

ATTACHMENT 1 TO FRANCHISE AGREEMENT

RIDER W

This standard representation agreement, referred to herein as "Rider W," is attached to and made part of the 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 _____ ("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).¹
- 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

¹ Nothing contained in Section 3.A. of Rider W is intended to render void Section 9 of the Agreement.

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 or Writer’s other authorized representatives, 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, and subject to subsection 3.E.2. of, 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, 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.

ATTACHMENT 2 TO FRANCHISE AGREEMENT

RULES GOVERNING ARBITRATION

The following Rules Governing Arbitration (“Rules”) govern arbitrations arising under Section 5 of the Franchise Agreement (“Agreement”) and Section 5 of the Standard Representation Agreement (“Rider W”). The Rules incorporate by reference the Agreement and Rider W, including the terms defined therein.

SECTION 1 - EXCLUSIVITY

- A. The arbitration procedures established by these Rules shall be the exclusive method for resolving any and all controversies as defined in Section 5.A. of the Agreement and Section 6.A. of Rider W.
- B. The arbitrator shall have the power to rule on his or her own jurisdiction, including any questions of procedural arbitrability and any objections with respect to the existence, scope, or validity of the arbitration agreement.
- C. The arbitrator shall also have the power to determine the existence or validity of a contract of which the arbitration clause contained in the Agreement, Rider W, or these Rules forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator that the contract is null and void shall not for that reason alone render invalid the arbitration clause.

SECTION 2 - CLAIM

- A. A complainant initiates an arbitration under these Rules by serving a Claim on the respondent. Prior to initiating a formal Claim, the party asserting the Claim shall contact the opposing party and attempt informally to resolve the dispute.
- B. A Claim seeks resolution of a controversy as defined in Section 5.A. of the Agreement or Section 6.A. of Rider W.
- C. The Claim shall be in writing and contain the following information: (i) the complainant’s name; (ii) the complainant’s address; (iii) a brief written statement of the Claim and the relief sought; and (iv) the name of the respondent.
- D. A Claim must be served on the respondent within twenty-four (24) months from the date the complainant obtained knowledge of the facts upon which the Claim is based, but no later than three years from the date of the occurrence of the facts upon which the Claim is based.
- E. Any Claim brought by an Agent against a Writer under Section 5.A. of Rider W shall concurrently be served on the Guild and the ATA. The Guild may but is not required to participate as a party in the proceeding.

SECTION 3 - COUNTERCLAIM

- A. The respondent may serve a Counterclaim on the complainant, which must be in writing and contain the same information as a Claim.

- B. A Counterclaim seeks resolution of a controversy as defined in Section 5.A. of the Agreement or Section 6.A. of Rider W.
- C. A Counterclaim must be served within twenty-four (24) months from the date the respondent obtained knowledge of the facts upon which the Counterclaim is based, but no later than three years from the date of the occurrence of the facts upon which the Counterclaim is based.
- D. Any Counterclaim brought by an Agent against a Writer shall concurrently be served on the Guild and the ATA. The Guild may but is not required to participate as a party in the proceeding.

SECTION 4 - ARBITRATOR

A. AUTHORIZED LIST OF ARBITRATORS

1. The Claim and, if applicable, the Counterclaim, shall be submitted to a sole neutral arbitrator ("Arbitrator") selected from the applicable authorized list of arbitrators ("Authorized List"):

LOS ANGELES:

- Christopher David Ruiz Cameron
- Catherine Fisk
- Joel Grossman
- Fredric R. Horowitz
- Barry Winograd
- Louis Meisinger
- Greg Derin
- Carol Wittenberg
- Carlos Moreno

NEW YORK:

- Howard Edelman
- Susan McKenzie
- George Nicolau
- Joan Parker
- Janet Spencer

- Martin Scheinman
 - Erica Garay
 - Carol Wittenberg
 - Carlos Moreno
2. The Los Angeles Authorized List shall apply if the Writers Guild of America, West, Inc. (“WGAW”) or a WGAW-represented Writer is a party to the arbitration. The New York Authorized List shall apply if the Writers Guild of America, East, Inc. (“WGAE”) or a WGAE-represented Writer is a party to the arbitration. Where both the WGAW and WGAE (or both WGAW- and WGAE-represented Writers) are parties to the arbitration, the WGAW and WGAE shall decide which Authorized List applies.
 3. Only an Arbitrator from the Authorized List shall have authority to adjudicate a Claim or Counterclaim or any issue arising in connection therewith, unless the parties mutually agree on an alternate arbitrator.
 4. The parties may mutually agree to modify the Authorized Lists during the term of the Agreement.

B. ARBITRATOR SELECTION

1. The parties shall select the Arbitrator from the applicable Authorized List within ten (10) business days of service of the Claim on the respondent. In the event the parties cannot mutually agree upon an Arbitrator from the Authorized List, the parties shall alternate in striking a name from the Authorized List until one (1) arbitrator’s name remains (“Strike Process”). The Arbitrator whose name remains shall be the Arbitrator. The complainant shall make the first strike. In the event that one of the parties fails to participate in the Strike Process, or fails to strike in order or timely, the other party may unilaterally select the Arbitrator.
2. The parties may agree in writing to extend the time period to select the Arbitrator. The extension will no longer be deemed effective if either party gives written notice to the other, in which case the parties shall select an arbitrator within ten (10) business days of service of the notice.

SECTION 5 - HEARING

- A. If the WGAW or a WGAW-represented Writer is a party to the arbitration, the hearing shall be held in Los Angeles. If the WGAE or a WGAE-represented Writer is a party to the arbitration, the hearing shall be held in New York City. Where both the WGAW and WGAE (or both WGAW- and WGAE-represented Writers) are parties to the arbitration, the parties shall mutually decide whether the hearing will be held in Los Angeles or New York City.
- B. After consulting with the parties as to their availability, the Arbitrator shall order a hearing on the Claim and, if applicable, the Counterclaim. Absent extenuating circumstances, the hearing shall commence within 60 days of the selection of the arbitrator and shall conclude within 60 days after the first day of hearing.

- C. The Arbitrator shall have the authority to issue subpoenas to compel the attendance of witnesses and/or the production of documents. Subpoenas *duces tecum* may be made returnable on a specified date (no less than 20 days after service of the subpoena) before the arbitration hearing. Upon good cause shown, the Arbitrator shall have discretion to permit other pre-hearing discovery, including the taking of oral depositions.
- D. At the hearing, each party shall have the right to present any evidence that is relevant and material to the Claim or Counterclaim. The parties shall have the right to submit post-hearing briefs.
- E. The complainant has the burden of proving its Claim by a preponderance of the evidence. The respondent has the burden of proving its Counterclaim by a preponderance of the evidence.

SECTION 6 - DECISION

- A. The Arbitrator shall be expected to render a written decision within 30 days of the conclusion of the hearing.
- B. The Arbitrator shall not have the jurisdiction or the authority to add to, subtract from, or alter in any way the Agreement, Rider W, or these Rules.
- C. The Arbitrator's award shall be final and binding on the parties, except as provided in Section 5.C. of the Agreement.

SECTION 7 - ARBITRATION COSTS

The costs of the arbitration, including the arbitrator's fee and court reporter's fee, shall be equally split among the parties, unless the Arbitrator's award specifies otherwise.

SECTION 8 - LAW GOVERNING THE ARBITRATION

- A. An arbitration governed by these Rules shall be subject to the laws of the state in which the arbitration hearing is held, unless otherwise provided in the Agreement or Rider W.
- B. Arbitrations subject to the laws of the State of California shall be held pursuant to Section 1700.45 of the California Labor Code. Accordingly, the complainant shall give reasonable written notice to the California Labor Commissioner of the time and place of the arbitration hearing, and the Labor Commissioner or his or her authorized representative has the right to attend the arbitration hearing. Section 1700.44 of the California Labor Code. shall not govern arbitrations subject to these Rules.

SECTION 9 - SERVICE

- A. A Claim or Counterclaim must be served by certified mail or by personal delivery. All other notices or papers shall be served by email.
- B. A petition to confirm, modify, or vacate an arbitration award in any court of competent jurisdiction shall be served upon the respondent by certified mail or personal delivery.

SECTION 10 – CHOICE OF REPRESENTATIVE

For the avoidance of doubt, the parties recognize that Agent may designate the representative of its choosing in connection with any proceeding arising under the Rules.