

ATTACHMENT 1 TO CODE OF CONDUCT/FRANCHISE AGREEMENT

RIDER W

This standard representation agreement, referred to herein as "Rider W," is attached to and made part of the Code of Conduct/Franchise Agreement ("Agreement") between Writers Guild of America, West, Inc. and Writers Guild of America, East, Inc. (collectively, "Guild" or "WGA") on the one hand and Verve Talent & Literary Agency LLC ("Agent") on the other hand. The purpose of the Agreement and of this Rider W is to regulate the conduct of the Agent in the representation of writers ("Writers") engaged in the option and sale of literary material or the rendition of writing services in a field of work covered by a WGA collective bargaining agreement ("CBA").

SECTION 1 - INCORPORATION OF STANDARD TERMS INTO REPRESENTATION AGREEMENT

By operation of the Agreement, the terms of this Rider W shall be deemed to be incorporated into any representation agreement ("Representation Agreement"), written or oral, between Agent and Writer. Agent and Writer may negotiate additional provisions in the Representation Agreement, provided, however, that (A) no term or condition of such negotiated agreement shall be less favorable to Writer than the provisions of Rider W; and (B) in the event of a conflict between the negotiated agreement and Rider W, the provisions of Rider W shall prevail.

SECTION 2 - TERM AND TERMINATION

- A. The term of the Representation Agreement shall not exceed two (2) years.
- B. The Representation Agreement may be terminated by Writer during its term for any of the following causes:
 - 1. If Writer is not offered employment which is subject to this Rider W from a bona fide employer with respect to services covered hereunder during any period in excess of six (6) consecutive months, during all of which time Writer is ready, able and willing to accept employment. Writer may exercise this right of termination by written notice served on Agent by certified mail at its primary place of business. The right of termination under this section shall be deemed waived by Writer if, after expiration of the six (6) month period but before service of a notice of termination, Writer accepts an offer of employment by a bona fide employer;
 - 2. Any material breach by Agent of the provisions of the Agreement or of Agent's fiduciary obligations to the Writer;
 - 3. If Agent, during any strike by WGA, obtains employment or makes the sale or option of any literary material for any Writer with a producer or other person as to whom WGA is on strike;
 - 4. Agent's removal from the list of agents bound by an appropriate franchise agreement, provided that such removal is final and all applicable appeal rights have been exhausted.

SECTION 3 - COMMISSIONS

- A. Agent's commission shall be limited to ten percent (10%) of Writer's gross compensation, including Writer's profit participation, provided, however, that Agent shall not be entitled to receive commission on residuals or any other minimum payments to Writers for reuse of a Motion Picture under any applicable CBA (including, but not by way of limitation, supplementary or additional compensation of any kind pursuant to Articles 14.G., 15., 16., 64. of the applicable WGA Theatrical and Television Basic Agreement).
- B. Agent's commission shall be payable when gross compensation is received by the Writer (including Writer's loan-out corporation) or the Agent. If the gross compensation is received by the Agent on behalf of Writer, Agent is authorized to deduct the commission due and shall promptly remit the remaining compensation to Writer. If the gross compensation is received by Writer or Writer's loan-out corporation, Writer shall promptly remit the commission due to Agent.
- C. The following shall apply relating to commissions after termination of the Representation Agreement between Writer and Agent.
1. An Agent terminated by a Writer having a right to do so ("Terminated Agent") can continue to collect commissions on contracts procured and substantially negotiated prior to such termination or expiration but not on improvements negotiated after such termination, except to the extent provided in subsection 3.C.2.b.(ii).
 2. The following shall apply to direct or indirect renewals, substitutions, replacements, extensions or modifications of contracts referred to in subsection 3.C.1.
 - a. In no event, other than as provided in this subsection 3.C.2, will the Terminated Agent be entitled to receive commissions in excess of the amount that would have been paid under the contract as it existed at the time of termination.
 - b. Agent shall only be entitled to commission renewals, substitutions, replacements, extensions or modifications if:
 - (i) such renewals, substitutions, replacements, extensions or modifications are negotiated terms of the initial contract negotiated by Terminated Agent (e.g., the original agreement contained options for extension of the employment term, and those options are exercised after termination), in which case Agent shall be entitled to commission on all employment contemplated by the original agreement; however, Writer's new Agent shall have the right to commission any improvements negotiated by the new Agent, pursuant to subsection C.4 below; or
 - (ii) the Writer's employment terminates within one (1) year after termination of the Representation Agreement, and the Writer obtains without any break in employment (except for a production hiatus) an extended, renewed, replaced,

substituted or modified employment with the same employer (“renewed employment”), in which case Terminated Agent shall be entitled to commissions for the shorter of (a) the term of the renewed employment; or (b) one (1) year after the commencement of the renewed employment. If, subsequent to termination of an Agent but within the one-year period set forth in this subsection 3.C.2.b.(ii), the Writer enters into a representation agreement with a new Agent, which provides for services and commissions with reference to said renewed employment, the Terminated Agent’s commission shall be reduced accordingly, but not below five percent (5%).

3. The Terminated Agent shall continue to be ready, willing, and able to provide services, with respect to such contracts for which the Agent continues to receive commission pursuant to subsections 3.C.1 and 3.C.2 above, and upon which the Agent’s commission is based.
4. If the Writer obtains a new Agent, and the new Agent renegotiates such existing contract, the new Agent shall be entitled to commission on any excess in amount of such contract, with the Terminated Agent entitled to the commission on the existing contract, prior to any improvement, except to the extent provided in subsection 3.C.2.b.(ii).
5. Terminated Agent’s right, if any, to commissions on profit participations, royalties, and other continuing payments to the Writer, if any, shall continue regardless of the termination of the representation with respect to the contract at the time of the termination.
6. In no case may Writer incur commission obligations totaling in excess of ten percent (10%) to one or more Agents.

SECTION 4 - ACCOUNTING

Agent shall not collect monies belonging to Writer unless Agent has prior written authority from the Writer to do so. All monies belonging to the Writer when received by the Agent shall be faithfully accounted for by the Agent and promptly paid over to the Writer or as directed by the Writer, provided, however, that Agent may deduct from such monies any commission payable to Agent as well as any monies owing from the Writer to the Agent whether for past commission or for loans made to the Writer or monies advanced for Writer or for his account. Monies belonging to Writer 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. Agent may have one or more of such accounts and may commingle monies of other clients with the monies of the Writer in such account.

SECTION 5 - INFORMATION SHARING

Writer authorizes Agent to provide information to the Guild as required by the Agreement and consistent with the Guild’s Working Rules.

SECTION 6 - DISPUTE RESOLUTION

- A. The following controversies between Writer and Agent shall be resolved by a neutral arbitrator in accordance with the procedures set forth in the Rules Governing Arbitration appended as Attachment 2 to the Agreement
 - 1. Any dispute concerning the interpretation of, or the performance of any obligation under, this Rider W;
 - 2. Any dispute concerning the interpretation of, or the performance of any obligation under the Agreement;
 - 3. Any dispute regarding commission due to Agent.
- B. An arbitrator selected to hear a dispute under this section shall resolve the entire controversy that is within the scope of this Agreement. In so doing, the arbitrator shall have authority to fashion an appropriate remedy, which may include the award of damages, injunctive or declaratory relief against an Agent, including suspension or termination of the Agreement. Upon a finding that the opposing party acted in bad faith, the arbitrator may also award attorneys' fees and costs to the prevailing party.
- C. The decision of an arbitrator under this section shall be final and binding except as expressly provided herein, and may be confirmed in any court of competent jurisdiction. In an action to confirm an arbitration award, the court shall apply substantive law developed under Section 301 of the Labor Management Relations Act, 29 U.S.C. § 185. Notwithstanding the foregoing, any arbitration award terminating this Agreement and Agent's right to represent covered Writers shall be subject to *de novo* review in a court of competent jurisdiction,

SECTION 7 - MISCELLANEOUS PROVISIONS

- A. This Rider W shall be effective as to each Agent upon the date of the Agreement and shall be deemed to be incorporated into any Representation Agreement then in effect between Agent and any Writer.
- B. If any provisions of this Rider W are held to be void or unenforceable, all other provisions hereof shall remain in full force and effect.
- C. Agent acknowledges that he has complied with all licensing requirements of any state in which he is conducting business.

WRITER AND AGENT HEREBY AGREE TO THE FOREGOING:

DATED:	By _____ WRITER
DATED:	By _____ AGENT

THIS RIDER W TO A REPRESENTATION AGREEMENT HAS BEEN APPROVED AS TO
FORM BY THE LABOR COMMISSIONER OF THE STATE OF CALIFORNIA ON

_____.

THIS RIDER W HAS BEEN APPROVED AS TO FORM AND CONTENT BY THE
WRITERS GUILD OF AMERICA.