

April 5, 2019

Dear Members,

As you know, the Artists' Manager Basic Agreement (AMBA) that has governed the successful working relationship between agents and writers for 43 years will expire this Saturday, April 6. While there are many unanswered questions and understandable concerns at this time, the ATA is committed to keeping you well-informed as we work through this process with the Writers Guild of America (WGA) and aim to address the issues dividing our two organizations as quickly and effectively as possible.

The WGA claims it has broad authority over agents and is empowered to force agents to sign a Code of Conduct that regulates the conduct of agents in all respects. The WGA claims it has the right to delegate "its authority" to managers and attorneys to negotiate for writers. ATA disagrees.

To put it simply, **the WGA's proposed "Code of Conduct" is unacceptable to all agencies** —from those that employ two agents to those employing 2,000. The Code would impose a unilateral mandate, granting the WGA power over your business operations and providing the Guild with an unprecedented level of control to dictate how your agency operates. This self-proclaimed power grab will enable the WGA to change the terms of the agreement on 90 days' notice, after the initial fixed term, regardless of the effect it will have on agencies and their business models. Specifically, **this harmful new precedent would require you to:**

- **Disclose confidential client information**, even against your clients' wishes, including but not limited to, quarterly financial statements, copies of deals, and invoices.
- **Report regularly to the Guild** on a variety of subjects, including employment data, film budgets, and lists of projects where the agency is providing services.
- **Get the Guild's approval (or disapproval) of film finance deals** negotiated by your agency on your clients' behalf.
- **Subject all disputes to Guild-selected arbitrators**, with loss of franchise and substantial financial damages determined by a single arbitrator with no appeal.

As we've said from the start, writers will also be negatively impacted by the WGA's proposed Code. Quite simply, the Code **removes artists' choice and decision-making** about how they want to navigate their own careers. It also **reduces job opportunities for writers and artists** by hamstringing the film financing market and by eliminating production entities that are producing shows and films that may not otherwise get made.

Since last year, we have repeatedly tried to meet and engage in meaningful, productive conversations with the WGA. They refused and would only agree to meet via their formal negotiation process

involving the passing of documents and a 50-person room. These methods are not conducive to an honest, productive dialogue. As negotiators, we all know this is not how you get a deal done. We provided a comprehensive solution that gives writers what they want — choice, transparency, and safeguards. Meanwhile, the WGA continues to take a “no compromise” stance — just two days ago, they sent us a modified version of their proposal that was materially identical to the previous version of their proposal.

**For all these reasons, the ATA is firmly opposed to WGA’s Code because we do not believe it is in your best interest or the best interests of your clients.** The seismic shifts in the media landscape are creating new challenges for artists and disruption across the industry, while simultaneously generating positive change and opportunity. We need strong agencies of every size and interest to help artists push against these forces and thrive amidst the change.

**To that end, we invite and encourage you to attend our member meeting next Wednesday, April 10, from 10 a.m. to 12 noon.** Please see attached for the meeting invitation and RSVP information. At this meeting, we will provide additional facts and information on the WGA’s harmful proposals, update you on our thoughtful approach through this process and answer any questions you have about the process and our counterproposals.

**Also attached for your information and use is an FAQ to help answer some of the most pressing questions your agents may have** as we approach and move beyond the WGA’s self-imposed April 6 deadline to reach a new negotiated franchise agreement. As always, our collective voices are strong. We must remain united and steadfast as we continue to work in good faith toward a new long-term agreement that protects the best interests of all writers, artists, and agents.

Karen Stuart

Jim Gosnell