

May 16, 2019

Dear Members,

As you may know, Verve, a non-ATA member talent and literary agency, has signed the WGA's Code of Conduct. We anticipated this may happen, as it's been nearly a month since the WGA leadership walked away from negotiations and disrupted our entire industry — a decision that we know has created numerous challenges for each of your individual agencies and writers. For your reference, here is the media statement we distributed:

*“The WGA leadership has put writers and agents alike in an untenable position. It is disappointing but not surprising that some of the most vulnerable agencies may reluctantly be forced to sign an onerous agreement. While Verve is not an ATA member agency, their decision to sign the WGA's Code will ultimately harm their business and the artists they represent on many levels. With 30 days now passed since the agencies provided the Guild's Negotiating Committee with numerous counter proposals, we're still waiting for them to respond or return to the negotiating table.”*

With this move, Verve clients will be robbed of choice in their own financial decisions — their options will now be dictated by the Guild. Furthermore, Verve has locked itself into a static business model that handcuffs their ability to pursue new creative opportunities for their clients in the evolving media landscape.

Over the past few weeks, I've spoken and met with many of you to ensure you have all of the facts about the WGA Leadership's position and motivations. To be clear, the Code is a unilateral mandate that gives the Guild the authority to control agency business operations and sets a harmful precedent for agencies of all sizes.

The Code enables the Guild to:

- Demand a variety of confidential client information from an agency, even against the clients' wishes, including but not limited to, quarterly financial statements, copies of deals, and invoices.
- Require agencies to provide the WGA such information in an unreasonable timeframe, including within days of deal commitment and immediate notice of when a job starts.

- Require agencies to report regularly to the Guild on a variety of subjects, including providing employment data, film budgets, and lists of projects where the agency is providing services.
- Require agencies to monitor and notify the Guild of all late payments due to a writer, even against clients' wishes. Many agencies would need to invest in additional staffing resources to support these new functions.
- Approve (or disapprove) film finance deals negotiated by an agency on its clients' behalf.
- After the initial fixed term, change the terms of the agreement on 90 days' notice, regardless of the effect it will have on agencies and their business models.
- Make all disputes subject to Guild-selected arbitrators, with loss of franchise and substantial financial damages determined by a single arbitrator with no appeal.

We must remain strong and united. Our unity speaks volumes to the WGA leadership.

As a reminder and for your reference, the ATA Board of Directors has adopted a set of Agency Standards for Client Representation as a voluntary model for how we can continue to serve and support writer clients who decide to retain our agencies, despite incredible pressure from the Guild to terminate relationships with agencies who refuse to sign the Code. It provides clarity and stability for writer clients and your agencies by offering transparency, disclosures, safeguards and choice. We encourage all of you to adopt this set of standards, which is available on our [website](#).

While the ball on negotiations remains firmly in the WGA's court, our Negotiating Committee continues to meet every week, and remains committed to bringing about stability in our industry. As always, we will continue to keep you informed and you should always feel free to reach out to me and/or anyone on the negotiating team with any questions. We are happy to meet with you and your leadership team at any time – in your office or ATA's.

Karen Stuart