay commission.

(b) **NON COMMISSIONABLE.** Commissions are not required on the Equity minimum portion of Out-of-Town expenses or per diem

(c) **RESPONSIBILITY FOR PAYMENT.** Commission shall be payable when and as monies or other considerations are received by the Actor or anyone else for or on the Actor's behalf. Such commissions shall be payable by the actor to the Agent, as aforesaid, pursuant to this contract and thereafter only as specifically provided herein or in the Regulations. Commission shall also be payable for any Equity employment contracts entered into during the term of this agency agreement and for the duration of such Equity contracts, as well as any modifications, extensions, renewals or substitutions thereof except as otherwise specifically provided in the Regulations.

4. Should the Agent negotiate a contract of employment for the Actor and secure for the Actor a bona fide offer of employment, which offer is communicated by the Agent to the Actor in reasonable detail and in writing, which offer the Actor declines, and if, after the expiration of the term of this agreement and within 60 days after the date upon which the Agent gives such written information to the Actor, the Actor accepts said offer of employment on substantially the same terms, then the Actor shall be required to pay commissions to the Agent upon such contract of employment. If an Agent employed under a prior agency contract is entitled to collect commissions under the foregoing circumstances, the Agent with whom this contract is executed waives his commissions to the extent that the prior agent is entitled to collect the same.

5. **TERMINATION OF AGENT'S SERVICES.** The Actor may, at any time, by notice in writing to the Agent and to Equity, instruct the Agent that he/she is prohibited from rendering further services to the Actor and from holding himself/herself out as the Actor's agent. This shall not affect the right of the Agent to collect commissions.

6. **TERMINATION OF AGREEMENT.** If during any ninety (90) day period immediately preceding the giving of notice under this clause, the Actor does not receive an offer or offers of employment in accordance with the Regulations as follows:  
If during any ninety (90) day period the Agent fails to secure for the Actor a bonafide offer of employment from an employer commensurate with the Actor's prestige for at least four weeks at the Actor's customary salary, which offer is communicated by the Agent to the Actor in reasonable detail and in writing, then in such case the Actor shall have the right to terminate this agreement by notice in writing to the Agent and to Equity.

The ninety (90) day period described above shall be extended during any period when: 1)The Actor has notified the Agent in writing of his unavailability, 2) The Actor is employed and is therefore unavailable, 3)The Actor is unable to respond to a call for his services by reason of mental or physical incapacity.

No termination under this paragraph shall deprive the Agent of the right to receive commission on monies earned or received by the Actor prior to the date of termination or earned or received by the Actor after the date of termination on the Agent's agreement on contracts for the Actor's services entered into by the Actor prior to the effective date of any such termination.

The Actor and the Agent may agree that one or more persons individually named on the face of the Exclusive Management Contract shall represent the Actor and in the event such person or persons listed on the contract discontinues his relationship with the agency, the Actor then has the right to terminate this agreement.

7. 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 any controversy as to the existence, execution or validity hereof or thereof, or the right of either party to void this or any such contract or alleged contract on any grounds, or the construction, performance, non-performance, operation, breach, continuance or termination of this or any such contract, shall be determined in accordance with the Regulations.

8. The Agent agrees, covenants, represents and warrants as follows:

(a) to be available at all reasonable times for consultation with the Actor in the city or cities named herein during reasonable hours, subject to absence of the person or persons from the office occasioned by business activities outside the office, and subject further to reasonable absences due to illness or reasonable vacation periods.

(b) to maintain an office and telephone open during all reasonable business hours (emergencies such as sudden illness or death excepted) within the city (cities) of \_\_\_\_\_, or its environs, throughout the term of this agreement and that some representative of the Agent will be present at such office during business hours.

(c) to counsel and advise the Actor in matters which concern the Actor's professional interest in the legitimate theatre industry.

(d) to be truthful in his/her statements to the Actor.

(e) not to conceal facts from the Actor, in the performance of this contract, which are pertinent and which the Actor is entitled to know.

(f) to use all reasonable efforts to assist the Actor in procuring employment for the services of the Actor in the legitimate theatre industry.

(g) to maintain the relationship of a fiduciary to the Actor. When instructed by the Actor not to give out information with reference to the Actor's affairs, the Agent will not disclose such information.

(h) not to engage in dishonest or fraudulent practices in making or entering into this contract or the performance thereof.

(i) to consider only the interest of the Actor in any dealings for the Actor pursuant to this contract, and never to consider or act in the interest of the Agent or any producer when such interests are opposed to the interests of the Actor.

(j) to make no binding engagement or other commitments on behalf of the Actor without the approval of the Actor and without first informing the Actor of the terms and conditions of such engagement or commitment.

(k) to be equipped and to continue to be equipped to represent the Actor ably and diligently in the legitimate theatre industry throughout the term of this contract, and to so represent the Actor. The Agent's duties shall include the full representation of the Actor in his/her career in the legitimate theatre industry and are not limited to securing employment.

(l) as to the payment of compensation the Agent shall be obligated to serve the Actor and perform obligations as required herein with respect to any employment contract or to any employment requiring the services of the Actor on which such compensation is based.

9. The Agent may represent actors of the same general qualifications and eligible to perform the same parts or roles, and such representation shall not constitute a violation of the Agent's obligations hereunder. The Agent agrees that prior to the execution of this contract, if the Actor so requests, the Agent will deliver to the Actor a list of the actors of the same qualifications and eligible for the same parts or roles; represented by the Agent.

10. Any situation or circumstance not expressly covered in this agreement or in the Regulations shall be subject to final determination by Equity.

11. RELIANCE UPON SPECIFIC REPRESENTATION. If agent agrees in writing that Actor shall be entitled to the specific services of any agent or agents named below, as a condition of this agreement, Actor may terminate if such agent or agents cease to be available to render such services. This paragraph applies only if initialed below by Agent:

_____	(_____)	_____	(_____)
Agent/Sub Agent	Agent's Initials	Agent/Sub Agent	Agent's Initials
_____	(_____)	_____	(_____)
Agent/Sub Agent	Agent's Initials	Agent/Sub Agent	Agent's Initials

IN WITNESS WHEREOF, the parties hereto have executed this agreement the \_\_\_\_\_ day of \_\_\_\_\_, (year) \_\_\_\_\_.

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Actor's Name (PLEASE PRINT)

\_\_\_\_\_  
Actor's Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Social Security #

FOR CALIFORNIA ONLY. This provision is inserted in this contract, pursuant to regulations of ACTORS' EQUITY ASSOCIATION, a bona fide labor union, which regulations govern the relations of its members to employment agencies and talent agencies. 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 authorized representative, has the right to attend all arbitration hearings. The clauses relating to the Labor Commissioner of the State of California shall not be applicable to cases not falling under the provisions of Section 1700.45 of the Labor Code of the State of California.



THIS TALENT AGENCY IS LICENSED BY THE LABOR COMMISSIONER OF THE STATE OF CALIFORNIA. This talent agency is franchised by the Actors' Equity Association. This form of contract has been approved by the Labor Commissioner of the State of California on May 5, 2008 (effective January 2, 2008).

Note: \* In order to be valid, the Actor must receive a copy. No commission shall be paid unless a copy is on file with Equity. One copy to be given to Actor.

\*\* Copy to be filed by Agent with Equity immediately after execution.

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*Los Angeles Office*  
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Orlando, FL 32821  
(407) 345-1522

SAMPLE

# Actors' Equity Association

Branch of Associated Actors and Artists of America  
(Affiliated with the AFL-CIO)

## Agency Authorization For A Specific Engagement Under Equity Regulations

THIS AGREEMENT is made and entered into between \_\_\_\_\_, an Equity Franchised Agent ("Agent") and \_\_\_\_\_ ("Actor") in accordance with the Equity Agency Regulations ("Regulations").

1. The Agent shall be the Actor's sole and exclusive agent to negotiate for and on behalf of the Actor with the Producer hereinafter named for a contract for the rendition of Actor's services as an actor in the play or plays hereinafter named. The Actor warrants he has the right to sign this agreement and has no other agreement in effect which is in conflict herewith. The Agent and the Actor are both bound by the provisions of the Regulations, which govern the relations of members of Actors' Equity Association as actors with agents. Said Regulations as they exist and as they may be amended from time to time (including but not limited to commissions as currently set out below) are made part of this agreement. The term of this contract shall be for one engagement only.

2. (a) AGREEMENT OF SERVICES: The Actor engages the Agent to render services in the part (or understudy) of \_\_\_\_\_ in the play now called "\_\_\_\_\_".

(b) Name of Producer \_\_\_\_\_.

(c) Type of Equity Employment Contract \_\_\_\_\_.

3. (a) COMMISSIONS. Commissions shall be applicable in accordance with the following schedule: TIER I: Weekly contractual salaries of \$525 or less, a 5% commission shall be applicable. TIER II: For weekly contractual salaries of greater than \$525, a 10% commission shall be applicable, except that the rehearsal period at minimum salary is commissionable at 5%. If after one year the weekly salary on an Equity Chorus Contract does not exceed the Equity established minimum salary (which includes all required minimum salary increments), an actor may elect to continue to pay commission.

(b) NON COMMISSIONABLE. Commissions are not required on the Equity minimum portion of Out-of-Town expenses or per diem

(c) RESPONSIBILITY FOR PAYMENT. Commission shall be payable when and as monies or other considerations are received by the Actor or anyone else for or on the Actor's behalf. Such commissions shall be payable by the actor to the Agent, as aforesaid, pursuant to this contract and thereafter only as specifically provided herein or in the Regulations. Commission shall also be payable for any Equity employment contracts entered into during the term of this agency agreement and for the duration of such Equity contracts, as well as any modifications, extensions, renewals or substitutions thereof except as otherwise specifically provided in the Regulations.

4. Should the Agent negotiate a contract of employment for the Actor and secure for the Actor a bona fide offer of employment, which offer is communicated by the Agent to the Actor in reasonable detail and in writing, which offer the Actor declines, and if, after the expiration of the term of this agreement and within 60 days after the date upon which the Agent gives such written information to the Actor, the Actor accepts said offer of employment on substantially the same terms, then the Actor shall be required to pay commissions to the Agent upon such contract of employment. If an Agent employed under a prior agency contract is entitled to collect commissions under the foregoing circumstances, the Agent with whom this contract is executed waives his commissions to the extent that the prior agent is entitled to collect the same.

5. TERMINATION of AGREEMENT and TERMINATION of AGENT'S SERVICES. The Actor may, at any time, by notice in writing to the Agent and to Equity, instruct the Agent that he is prohibited from rendering further services to the Actor and from holding himself/herself out as the Actor's agent. Despite the foregoing, should the Actor obtain the employment covered by this agreement within six months of the date of execution of this agreement, Actor shall not be relieved of the obligation to pay the commissions provided for herein.

6. Any controversy under this contract, or under any contract executed in renewal or extension hereof or in substitution hereof or alleged to have been so executed, or any controversy as to the existence or validity hereof or thereof, or the right of either party to void this or any such contract or alleged contract on any grounds, or the construction, performance, non-performance, operation, breach, continuance or termination of this or any such contract, shall be determined in accordance with the Regulations.

7. The Agent agrees, covenants, represents and warrants as follows:

(a) to be available at all reasonable times for consultation with the Actor in the city or cities named herein during reasonable hours, subject to absence of the person or persons from the office occasioned by business activities outside the office, and subject further to reasonable absences due to illness or reasonable vacation periods.

(b) to maintain an office and telephone open during all reasonable business hours (emergencies such as sudden illness or death excepted) within the city (cities) of \_\_\_\_\_, or its environs, throughout the term of this agreement and that some representative of the Agent will be present at such office during business hours.

(c) to counsel and advise the Actor in matters which concern the Actor's professional interest in the legitimate theatre industry.

(d) to be truthful in his/her statements to the Actor.

- (e) not to conceal facts from the Actor, in the performance of this contract, which are pertinent and which the Actor is entitled to know.
- (f) to use all reasonable efforts to assist the Actor in procuring employment for the services of the Actor in the legitimate theatre industry.
- (g) to maintain the relationship of a fiduciary to the Actor. When instructed by the Actor not to give out information with reference to the Actor's affairs, the Agent will not disclose such information.
- (h) not to engage in dishonest or fraudulent practices in making or entering into this contract or the performance thereof.
- (i) to consider only the interest of the Actor in any dealings for the Actor pursuant to this contract, and never to consider or act in the interest of the Agent or any producer when such interests are opposed to the interests of the Actor.
- (j) to make no binding engagement or other commitments on behalf of the Actor without the approval of the Actor and without first informing the Actor of the terms and conditions of such engagement or commitment.
- (k) to be equipped and to continue to be equipped to represent the Actor ably and diligently in the legitimate theatre industry throughout the term of this contract, and to so represent the Actor. The Agent's duties shall include the full representation of the Actor in his career in the legitimate theatre industry and are not limited to securing employment.
- (l) as to the payment of compensation the Agent shall be obligated to serve the Actor and perform obligations as required herein with respect to any employment contract or to any employment requiring the services of the Actor on which such compensation is based.

8. The Agent may represent actors of the same general qualifications and eligible to perform the same parts or roles, and such representation shall not constitute a violation of the Agent's obligations hereunder. The Agent agrees that prior to the execution of this contract, if the Actor so requests, the Agent will deliver to the Actor a list of the actors of the same qualifications and eligible for the same parts or roles; represented by the Agent.

9. Any situation or circumstance not expressly covered in this agreement or in the Regulations shall be subject to final determination by Equity.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the \_\_\_\_\_ day of \_\_\_\_\_, (year) \_\_\_\_\_.

By: _____  _____ Name of Agency  _____ City and State  _____ Agency Telephone Number  _____	_____ Actor's Name (PLEASE PRINT)  _____ Actor's Signature  _____ Address  _____ City, State, Zip Code  _____ Social Security #
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FOR CALIFORNIA ONLY. This provision is inserted in this contract, pursuant to regulations of ACTORS' EQUITY ASSOCIATION, a bona fide labor union, which regulations govern the relations of its members to employment agencies and talent agencies. 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 authorized representative, has the right to attend all arbitration hearings. The clauses relating to the Labor Commissioner of the State of California shall not be applicable to cases not falling under the provisions of Section 1700.45 of the Labor Code of the State of California.

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