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12 ALEX MCARTHUR, ED O'ROSS, ROGER  
13 CALLARD, STEVEN BARR, RUSSELL  
14 GANNON, STEPHEN WASTELL, JAMES A.  
15 OSBURN, and ERIC HUGHES aka JON  
16 WHITELEY, collectively known as the United  
17 Screen Actors Committee (USAC), Plaintiffs

18 **UNITED STATES DISTRICT COURT**

19 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

20 ED ASNER, CLANCY BROWN,  
21 GEORGE COE, TOM BOWER, DENNIS  
22 HAYDEN, WILLIAM RICHERT, LOUIS  
23 REEKO MESEROLE, TERRENCE  
24 BEASOR, ALEX MCARTHUR, ED  
25 O'ROSS, ROGER CALLARD, STEVEN  
26 BARR, RUSSELL GANNON,  
27 STEPHEN WASTELL, JAMES A.  
28 OSBURN, and ERIC HUGHES aka JON  
WHITELEY, collectively known as the  
United Screen Actors Committee (USAC),  
Plaintiffs,

v.

SCREEN ACTORS GUILD –  
AMERICAN FEDERATION OF  
TELEVISION AND RADIO ARTISTS, a  
labor organization commonly known  
as SAG-AFTRA and its GUILD  
INTELLECTUAL PROPERTY  
REALIZATION, LLC,  
Defendants.

Case No.: 13-CV-3741 R (FFMx)

PLAINTIFFS EVIDENCE  
IN OPPOSITION TO  
MOTIONS

Hearing: October 7, 2013  
Courtroom: 8  
Time: 10:00 a.m.

Action Filed: May 28, 2013  
Trial Date: None

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5 EXHIBIT U: Eric Hughes Notes re "Nailing Themselves on the Record", dated

6 October 22, 2012

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8 2013

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# EXHIBIT A

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# **DECLARATION OF CLANCY BROWN**

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DECLARATION OF CLANCY BROWN

I, CLANCY BROWN, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I have been a member of the Screen Actors Guild since 1982 and following its dissolution and merger with AFTRA in April 2012, I am and remain a member in good standing of SAG-AFTRA. I have reviewed the Complaint for Damages and believe that it is true and correct in all material respects. I have been in numerous feature length films, including "*Cowboys and Aliens*" and "*The Highlander*", as well as numerous television shows, ranging from such diverse projects as "*E.R.*" to "*The Jackie Chan Adventures*", and am the voice immortalized in such beloved children shows as *SpongeBob SquarePants*, *Teenage Mutant Ninja Turtles*, and *Superman*, and numerous video games.

2. I served on the SAG National Board as an alternate from October 2008 until September 2009 and then was appointed to the SAG National Board by former National Secretary-Treasurer Connie Stevens upon her resignation in order to complete her Board term from December 2010 until September 2011.

3. For the period of time I served my union as a board member and on various committees, I became increasingly concerned about the refusal of leadership to, among other things, permit transparency regarding union contracts, agreements, finances, and the disposition of membership property. I completed my National Board term and resigned all union committees on which I served in order to assert my rights as a union member without being subject to persecution by my union and the AFL-CIO under their internal agreements restricting the free speech of SAG Board and committee members. After researching our rights as members of a union under United States Labor Law, I and certain of my colleagues that were either sitting or former National Board Members including co-plaintiffs George Coe and

1 Ed Asner served a letter upon SAG National Executive Director David White and  
2 SAG Deputy National Executive Director and General Counsel Duncan Crabtree-  
3 Ireland demanding complete accountability of Foreign Royalties, access to certain  
4 Collective Bargaining Agreements and transparency in union finances. A true and  
5 correct copy of this original demand letter served upon the Guild on December 2,  
6 2011, is attached hereto as Exhibit "A". Of utmost and urgent concern to us was the  
7 refusal of SAG leadership to even disclose, let alone discuss, the impending  
8 expiration and presumed renegotiation and/or renewal of the Foreign Levy  
9 Agreement which had previously been described in court and in the press as a  
10 Collective Bargaining Agreement even though the details of which had never been  
11 disclosed to the SAG membership let alone submitted to a vote for ratification.

12 4. Of further concern, among other things, were incomplete LM-2 Reports  
13 filed by SAG that require specificity in reporting receipts and disbursements  
14 according to the Labor Management Reporting and Disclosure Act (LMRDA)  
15 pursuant to 29 U.S.C. Section 431(c). When this demand was served, SAG and their  
16 accountants, PRICEWATERHOUSE-COOPERS claimed on the annual LM-2 that  
17 "\$95,205,672" was "held in trust for others" without specifying how that amount had  
18 been received or specifying whom the "others" might be that are the rightful owners  
19 of this money or how or whether SAG actually returned these funds to "others", the  
20 rightful owners. When this demand was served, SAG and their accountants,  
21 PRICEWATERHOUSE-COOPERS failed to disclose with appropriate specificity on  
22 the annual LM-2 the relationship with, activities of, or any income or expenses due  
23 or paid to or from the Guild Intellectual Property Realization, LLC (GIPR) which  
24 lists the same business address as SAG and whose only officer appears to be Duncan  
25 Crabtree-Ireland. When this demand was served, we believed that a timely and  
26 complete disclosure and distribution of the documents and accounting we requested  
27 would address many of our concerns and provide proof of transparency and good-  
28 faith by the elected and hired leadership of our union.

1           5.     When Duncan Crabtree-Ireland responded to our Demand by letter  
2     dated December 16, 2011, with a true and correct copy of same attached hereto as  
3     Exhibit "B", Mr. Crabtree-Ireland refused to provide unconditional access to the  
4     records, contracts, and agreements requested implying that I and the entire Board of  
5     Directors already knew all details about Union Contracts and Finances including  
6     those we requested. After distributing Mr. Crabtree-Ireland's response to my  
7     colleagues and conferring about how to proceed, I replied to Mr. Crabtree-Ireland by  
8     letter dated January 28, 2012, a true and correct copy of which is attached hereto as  
9     Exhibit "C". Therein I wrote that, "...none of the details provided to the Board of  
10    Directors in your (Crabtree-Ireland's) reports ever included the information and  
11    documents we are requesting. While on the Board of Directors, our understanding of  
12    the nature of the negotiations with foreign collecting societies was limited to how  
13    you chose to characterize them. At no time was even the Board of Directors  
14    presented or allowed to examine the Foreign Levy Agreement or the various  
15    collecting society agreements. These details which were omitted in your reports are  
16    precisely what we wish to be provided." Neither Mr. Crabtree-Ireland nor David  
17    White ever responded to us again.

18           6.     Shortly after my correspondence SAG and AFTRA merged, prompting  
19    the filing of additional federally mandated Reports in these regards. At or about this  
20    same time frame, SAG-AFTRA filed for corporate status in Delaware, even though  
21    practically the entire membership of the new union, SAG-AFTRA, and its  
22    predecessor unions, SAG and AFTRA, reside currently and historically in California  
23    or other states. We believe this was done to collect, retain, and withhold member and  
24    non-member property by avoiding California escheat laws. Laws that have  
25    historically obliged SAG to make every effort to unite members (and non-members)  
26    with their property or surrender that property to the State of California.

27           7.     Soon after the Merger referendum vote, a few of my colleagues declined  
28    to continue pursuing their rights as union members saying they were fearful of

1 professional reprisal. My remaining colleagues and I sought to afford SAG-AFTRA  
2 an opportunity to become transparent and accountable to the membership. The  
3 failure and refusal of SAG-AFTRA to do so became evident again upon the filing of  
4 SAG-AFTRA's first LM-2 Report, signed by President Ken Howard and Treasurer  
5 Matthew Kimbrough on July 30, 2012, wherein SAG-AFTRA now claimed that  
6 \$110,892,389 were "Funds Held in Trust due to Others\Due to Talent" while also  
7 refusing, once again, to detail receipts and disbursements involving said monies, let  
8 alone GIPR, except relative to some payments to Labor Consultants. As a  
9 consequence, AFTRA filings were procured and reviewed, wherein we learned that  
10 between a two year filing period, PRICEWATERHOUSECOOPERS was paid close  
11 to \$1.5 million for accounting services alone, while expenditures and receipts for  
12 *Foreign Royalties* were still not divulged. Consequently, we looked for legal  
13 counsel and formed the United Screen Actors Committee (USAC).

14 8. In turn a new demand letter, dated September 11, 2012, signed by  
15 fifteen members of USAC was served upon SAG-AFTRA Co-Presidents Ken  
16 Howard and Roberta Reardon. A true and correct copy of this Demand Letter is  
17 attached hereto as Exhibit "D". We renewed requests for accountability and  
18 transparency in Union finances relative to not only *Foreign Royalties*, but also with  
19 respect to Residuals as well in light of public acknowledgements by SAG-AFTRA  
20 that tens of thousands of Residuals were "unclaimed" and being held by SAG-  
21 AFTRA. We also demanded transparency relative to Labor Consultants who are  
22 required to be accountable and free of conflicts of interest when rendering services to  
23 labor organizations pursuant to 29 U.S.C. §402(m) and §501.

24 9. Absent judicial intervention, SAG-AFTRA and its hired or retained  
25 leadership will continue to escape the radar intended by Congress to ensure that  
26 Labor Unions are not corrupt, including infiltrated by management, and remain at all  
27 times accountable to its membership. In the same vein, it appears that SAG-AFTRA  
28 is in possession of *Residuals* and *Foreign Royalties* belonging to non-members,

1 including on "non-signatory" works. Only by accounting for the Union's  
2 procurement and retention of all *Residuals* and *Foreign Royalties* wire transferred or  
3 deposited into the Union's bank accounts, or invested by the Union leadership, will  
4 monies be restored to their rightful owners, namely the performers whose work  
5 generated the *Residuals* and *Foreign Royalties* to begin with.

6 10. I opted out of the Osmond Settlement after conferring with Eric Hughes  
7 about the deficiencies in the Settlement Agreement, including clauses that purported  
8 to waive our rights to sue the Union. I would note that the Class Action Settlement  
9 Notice providing an Opt Out deadline was never published in the Union's official  
10 magazine, even though *Screen Actor* is a widely read publication.

11 I declare under penalty of perjury under the laws of the State of California and  
12 the United States that the foregoing is true and correct.

13 Executed on September 15, 2013 at Los Angeles, California.

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16 CLANCY BROWN  
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# **DECLARATION OF HELENA S. WISE**

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DECLARATION OF HELENA S. WISE

I, HELENA S. WISE, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I am a sole practitioner who commenced representing Plaintiffs in the summer of 2011. I am licensed to practice law in California and Nevada, as well as before various federal courts, including the United States Supreme Court and have primarily practiced labor law, representing public and private sector unions and their members as well as employees in employment matters since June 1980.

2. In the summer of 2012, a group of performers requested representation against SAG-AFTRA and its predecessor labor organization. For ease of communications my clients loosely elected to call themselves the United Screen Actors Committee (USAC), largely to address the chronic refusal and failure of their current or former Union to comply with the Labor Management Reporting and Disclosure Act (LMRDA), with the cavalier attitude of SAG, including its General Counsel Duncan Crabtree-Ireland exhibited in his response to a demand for transparency and accountability first served upon SAG in December 2011. This correspondence and the Reply of Clancy Brown and his colleagues are reflected in Exhibits "A" – "C" of the Declaration of Clancy Brown. Following the merger of SAG-AFTRA and after release of its LM-2 in the summer of 2012, USAC then served Defendants with their letter dated September 11, 2012, see Exhibit "D" to the

1 Declaration of Clancy Brown.

2  
3 3. I was physically in Alabama attending the Alabama China  
4 Symposium when Robert Bush, whom I have known for years, contacted my office  
5 on September 25, 2012 to discuss the contents of the USAC Letter. My office  
6 agreed to forward Bob Bush's correspondence, with a true and correct copy of same  
7 and the E-Mail exchanged between Bob Bush and I concerning same is attached  
8 hereto as Exhibit "E". We thereafter spoke and I agreed to provide Mr. Bush with  
9 additional time to respond to the letter, pending the return of his clients from Canada,  
10 and reconfirmed same by letter dated October 17, 2012, a true and correct copy of  
11 which is attached hereto as Exhibit "F", particularly since Mr. Bush had not yet  
12 contacted me and I learned that his clients were back in California going on several  
13 days if not weeks. My letter also requested an appearance before the National Board  
14 which according to certain Plaintiffs was then engaging in a lottery of seats for its  
15 October Board meeting.  
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20 4. I thereafter conversed with Mr. Bush since I not only did not have  
21 a formal response to my letter but I also understood the Board meeting had taken  
22 place and not a single Plaintiff was invited to attend. Mr. Bush and I thereafter  
23 exchanged a limited number of E-Mails trying to set up meetings and dealing with  
24 SAG's excuse that it would not allow certain Plaintiffs to participate in meetings, all  
25 exchanged prefatory to the filing of the instant lawsuit, with a true and correct copy  
26 of same attached hereto as Exhibit "G". These E-Mails and the constant postponing  
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1 of opportunities for Plaintiffs to review the Union's financial records, including  
2 claiming that certain Plaintiffs were not members, when in fact they are, was  
3 indicative of a calculated effort by Defendants to simply buy time. As a  
4 consequence I sent a letter to Bob Bush on December 17, 2012, with a true and  
5 correct copy of same attached hereto as Exhibit "H". Mr. Bush's E-Mail delaying  
6 meetings was most frustrating, prompting yet another letter from me dated January  
7 22, 2013, with a true and correct copy of same attached as Exhibit "I".  
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11 5. Since SAG-AFTRA was then gearing up for Awards Season,  
12 including its own Awards Show, I awaited a response from Mr. Bush to our requests  
13 to meet. By E-Mail I advised Mr. Bush that further delays were not acceptable and  
14 in turn commenced preparation of the instant lawsuit, while contemporaneously  
15 reviewing federal filings, the *Osmond* Class Action file, as well as the litigation  
16 between SAG and Federal Insurance wherein the latter party declined to pay the  
17 attorney's fees of *Osmond's* Class Counsel, Neville Johnson and Paul Kiesel,  
18 primarily noting that the financial records of SAG were sorely wanting and  
19 contradictory, while ample evidence of unlawful conversion, to wit, a non-covered  
20 act, also existed. Many of these documents are offered in support of USAC's  
21 Request for Judicial Notice, as are pleadings evidencing a stark contrast between the  
22 manner in which Class Counsel conducted the WGA as opposed to the *Osmond*  
23 action, including conducting some discovery in the WGA action, but no discovery at  
24 all in *Osmond*. Similarly an audited review by an independent accounting firm using  
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1 GAAP principles was required of WGA's receipts and disbursements, while SAG  
2 was allowed to offer an unaudited review from its accountants, Pricewaterhouse, that  
3 SAG has claimed is not subject to review ever since. Also enclosed is the Motion by  
4 SAG sealing the "unaudited" and limited financial information provided to Neville  
5 Johnson t in October 2011, prefatory to Clancy Brown serving the first Demand for  
6 Financial Transparency and Accountability, along with Nancy Sinatra, Martin Sheen,  
7 George Coe and others.

10 6. Likewise, evidence that an independent Class Administrator in  
11 the State of Washington, charged with mailing Opt Out Notices and the like, was  
12 retained in the WGA action, starkly contrasts with SAG's refusal to use an  
13 independent mailing house like it does for its internal elections in light of insistence  
14 that it would handle all notices in-house. Likewise proof of better, longer and clearer  
15 publication of opt out deadlines, terms of settlement and formal settlement approval  
16 was given in the WGA case, including in the WGA's internal magazine, *Written In*,  
17 widely read throughout the world, as well as other writer magazines in Great Britain  
18 and Australia. Herein, except to claim that an ad would be placed in *Hollywood*  
19 *Reporter* and *Variety* which would run for one day, no other publication was given,  
20 even though other trade magazines and such reputable newspapers as the *Los*  
21 *Angeles Times*, as well as SAG's own *Screen Actor* magazine, along with Internet  
22 websites for *Hollywood Reporter* and *Variety* were posting stories but were never  
23 once told about the Opt Out Deadlines to inform their readership of. Had such

1 resources been used a significantly larger audience would have been assured for  
2 purposes of allowing Class Members to Opt Out.  
3

4           7. I have yet to find any deposit of the actual Opt Out Notice, the  
5 Mailing lists used, certification of postage expenses, let alone Proof of the sending of  
6 E-Mails, with the Superior Court below. In contrast, Class Counsel and SAG simply  
7 permitted the Court to rely upon the self-serving declaration from Pamela Greenwalt  
8 and Duncan Crabtree-Ireland about Opt Out Notice and publication thereof, which  
9 nonetheless sharply contrast with other declarations as well as federal filings about  
10 the size of the Union, as well as how many individuals SAG could even locate, at the  
11 very same time when one-day of publication was occurring herein. In these regards,  
12 the ever increasing numbers of individuals whose Residuals and presumably Foreign  
13 Royalties/Foreign Levies are unclaimed belie any claim that 60,000 mailings and  
14 more than 35,000 E-Mails in a class allegedly consisting of only 100,000, occurred,  
15 while it also appears the estimate of the class was intentionally underestimated since  
16 the Union contemporaneously claimed to have more than 180,000 members in  
17 contemporaneous federal filings, and reported in the trades that it was holding more  
18 than 77,000 residuals for individuals whose money it could not distribute because of  
19 insufficient addresses and a lack of knowledge of the whereabouts of many  
20 performers and/or their Estates. These newspaper articles are likewise submitted with  
21 USAC's Request for Judicial Notice.  
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28           8. Likewise, even the claim that many members need not be noticed

1 because they are only background actors ignores the fact that under the terms of the  
2 Settlement, one becomes a member of the Class bound by the Settlement Agreement,  
3 upon SAG's receipt of \$10.00 in foreign royalties belonging to said performer. As  
4 SAG well knows, a background actor is automatically entitled to commence  
5 receiving Residuals, and in turn Foreign Levies/Foreign Royalties upon receiving an  
6 upgrade for speaking dialogue, regardless of how long or short it is, in a SAG or  
7 AFTRA film. That alone would mean that notice was not given to background  
8 actors, and tens of thousands of non-members, former members, suspended  
9 members, financial core (agency shop) members, and Estates, even though each is  
10 subject to the Class Action Settlement without benefit of even opting out.  
11

12 9. Similarly, it is ironic that Plaintiff Eric Hughes pointed out that  
13 the original Class definition excluded performers whose audiovisual works predated  
14 1960, to wit, even some of the work belonging to Ken Osmond, not to mention such  
15 legendary actors as silent film stars as well as such well known celebrities as Gene  
16 Kelly, Clark Gable, Lana Turner, Elizabeth Taylor, Bing Crosby, Judy Garland,  
17 Marilyn Monroe and the like. Changing the Class Definition at time of Formal  
18 Approval of the Settlement alone would have mandated a new class notice, yet these  
19 issues were never raised below. For understandable reasons, Plaintiffs submit the  
20 Osmond Settlement should not be dispositive of the instant lawsuit, especially for 11  
21 members who did not receive timely notice to opt out, and 2 former members who  
22 lacked standing to opt out either.  
23

1           10.    The fact that the WGA Settlement refused to Release claims  
2 against the Union, while the Osmond Settlement did, ignoring that exculpatory  
3 clauses are not tolerated under the LMRDA, likewise should be considered to justify  
4 Plaintiffs collateral attack at this time.  
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6           11.    Included in the various court files I have reviewed are also two  
7 letters which cast even further aspersions upon the financial practices of SAG and  
8 now SAG-AFTRA, when receiving, withholding and then disbursing a pittance of  
9 Residuals and Foreign/Royalties/Foreign Levies. A true and correct copy of SAG  
10 General Counsel Duncan Crabtree-Ireland's letter of June 7, 2007 is attached hereto  
11 as Exhibit "J" alluding to the collection of a little more than Eight Million Dollars of  
12 Foreign Residuals/Foreign Levies from foreign collecting societies on a program that  
13 purportedly commenced in 1996. Less than three years later, counsel for  
14 Defendants, Anita Wu, advised Neville Johnson in a letter dated November 2, 2010,  
15 with a true and correct copy of same attached as Exhibit "K", that the sum collected  
16 had more than doubled to more than Sixteen Million. These inconsistencies along  
17 with discrepancies between the Union's federal filings and the "unaudited" review  
18 provided by Pricewaterhouse, including immediately after USAC served its demand,  
19 alone justify continuing pursuit of a 29 USC Section 431 action by Plaintiffs if not a  
20 29 USC Section 501(c) action as well.  
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27           12.    In the latter regards, an Ex Parte Application for leave to file a  
28 501 action will be tendered to the Court, with its timing postponed to ensure that

1 Plaintiffs are not accused of interfering with SAG-AFTRA's First Convention of  
2 Delegates, as defense counsel has posited in the Joint Scheduling Report pursuant to  
3 Rule 26, filed with the Court this past week.  
4

5           13. It should likewise be noted that the DGA and the WGA have  
6 touted in the press to receiving and distributing multi-millions of dollars, well in  
7 excess of One Hundred Million each, of Foreign Royalties/Foreign Levies, in  
8 contrast to SAG's claim that it only received less than Twenty Million over the  
9 course of eighteen years. Immediately upon filing of the instant lawsuit, various  
10 reporters have been writing articles about same, while seeking comment from  
11 Defendants and Plaintiffs and their respective counsel, often overlooking the fact the  
12 instant dispute also pertains to the handling of Residuals and the failure of SAG and  
13 AFTRA to escheat purportedly unclaimed monies in these regards to the State of  
14 California.  
15

16           14. In response, Jonathan Handel on June 6, 2013 published an article  
17 in *Hollywood Reporter*, entitled "Anti-SAG-AFTRA Lawsuit Raises Many Issues,  
18 Targets Union Leadership", with a true and correct copy of same attached hereto as  
19 Exhibit "L", wherein Handel at page 4, claimed that Defendants had an agreement  
20 with the State Controller confirmed by letter dated March 30, 2005, which the  
21 *Hollywood Reporter* was given a copy of that, that stated the Union did not have to  
22 escheat Unclaimed Residuals to the State of California, I asked for a copy of the  
23 Letter by E-Mail, with my exchange with Jonathan Handel in these regards attached  
24



1 hereto as Exhibit "M". Mr. Handel declined to provide my office with a copy of  
2 same. As a consequence, at the Early Meeting of Counsel conducted on August 28,  
3 2013 I requested that SAG-AFTRA counsel, Robert Bush, Ira Gottlieb and Jason  
4 Wojciechowski provide me with a copy of same. Robert Bush advised that there is  
5 no such letter or Agreement. Plaintiffs are most interested in seeing what happens  
6 next, particularly since SAG was previously ordered to comply with California's  
7 Unclaimed Property Law. *SAG vs. Cory* (1979), 91 Cal.App.3d 111.  
8

10 15. Lastly, since lawyers are required to be like Caesar's wife,  
11 avoiding even the appearance of impropriety, it is difficult to believe that Joel  
12 Grossman and Robert Hadl, both representatives of the Producers when negotiating  
13 the original Foreign Levy Agreements, with the DGA, the WGA and SAG, would  
14 play laboring oars in the underlying litigation, with Joel Grossman serving as the  
15 sole mediator in each case. A true and correct copy of the signature pages from the  
16 1990 DGA Foreign Levies Agreement showing the signatures of Joel Grossman on  
17 behalf of Columbia Pictures and CPT Holdings, now commonly known as SONY  
18 Pictures Entertainment, and Robert Hadl on behalf of Universal City Studios  
19 (subsequently MCA), is attached hereto as Exhibit "N". I have had numerous  
20 dealings with Joel Grossman over the years and was surprised to learn of his role in  
21 these matters.  
22

23 16. I would also note that LM-2 Reports filed by SAG and SAG-  
24 AFTRA have ceased referring to Robert Hadl as a Consultant on Foreign Royalties,  
25

1 and are now listing Robert Hadl as an attorney, even though the District of Columbia  
2 Bar where I understand Robert Hadl maintains a residence, when not in California,  
3 indicates that Robert Hadl is inactive, with a true and correct copy of a print-out  
4 from the D.C. Bar attached hereto as Exhibit "O".  
5

6 17. Lastly, attached hereto as Exhibit "P" is a true and correct copy of  
7 a letter from Daniel Scott Schechter, counsel for SAG, to Neville Johnson and Paul  
8 Kiesel, dated May 3, and 27, 2011, acknowledging complaints about notice  
9 problems, which was exchanged during Status Enforcement proceedings before the  
10 Superior Court in the *Osmond* Action.  
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12  
13 I declare under penalty of perjury under the laws of the State of  
14 California and the United States that the foregoing is true and correct.  
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16 Executed on September 16, 2013 at Burbank, California.

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HELENA S. WISE

# **DECLARATION OF DENNIS HAYDEN**

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**DECLARATION OF DENNIS HAYDEN**

I, DENNIS HAYDEN, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I have been a working actor since 1982 and have appeared in such popular television series as *Falcon Crest*, *Simon and Simon*, *Crazy like a Fox*, and *Grand Slam*, and recently appeared in *Mistresses*. Besides my AFTRA work, I am also known for my appearances in the popular *Die Hard* films featuring Bruce Willis, *Another 48 Hours* with Eddie Murphy and Nick Nolte, as well as *Action Jackson*, *One Man Army (Kick and Fury)*, *Night of the Living Dead: 3DReanimation*, a less sensational version of *The Man in the Iron Mask*, *Race to Witch Mountain*, *Sniper 2* and *Wild Bill*, all of which are widely viewed throughout the world.

2. Because of the diversity of my work as an actor, I am a member of SAG, was on a leave of absence from AFTRA, and now belong to SAG-AFTRA. To my knowledge I have never received any Foreign Royalties/Foreign Levies from AFTRA, even though the projects that I have appeared in are seen in foreign countries in many different formats ranging from broadcasts, to video cassettes, to DVDs. According to my records, it appears I first started receiving some Foreign Royalties/Foreign Levies from SAG in 2008, but all such payments did not reveal when the money was first turned over to SAG, let alone how the distribution was determined. A true and correct copy of samples of Foreign Royalties/Foreign Levies Statements transmitting checks to me commencing in 2008 are attached hereto as Exhibit "Q". In light of the titles on which these payments were made, I firmly believe I am owed more money, particularly for earlier years when many of the movies referenced were in many respects synonymous with Hollywood.

3. I never received any communications from SAG about a lawsuit filed by Ken Osmond against the union involving monies owed to me as a SAG performer, nor did I receive any such communications from Neville Johnson, Ken

1 Osmond or Paul Kiesel. I never received an e-mail or a letter from anyone informing  
2 me that I was considered a member of a potential class, let alone one that  
3 could opt out of the Class Action by sending in notice stating I was opting out before  
4 the end of December 2010. I never saw any announcements in *Hollywood Reporter*  
5 or *Variety* to that effect either. I only learned that SAG was claiming I was subject  
6 to a Class Action settlement after the Court approved the Class Action settlement and  
7 then only because SAG referenced the Class Action settlement in the 2011 Summer  
8 Edition of its quarterly magazine, *Screen Actor*. A true and correct copy of the SAG  
9 article in these regards is attached hereto as Exhibit "R".

10 4. Because I was never given notice about my rights to opt out  
11 before the end of 2010, and upon educating myself in these regards, I commenced  
12 questioning why SAG refused to properly notify its members, especially those who  
13 were receiving Foreign Royalties/Foreign Levies. It was have been quite easy to stuff  
14 an Opt Out Notice into the Fall mailing of Foreign Royalties/Foreign Levies in  
15 October 2010, let alone to have included a proper Opt Out Notice in the Fall Edition  
16 of *Screen Actor* which is widely read amongst the acting community and the public  
17 in general.

18 5. Because none of these options were used, it appears to me SAG  
19 did not intend to provide notice of what now appears to be a Class Action Settlement  
20 and Judgment designed so that SAG-AFTRA could now tell the Court exactly what  
21 it is saying now, namely that all of my rights to sue my Union, let alone to demand a  
22 full accounting and restitution of all monies withheld, including interest and  
23 administrative fees wrongfully deducted without me even knowing about a Foreign  
24 Levy Agreement, let alone having the opportunity to ratify same like the Union does  
25 when negotiating other contracts with the Producers, including recent ones which  
26 eliminated First Class Air travel for working actors. I am personally disturbed that  
27 this benefit would be eliminated for the membership, while SAG-AFTRA and its  
28 predecessors would continue to pay for First Class Airfares for its executives and

1 representatives, some making in excess of \$500,000.00, while I have been advised  
2 that some Labor Consultants receive additional remuneration above and beyond their  
3 monthly payments, including portal to portal pay. Only by reviewing financial  
4 receipts and disbursements will we be able to fully ascertain the extent of abuses in  
5 these and other regards and to in turn demand repayments pursuant to the LMRDA.

6           6. I was never informed that SAG was seeking to cause the Class  
7 Action settlement to limit my rights and responsibilities as a class member, let alone  
8 as a Union member entitled under the federal laws regulating Unions to demand  
9 transparency and accountability particularly with respect to Union finances, to obtain  
10 access to collective bargaining agreements and contracts, let alone to sue the Union.  
11 Had I been told of same, I clearly would have opted out. It is difficult to believe that  
12 although the elected leadership as well as National Executive Director David White  
13 had regular columns in the Union's widely distributed magazine, nothing was said  
14 about these matters to permit members to opt out if they wanted to.

15           7. Furthermore, I never knew that SAG entered into Foreign Levy  
16 Agreement with the Producers which purported to take away my "performers share"  
17 of Foreign Royalties/Foreign Levies which arise out of the laws of foreign countries  
18 until furnished by Eric Hughes with a copy of the Foreign Levy Agreement. That  
19 Agreement let alone the Class Action Settlement were supposed to be posted on the  
20 SAG website but I have yet to find it.

21           8. Under these circumstances I believe I am entitled to a full  
22 accounting of all monies received by SAG, AFTRA and now SAG-AFTRA,  
23 including for interest on monies not distributed, as well proof of all disbursements,  
24 including to producers, computer expenses, labor consultants, and administrative  
25 fees. To the extent I am owed monies, I should be paid same, plus interest because  
26 SAG and now SAG-AFTRA have obviously placed their own pecuniary interests  
27 above those of the membership.  
28

1           9.       Having seen LM-2s that my Union has filed with the federal  
2 government, I firmly believe that SAG-AFTRA and their predecessors have also  
3 wrongfully retained Residuals owing to me and my colleagues. It is difficult to  
4 conceive of an unregulated trust with more than One Hundred and Thirty Million on  
5 deposit with my Union. Only by conducting a full accounting will I be satisfied that  
6 the acting community and the families who rely upon us for support will be properly  
7 compensated for our hard earned efforts.

8           10.      Lastly, I would note that although SAG had many background  
9 actors in its membership, once a background actor is given a speaking part,  
10 regardless of how long or short it is, they become automatically entitled to receive  
11 Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that  
12 SAG's membership consisted of less than 100,000 members was false since SAG  
13 actively boasted to the federal government that there were more than 180,000 active  
14 members, including when the Class Action Settlement was being negotiated.  
15 Besides these members, there are thousands of beneficiaries entitled to continue  
16 receiving Residuals and Foreign Royalties/Foreign Levies on behalf of the Estates  
17 of their deceased relative performers, in addition to thousands of non-union  
18 members who have either withdrawn from the Union or worked in covered and  
19 uncovered works for which Residuals and Foreign Royalties/Foreign Levies are  
20 due. In my case, since the version of *The Man in the Iron Mask* in which I appeared  
21 is widely circulated around the globe, the failure to provide me any Foreign  
22 Royalties/Foreign Levies or Residuals means I am still owed substantial monies.  
23 Because of these facts, I am firmly convinced that a genuine effort to negotiate a fair  
24 agreement never took place.

25           I declare under penalty of perjury under the laws of the State of  
26 California and the United States that the foregoing is true and correct.

27           Executed on September 15, 2013 at Sherman Oaks, California.

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DENNIS E. HAYDEN

# **DECLARATION OF GEORGE COE**



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DECLARATION OF GEORGE COE

I, GEORGE COE, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. In 2009, I received SAG's Ralph Morgan Award for distinguished service to the Union, with an acting career spanning more than fifty years of film, television, commercial and stage work. My screen credits have ranged from *Saturday Night Live*, *Kramer vs. Kramer*, to even serving as the voice of *Toyota* for six years. I have served on the National Executive Board at various times during my career and am seeking to pursue all available claims for relief on behalf of the SAG-AFTRA membership because of an egregious loss of transparency in Union finances and a resistant indifference on the part of the retained Union leadership and its representatives, including Labor Consultants and attorneys, to be accountable under the very labor laws SAG-AFTRA and its predecessors are bound.

2. Because of SAG's actions in these regards, Clancy Brown and I along with certain of our colleagues, including Nancy Sinatra, Ed Harris, and Martin Sheen, became most disturbed to learn that in the Fall of 2011, SAG had insisted on obtaining orders from the Superior Court that permanently sealed records of SAG's receipts and disbursements of the *Performers Rights Remuneration* received from foreign countries. I agreed to join my colleagues in sending a letter on December 2, 2011 to SAG National Executive Director DAVID WHITE and SAG Deputy National Executive Director and General Counsel DUNCAN CRABTREE-IRELAND demanding complete *accountability of so-called Foreign Royalties*, *access to Collective Bargaining Agreements and transparency in Union finances*. Of utmost and urgent concern was the refusal of SAG leadership to even disclose, let alone discuss, the impending expiration and presumed renegotiation and/or renewal

1 of the *Foreign Levy Agreement* which had previously been described in the press as a  
2 Collective Bargaining Agreement even though the details of same had never been  
3 disclosed to the SAG membership let alone submitted to a vote for ratification. Of  
4 further concern, among other things, were incomplete LM-2 Reports filed by SAG,  
5 despite requirements of specificity in reporting receipts and disbursements pursuant  
6 to the *LMRDA*, see *29 U.S.C. Section 431(c)*. I was most disappointed when General  
7 Counsel Crabtree-Ireland declined our requests, demanded confidentiality and then  
8 inferred that we were fully informed as Board members on all issues, when in fact  
9 we were not.

10 3. Prior to joining in the sending of this letter, I knew very little  
11 about the Ken Osmond Class Action in which SAG had just obtained orders sealing  
12 financial information about Foreign Levies/Foreign Royalties. To my knowledge I  
13 have never received any Foreign Royalties/Foreign Levies from AFTRA, even  
14 though the projects that I have appeared in are seen in foreign countries in many  
15 different formats ranging from broadcasts, to video cassettes, to DVDS. I did  
16 receive some Foreign Royalties/Foreign Levies from SAG but they were for very  
17 small amounts and very infrequent. From the time we started this inquiry, within the  
18 last few years, I started receiving noticeably much more frequent and somewhat  
19 larger Foreign Royalties/Foreign Levies from SAG, but all such payments, from the  
20 beginning, did not reveal when the money was first turned over to SAG,, let alone  
21 how the distribution was determined. In light of the titles on which these payments  
22 were made, I firmly believe I am owed much more money.

23  
24 4. I never received any communications from SAG about a lawsuit  
25 filed by Ken Osmond against the union involving monies owed to me as a SAG  
26 performer, until after the Settlement was approved by the Court. I was never  
27 provided the opportunity to opt-out of or to object to the settlement of a class action  
28 lawsuit filed against my union in which monies owed to me were at issue. And I was

1 never provided by SAG a release of claims in which I would give up the right to  
2 institute an action against my union involving monies owed to me as a performer.

3 5. Instead, on March 24, 2011, I received an email from the "Office  
4 of the SAG General Counsel" addressed to "Foreign Royalties Potential Class  
5 Member" with the subject "Notice of Final Approval of Class Action Settlement",  
6 with a true and correct copy of same attached hereto as Exhibit "S". As the E-Mail  
7 reflects, it informed me that "If you have performed in a motion picture, television  
8 program, or certain other audio-visual work that has earned foreign royalties, your  
9 rights may be affected by a court-approved class action settlement." And further  
10 that, "On February 18, 2011, the Superior Court of the County of Los Angeles,  
11 California approved a class action settlement in *Osmond v. Screen Actors Guild,*  
12 *Inc.*, Case No. BC377780 and ordered that you be provided a copy of the attached  
13 Judgment and Order Granting Final Approval of Class Action Settlement. You may  
14 also view this document on SAG's website by clicking on the link below."

15 6. Although the Judgment and Order attached to the email from SAG  
16 General Counsel Duncan Crabtree-Ireland states that the Class Action Settlement "is  
17 attached to this Order as Exhibit A", there was no such exhibit attached. When I  
18 did, as was suggested in the email, "view this document on SAG's website by  
19 clicking on the link below", a link which on SAG's website reads "Click **here** to  
20 download complete Judgment and Order Granting Final Approval of Class Action  
21 Settlement", it was not the "complete Judgment and Order Granting Final Approval  
22 of Class Action Settlement" for, again, despite the statement in the Judgment and  
23 Order, the "Class Action Settlement" was not attached. I have never found an  
24 exhibit whatsoever attached to the Judgment and Order posted on SAG-AFTRA's  
25 website. And, equally troubling, both the link to the pdf and the pdf itself refer to  
26 the Judgment and Order as the "Class Action Notice".

27 7. I did not receive a copy of the "Class Action Settlement" until it  
28 was given to me in July of 2011 by Eric Hughes. Similarly, although I was on the

1 Executive Committee during the time frame various Foreign Levy Agreements were  
2 purportedly negotiated with the Producers, we were not informed that the Foreign  
3 Levy Agreement was a collective bargaining agreement, nor was it disclosed to or  
4 ratified by the members of the union. The fact that the Settlement Agreement claims  
5 the Foreign Levy Agreement between SAG and the Alliance of Motion Picture and  
6 Television Producers "assigns a performer's right to file claims for foreign levies to  
7 the Companies" and, worse still, gives SAG the right to keep "some or all of" the  
8 foreign levies monies even though my research reveals that foreign laws state that  
9 these monies are rightfully the property of performers.

10 8. The Judgment and Order states that "The notice methodology  
11 implemented pursuant to the Settlement Agreement (i) constitutes reasonable,  
12 adequate and practicable notice calculated, under the circumstances to apprise  
13 members of the Settlement Class of the pendency of the litigation and the terms of  
14 the settlement, including, without limitation, their right to object to or opt out of the  
15 Settlement Class; (ii) constitutes due, adequate and sufficient notice to all persons  
16 entitled to receive such notice; and (iii) meets the requirements of due process, the  
17 California Code of Civil Procedure, and any other applicable law and rules of the  
18 Court."

19 9. The email notice I received from SAG General Counsel Duncan  
20 Crabtree-Ireland was sent more than a month after the date, cited in the email, on  
21 which the court approved the class action settlement and did not provide me any  
22 right whatsoever to object to or opt out of the "Settlement Class".

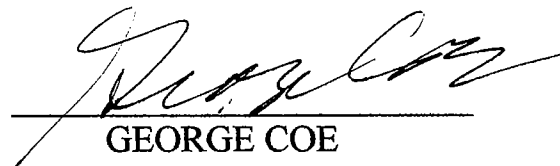
23 10. Having seen LM-2s that my Union has filed with the federal  
24 government, I firmly believe that SAG-AFTRA and their predecessors have also  
25 wrongfully retained Residuals owing to me and my colleagues. It is difficult to  
26 conceive of an unregulated trust with more than One Hundred and Thirty Million on  
27 deposit with my Union. Only by conducting a full accounting will I be satisfied that  
28 the acting community and the families who rely upon us for support will be properly

1 compensated for our hard earned efforts.

2 11. Lastly, I would note that although SAG had many background  
3 actors in its membership, once a background actor is given a speaking part,  
4 regardless of how long or short it is, they become automatically entitled to receive  
5 Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that  
6 SAG's membership consisted of less than 100,000 members was false since SAG  
7 actively boasted to the federal government that there were more than 180,000 active  
8 members, including when the Class Action Settlement was being negotiated, not to  
9 mention thousands of beneficiaries entitled to continue receiving Residuals and  
10 Foreign Royalties/Foreign Levies on behalf of the Estates of their deceased relative,  
11 in addition to thousands of non-union members who have either withdrawn from the  
12 Union or worked in covered and uncovered works. Because of these facts, I am  
13 firmly convinced that a genuine effort to negotiate a fair agreement never took place.

14 I declare under penalty of perjury under the laws of the State of  
15 California and the United States that the foregoing is true and correct.

16 Executed on September 16, 2013 at Burbank, California.

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19 GEORGE COE

# **DECLARATION OF ERIC HUGHES**

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## DECLARATION OF ERIC HUGHES

I, ERIC HUGHES, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I received lifetime membership in the Writers Guild of America West (WGA), conferred upon me for having more than fifteen years of consecutive employment as a screen writer. Among the audiovisual works on which I have authorship credit are *Raise the Titanic*, *Against All Odds*, and *White Nights*. For a brief period of time I was the President of the WGA and have continuously served for more than fifteen years on the WGA's Screen Credits Committee.

2. I also began acting at a young age and have been a continuous member of the Screen Actors Guild (SAG) under my stage name of Jon Whiteley for over forty years. I intervened in the Ken Osmond action, only to have SAG and its counsel tell the Court that I was not a member of the Class because SAG was not holding any so-called Foreign Levies monies for me, although they acknowledged having previously paid me Residuals.

3. In early 2004 I began investigating the claims of the Directors Guild of America, the WGA and SAG regarding the monies generated by the laws creating Performers' and Authors' rights in foreign countries, largely because of contradictions in ever morphing statements between the Unions about how these monies came into the possession of the Unions in the first place. I was asked by

1 Dennis McDougal, a freelance journalist who then regularly appeared in the *New*  
2 *York Times*, to provide him with my research and then became his source when he  
3 wrote an article that appeared on September 18, 2005 in the *New York Times* about  
4 the WGA's retention of Twenty Four Million (\$24,000,000.00) which were owing to  
5 US audiovisual writers under foreign statutes.  
6

7  
8 4. Immediately before this story appeared in the *New York Times*, I  
9 was contacted by Neville Johnson and asked if he could use my research to file a  
10 lawsuit against the WGA for Fraud and Conversion of Foreign Levies monies which  
11 belonged to US audiovisual writers. I rejected a request to become the Class  
12 Representative but indicated I would be willing to serve as a consultant on the case  
13 for which I declined remuneration. I then refused to assist any further when Neville  
14 Johnson declined to challenge false statements in court filings being made by  
15 counsel for the WGA as well as the DGA, against whom Neville Johnson also filed  
16 suit, wherein both claimed that were it not for their successful efforts in negotiating  
17 agreements with the employer Companies in Hollywood, no US audiovisual director  
18 or writer would be receiving any compensation from the "author's share" of foreign  
19 levies because the Companies were claiming and collecting the entirety of the  
20 'author's share'. Once an action was filed against SAG by Neville Johnson, SAG  
21 likewise repeated this very same claim to justify why SAG was entitled to split with  
22 the producers the performer's share of foreign levies. Johnson refused to challenge  
23 these false statements before the Honorable Margaret Morrow before whom all three



1 cases against the DGA, the WGA and SAG were removed, and to put into the record  
2 the existence of national treatment rights enuring to the benefit of US writers,  
3  
4 directors, and performers, rather than the Studios, necessitated that we part ways.  
5 Although Judge Morrow ultimately remanded each action, I clearly informed  
6 Johnson that Jay Roth previously advised Congress in 1993 that national treatment  
7 rights were designed to ensure that under the Berne Convention, US writers,  
8 directors and performers, rather than the Studios with whom each were affiliated,  
9 were entitled to receive 100% of their respective shares of foreign levies generated  
10 because of foreign laws, and that the Unions were illegally passing these monies  
11 through to the Producers, while keeping a portion of the monies for themselves,  
12 pursuant to a purported collective bargaining agreement which was never disclosed  
13 to, let alone ratified by the membership of the WGA, the DGA or SAG.  
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17 3. In its Motion to Dismiss, SAG-AFTRA claims that that the  
18 underlying Settlement and Judgment waives the right of performers forevermore to  
19 challenge SAG's receipt of Foreign Levy Funds from any collecting society, let alone  
20 SAG's handling, processing, payment, distribution, and allocation of such Foreign  
21 Levy Funds, whenever a performer earns \$10.00 in foreign levies. SAG did not even  
22 have a Foreign Tracker Program up on its website before the Opt Out deadline, while  
23 it declined to answer calls on the grounds that it could not discern whether callers  
24 had any Foreign Royalties owing to him or her or the Estates of deceased performers.  
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28 This claim of an inability to match monies received with the intended performer was

1 remarkably similar to SAG's claim for the past ten years that it could not locate the  
2 owners of Residuals which SAG maintained were "Unclaimed", but then blamed an  
3 antiquated computer system which precluded SAG from reuniting Residuals with its  
4 proper owners. Contrary to SAG's claim, the payment, mishandling and conversion  
5 of Residuals was never the subject of the three underlying actions against the WGA,  
6 the DGA and SAG.  
7

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9 4. Anyone reviewing the Class Action Settlement Agreement in  
10 *Osmond*, which coincidentally was not distributed before any Opt Out deadline, let  
11 alone since, could not discern their rights, including whether they are even a member  
12 of the Class, nor would anyone know that the Unions have executed Indemnification  
13 Agreements with Foreign Collecting Societies (FCS) whereby the Union must  
14 indemnify the FCS for failing to pay 100% of the foreign levies to US performers  
15 because SAG had chosen, without approval from its membership, to give substantial  
16 pass-throughs to the Producers, while also taking for itself the administrative fees as  
17 well as the interest earned on all monies generated by foreign levies.  
18

19  
20 5. Notwithstanding SAG's unsupported claim about the remarkable  
21 similarities between the WGA litigation and the instant case, a review of the  
22 voluminous documents filed in Plaintiffs Request for Judicial Notice easily  
23 contradicts SAG's claims in these regards. Class Counsel Neville Johnson and Paul  
24 Kiesel did not conduct the WGA action in the same way that it handled and quickly  
25 disposed of the *Osmond* action. For instance, some discovery was taken in the WGA  
26

1 action, including of a "whistleblower", Teri Mial, who had been fired by the WGA  
2 after reporting and turning over to the Department of Labor and in turn myself  
3 substantial proof of the payment history on the Foreign Levies/Foreign Royalties  
4 program with the WGA. Those documents were discussed on several occasions by  
5 me with the DOL OLMS Director, Jeffrey C. Gitomer, as well as agents in the Office  
6 of Inspector General, Office of Labor Racketeering and Fraud Investigations. I  
7 remain in possession of the originals of those records. Because of same, I know that  
8 the sums of monies reported by SAG as coming into its possession is false.  
9

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12 6. Notwithstanding my comments to Neville Johnson in these  
13 regards, no discovery was conducted in *Osmond*. Similarly a review by an  
14 independent accounting firm using GAAP principles was required of WGA's  
15 receipts and disbursements, while SAG was allowed to offer an unaudited review  
16 from its own accountants, Pricewaterhouse, that SAG has claimed is not subject to  
17 question ever since. Shortly thereafter SAG filed a Motion sealing the FCS payment  
18 records provided to Neville Johnson in October 2011, prefatory to Clancy Brown  
19 serving the first Demand for Financial Transparency and Accountability, along with  
20 Nancy Sinatra, Martin Sheen, Ed Harris, George Coe and others.  
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24 7. Likewise, evidence that an independent Class Administrator in  
25 the State of Washington, charged with mailing Opt Out Notices and the like, was  
26 retained in the WGA action, starkly contrasts with SAG's refusal to use an  
27 independent mailing house like it does for its internal elections, largely because SAG  
28

1 wanted to handle all notices and publications in-house. In the WGA action, proof of  
2 publication of opt out deadlines, terms of settlement and formal settlement approval  
3 was given in the WGA case, including in the WGA's internal magazine, *Written By*,  
4 widely read throughout the world, as well as other writer magazines in Great Britain  
5 and Australia. Herein, except to claim that an ad would be placed in *Hollywood*  
6 *Reporter* and *Variety* which would run for one day, no other publication was given,  
7 even though other trade magazines and such reputable newspapers as the *Los*  
8 *Angeles Times*, as well as SAG's own *Screen Actor* magazine, along with Internet  
9 websites for *Hollywood Reporter* and *Variety* were posting stories but were never  
10 once told about the Opt Out Deadlines to inform their readership of. Had such  
11 resources been used a significantly larger readership would have been given the  
12 opportunity to truly Opt Out.

13  
14 8. I have yet to find any deposit of the actual Opt Out Notice, the  
15 Mailing lists used, certification of postage expenses, let alone Proof of the sending of  
16 E-Mails, with the Superior Court below. In contrast, Class Counsel and SAG simply  
17 permitted the Court to rely upon the self-serving declaration from Pamela Greenwalt  
18 and Duncan Crabtree-Ireland about Opt Out Notice and publication thereof, which  
19 nonetheless sharply contrast with other declarations as well as federal filings about  
20 the size of the Union, as well as how many individuals SAG could even locate, at the  
21 very same time when one-day of publication was purportedly occurring herein. In  
22 these regards, the ever increasing numbers of individuals whose Residuals and

1 presumably Foreign Royalties/Foreign Levies are unclaimed belie any claim that  
2 60,000 mailings and more than 35,000 E-Mails in a class allegedly consisting of only  
3 100,000, occurred, while it also appears the estimate of the class was intentionally  
4 underestimated since the Union contemporaneously claimed to have more than  
5 180,000 members in contemporaneous federal filings, and reported in the trades that  
6 it was holding more than 77,000 residuals for individuals whose money it could not  
7 distribute because of insufficient addresses and a lack of knowledge of the  
8 whereabouts of many performers and/or their Estates. These newspaper articles are  
9 likewise submitted with USAC's Request for Judicial Notice.  
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13           9. Likewise, even the claim that many members need not be noticed  
14 because they are only background actors ignores the fact that under the terms of the  
15 Settlement, one becomes a member of the Class bound by the Settlement Agreement,  
16 upon SAG's receipt of \$10.00 in foreign royalties belonging to said performer. As  
17 SAG well knows, a background actor is automatically entitled to commence  
18 receiving Residuals, and in turn Foreign Levies/Foreign Royalties upon receiving an  
19 upgrade for speaking dialogue, regardless of how long or short it is, in a SAG or  
20 AFTRA film. That alone would mean that notice was not given to background  
21 actors, and tens of thousands of non-members, former members, suspended  
22 members, financial core (agency shop) members, and Estates, even though each is  
23 subject to the Class Action Settlement without benefit of even opting out.  
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10. Just as troubling is the fact that the Class Action Settlement  
DECLARATION OF ERIC HUGHES IN OPPOSITION TO MOTIONS

1 which individuals were to opt out of contained clearly misleading language about  
2 whether Foreign Royalties were owing or payable for audiovisual works predating  
3 1960. I intervened in the Osmond action and pointed out that the original Class  
4 definition excluded performers whose audiovisual works predated 1960, to wit, even  
5 some of the work belonging to Ken Osmond, not to mention such legendary actors as  
6 silent film stars as well as such well known celebrities as Gene Kelly, Clark Gable,  
7 Lana Turner, Elizabeth Taylor, Bing Crosby, Judy Garland, Marilyn Monroe and the  
8 like. In my opinion fundamental fairness should have required the Court to order  
9 new class notice when the class definition to which I objected was changed at time of  
10 Formal Approval of the Settlement alone, yet Class Counsel never raised these issues  
11 below, either.

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13 11. The fact that the WGA Settlement refused to Release claims  
14 against the Union, while the Osmond Settlement did, ignoring that exculpatory  
15 clauses are not tolerated under the LMRDA, likewise should be considered to justify  
16 our united collateral attack at this time, on behalf of members and non-members  
17 alike.

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19 12. Because the leadership of the Union declined to provide access to  
20 Union contracts as well as records of disbursements and receipts, and after seeing  
21 that SAG once merged with AFTRA was reporting in excess of One Hundred and  
22 Ten Million in funds purportedly "held in trust", with no Trust Agreement or trustees  
23 to my knowledge, Clancy Brown and I then assembled a group of performers who

1 wished to continue pursuing these matters. For ease of communications we, the  
2 Plaintiffs in this action, call ourselves the United Screen Actors Committee (USAC),  
3 largely to address the chronic refusal and failure of our current and former Union to  
4 comply with the Labor Management Reporting and Disclosure Act (LMRDA), with  
5 the cavalier attitude of SAG, including its General Counsel Duncan Crabtree-Ireland  
6 exhibited in his response to a demand for transparency and accountability first served  
7 upon SAG in December 2011. This correspondence and the Reply of Clancy Brown  
8 and his colleagues are reflected in Exhibits "A" – "C" to the Declaration of Clancy  
9 Brown. After release of its LM-2 in the summer of 2012, USAC then served  
10 Defendants with their letter dated September 11, 2012, see Exhibit "D" to the  
11 Declaration of Clancy Brown.

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16 13. I have studied the LM-2s and the 990s and found numerous  
17 discrepancies between prior reports of Foreign Levy receipts and distributions when  
18 contrasted with the Schedule released by SAG for 2011 and most recently for the  
19 period ending March 31, 2012. As a writer I have reduced my thoughts in these  
20 regards to writing, with a true and correct copy of my observations about the most  
21 recent Schedule and the Pricewaterhouse Report attached hereto as Exhibit "T". The  
22 recent revelations contradict prior reports made to the Department of Labor on an  
23 annual basis.

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27 14. I have also dutifully monitored the litigation between SAG and  
28 Federal Insurance wherein the latter party declined to pay the attorney's fees of

1 Osmond's Class Counsel, Neville Johnson and Paul Kiesel, primarily noting that the  
2 financial records of SAG were sorely wanting and contradictory, while ample  
3 evidence of unlawful conversion, to wit, a non-covered act, also existed. This theft is  
4 precisely what I told Neville Johnson was taking place to begin with, yet my  
5 statements apparently fell on deaf ears, to the continuing detriment of US  
6 performers. Federal Insurance's counsel, Michael Nardi, deposed General Counsel  
7 Duncan Crabtree-Ireland and Jo Sisson, the head of the Foreign Royalties  
8 Department, about many of these financial transgressions. My notes in these regards,  
9 entitled "Nailing Themselves on the Record", authored by me on October 22, 2012  
10 are attached hereto as Exhibit "U".  
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15 15. Likewise two letters exchanged with Neville Johnson which cast  
16 even further aspersions upon the financial practices of SAG and now SAG-AFTRA,  
17 when receiving, withholding and then disbursing a pittance of Residuals and  
18 Foreign/Royalties/Foreign Levies include SAG General Counsel Duncan Crabtree-  
19 Ireland's letter of June 7, 2007 alluding to the collection of a little more than Eight  
20 Million Dollars of Foreign Residuals/Foreign Levies from foreign collecting  
21 societies on a program that purportedly commenced in 1996. Less than three years  
22 later, counsel for Defendants, Anita Wu, advised Neville Johnson in a letter dated  
23 November 2, 2010, see Exhibit "K" to the Declaration of counsel, that the sum  
24 collected had more than doubled to more than Sixteen Million. These inconsistencies  
25 along with discrepancies between the Union's federal filings and the "unaudited"  
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1 review provided by Pricewaterhouse, including immediately after USAC served its  
2 demand, alone justify continuing pursuit of a 29 USC Section 431 action by  
3 Plaintiffs if not a 29 USC Section 501(c) action as well.  
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5 16. I have also been extremely troubled that SAG has expended  
6 millions on computers, hardware and software as well as maintenance during the  
7 very periods of time when Residual checks were being negotiated by SAG and  
8 retained on the guise that the owners were not locatable. I even pulled the Biography  
9 of Dina Kampmeyer on Linked-In which show that claims to have improved the  
10 computer system within a year, even though SAG has struggled for many years  
11 relative to performing its duties in distributing Residuals, as well as Foreign  
12 Royalties/Foreign Levies. A true and correct copy of Ms. Kampmeyer's Bio in these  
13 regards is attached hereto as Exhibit "V". Similarly the payment of First Class  
14 Airfare when the membership lost the right to fly First Class is mind boggling.  
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19 17. In the latter regards, an Ex Parte Application for leave to file a  
20 501 action will be tendered to the Court, with its timing postponed to ensure that  
21 Plaintiffs are not accused of interfering with SAG-AFTRA's First Convention of  
22 Delegates, as defense counsel has posited in the Joint Scheduling Report pursuant to  
23 Rule 26, filed with the Court this past week.  
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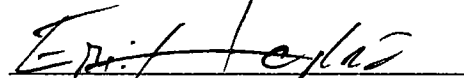
25 18. Lastly, since lawyers are required to be like Caesar's wife,  
26 avoiding even the appearance of impropriety, it is difficult to believe that Joel  
27 Grossman and Robert Hadl, both representatives of the Producers when negotiating  
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1 the original Foreign Levy Agreements, with the DGA, the WGA and SAG, would  
2 play laboring oars in the underlying litigation, with Joel Grossman serving as the  
3 sole mediator in each case. I would also note that LM-2 Reports filed by SAG and  
4 SAG-AFTRA have ceased referring to Robert Hadl as a Consultant on Foreign  
5 Royalties, and are now listing Robert Hadl as an attorney, even though he is not even  
6 licensed in the District of Columbia to practice law.  
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9 19. I declare under penalty of perjury under the laws of the State of  
10 California and the United States that the foregoing is true and correct.  
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12 Executed on September 16, 2013 at Burbank, California.

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14 ERIC HUGHES  
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# **DECLARATION OF WILLIAM RICHERT**

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DECLARATION OF WILLIAM RICHERT

I, WILLIAM RICHERT, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I have been a working actor since 1974, first appearing in *Law and Disorder*, then later co-starring in *My Own Private Idaho* and *The Client*, two SAG films which generated large grosses in Europe, as did my indie version of *The Man in the Iron Mask* in its narrower markets.

2. Because SAG tried to take the negative of my SAG indie film *The Man in the Iron Mask*, in which I both acted and produced, using an abusive and I believe illegal ad hoc system to wrongfully take the negatives of movies when residuals are questioned, I stopped paying dues to the Screen Actors Guild in 1999, preferring to work only on non-union films or not at all, if under the aegis of SAG. Although I am due foreign royalties from SAG based on blatant sales of these films overseas, I am presently not signed to SAG or AFTRA or SAG-AFTRA. To my knowledge I have never received any Foreign Royalties/Foreign Levies from AFTRA, even though the projects that I have appeared in are seen in foreign countries in many different formats ranging from broadcasts, to video cassettes, to DVDs. Within the last few years, I started receiving some Foreign Royalties/Foreign Levies from SAG, but all such payments did not reveal when the money was first turned over to SAG, let alone how the distribution was determined. In the light of the titles on which these payments were made, I firmly believe I am owed more money.

3. I was fully aware of a lawsuit filed by Ken Osmond against the union involving monies owed to me as a SAG performer, as I had filed a lawsuit

1 charging corrupt practices in withholding and conversion of foreign levies at the  
2 Writer's Guild of America, and like Ken Osmond, was chosen by Neville Johnson as  
3 one of the class representatives in the WGA litigation. I did not believe that the  
4 settlement of SAG was any more honest than the settlement Neville Johnson and  
5 Paul Kiesel engineered for the WGA, which I continue to protest to this day,  
6 including the more than \$1.6 million received by Neville Johnson and Paul Kiesel in  
7 attorneys fees, for little discovery, although I must admit that a little discovery was  
8 better than no discovery in the SAG action. I still believe that the three class action  
9 lawsuits filed against the "sister" unions WGA/DGA/SAG were nothing more than  
10 payoffs and payouts by major unions for legal protection enabling them to continue  
11 stealing, which they are presently doing even as this new lawsuit enters the  
12 courtroom. Like all other actors I've met in the years since the settlement notice was  
13 supposedly sent out from SAG, such notice was not sent to me. I never received an  
14 e-mail or a letter from anyone informing me that I was considered a member of a  
15 potential class, let alone one that could opt out of the Class Action by sending in  
16 notice stating I was opting out before the end of December 2010. I never saw any  
17 announcements in *Hollywood Reporter* or *Variety* to that effect either. Nor did I ever  
18 receive any email from the "Office of the SAG General Counsel" – why would I, as I  
19 was no longer a dues paying member, having stopped paying dues in 1999 when my  
20 film, *The Man in the Iron Mask* was seized by SAG. Yet even so, I was due my  
21 foreign royalties "notice" precisely because I WAS a non-member who had received  
22 or was owed foreign levies whose money might still be in SAG's bank account(s) at  
23 this very moment. But until SAG is willing to allow for review of its receipts and  
24 disbursements as required by federal laws governing labor organizations, by  
25 Plaintiffs, let alone a forensic accounting, the true financial indiscretions of SAG and  
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1 now SAG-AFTRA will never come to light.

2 4. I appeared in front of Judge West in the last SAG hearing before  
3 the SAG settlement was putatively enacted to protest the entire settlement, saying  
4 that it was a coverup for the decades SAG collected money before the "start" date for  
5 "settlement" payouts which ignored millions from previous years. I told Judge West  
6 I'd only got \$17 for years of films that generated hundreds of millions of foreign  
7 revenues. The Court said that was better than nothing, which was indisputable, but  
8 irrelevant. I clearly would have opted out had I "standing" in the courtroom of the  
9 SAG suit, which limited its "opt out" for those with "standing," ignoring the  
10 thousands or hundreds of thousands who did not belong to the union at all, therefore  
11 had no "standing" in the collection of their own money. Moreover, it was frustrating  
12 to see the same lawyers in my WGA lawsuit use the same tactics of withholding or  
13 distorting or denying evidence before the judge, as if in cahoots with SAG lawyers  
14 the way they waltzed with the Writers Guild lawyer, Tony Segall, to continue  
15 litigation until the fee was ripe enough and large enough for the lawyers to pick. It is  
16 difficult to believe that although the elected leadership as well as National Executive  
17 Director David White had regular columns in the Union's widely distributed  
18 magazine, nothing was said about these matters to permit members to opt out if they  
19 wanted to.  
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22 5. Under these circumstances I believe I am entitled to a full  
23 accounting of all monies received by SAG, AFTRA and now SAG-AFTRA,  
24 including for interest on monies not distributed, as well proof of all disbursements,  
25 including to producers, computer expenses, labor consultants, and administrative  
26 fees. To the extent I am owed monies, I should be paid same, plus interest because  
27 SAG and now SAG-AFTRA have obviously placed their own pecuniary interests  
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above those of the membership.

6. Having seen LM-2s that my former Union has filed with the federal government, I firmly believe that SAG-AFTRA and their predecessors have also wrongfully retained Residuals owing to me and my colleagues. It is difficult to conceive of an unregulated trust with more than One Hundred and Thirty Million on deposit with my Union. Only by conducting a full accounting will I be satisfied that the acting community and the families who rely upon us for support will be properly compensated for our hard earned efforts.

7. Lastly, I would note that although SAG had many background actors in its membership, once a background actor is given a speaking part, regardless of how long or short it is, they become automatically entitled to receive Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that SAG's membership consisted of less than 100,000 members was false since SAG actively boasted to the federal government that there were more than 180,000 active members, including when the Class Action Settlement was being negotiated, not to mention thousands of beneficiaries entitled to continue receiving Residuals and Foreign Royalties/Foreign Levies on behalf of the Estates of their deceased relative, in addition to thousands of non-union members who have either withdrawn from the Union or worked in covered and uncovered works. Because of these facts, I am firmly convinced that a genuine effort to negotiate a fair agreement never took place.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on September 15, 2013 at Los Angeles, California.

  
WILLIAM RICHERT

# **DECLARATION OF ROGER CALLARD**

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**DECLARATION OF ROGER CALLARD**

I, ROGER CALLARD, declare as follows:

If

called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I am known for being a classic body-builder from the Golden Era who was fortunate in 1973 to start working as an actor, appearing in the *World's Strongest Man*, as well as some of Arnold Schwarzeneger's best known movies, including *Red Heat* and *Twins*. I also appeared in *Geronimo*, as well as many beloved television series, including *Charlie's Angels*, *Barnaby Jones*, *Wonder Woman* and *Walker, Texas Ranger*, with episodes of these series still being watched to this day around the world.

2. Because of the diversity of my work as an actor, I am a member of SAG and AFTRA and now belong to SAG-AFTRA. To my knowledge I have never received any Foreign Royalties/Foreign Levies from AFTRA, even though the projects that I have appeared in are seen in foreign countries in many different formats ranging from broadcasts, to video cassettes, to DVDs. With respect to SAG, I only started receiving Foreign Royalties recently, even though Arnold Schwarzeneger films, not to mention many of the television series in question remain quite popular abroad.

3. I never received any communications from SAG about a lawsuit filed by Ken Osmond against the union involving monies owed to me as a SAG performer, nor did I receive any such communications from Neville Johnson, Ken Osmond or Paul Kiesel. I never received an e-mail or a letter from anyone informing me that I was considered a member of a potential class, let alone one that could opt out of the Class Action by sending in notice stating I was opting out before the end of December 2010. I never saw any announcements in *Hollywood Reporter* or *Variety* to that effect either. I only learned that SAG was claiming I was subject to a Class Action settlement after the Court approved the Class Action settlement and

1 then only because SAG referenced the Class Action settlement in the 2011 Summer  
2 Edition of its quarterly magazine, *Screen Actor*.

3 4. Because I was never given notice about my rights to opt out  
4 before the end of 2010, and upon educating myself in these regards, I commenced  
5 questioning why SAG refused to properly notify its members, especially those who  
6 were receiving Foreign Royalties/Foreign Levies. It was have been quite easy to stuff  
7 an Opt Out Notice into the Fall mailing of Foreign Royalties/Foreign Levies in  
8 October 2010, let alone to have included a proper Opt Out Notice in the Fall Edition  
9 of *Screen Actor* which is widely read amongst the acting community and the public  
10 in general.

11 5. Because none of these options were used, it appears to me SAG  
12 did not intend to provide notice of what now appears to be a Class Action Settlement  
13 and Judgment designed so that SAG-AFTRA could now tell the Court exactly what  
14 it is saying now, namely that all of my rights to sue my Union, let alone to demand a  
15 full accounting and restitution of all monies withheld, including interest and  
16 administrative fees wrongfully deducted without me even knowing about a Foreign  
17 Levy Agreement, let alone having the opportunity to ratify same like the Union does  
18 when negotiating other contracts with the Producers, including recent ones which  
19 eliminated First Class Air travel for working actors. I am personally disturbed that  
20 this benefit would be eliminated for the membership, while SAG-AFTRA and its  
21 predecessors would continue to pay for First Class Airfares for its executives and  
22 representatives, some making in excess of \$500,000.00, while I have been advised  
23 that some Labor Consultants receive additional remuneration above and beyond their  
24 monthly payments, including portal to portal pay. Only by reviewing financial  
25 receipts and disbursements will we be able to fully ascertain the extent of abuses in  
26 these and other regards and to in turn demand repayments pursuant to the LMRDA.

27 6. I was never informed that SAG was seeking to cause the Class  
28 Action settlement to limit my rights and responsibilities as a class member, let alone

1 as a Union member entitled under the federal laws regulating Unions to demand  
2 transparency and accountability particularly with respect to Union finances, to obtain  
3 access to collective bargaining agreements and contracts, let alone to sue the Union.  
4 Had I been told of same, I clearly would have opted out. It is difficult to believe that  
5 although the elected leadership as well as National Executive Director David White  
6 had regular columns in the Union's widely distributed magazine, nothing was said  
7 about these matters to permit members to opt out if they wanted to.

8 7. Furthermore, I never knew that SAG entered into Foreign Levy  
9 Agreement with the Producers which purported to take away my "performers share"  
10 of Foreign Royalties/Foreign Levies which arise out of the laws of foreign countries  
11 until furnished by Eric Hughes with a copy of the Foreign Levy Agreement. That  
12 Agreement let alone the Class Action Settlement were supposed to be posted on the  
13 SAG website but I have yet to find it.

14 8. Under these circumstances I believe I am entitled to a full  
15 accounting of all monies received by SAG, AFTRA and now SAG-AFTRA,  
16 including for interest on monies not distributed, as well proof of all disbursements,  
17 including to producers, computer expenses, labor consultants, and administrative  
18 fees. To the extent I am owed monies, I should be paid same, plus interest because  
19 SAG and now SAG-AFTRA have obviously placed their own pecuniary interests  
20 above those of the membership.

21 9. Having seen LM-2s that my Union has filed with the federal  
22 government, I firmly believe that SAG-AFTRA and their predecessors have also  
23 wrongfully retained Residuals owing to me and my colleagues. It is difficult to  
24 conceive of an unregulated trust with more than One Hundred and Thirty Million on  
25 deposit with my Union. Only by conducting a full accounting will I be satisfied that  
26 the acting community and the families who rely upon us for support will be properly  
27 compensated for our hard earned efforts.

1                   10.       Lastly, I would note that although SAG had many background  
2 actors in its membership, once a background actor is given a speaking part,  
3 regardless of how long or short it is, they become automatically entitled to receive  
4 Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that  
5 SAG's membership consisted of less than 100,000 members was false since SAG  
6 actively boasted to the federal government that there were more than 180,000 active  
7 members, including when the Class Action Settlement was being negotiated.  
8 Besides these members, there are thousands of beneficiaries entitled to continue  
9 receiving Residuals and Foreign Royalties/Foreign Levies on behalf of the Estates  
10 of their deceased relative performers, in addition to thousands of non-union  
11 members who have either withdrawn from the Union or worked in covered and  
12 uncovered works for which Residuals and Foreign Royalties/Foreign Levies are  
13 due. Because of these facts, I am firmly convinced that a genuine effort to  
14 negotiate a fair agreement never took place.

15                   I declare under penalty of perjury under the laws of the State of  
16 California and the United States that the foregoing is true and correct.

17                   Executed on September 16, 2013 at Los Angeles, California.

18                   *Roger Callard*  
19                   ROGER CALLARD  
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# **DECLARATION OF LOUIS MESEROLE**

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**DECLARATION OF LOUIS MESEROLE**

I, LOUIS "REEKO" MESEROLE, declare as follows:

If called to testify, I could and would competently testify to the following facts which are within my personal knowledge.

1. I have been a working actor since 1973 and have appeared in such diverse roles as *The Random Factor*, Carl Goodman's *Echos of Enlightenment*, and *The Man in the Iron Mask*

2. Because of the diversity of my work as an actor, I am a member of SAG and AFTRA and now belong to SAG-AFTRA. To my knowledge I have never received any Foreign Royalties/Foreign Levies from AFTRA, even though the projects that I have appeared in are seen in foreign countries in many different formats ranging from broadcasts, to video cassettes, to DVDs. In light of the titles on which I have performed, I firmly believe I am owed money for all of the projects on which I have had speaking parts, including *The Man in the Iron Mask* which SAG seized and has refused to pay residuals let alone Foreign Royalties/Foreign Levies, even though it is seen across the world.

3. I never received any communications from SAG about a lawsuit filed by Ken Osmond against the union involving monies owed to me as a SAG performer, nor did I receive any such communications from Neville Johnson, Ken Osmond or Paul Kiesel. I never received an e-mail or a letter from anyone informing me that I was considered a member of a potential class, let alone one that could opt out of the Class Action by sending in notice stating I was opting out before the end of December 2010. I never saw any announcements in *Hollywood Reporter* or *Variety* to that effect either. I only learned that SAG was claiming I was subject to a Class Action settlement after the Court approved the Class Action settlement and then only because SAG referenced the Class Action settlement in the 2011 Summer Edition of its quarterly magazine, *Screen Actor*.

1           4.     Because I was never given notice about my rights to opt out  
2 before the end of 2010, and upon educating myself in these regards, I commenced  
3 questioning why SAG refused to properly notify its members, especially those who  
4 were receiving Foreign Royalties/Foreign Levies. It was have been quite easy to stuff  
5 an Opt Out Notice into the Fall mailing of Foreign Royalties/Foreign Levies in  
6 October 2010, let alone to have included a proper Opt Out Notice in the Fall Edition  
7 of *Screen Actor* which is widely read amongst the acting community and the public  
8 in general.

9           5.     Because none of these options were used, it appears to me SAG  
10 did not intend to provide notice of what now appears to be a Class Action Settlement  
11 and Judgment designed so that SAG-AFTRA could now tell the Court exactly what  
12 it is saying now, namely that all of my rights to sue my Union, let alone to demand a  
13 full accounting and restitution of all monies withheld, including interest and  
14 administrative fees wrongfully deducted without me even knowing about a Foreign  
15 Levy Agreement, let alone having the opportunity to ratify same like the Union does  
16 when negotiating other contracts with the Producers, including recent ones which  
17 eliminated First Class Air travel for working actors. I am personally disturbed that  
18 this benefit would be eliminated for the membership, while SAG-AFTRA and its  
19 predecessors would continue to pay for First Class Airfares for its executives and  
20 representatives, some making in excess of \$500,000.00, while I have been advised  
21 that some Labor Consultants receive additional remuneration above and beyond their  
22 monthly payments, including portal to portal pay. Only by reviewing financial  
23 receipts and disbursements will we be able to fully ascertain the extent of abuses in  
24 these and other regards and to in turn demand repayments pursuant to the LMRDA.

25           6.     I was never informed that SAG was seeking to cause the Class  
26 Action settlement to limit my rights and responsibilities as a class member, let alone  
27 as a Union member entitled under the federal laws regulating Unions to demand  
28 transparency and accountability particularly with respect to Union finances, to obtain

1 access to collective bargaining agreements and contracts, let alone to sue the Union.  
2 Had I been told of same, I clearly would have opted out. It is difficult to believe that  
3 although the elected leadership as well as National Executive Director David White  
4 had regular columns in the Union's widely distributed magazine, nothing was said  
5 about these matters to permit members to opt out if they wanted to.

6 7. Furthermore, I never knew that SAG entered into Foreign Levy  
7 Agreement with the Producers which purported to take away my "performers share"  
8 of Foreign Royalties/Foreign Levies which arise out of the laws of foreign countries  
9 until furnished by Eric Hughes with a copy of the Foreign Levy Agreement. That  
10 Agreement let alone the Class Action Settlement were supposed to be posted on the  
11 SAG website but I have yet to find it.

12 8. Under these circumstances I believe I am entitled to a full  
13 accounting of all monies received by SAG, AFTRA and now SAG-AFTRA,  
14 including for interest on monies not distributed, as well proof of all disbursements,  
15 including to producers, computer expenses, labor consultants, and administrative  
16 fees. To the extent I am owed monies, I should be paid same, plus interest because  
17 SAG and now SAG-AFTRA have obviously placed their own pecuniary interests  
18 above those of the membership.

19 9. Having seen LM-2s that my Union has filed with the federal  
20 government, I firmly believe that SAG-AFTRA and their predecessors have also  
21 wrongfully retained Residuals owing to me and my colleagues. It is difficult to  
22 conceive of an unregulated trust with more than One Hundred and Thirty Million on  
23 deposit with my Union. Only by conducting a full accounting will I be satisfied that  
24 the acting community and the families who rely upon us for support will be properly  
25 compensated for our hard earned efforts.

26 10. Lastly, I would note that although SAG had many background  
27 actors in its membership, once a background actor is given a speaking part,  
28 regardless of how long or short it is, they become automatically entitled to receive



1 Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that  
2 SAG's membership consisted of less than 100,000 members was false since SAG  
3 actively boasted to the federal government that there were more than 180,000 active  
4 members, including when the Class Action Settlement was being negotiated.  
5 Besides these members, there are thousands of beneficiaries entitled to continue  
6 receiving Residuals and Foreign Royalties/Foreign Levies on behalf of the Estates  
7 of their deceased relative performers, in addition to thousands of non-union  
8 members who have either withdrawn from the Union or worked in covered and  
9 uncovered works for which Residuals and Foreign Royalties/Foreign Levies are  
10 due. In my case, since the version of *The Man in the Iron Mask* in which I appeared  
11 is widely circulated around the globe, the failure to provide me any Foreign  
12 Royalties/Foreign Levies or Residuals means I am owed monies, regardless of how  
13 miniscule SAG-AFTRA may claim the monies are.

14 11. The life of a working actor is not easy and to suggest that every  
15 bread crumb helps is to put it mildly. Because of these facts, I am firmly convinced  
16 that a genuine effort to negotiate a fair agreement never took place.

17 I declare under penalty of perjury under the laws of the State of  
18 California and the United States that the foregoing is true and correct.

19 Executed on September 15, 2013 at Sherman Oaks, California.

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22 LOUIS MESEROLE  
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# **DECLARATION OF RUSSELL GANNON**

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1 questioning why SAG refused to properly notify its members, especially those who  
2 were receiving Foreign Royalties/Foreign Levies. It was have been quite easy to stuff  
3 an Opt Out Notice into the Fall mailing of Foreign Royalties/Foreign Levies in  
4 October 2010, let alone to have included a proper Opt Out Notice in the Fall Edition  
5 of *Screen Actor* which is widely read amongst the acting community and the public  
6 in general.

7           5.       Because none of these options were used, it appears to me SAG  
8 did not intend to provide notice of what now appears to be a Class Action Settlement  
9 and Judgment designed so that SAG-AFTRA could now tell the Court exactly what  
10 it is saying now, namely that all of my rights to sue my Union, let alone to demand a  
11 full accounting and restitution of all monies withheld, including interest and  
12 administrative fees wrongfully deducted without me even knowing about a Foreign  
13 Levy Agreement, let alone having the opportunity to ratify same like the Union does  
14 when negotiating other contracts with the Producers, including recent ones which  
15 eliminated First Class Air travel for working actors. I am personally disturbed that  
16 this benefit would be eliminated for the membership, while SAG-AFTRA and its  
17 predecessors would continue to pay for First Class Airfares for its executives and  
18 representatives, some making in excess of \$500,000.00, while I have been advised  
19 that some Labor Consultants receive additional remuneration above and beyond their  
20 monthly payments, including portal to portal pay. Only by reviewing financial  
21 receipts and disbursements will we be able to fully ascertain the extent of abuses in  
22 these and other regards and to in turn demand repayments pursuant to the LMRDA.

23           6.       I was never informed that SAG was seeking to cause the Class  
24 Action settlement to limit my rights and responsibilities as a class member, let alone  
25 as a Union member entitled under the federal laws regulating Unions to demand  
26 transparency and accountability particularly with respect to Union finances, to obtain  
27 access to collective bargaining agreements and contracts, let alone to sue the Union.  
28 Had I been told of same, I clearly would have opted out. It is difficult to believe that

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1 although the elected leadership as well as National Executive Director David White  
2 had regular columns in the Union's widely distributed magazine, nothing was said  
3 about these matters to permit members to opt out if they wanted to.

4 7. Furthermore, I never knew that SAG entered into Foreign Levy  
5 Agreement with the Producers which purported to take away my "performers share"  
6 of Foreign Royalties/Foreign Levies which arise out of the laws of foreign countries  
7 until furnished by Eric Hughes with a copy of the Foreign Levy Agreement. That  
8 Agreement let alone the Class Action Settlement were supposed to be posted on the  
9 SAG website but I have yet to find it.

10 8. Under these circumstances I believe I am entitled to a full  
11 accounting of all monies received by SAG, AFTRA and now SAG-AFTRA,  
12 including for interest on monies not distributed, as well proof of all disbursements,  
13 including to producers, computer expenses, labor consultants, and administrative  
14 fees. To the extent I am owed monies, I should be paid same, plus interest because  
15 SAG and now SAG-AFTRA have obviously placed their own pecuniary interests  
16 above those of the membership.

17 9. Having seen LM-2s that my Union has filed with the federal  
18 government, I firmly believe that SAG-AFTRA and their predecessors have also  
19 wrongfully retained Residuals owing to me and my colleagues. It is difficult to  
20 conceive of an unregulated trust with more than One Hundred and Thirty Million on  
21 deposit with my Union. Only by conducting a full accounting will I be satisfied that  
22 the acting community and the families who rely upon us for support will be properly  
23 compensated for our hard earned efforts.

24 10. Lastly, I would note that although SAG had many background  
25 actors in its membership, once a background actor is given a speaking part,  
26 regardless of how long or short it is, they become automatically entitled to receive  
27 Residuals and thus Foreign Royalties/Foreign Levies as well. Thus any claim that  
28 SAG's membership consisted of less than 100,000 members was false since SAG

1 actively boasted to the federal government that there were more than 180,000 active  
2 members, including when the Class Action Settlement was being negotiated.  
3 Besides these members, there are thousands of beneficiaries entitled to continue  
4 receiving Residuals and Foreign Royalties/Foreign Levies on behalf of the Estates  
5 of their deceased relative performers, in addition to thousands of non-union  
6 members who have either withdrawn from the Union or worked in covered and  
7 uncovered works for which Residuals and Foreign Royalties/Foreign Levies are  
8 due. In my case, since the version of *The Man in the Iron Mask* in which I appeared  
9 is widely circulated around the globe, the failure to provide me any Foreign  
10 Royalties/Foreign Levies or Residuals means I am owed monies, regardless of how  
11 miniscule SAG-AFTRA may claim the monies are.

12 11. The life of a working actor is not easy and to suggest that every  
13 bread crumb helps is to put it mildly. Because of these facts, I am firmly convinced  
14 that a genuine effort to negotiate a fair agreement never took place.

15 I declare under penalty of perjury under the laws of the State of  
16 California and the United States that the foregoing is true and correct.

17 Executed on September 16, 2013 at Sherman Oaks, California.

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20 RUSSELL GANNON

# EXHIBIT A

VIA CERTIFIED MAIL

Duncan Crabtree-Ireland  
Deputy National Executive Director and General Counsel  
Screen Actors Guild  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

Dear Mr. Crabtree-Ireland,

In accordance with SEC. 201. (c) of the Labor-Management Reporting and Disclosure Act of 1959, As Amended, we are writing to request the information contained in Exhibit 1 and to examine any books, records, and accounts necessary to verify the information. Also, in accordance with SEC. 104 of the LMRDA, we are requesting copies of each foreign levy agreement into which the Screen Actors Guild has entered with the AMPTP and other producers organizations and copies of each agreement between SAG and a foreign collecting society.

On October 11, 2011, in the Superior Court for the County of Los Angeles, the Screen Actors Guild filed a motion to seal Exhibit 1. Exhibit 1 contains financial information regarding the foreign levies monies collected and distributed by SAG from the inception of the so-called Foreign Levies Program through March 21, 2011.

SAG is required to report the financial information contained in Exhibit 1 on the Form LM-2 which, under SEC. 201. (b) of the LMRDA, SAG must file each year with the Office of Labor-Management Standards of the U.S. Department of Labor's Employment Standards Administration.

SAG's violations of SEC. 201. (b) by 1) failing to report such financial information on its filed Form LM-2s and 2) filing an unlawful motion to permanently seal the unreported financial information rises to the level of just cause to warrant our examination of any books, records and accounts necessary to verify the financial information required to be reported on SAG's Form LM-2.

In the REMOVAL OF ACTION, filed on October 30, 2007, removing *Ken Osmond vs. Screen Actors Guild, Inc.* from the Superior Court for the County of Los Angeles to the United States District Court, the Screen Actors Guild defined the Foreign Levy Agreement as "*a collective bargaining agreement*".

We are requesting true and correct copies of the original agreement dated October 1, 1992.

We are also requesting copies of the two subsequent renegotiated Foreign Levy Agreements dated, respectively, October 1, 1997 and January 1, 2001.

We are informed and believe that SAG has entered into this very same "*collective bargaining agreement*", the Foreign Levy Agreement, with other producers' organizations as well as financial institutions servicing producers and, by so doing, has assigned our

Exhibit A

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VIA CERTIFIED MAIL

inalienable right as performers to "*equitable remuneration*", under foreign statutes, for rentals and copies of audiovisual works to such trade associations and financial institutions.

Thus, we are also requesting true and correct copies of this same "*collective bargaining agreement*", the Foreign Levy Agreement, between the Screen Actors Guild, Inc. and IFTA Collections (formerly AFMA Collections), between the Screen Actors Guild, Inc. and Fintage House, and between the Screen Actors Guild, Inc. and Compact Media Group (formerly Compact Collections).

Paragraph 5. of the "*collective bargaining agreement*", the Foreign Levy Agreement, provides that "*The undersigned parties agree that each may retain a collecting society to represent its interests in Foreign Countries and that such collecting societies shall participate in the collection and distribution of Video Levy and Video Rental Levy monies on behalf of each party.*"

Thus, we are requesting each agreement into which SAG has entered under Paragraph 5. of the "*collective bargaining agreement*", the Foreign Levy Agreement, with such collecting societies in Foreign Countries.

Such agreements include those between the Screen Actors Guild, Inc. and

- ADAMI Société Civile pour L'Administration des Droits des Artistes et Musiciens Interprètes (France)
- AISGE Artistas Intérpretes, Sociedad de Gestión (Spain)
- CPRA とは 実演家著作権隣接権センター (Japan)
- FILMKOPI (Denmark)
- FINTAGE (Netherlands)
- FRF-VIDEO Filmproducenternas Rättighetsförening (Sweden)
- GDA Gestão dos Direitos dos Artistas, Intérpretes ou Executantes (Portugal)
- GEDIPE Associação Para a Gestão de Direitos de Autor, Produtores e Editores (Portugal)
- GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH (Germany)
- SGAE Sociedad General de Autores y Editores (Spain)
- SWISSPERFORM Gesellschaft für Leistungsschutzrechte (Switzerland)

VIA CERTIFIED MAIL

▪ THUISKOPIE Stichting de Thuis kopie (Netherlands)

As we are informed and so believe that it is the intention of SAG and the AMPTP to renew the 2001 "*collective bargaining agreement*", the Foreign Levy Agreement, the term of which ends on December 31, 2011, it is in the interests of all members of the Screen Actors Guild that our requests are heeded within an immediate timeframe.

Please send us copies of the agreements at our respective addresses below or let us know when we can come to the Guild to obtain the copies. We ask to receive the copies of the agreements by December 9, 2011.

Regarding our right under SEC. 201. (c) of the Labor-Management Reporting and Disclosure Act to examine the relevant books, records, and accounts, please contact Clancy Brown by phone ((213) 280-0644) or email (clancybr@earthlink.net) to coordinate on behalf of all of us. We ask that this be arranged to take place before December 16, 2011.

Thank you for your assistance.

Sincerely,

\_\_\_\_\_  
George Coe

\_\_\_\_\_  
Martin Sheen

\_\_\_\_\_  
Nancy Sinatra

\_\_\_\_\_  
Ed Harris

\_\_\_\_\_  
Renee Taylor

\_\_\_\_\_  
Joe Bologna

\_\_\_\_\_  
Clancy Brown

cc.  
David White  
National Executive Director  
Screen Actors Guild  
5757 Wilshire Blvd  
Los Angeles, CA 90036-3600

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# EXHIBIT B

DUNCAN CRABTREE IRELAND  
DUNCAN CRABTREE IRELAND PRODUCTIONS  
ENTERTAINMENT LAW FIRM



**COPY**

December 16, 2011

Clancy Brown  
3141 Oakdell Lane  
Studio City, CA 91604

Dear Clancy:

**This letter responds to your undated correspondence received at the Guild's offices on December 2, 2011.**

The first paragraph of your letter makes reference to a request for the "information contained in Exhibit 1...." However, there is no "Exhibit 1" appended, attached, or enclosed with the letter. Therefore, I am unable to respond to this request since I cannot determine what information is being requested. If you provide me with an explanation of what you are seeking in "Exhibit 1," I will respond to that/those request(s).

With respect to the other requests for information contained in your letter, the royalty levy agreements and other agreements between the Guild and producers or producers associations are not collective bargaining agreements that must be provided to you. However, Guild will provide access for you and the other individuals referenced in your letter to review these agreements subject to the Guild's usual and customary confidentiality agreement. This confidentiality policy is reflected on the Guild's member research request form, which is attached for your convenient reference. This review will take place at a prearranged, mutually agreed date and time at the Guild's offices, and copying or removal of documents will not be permitted.

I understand that your preference would be that the Guild provide you with copies of those documents. However, due to the confidential nature of the agreements with the foreign collecting societies, we are not in a position to do so. Having served on the Board of Directors and therefore having been privy to detailed reports about these agreements, I'm sure you understand that the nature of the negotiations with foreign collecting societies requires that each agreement be kept confidential – otherwise those collecting societies will be in a position to use past agreements to their advantage (and to the disadvantage of Guild members) in subsequent bargaining. Disseminating copies of the agreements creates an unacceptable risk that they will be intentionally or unintentionally distributed, resulting in the harm described.

You indicated in your letter the belief that SAG has not been properly reporting foreign royalty sums on the LM-2 report filed with the Department of Labor. To the contrary, the funds received for distribution to members are reflected in the sums disclosed as held in trust for others, while

SCREEN ACTORS GUILD  
5757 WILSHIRE BLVD., 7TH FLL, LOS ANGELES, CALIFORNIA 90036-3600 \* Tel. 323.519.6043 \* Fax 323.395.5997  
dei@sag.org \* www.sag.org

Bureau of Actors and Artists of America (AFL-CIO) \* Affiliates of International Federation of Actors

*Exhibit B*

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Clancy Brown  
December 16, 2011  
Page 2



any payments for administrative costs are reflected on Schedule 15 to the LM-2. Finally, as you may be aware, no payment to any individual recipient has yet exceeded the reporting threshold, and for that reason, you will not find such payments reported on the LM-2. I am unclear as to why you believe these funds are not reported on the LM-2. It is also worth noting that the foreign royalties funds have always been subject to review by the Guild's external auditors as part of the annual audit of the Guild. In addition, beginning this year the external auditors are producing an additional, separate audit report of the foreign royalties program which will be published on the Guild website when it is complete, probably within the next 30 to 45 days.

The Guild is justifiably proud of its foreign royalties collection and distribution program, which has directly resulted in Guild-represented performers receiving more than \$11 million to date which they would never have received and which would have been lost to them forever absent the efforts of the Guild to collect and distribute them. I look forward to the opportunity to discuss these concerns with you further, as inaccurate and baseless allegations and assertions about the program do not further the interests of Guild members.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Duncan Crabtree-Ireland".

DUNCAN CRABTREE-IRELAND  
Deputy National Executive Director  
and General Counsel

cc: Joe Bologna  
George Coe  
Ed Harris  
Martin Sheen  
Nancy Sinatra  
Renee Taylor  
David P. White

# EXHIBIT C

January 28, 2012  
Duncan Crabtree-Ireland  
Deputy National Executive Director and General Counsel  
Screen Actors Guild  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

Dear Mr. Crabtree-Ireland,

In the second paragraph of your letter dated December 16, 2011 you stated, *"I am unable to respond to this request since I cannot determine what information is being requested."*

As we wrote to you in our letter which was received at the Guild's offices on December 2, 2011, *"On October 11, 2011, in the Superior Court for the County of Los Angeles, the Screen Actors Guild filed a motion to seal Exhibit 1. Exhibit 1 contains financial information regarding the foreign levies monies collected and distributed by SAG from the inception of the so-called Foreign Levies Program through March 21, 2011."*

A copy of Exhibit 1, as it was filed on October 11, 2011, as "Exhibit B" with SAG's NOTICE OF MOTION AND MOTION TO SEAL EXHIBIT 1 TO JOINT STATEMENT OF REMAINING ISSUES WITH EXECUTION OF CLASS SETTLEMENT AGREEMENT is attached to this letter.

The financial information regarding the foreign levies monies collected and disbursed by SAG from the inception of the foreign levies program through March 21, 2011 is what has been redacted from Exhibit B and sealed by the Court.

I hope this clears up your confusion about Exhibit 1.

In accordance with SEC. 201.(c) of the Labor-Management Reporting and Disclosure Act of 1959, As Amended, we once again request that you provide us with the redacted information contained in Exhibit 1 and arrange for us to examine any books, records, and accounts necessary to verify the redacted information.

In the MOTION TO SEAL EXHIBIT 1 SAG makes the claim that its foreign levies program is a business and that the financial information in the foreign royalties status table (Exhibit 1), which are aggregate sums relating to foreign levies that SAG has received and disbursed, is a closely held business secret that if disclosed to members of SAG will give SAG's business competitors an unearned advantage.

Nonetheless, such monies collected for U.S. performers are public record in the foreign countries in which these monies were initially collected.

Our right to our own financial information is absolute and there is no interest to be weighed against members' interests in information regarding monies which are the sole property of members.

Exhibit C

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You write in the third paragraph of your letter to us dated December 16, 2011, *"With respect to the other requests for information contained in your letter, the royalty levy agreements and other agreements between the Guild and producers or producers associations are not collective bargaining agreements that must be provided to you."*

In the CLASS SETTLEMENT AGREEMENT in Ken Osmond vs. SAG, which was not provided to SAG members, it states that the *"Foreign Levy Agreement assigns a performer's right to file claims for foreign levies to the Companies in the first instance, provided such levies are subsequently shared are, on behalf of performers. In the event that the Companies do not or cannot file a claim for the levies, that right is assigned to SAG, subject to the same sharing provisions with the Companies."*

No member of the Screen Actors Guild has ever granted any such authorization or transfer of rights.

The members of the Screen Actors Guild have never agreed to any such contract of assignment to any audiovisual production company or trade association or financial services institution transferring any powers deriving from any property rights on our existing or future works.

Under SEC.104 of the LMRDA a union must provide, upon request, a copy of any collective bargaining agreement that it has negotiated to any member whose rights are directly affected by the agreement. A member has the right to inspect copies of all contracts that the union administers.

SAG has stated in filings in both federal and state courts and on the record before the courts that the foreign levy agreement IS a collective bargaining agreement that is a binding agreement on all SAG members; but you write to us that, *"... the royalty levy agreements and other agreements.... are not collective bargaining agreements that must be provided to you."*

SAG can not file and make such statements in federal and state courts that the Foreign Levy Agreement is a binding agreement on SAG members and then write to members of SAG that these agreements need not be provided to members.

Nothing you ever say regarding foreign levies makes any sense, Duncan. Equally incoherent is your insistence that we execute a *"customary confidentiality agreement"* before we are allowed to inspect these contracts that bind us and assign our and every SAG members' rights.

You write in the fourth paragraph of your letter to us dated December 16, 2011 about, *"...the confidential nature of the agreements with foreign collecting societies..."* and, *"...the nature of the negotiations with foreign collecting societies requires that each agreement be kept confidential - otherwise those collecting societies will be in a position to use past agreements to their advantage...in subsequent bargaining."* Again, under SEC.104 of the LMRDA, a member has the right to inspect copies of all contracts that the union administers and there is no interest to be weighed against members' interests in information regarding monies which are the sole property of members. The idea that somehow negotiations with collecting societies might be compromised if the collecting societies knew the terms they had previously agreed to is



irrational. We see no need to execute any confidentiality agreement with respect to these agreements.

You also make reference to our having served on the Board of Directors and “...*having been privy to detailed reports about these agreements.*” As you know, none of the details provided to the Board of Directors in your reports ever included the information and documents we are requesting. While on the Board of Directors, our understanding of the nature of the negotiations with foreign collecting societies was limited to how you chose to characterize them. At no time was even the Board of Directors presented or allowed to examine the Foreign Levy Agreement or the various collecting society agreements. These details which were omitted in your reports are precisely what we wish to be provided.

You write in the fifth paragraph of your letter to us dated December 16, 2011 that you are “unclear” as to why we believe “*that SAG has not been properly reporting foreign royalty sums on the LM-2 report filed with the Department of Labor;*” then protest, “*To the contrary, the funds received for distribution to members are reflected in the sums disclosed as held in trust for others.*”

Here is what you reference, exactly as it appears on SAG’s LM-2 reports:

**SCHEDULE 10 - OTHER LIABILITIES**

FILE NUMBER: 000-113

Description (A)	Amount at End of Period (B)
Funds held in trust due to others	\$95,205,672

Although you assert that foreign levies received for members “*are reflected in the sums disclosed as held in trust for others*”, a member of SAG looking to SAG’s LM-2 reports for an accounting of foreign levies would not find them “*reflected*” there.

There are no “*sums*” listed for these funds. There is only one sum.

There is no identification of the individual funds represented by the \$95,205,672 sum and the aggregate amounts that each fund contributes to the \$95,205,672 total are not reported.

There is no definition of the “*others*” for whom these unidentified funds are held in trust. Since SAG’s LM-2 lists aggregate cash disbursements “*On Behalf of Individual Members*” and aggregate cash receipts “*From Members for Disbursement on Their Behalf*”, it would not be unreasonable to deduce that “*others*” are those other than members.

In fact, the accounting of foreign levies on SAG’s LM-2 reports fails to comply with the Department of Labor Final Rule on Union Financial Disclosure which went into effect on July 1, 2004 and substantially increased the level of financial detail required in the LM-2 report.

The revised Form LM-2 strengthened enforcement of the LMRDA by giving members a more complete account of the financial operations of their union than provided by the previous Form LM-2. The purpose of the reporting provisions of the LMRDA is to provide union members with

all the vital information necessary for them to take effective action in regulating affairs of their union.

A union is required to identify all individual receipts of \$5,000 or more ~~or~~ aggregate receipts from each individual source over the reporting period totaling \$5,000 or more. SAG's LM-2 reports fail to comply.

With regard to foreign levies, each such receipt from a collecting society must be listed on SAG's LM-2s with the name and address of the collecting society providing the receipt, the identification of the collecting society as such, the purpose of the receipt, the date of the receipt and the amount of the receipt.

Specifically, the LM-2s SAG filed for the fiscal years ending on April 30, 2009, April 30, 2010 and April 30, 2011 fail to report the receipts that comprise the approximately \$8,244,992.13 total in foreign levies for members received between March of 2008 and October 31, 2010.

As you know, from the record in *Ken Osmond vs. SAG* and statements by you and Pamela Greenwalt that between March of 2008 and October 31, 2010, a period of two years and seven months, SAG has claimed to have received approximately \$8,244,992.13 in foreign levies for members.

You go on to state in the fifth paragraph of your letter to us dated December 16, 2011 that, "...no payment to any individual has yet exceeded the reporting threshold, and for that reason, you will not find such payments reported on the LM-2."

The revised LM-2 also requires unions to report disbursements meeting the \$5,000 threshold-reporting amount ~~or~~ a series of payments that, in the aggregate, reach the threshold in a single category - a requirement of the Final Rule of which SAG is fully aware, having initially complied on the 2004 and 2005 SAG LM-2s after the Final Rule first went into effect.

But again, as you know from the record in *Ken Osmond vs. SAG*, SAG claims that as of October 31, 2010 the total dollar amount of foreign levies disbursed to members from the inception of the foreign levies program was \$8,467,147.74. Clearly, the aggregates of the payouts far exceed the reporting threshold and are not being properly reported on the LM-2s.

Adding to the confusion are the statements you made to the Huffington Post in March of 2008 that SAG had collected \$8 million in foreign levies and "*only \$250,000 of foreign levy money*" had been disbursed to SAG members as well as Pamela Greenwalt's "*confirmation*" to Variety that a "*small portion*" had been disbursed to members and that "*the figure is about \$250,000.*"

Looking again to the record in *Ken Osmond vs. SAG* and statements by you and Pamela Greenwalt, this would mean that between March of 2008 and October 31, 2010, SAG would have disbursed to members approximately \$8,217,147.74 in foreign levies.

The LM-2s SAG filed for the fiscal years ending on April 30, 2009, April 30, 2010 and April 30, 2011 fail to report the aggregate payouts that comprise the approximately \$8,217,147.74 total in

foreign levies SAG claims to have disbursed to members between March of 2008 and October 31, 2010.

Confusing the issue even more is the LM-2 for FYE April 30, 2005; filed 18 months before your public statements, that lists disbursements of \$1,281,226 in foreign levy monies to members.

So, looking yet again to the record in *Ken Osmond vs. SAG* and the LM-2 for FYE April 30, 2005; filed 18 months before your public statements, this would mean that between March of 2008 and October 31, 2010, SAG would have disbursed to members approximately \$7,185,921.74 in foreign levies.

In that case, the LM-2s SAG filed for the fiscal years ending on April 30, 2009, April 30, 2010 and April 30, 2011 fail to report the aggregate payouts that comprise the approximately \$7,185,921.74 total in foreign levies SAG claims to have disbursed to members between March of 2008 and October 31, 2010.

Nor are the disbursements of foreign levy monies in any amount to Film Payment Services, the payment processing firm responsible for actually writing and sending foreign royalty checks to members, reported.

Finally, you state in the sixth paragraph of your letter to us dated December 16, 2011 that *"The Guild is justifiably proud of its foreign royalties collection and distribution program, which has directly resulted in Guild-represented performers receiving more than \$11 million..."*

\$11 million? So disbursements to members in excess of \$2,532,852.26 have been made since October 31, 2010. Where is that amount listed on the LM-2?

You write in the fifth paragraph of your letter to us dated December 16, 2011 that *"any payments for administrative costs are reflected on Schedule 15 to the LM-2."*

But there is no reporting of the amount SAG disburses to itself for administrating the foreign levies program. Neither has SAG ever reported the existence of this administrative fee as it must under RATES of DUES and FEES.

This administrative fee may, in fact, be a violation of the LMRDA, Title I (29 U.S.C. 411) SEC. 101. (a)(3): *"No general or special assessment shall be levied upon such members, except...by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question, or by majority vote of the members in good standing voting in a membership referendum conducted by secret ballot."*

The administrative fee may also be a violation of SAG's Constitution, ARTICLE IV, Section 1: *"No increase in dues, assessments or initiation fees shall be made after September 14, 1959, except by a membership vote in accordance with the Federal Labor-Management Reporting & Disclosure Act of 1959, as the same now is or may hereafter be amended."*

I hope that you are now no longer “unclear” as to why we believe “that SAG has not been properly reporting foreign royalty sums on the LM-2 report filed with the Department of Labor”.

You write in the fifth paragraph of your letter to us dated December 16, 2011 that “beginning this year the external auditors are producing an additional, separate audit report of the foreign royalties program which will be published on the Guild website when it is complete, probably within the next 30 to 45 days.”

But the report that will be issued is **not** an “audit report”. It is a review report. The key difference between an audit and a review is that the audit requires independent confirmation and verification of financial information.

The settlement agreement in *Ken Osmond vs. SAG* provides for a one-time financial review of the foreign levies program. A review is just that. There is no in-depth testing as in an audit. A review will not uncover fraud or other improper financial activity. Only an audit will do that.

The “external auditors” you find worthy of noting in the fifth paragraph of your letter to us dated December 16, 2011 are PricewaterhouseCoopers. They base their conclusions on the facts and assumptions that SAG furnishes them and will use the data, material, and other information furnished by SAG without any independent investigation or verification. They are the same “external auditor s” who signed-off on the report of a \$1,281,226.00 foreign levies payout to members filed on SAG’s 2005 LM-2. Perhaps they should have checked with you and Pamela Greenwalt first. Or perhaps you should have checked with them.

We also believe that by now it is likely that SAG has renegotiated and/or renewed the Foreign Levy Agreement with the AMPTP, which expired on December 31, 2011.

This suspected renegotiation and/or renewal has created an even greater urgency and we ask that you deliver to us by Friday, February 10, 2012 Exhibit 1 (attached) and the agreements we have requested (list attached) and arrange by Friday, February 10, 2012, for us to examine the full accounting of foreign levies and all books and records necessary to verify the accounting.

Duncan, you have made this far more difficult and protracted than it should be. We are well within our rights as members to request and receive these agreements and the financial information. We are also, all of us, well known to you as current and former National Board Members.

If you again fail to honor our request within the designated time frame, we will seek the remedies available to us to enforce our rights under SEC. 201.(c) of the LMRDA.

Additionally, in the event that you fail to provide us with copies of every agreement into which SAG has entered which directly affects our property rights and/or attempt to impose restrictions upon our rights under SEC.104, we will prepare for the applicable enforcement by the Secretary of Labor in U.S. District Court.

We and our fellow members are the real owners of the foreign levies monies and are entitled to a full accounting of all transactions involving our property.

Thank you for your assistance.

\_\_\_\_\_  
George Coe

\_\_\_\_\_  
Martin Sheen

\_\_\_\_\_  
Nancy Sinatra

\_\_\_\_\_  
Ed Harris

\_\_\_\_\_  
Renee Taylor

\_\_\_\_\_  
Joe Bologna

\_\_\_\_\_  
Clancy Brown  
(for those listed above)

Attachments:

“Exhibit 1” filed on October 11, 2011 with  
SAG’s NOTICE OF MOTION AND MOTION TO SEAL  
EXHIBIT 1 TO JOINT STATEMENT OF  
REMAINING ISSUES WITH EXECUTION OF  
CLASS SETTLEMENT AGREEMENT

List of requested agreements

PO

# EXHIBIT D

81

# UNITED SCREEN ACTORS COMMITTEE

USAC

Post Office Box 11478, Beverly Hills, California 90213

September 11, 2012

**FedEx**/PROOF OF RECEIPT

Ken Howard and Roberta Reardon, Co-Presidents  
and the Board of Directors  
SAG-AFTRA  
5757 Wilshire Boulevard, 7<sup>th</sup> Floor  
Los Angeles, California 90036 PROOF OF RECEIPT

Dear President Ken Howard and President Roberta Reardon  
and the SAG-AFTRA Board Members:

As SAG-AFTRA publicly joined in the festivities honoring Labor Day, we the undersigned were quite mindful that tens of thousands of U.S. actors have had their residuals and foreign royalties withheld if not converted unlawfully by SAG and AFTRA for well in excess of a decade. Recent website revelations about the release of a purported "audit" and the failure of SAG-AFTRA to hold its hired executives and consultants to a standard of accountability, honesty and integrity, necessitates this correspondence, at this time.

With respect to foreign royalties, we the undersigned were either among the 31 performers who either opted out of the *Osmond* litigation or were never even given notice of the *Osmond* litigation. As you are well aware, SAG refused to give proper notice and insisted on acting as the Class Action Administrator even though SAG has publicly disclosed its difficulties in even locating performers to whom residuals are owed. The letter subsequently sent after Judge Carl J. West had already approved of settlement terms and after opt-out deadlines had already passed reinforces rather than detracts from our concerns about the manner in which SAG has handled these matters since litigation relative to foreign royalties was first commenced against it.

Now that SAG and AFTRA have united and since AFTRA was not previously sued, it is imperative that these issues about the wrongful withholding of residuals, not previously addressed in any litigation, as well as the continued mishandling of foreign royalties by SAG-AFTRA and their predecessor labor organizations be fully and appropriately addressed by the Board of Directors. As the elected leadership of a labor organization it is time you acknowledge your fiduciary responsibilities owing to SAG-AFTRA's membership, if not to non-members as well whose funds have been endorsed and withheld by the Union over an extended period of time.

Exhibit D

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September 11, 2012

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Towards this end we are seeking a full and complete accounting in both regards as well as the disgorgement of profits, including all interest earned, due to the wrongful retention and/or shoddy collection and distribution practices engaged in by our labor organization, to the continuing and ongoing detriment of the rightful owners of residuals and foreign royalties, namely living performers and the heirs of the deceased.

Efforts to shield examination on the guise that SAG-AFTRA is now incorporated in Delaware, presumably to try and avoid application of California's Escheat laws, or to permit transfer of assets to other entities, possibly ones recently created, should not be tolerated by the Board.

### **Wrongful Withholding of Residuals**

The sheer magnitude of residuals withheld, including from well known personalities, politicians and /or their heirs, has been well documented in the trades, with Duncan Crabtree-Ireland touting various conflicting excuses to justify the wrongful retention of these monies. It is difficult to comprehend that in 2005, SAG claimed there were 39, 358 members whom it could not locate on the Unclaimed Residuals Tracker, with that number increasing to 69,184 by 2010, and to 77, 266 according to recent reports, even though SAG significantly increased the size of its staff purportedly to ensure residuals were placed in the hands of their rightful owners, namely the members and non-members working in our work jurisdiction.

It is equally difficult to fathom that in 2002, SAG had less than \$20 million in trust for its members and now reports holding well in excess of \$100 million for that purpose. Presumably the sum of monies held in trust have increased substantially due to the recent merger with AFTRA, as well.

Thus, to suggest that our long-standing entitlement to timely receipt of residuals has been abrogated without regards to unambiguous language in Collective Bargaining Agreements providing for same, and without regards to the severe and adverse consequences stemming from the withholding of said monies from their intended recipients is to put it mildly.

As our elected leadership, each of you occupies a position of trust and must refrain from acting adversely against our interests. The failure of SAG and now SAG-AFTRA to implement measures to ensure that residuals are in fact distributed on a timely basis appears to be deliberate, rather than coincidental, with the wrongful retention of residual



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monies in Union coffers largely occurring following the initial hiring of Robert Pisano as Executive Director and the various members of his then legal staff, including Crabtree-Ireland and David White, the latter two of whom have since ascended the ranks to their current positions as the General Counsel and National Executive Director of SAG-AFTRA, respectively.

The fact that Labor Consultant Robert Hadl has also performed a dual function on behalf of labor and the Producers during that same period of time, at least with respect to foreign royalties, is just as troubling.

SAG LM-2 reports purportedly documenting the financial affairs of SAG, and now SAG-AFTRA, have been filed along with evidence that executives and managers of our Union have also enhanced their own coffers, while publicly offering various excuses for not timely distributing residuals and foreign levies to their rightful owners. The trades have printed these excuses, ranging from claims that Residuals could not be processed because of SAG's inability to locate performers or their heirs, to the most recent and novel proposition that an antiquated computer system prevented proper distributions of monies by SAG, in the first place. Presumably the latter excuse would equally apply to foreign royalties were it not for Crabtree-Ireland's diatribe that all of the monies collected from foreign levies purportedly belonged to the Union, even though governing treaties and laws show otherwise.

#### **Foreign Royalties**

Contracts and court documents from three related class action lawsuits reveal that millions of dollars in royalties collected in foreign countries for U.S. performers have been divided since 2002 by SAG (now SAG-AFTRA) with the companies who employ us, with monies diverted to unknown bank accounts in violation of both U.S. and international laws. We are the real owners of foreign levies and are entitled to a full accounting of all transactions involving our property.

As you are well aware, SAG has never been authorized to collect on behalf of U.S. Performers, monies that are due us under Performers Rights statutes in those foreign countries which have granted national treatment to U.S. Performers. Without conceding whether SAG-AFTRA can or has legitimately bargained with the AMPTP over foreign levies, let alone whether the Producers have any ownership interest in foreign levies to begin with, we are even more concerned that Crabtree-Ireland has publicly disavowed the existence of collective bargaining agreements in correspondence

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exchanged in response to an initial demand for transparency served upon Crabtree-Ireland on December 2, 2011, pre-Merger, presumably to avoid federal disclosure requirements, but has since admitted to having extended the Foreign Royalties Agreement which was due to expire on December 31, 2011.

Either there are collective bargaining agreements or there aren't any governing these matters. We are aware, however, that for each and all of these years since 2002 the Screen Actors Guild has fraudulently represented to foreign rights societies that a signed agreement into which it entered with the Alliance of Motion Picture and Television Producers is a collective bargaining agreement by which all members of SAG are bound. Presumably AFTRA did so as well. Unfortunately those agreements were never disclosed to members of the union and were never submitted for ratification by the membership.

Upon examining the same, it appears disclosure and ratification did not occur because in one well known instance, the Producers authorized SAG to take 15% of its 50% share of all monies collected, for "institutional or social" purposes, even though our Constitution and By-Laws never provided for such. The calculated decision of Producers to enmesh themselves in internal matters of Union governance, apparently at the behest of SAG's executives, is likewise noteworthy, if not separately actionable.

Notwithstanding same, we have never transferred or assigned to SAG-AFTRA, to the AMPTP, to the MPAA, to Fintage House BV, to Compact Media Group, to IFTA Collections or to any trade association or to any financial services institution or to any entity whatsoever, now existent or which will be existent at any time in the future, the management of our right, under the doctrine of national treatment, to claim remuneration created under foreign statutes for the reprography of our performances in audiovisual works.

#### **Newly Adopted Constitution and By-Laws**

Prospective changes regarding Membership Fees and Assessments referencing Residuals and Foreign Royalties that were buried in the newly approved SAG-AFTRA Constitution and By-laws, including at Article IV, Section B and Article XI, Section F, will not provide retroactive insulation from liability either, while the conduct of Crabtree-Ireland and White in inhibiting free discussion of same at Membership Meetings conducted pre-Merger should enjoin prospective application of said clauses to justify collection and retention of our monies now and in the future.



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Regardless of the language used, we invite SAG-AFTRA to point to any written authorization by individual members authorizing SAG-AFTRA, and their predecessors, to negotiate Residual checks made out to specific performers or their heirs, let alone to withhold disbursement of same in a timely fashion.

Under these circumstances, it should be readily apparent that money has been secreted if not stolen from the membership, without our knowledge, for the past decade, and that efforts to adopt exculpatory clauses since are unworthy of credence and must be fully scrutinized in light of the pecuniary and self-preservation interests of the authors of said language.

#### **Demand for Inspection, Disclosure and Full Accounting**

With this letter we are requesting to examine any and all books, records and accounts relating to SAG-AFTRA's foreign levies program and SAG-AFTRA's Claimed and Unclaimed Residuals Fund(s) from 2002 to present, and to be provided with all Collective Bargaining Agreements which SAG-AFTRA, and their predecessors entered into with the AMPTP, as well as all separate Agreements entered into with other producer trade associations, financial services institutions and foreign collecting societies involving these funds.

We likewise demand written assurances that all accounts in which our residuals and foreign levies have been deposited as well as invested remain intact, as they were Pre-Merger. In the same vein, we seek an accounting of all monies diverted into Duncan Crabtree-Ireland's brainchild, namely the Guild Intellectual Property Realization, LLC, as well as relative to all transactions involving those intellectual properties owned or at one time held by SAG, particularly since residuals and foreign levies would be due and owing on same, as well.

In these regards, kindly specify where on the LM-2s these financial transactions, including auctions, are accounted for, including whether the salaries and benefits and expenses attributable to said entities are separately reported to the Department of Labor. As you are aware, Section 205 of the LMRDA provides that the reports filed by labor organizations under Title II of the LMRDA "*shall be public information*". Furthermore, under 29 U.S.C. 431(b) reports by labor organizations must contain "*such detail as may be necessary to disclose its financial conditions and operations*", while every labor organization must make available to it members such information as it is required by law to report.

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September 11, 2012

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In violation of the duty owed to us, SAG successfully moved to have all financials on the foreign levies program permanently sealed by the state court which holds jurisdiction over the consent decree into which SAG entered to settle the lawsuit filed against our union in 2007. Presumably a similar attempt will be made by SAG-AFTRA in light of the instant demand for an accounting for the Residual Funds as well. Suffice it to say we believe that SAG's motion to seal the financial records of a labor organization was illegal in the first place, since firmly entrenched federal laws and regulations mandate that the financials which have been permanently sealed are public information, while SAG-AFTRA's continuing insistence on confidentiality is inimical to the very definition of a Labor Organization as well.

SAG-AFTRA's unlawful actions have deprived us of the over-riding purpose of the reporting provisions of the LMRDA which is to provide us, the members of the union, with all the vital information necessary to take effective action in regulating the affairs of our union. Although at various court proceedings active Class Members of the WGA, DGA and SAG were assured that an audit would be conducted of their respective foreign levies program, SAG has now abandoned that premise entirely, necessitating that this letter be addressed to you as our elected officials at this time.

Many of us have been in various court proceedings and have witnessed or seen transcripts quoting SAG-AFTRA's attorney Daniel Scott Schechter smugly stating that SAG-AFTRA would never have agreed to settle the *Osmond* lawsuit if an audit of SAG-AFTRA's foreign levies program from inception to the present had been required. Schechter insists that all that was required under the settlement was for PricewaterhouseCoopers to "*document*" only "*five specific and narrow categories of information*". That is exactly all that PricewaterhouseCoopers recently did, even though "*document*" is not even an accounting term.

SAG-AFTRA has now posted on its website a sparse single page wherein it falsely claims a "*report*" on the "*findings*" of an "*audit*" conducted by PricewaterhouseCoopers of SAG-AFTRA's "*Foreign Royalties Program, from its inception through the close of its fiscal year on April 30, 2011*" has occurred. The stupidity of a lie does not attenuate the act of lying, yet that is precisely what SAG-AFTRA has published on *sag-aftra.org*.

Publishing a lie that there has been an "*audit*" with a one-page listing of five narrow pieces of ***unaudited*** information fictitiously represented as the "*findings*" of that "*audit*"

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to make it appear that evidence was obtained through audit procedures which sanctify the Union's actions is in and of itself a fraud upon the members of SAG-AFTRA.

In light of these publications and the sheer resistance of executives of SAG-AFTRA to be held accountable, we now must, as a last resort, request that you, the Board of Directors, stop this nonsense. As parties who have opted out or been determined to not be bound by the previously pending court proceedings, we are again repeating our demands for a full and complete accounting of all monies received from the studios and the AMPTP, as well as vis a vis Agreements with producer trade associations, financial services institutions and foreign collecting societies, relative to foreign levies, and now as to Residuals as well.

In most instances, SAG has never fully reported foreign levies monies and residuals on its required financial filings with the U.S. Department of Labor. When SAG has included such monies in such filings, the reporting has been false.

Under federal law, union officers are subject to criminal penalties for willful failure to file required financial reports and for false reporting, while it appears that the failure of Robert Hadl to file Labor Consultant Reports while handling multi-millions of dollars in foreign royalties, including on behalf of producers, is just as culpable.

The officers required to sign Form LM-2 are also subject to civil prosecution for violations of the filing requirements and to criminal penalties for false reporting and perjury under Sections 1001 of Title 18 and 1746 of Title 28 of the United States Code. It appears that the filed LM-2 Report in 2002 raised concerns about the type of information accountants were providing to SAG Secretary-Treasurer Kent McCord for his consideration. It appears that the concerns expressed then have actually been aggravated even further, even though Congressional leaders saw fit to enhance the disclosure requirements for labor organizations not long thereafter.

To give a false assurance of an audit in the *Osmond* litigation to keep members from opting out and to in turn renege on the same speaks volumes about the honesty and integrity of those who have deliberately misled our elected leaders and alone justifies a thorough cleaning of the house of labor.

Under these circumstances, we clearly do not share in the confidence which the Board of Directors is reported to have in its executives, let alone Robert Hadl or the countless other lawyers who have been hired to assist in depriving members and non-members

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September 11, 2012

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alike of not only their residuals and foreign royalties, but proper union governance and accountability as well. Likewise, disclosure and the disgorging of profits by SAG-AFTRA, while also holding responsible parties also accountable, is not only timely but clearly appropriate at this time, particularly in light of efforts by *Federal Insurance* in its litigation to also expose this wrongdoing, including through depositions taken of the firmly entrenched hired leadership of SAG-AFTRA.

Consequently, it is imperative that the Board of Directors immediately act to hold all responsible executives, consultants and legal counsel fully accountable and financially responsible for their travesties, including in placing their own pecuniary interests in front of the membership's interests, in these and other regards, while effectively allowing SAG-AFTRA, and their predecessor entities, to loan itself monies belonging to the membership as well as non-members, interest free. As noted above, this has occurred at a time when residuals and foreign royalties have been withheld, the size of the staff responsible for collecting and/or distributing said monies has increased, and the amount expended towards salaries and retainers has skyrocketed even though distributions have significantly plummeted if not stopped entirely in certain instances.

Likewise, we demand access to all Collective Bargaining Agreements, including Sideletters with the AMPTP, referencing the subject matter of residuals and foreign royalties, and that SAG-AFTRA produce its authority for the proposition that SAG-AFTRA was sanctioned by governmental authorities to avoid California's escheat laws, let alone allowed to *keep* all of the foreign levies money it collects or to *use* all of the foreign levies money which is otherwise due to the membership as well as non-members, including for uncovered work. The latter proposition as espoused by SAG-AFTRA's hired leadership contemporaneous with reports that our Union has not and cannot even distribute residuals is indicative of flagrant disregard for the fiduciary duties flowing from applicable federal labor laws, including 29 USC Sections 401, et seq. and 501, et seq. not to mention civil and penal statutes condemning acts of conversion and fraud.

We have learned that at least one agreement affording SAG the right to collect our foreign royalties which expired on December 31, 2011 has been renewed, presumably in the name of SAG-AFTRA. By this letter we are also demanding the opportunity to review the same immediately, including with our legal counsel, and would request that an appointment time be set up within the next two weeks to permit such a review.

**Demand for Immediate Response and Board Appearance**

We look forward to receiving your response on or before October 2, 2012. Absent a

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Re: Restoral of Trust and Accountability

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satisfactory response, we will have no other choice than to resort to judicial relief not only contesting the right of SAG-AFTRA to collect foreign royalties in the first place, but to wrongfully withhold the same as well as Residuals, and all interest earned thereon, either on the guise that California no longer has an interest in the affairs of our labor organization, or that SAG-AFTRA does not have to be accountable for its continuing and deliberate disregard for the rights of its members.

Likewise, if SAG-AFTRA has entered into additional agreements affording it the right to retain for "institutional or social purposes" a percentage of residuals, and to withhold escheating of alleged "undistributable" residuals to the State of California, then we, the membership, are certainly entitled to know about the same. As citizens of California, we definitely believe that California has a greater interest in protecting its members than a State which has legislatively authorized escheating for only its residents, to our continuing detriment.

Since some of us have sat on the Board of Directors at various times, we wish to dispel the notion that Crabtree-Ireland previously generated to hopefully deflect attention from the Demand for Accountability that was served upon SAG's Offices in December 2011, particularly since we expect such a cavalier response to this letter as well.

Elected leaders are dependent upon truthfulness and accountability not only from those running the day-to-day operations of our Union, but our accountants, labor consultants and lawyers upon whose advice we must depend. Selectively withholding critical information over the past decade from the elected leadership, while engaging in doublespeak ever since these issues began playing out in the Courts and in the trades can no longer be tolerated. The membership and its elected leaders have clearly been misled and deliberately misinformed, necessitating that we ask you to remedy this situation immediately and forevermore.

We offer the Board the opportunity to meet with us and our legal counsel to air our concerns and to respond to all questions that the current elected leadership may wish to pose. We are likewise willing to tape or have transcribed all meetings in these regards so there are no misunderstandings henceforth. If the Board of Directors declines to so meet, so be it. However, a refusal to permit immediate access to specified Agreements and Union Records and a timely rejection of our demand for an audit and the disgorgement of profits and interest earned at the expense of Performers, over the course of the past decade in connection with both the Residuals and Foreign Royalties programs, by not only the Union but all benefiting entities and individuals, including consultants and

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**Re: Restoral of Trust and Accountability**

**September 11, 2012**

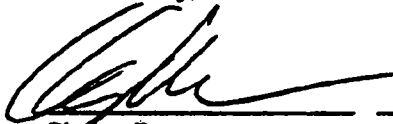
**Page 10:**

**advisers, will provide us with no other option than to submit a verified application to the Court seeking the right to pursue such relief, in addition to all other remedies available for unlawful conversion and fraud against the offending parties.**

**Towards this end, repayment of outlandish expenses incurred in connection with the recent trip to China, would be an appropriate starting point.**

**In the interim, please feel free to contact our legal counsel, Helena Sunny Wise, 1907 W. Burbank, Suite A, Burbank, California 91506, at 818-843-8086, to schedule USAC's appearance before the Board.**

**In Solidarity,**



**Clancy Brown**

**Ed Asner**

**Eric Hughes**

**William Richert**

**Tom Bower**

**Terrence Beasor**

**Dennis Hayden**

**Steven Barr**

**Alex McArthur**

**Ed O'Ross**

**Roger Callard**

**William Hayden**

**Louis Reeko Meserole**

**George Coe**

**Russell Gannon**

**cc: H.S. Wise, Esq.**



Re: Restoral of Trust and Accountability  
September 11, 2012  
Page 10:

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Re: Restoral of Trust and Accountability  
September 11, 2012  
Page 10:

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cc: H.S. Wise, Esq.

Re: Restoral of Trust and Accountability

September 11, 2012

Page 10:

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cc: H.S. Wise, Esq.

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Re: Restoral of Trust and Accountability

September 11, 2012

Page 10:

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cc: H.S. Wise, Esq.

*GS*

Re: Restoral of Trust and Accountability  
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Page 10:

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Page 10:

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Towards this end, repayment of outlandish expenses incurred in connection with the recent trip to China, would be an appropriate starting point.

In the interim, please feel free to contact our legal counsel, Helena Sunny Wise, 1907 W. Burbank, Suite A, Burbank, California 91506, at 818-843-8086, to schedule USAC's appearance before the Board.

In Solidarity,

\_\_\_\_\_  
Clancy Brown

\_\_\_\_\_  
Ed Asner

\_\_\_\_\_  
Eric Hughes

\_\_\_\_\_  
William Richert

\_\_\_\_\_  
Tom Bower

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Terrence Beasor


  
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Roger Callard

  
\_\_\_\_\_  
William Hayden

  
\_\_\_\_\_  
Louis Reeko Meserole

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George Coc

  
\_\_\_\_\_  
Russell Gannon

cc: H.S. Wise, Esq.

Re: Restoral of Trust and Accountability

September 11, 2012

Page 10:

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George Coe

\_\_\_\_\_  
Russell Gammon

cc: H.S. Wise, Esq.

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Re: Restoral of Trust and Accountability  
September 11, 2012  
Page 10:

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Clancy Brown	Ed Asner	Eric Hughes
William Richert	Tom Bower	Terrence Beasor
Dennis Hayden	Steven Barr	 09/11/12 Alex McArthur
Ed O'Ross	Roger Callard	William Hayden
Louis Reeko Meserole	George Coe	Russell Gammon

cc: H.S. Wise, Esq.

99



Re: Restoral of Trust and Accountability

September 11, 2012

Page 10:

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George Coe

\_\_\_\_\_  
Russell Gammon

cc: H.S. Wise, Esq.

100


Re: Restoral of Trust and Accountability  
September 11, 2012  
Page 10:

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_____ William Richert	_____ Tom Bower	_____ Terrence Beasor
_____ Dennis Hayden	_____ Steven Barr	_____ Alex McArthur
_____ Ed O'Ross	 _____ Roger Callard	_____ William Hayden
_____ Louis Reeko Meserole	_____ George Coe	_____ Russell Gammon

cc: H.S. Wise, Esq.

101

# **EXHIBIT E**

**Fw: SAG-AFTRA - United Screen Actors Committee**

---

**From:** Patricia Villaseñor <ppvbjv@sbcglobal.net>  
**To:** sunny wise  
**Subject:** Fw: SAG-AFTRA - United Screen Actors Committee  
**Date:** Sep 25, 2012 2:50 PM  
**Attachments:** SAG-AFTRA-United Screen Actors Committee.pdf

---

--- On Tue, 9/25/12, Robert A. Bush <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)> wrote:

From: Robert A. Bush <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)>  
Subject: SAG-AFTRA - United Screen Actors Committee  
To: "ppvbjv@sbcglobal.net" <[ppvbjv@sbcglobal.net](mailto:ppvbjv@sbcglobal.net)>, "[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)" <[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)>  
Cc: "Duncan Crabtree-Ireland" <[dcir@sagaftra.org](mailto:dcir@sagaftra.org)>  
Date: Tuesday, September 25, 2012, 2:47 PM

Attached please find a letter in connection with the above subject matter.

Joan M. Silver, Legal Assistant to Robert A. Bush

**Bush Gottlieb Singer López Kohanski Adelstein & Dickinson**

500 North Central Avenue, Suite 800

Glendale, CA 91203

[jsilver@bushgottlieb.com](mailto:jsilver@bushgottlieb.com)

(818) 973-3259 direct

(818) 973-3200 main

(818) 973-3201 facsimile

=====  
This e-mail message from the law firm of Bush Gottlieb et al. is intended only for named recipients. It contains information that

Exp. E

**BUSH GOTTLIEB SINGER LÓPEZ  
KOHANSKI ADELSTEIN & DICKINSON  
A Law Corporation**

David Adelstein  
David E. Ahdoot  
Jeffrey R. Boxer  
Robert A. Bush  
Pamela Chandran  
Erica Deutsch  
Peter S. Dickinson+

500 North Central Avenue  
Suite 800  
Glendale, California 91203  
Telephone (818) 973-3200  
Facsimile (818) 973-3201

Ira L. Gottlieb\*  
Joseph A. Kohanski\*  
Robert Kropp, Jr.  
Miriam López  
Hope J. Singer  
Jason Wojciechowski  
Melvin Yee

\* Also admitted in New York  
+Also admitted in Nevada

File No: 11840-0000

September 25, 2012

Direct Dial No.:  
(818) 973-3205  
RBush@BushGottlieb.com

**VIA E-MAIL AND U.S. MAIL**

Helena Sunny Wise  
Law Offices of Helena Sunny Wise  
3111 W. Burbank Boulevard, Suite 101  
Burbank, CA 91505

Re: SAG-AFTRA - United Screen Actors Committee

Dear Sunny:

My client, SAG-AFTRA, received a letter dated September 11, 2012 on the letterhead of the "United Screen Actors Committee" regarding various alleged deficiencies in the union's collection and distribution of residuals and foreign royalties. That letter demanded that we respond on or before September 25 and invited us to reach out to you as counsel to those who sent the letter. I called your office today and was told that you were out of the office until October 7.

Please give me a call when you return to your office so that we might discuss the assertions in that letter.

Very truly yours,

Bush Gottlieb Singer López  
Kohanski Adelstein & Dickinson  
A Law Corporation

  
Robert A. Bush

RAB:jms

cc: Duncan Crabtree-Ireland

## SAG-AFTRA and USAC

---

**From:** Law Offices of Helena Sunny Wise <lawofficesofhelenasunnywise@earthlink.net>  
**To:** "Robert A. Bush"  
**Cc:** ppvdjv <ppvdjv@sbcbglobal.net>  
**Subject:** SAG-AFTRA and USAC  
**Date:** Sep 25, 2012 3:38 PM

---

Bob – Your letter of today has been forwarded to me, although it mistakenly states I will be out until the 7th. I am prepared to discuss the USAC letter with you, during my absence from the office, or to alternatively respond to any letter you wish to send. Please advise me of the best time to reach you in these regards, if you are genuinely desirous of having a telephone conversation.

I can assure you my clients are clearly desirous of discussing these matters with the Board of Directors and would suggest that a meeting before the Board be scheduled for an appearance by not only my clients, but myself as well. To suggest that the letter which has been received by your clients and now your office is self-explanatory is to put it mildly.

I look forward to hearing from you in these regards.

Sunny Wise

105

# EXHIBIT F

106

LAW OFFICES OF  
**HELENA SUNNY WISE**

---

1907 W. BURBANK BOULEVARD, SUITE A • BURBANK, CALIFORNIA 91506  
(818) 843-8086 • FAX (818) 843-7958 • (323) 849-3317

October 17, 2012

E-Mail and FAX

Bob Bush, Esq.  
BUSH, GOTTLIEB, SINGER, LOPEZ  
KOHANSKI, ADELSTEIN, DICKINSON  
500 North Central Avenue, Suite 800  
Glendale, California 91203

Re: DEMAND FOR ACCOUNTABILITY AND ACCOUNTING

Dear Bob:

On September 27, 2012, you and I discussed extensively your inability to promptly respond to the Demand for Accountability which my clients, Clancy Brown, Ed Asner, Eric Hughes, William Richert, Tom Bower, Terrence Beasor, Dennis Hayden, Steven Barr, Alex McArthur, Ed O'Ross, Roger Callard, William Hayden, Louis Reeko Meserole, Ron Haake, Russel Gammon and George Coe, collectively members of the United Screen Actors Committee (USAC), served upon Co-Presidents Ken Howard and Roberta Reardon. Because David White and Duncan Crabtree-Ireland were according to you in Canada, you requested that I delay the deadline for providing a response for approximately two weeks, including to permit General Counsel Crabtree-Ireland to return from a planned vacation following the Conference in Canada.

In the interim, SAG-AFTRA has resorted to the trades to deny allegations and has presumably used much of this time to start covering its tracks. Accordingly the phrase, "time is up", is clearly apropos. Since my clients and presumably other members have been invited to observe the Board Meeting scheduled for October 22, 2012, if by chance, literally through a lottery, my clients are chosen to observe and since I clearly indicated to you that my clients want their concerns as expressed in the letter dated September 11, 2012 on the Agenda, with ample opportunity to address the Board concerning same, your response as to whether this is going to occur is required and undoubtedly anticipated.

As indicated, USAC wants accountability, for not just foreign royalties as you repeatedly emphasized, but residuals and other matters which a Labor Organization is required to ensure, but SAG-AFTRA has apparently ignored to the detriment of the membership. Relative to our discussion in these regards, I would appreciate it if you would confirm when, if at all, within the next ten days, access to all applicable Agreements referenced in the letter dated September 11, 2012 will be provided, in addition to the International Agreement which you have referenced as having just been negotiated as well, particularly since you appear to believe it pertains to the terms and conditions of employment of the SAG-AFTRA membership.

Exh. F

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October 17, 2012

Re: USAC Demands

Page 2:

Until I hear from you, I would simply note that the presence of Labor-Management Consultant Robert Hadl at the Canadian Convention, along with the Union's executive leadership, has been duly noted.

Your prompt response is anticipated.

Very truly yours,

HELENA S. WISE

HSW:gbg

cc: Members of USAC

108

# EXHIBIT G

**RE: USAC Accountability**

---

**From:** "Robert A. Bush" <rbush@bushgottlieb.com>  
**To:** 'Law Offices of Helena Sunny Wise'  
**Subject:** RE: USAC Accountability  
**Date:** Oct 18, 2012 1:25 PM

---

Sunny:

The union's officers, in the coming week, will review the various allegations and requests in the September 11 correspondence and your October 17 correspondence, and I will get back to you after that review. I will not respond to either of those letters now except to note that I think you understand that I emphatically disagree with the assertions, allegations and characterizations made in both letters (including references in the October 17 letter regarding member attendance at the upcoming National Board meeting) and to note that the major SAG-AFTRA collective bargaining agreements are accessible to anyone on the SAG-AFTRA website.

Robert Bush

Bush Gottlieb Singer López Kohanski Adelstein & Dickinson  
500 North Central Avenue, Suite 800  
Glendale, CA 91203  
work (818) 973-3205  
cell (818) 398-7663

-----Original Message-----

From: Law Offices of Helena Sunny Wise  
[mailto:lawofficesofhelenasunnywise@earthlink.net]  
Sent: Wednesday, October 17, 2012 12:43 PM  
To: Robert A. Bush  
Subject: USAC Accountability

See attached letter!

=====

This e-mail message from the law firm of Bush Gottlieb et al. is intended only for named recipients. It contains information that may be confidential, privileged, attorney work product, or otherwise exempt from disclosure under applicable law. If you have received this message in error, are not a named recipient, or are not the employee or agent responsible for delivering this

EXH. 6

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9/15/2013 6:12 PM

message to a named recipient, be advised that any review, disclosure, use, dissemination, distribution, or reproduction of this message or its contents is strictly prohibited. Please notify us immediately at (818) 973-3200 that you have received this message in error, and delete the message. Thank you.

///

## Letter of September 11, 2012

---

**From:** "Robert A. Bush" <rbush@bushgottlieb.com>  
**To:** 'Law Offices of Helena Sunny Wise'  
**Subject:** Letter of September 11, 2012  
**Date:** Oct 24, 2012 4:39 PM

---

Sunny:

The September 11, 2012 letter addressed to Ken Howard, Roberta Reardon and the members of the SAG-AFTRA Board of Directors will be reviewed at its meeting scheduled for this coming weekend. Your clients will not be invited to address the Board at this time. Or course, the Board has the right to decide that it would like to invite your clients or any other members to attend a future meeting.

Robert Bush  
Bush Gottlieb Singer López Kohanski Adelstein & Dickinson  
500 North Central Avenue, Suite 800  
Glendale, CA 91203  
Work: (818) 973-3205  
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=====

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**RE: SAG-AFTRA and USAC**

---

**From:** "Robert A. Bush" <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)>  
**To:** 'Law Offices of Helena Sunny Wise'  
**Subject:** RE: SAG-AFTRA and USAC  
**Date:** Jan 9, 2013 2:32 PM

---

Sunny:

In response to your letter of December 17, we will be willing to meet with any of your clients if they are currently members in good standing of SAG-AFTRA, or if they have previously received, or are currently owed, foreign royalties pursuant to agreements negotiated by SAG or AFTRA. We will be prepared to discuss in that meeting many of the questions you raised in your September 11 letter regarding the process and problems with regard to the distribution of foreign royalties. However, while we will provide copies of any collective bargaining agreements that pertain to this issue, we will not be able to provide any of the other documents you have requested. Please let me know if you would still like to meet and, if so, provide me some dates that you might be available to do so.

**Robert Bush**  
**Bush Gottlieb Singer López Kohanski Adelstein & Dickinson**  
500 North Central Avenue, Suite 800  
Glendale, CA 91203  
work (818) 973-3205  
cell (818) 398-7663

**From:** Law Offices of Helena Sunny Wise [<mailto:lawofficesofhelenasunnywise@earthlink.net>]  
**Sent:** Wednesday, December 19, 2012 8:50 AM  
**To:** Robert A. Bush  
**Subject:** Re: SAG-AFTRA and USAC

Bob -- I assume you have referred my letter to your clients. Materials and information requested can be compiled, and upon your return we can meet the first week in January. Otherwise, I will assume this is like the vacation of your clients at the end of September that despite it eventually ending, to this day has not produced a substantive response to the original demand letter, let alone my letter of October 17th and the E-Mails exchanged thereafter. I at least had one client weathering Hurricane Sandy ...

If you have not forwarded my letter, please do so.

Sunny Wise

1/3

-----Original Message-----

>From: "Robert A. Bush"

>Sent: Dec 19, 2012 7:00 AM

>To: Law Offices of Helena Sunny Wise

>Subject: Re: SAG-AFTRA and USAC

>

>Sunny. Your letter arrived just as I was leaving for a vacation. Between my vacation and those of my client, I am afraid I will not be able to review and respond to your letter until after December 31. Since you did not respond to my last communication for almost two months, I hope you will appreciate the need for my having a few weeks.

>Bob

>

>Sent from my iPhone

>

>On Dec 17, 2012, at 3:58 PM, "Law Offices of Helena Sunny Wise" wrote:

>

>> Bob – Please see attached letter.

>>

>> Sunny Wise

>>

>

114

**Re: SAG-AFTRA and USAC**

---

**From:** "Robert A. Bush" <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)>  
**To:** Law Offices of Helena Sunny Wise  
**Subject:** Re: SAG-AFTRA and USAC  
**Date:** Jan 22, 2013 9:24 AM

---

Sunny. This week won't work for me and next week is also tough. The following week would be great. At this point I could meet any day.

Sent from my iPhone

On Jan 19, 2013, at 11:47 AM, "Law Offices of Helena Sunny Wise" <[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)> wrote:

Bob -- At long last I can provide two dates to meet -- this coming Tuesday the 22nd or Thursday the 24th, between 10 and 1. I will bring members in good standing or ones who have previously received foreign royalties. Please confirm the date. I would assume that Tuesday is too soon.

Since you continue to focus on foreign royalties, this case also involves residuals, and after Neville Johnson's latest filing against the studios, possibly Home Videos as well. Do we have an accountability issue on the latter as well?

I understand you do not intend to allow for review of Collecting Society agreements, previously labeled as Collective Bargaining Agreements by SAG's counsel. Nonetheless, please confirm if you intend to share up to date accounting information which traces all monies received from abroad up through and including the performers share determinations that Price Waterhouse recently focused upon in the Audit released after USAC's 1st written demand was served upon SAG-AFTRA, and long after Clancy Brown and his colleagues initiated the 1st demands for accountability in December of 2011.

I look forward to hearing from you. Please feel free to call me at 818-968-3515 to confirm date and time of meeting. Please also advise as to who from SAG-AFTRA will be attending out meeting.

Thanks,

Sunny Wise

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From: "Robert A. Bush"  
Sent: Jan 9, 2013 1:32 PM  
To: 'Law Offices of Helena Sunny Wise'  
Subject: RE: SAG-AFTRA and USAC

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117

**RE: SAG-AFTRA and USAC**

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**From:** "Robert A. Bush" <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)>  
**To:** '[Law Offices](#) of Helena Sunny Wise'  
**Subject:** RE: SAG-AFTRA and USAC  
**Date:** Jan 23, 2013 4:08 PM

---

Sunny:

You have our position in my emails to you. Let me know if you are still interested in meeting. Please keep in mind that I will need a little lead time because I want to be able to revisit the data and give you and your clients accurate information. I don't have that off the top of my head and it will take me a little time to get caught up. So, again, let me know with some lead time when you would like to meet.

Bob

**From:** Law Offices of Helena Sunny Wise [<mailto:lawofficesofhelenasunnywise@earthlink.net>]  
**Sent:** Tuesday, January 22, 2013 1:39 PM  
**To:** Robert A. Bush  
**Subject:** Re: SAG-AFTRA and USAC

Bob -- See attached letter!

-----Original Message-----

**From:** "Robert A. Bush"  
**Sent:** Jan 22, 2013 9:58 AM  
**To:** "[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)"  
**Subject:** Re: SAG-AFTRA and USAC

And those delays were caused by us or by you?

Sent from my iPhone

On Jan 22, 2013, at 9:31 AM, "[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)" <[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)> wrote:

Thursday this week. My clients will not agree to anymore delays!  
Sent from my [Verizon Wireless](#) BlackBerry

---

**From:** "Robert A. Bush" <[rbush@bushgottlieb.com](mailto:rbush@bushgottlieb.com)>  
**Date:** Tue, 22 Jan 2013 08:24:28 -0800  
**To:** Law Offices of Helena Sunny Wise <[lawofficesofhelenasunnywise@earthlink.net](mailto:lawofficesofhelenasunnywise@earthlink.net)>  
**Subject:** Re: SAG-AFTRA and USAC

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119

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**To:** Robert A. Bush  
**Subject:** Re: SAG-AFTRA and USAC

Bob -- I assume you have referred my letter to your clients. Materials and information requested can be compiled, and upon your return we can meet the first week in January. Otherwise, I will assume this is like the vacation of your clients at the end of September that despite it eventually ending, to this day has not produced a substantive response to the original demand letter, let alone my letter of October 17th and the E-Mails exchanged thereafter. I at least had one client weathering Hurricane Sandy ...

If you have not forwarded my letter, please do so.

Sunny Wise

-----Original Message-----

>From: "Robert A. Bush"

>Sent: Dec 19, 2012 7:00 AM

>To: Law Offices of Helena Sunny Wise

>Subject: Re: SAG-AFTRA and USAC

>

>Sunny. Your letter arrived just as I was leaving for a vacation. Between my vacation and those of my client, I am afraid I will not be able to review and respond to your letter until after December 31. Since you did not respond to my last communication for almost two months, I hope you will appreciate the need for my having a few weeks.

>Bob

>

>Sent from my iPhone

>

>On Dec 17, 2012, at 3:58 PM, "Law Offices of Helena Sunny Wise" wrote:

>

>> Bob -- Please see attached letter.

>>

>> Sunny Wise

>>

>

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# EXHIBIT H

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LAW OFFICES OF  
**HELENA SUNNY WISE**

---

1907 W. BURBANK BOULEVARD, SUITE A • BURBANK, CALIFORNIA 91506  
(818) 843-8086 • FAX (818) 843-7958 • (323) 849-3317

December 17, 2012

E-Mail and FAX

Bob Bush, Esq.  
BUSH, GOTTLIEB, SINGER, LOPEZ  
KOHANSKI, ADELSTEIN, DICKINSON  
500 North Central Avenue, Suite 800  
Glendale, California 91203

Re: USAC DEMAND FOR ACCOUNTABILITY AND ACCOUNTING

Dear Bob:

We are on the eve of three months passing since my clients, the United Screen Actors Committee, served SAG-AFTRA with its Demand for Accountability and Accounting of Residuals and Foreign Royalties. The only response has largely been a denial on your part of any wrongdoing, a website posting of a statement about a purported audit, and an E-Mail from you on October 30, 2012 stating that the Board at its October Meeting found no merit to USAC's claims. The latter occurred even though neither my clients nor I were invited or allowed to address the Board on these critical issues, despite my letter of October 17, 2012 renewing our request for a formal appearance in lieu of the lottery which SAG-AFTRA indicated would be used to fill audience seats thus qualifying an attendee to participate in limited "public comment".

On October 30, you also graciously offered to meet with me to explain how Residuals and Foreign Royalties work, even though, as you are well aware, I have represented clients over the course of three decades where issues about the Pre and Post-60s Markets as well as supplemental Agreements covering a vast array of technological changes have been raised. Nonetheless, I stated a willingness to have a meeting and in turn proposed bringing certain of my clients with me, at which time I indicated your client should also make available the pertinent Collective Bargaining Agreements and Accounting Records for review. You in turn stated you had no objections to meeting with me and certain of my clients, but that under no circumstances would you meet with purported "non-members", Eric Hughes, William Richert or Louis Reeko Messerole who joined with others in sending the original demand letter.

I have reconfirmed that each of these individuals have performed SAG-covered work and have received residuals and foreign royalties, in most cases delivered directly to them by SAG at various times over the past several decades. Ironically, William Richert even received a check after you refused to meet on the guise Richert was a non-member, while at court hearings in the *Ken Osmond* action, SAG's counsel even conceded that Eric Hughes was a member under his stage name. You will also find that Louis Messerole, better known as "Reeko", has Guild membership, although for financial reasons he has withdrawn at times.

Exh. A

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December 17, 2012  
Re: USAC Demands  
Page 2:

Regardless of whether one is or is not a SAG or AFTRA member, the fact remains that SAG prior to the merger accepted monies from Producers as well as Foreign Collecting Societies on behalf of SAG and AFTRA members and non-members, including on covered as well as non-covered work. It is the endorsing of residual checks issued either directly in the names of my clients and others, or on behalf of same, as well as the receipt of wire transfers of monies collected in foreign countries for the audiovisual performances of members and non-members, and the attendant failure to timely distribute monies to the rightful owners, without deductions, that continues to concern us.

Likewise, and without waiving our position that the labor organization does not have the right to collect the "performers share" of foreign royalties, absent execution of individual assignments by members and non-members alike, it is what the labor organizations have done with the monies collected that prompts a renewed invitation for SAG-AFTRA to come clean in these regards, if federal litigation is to be avoided. As discussed on the telephone, divvying up of a portion of monies collected from abroad, to the Producers who could not legitimately obtain the "performers share" to begin with, remains a concern, notwithstanding the Agreement drafted primarily by Joel Grossman when he was at SONY, well before his move to JAMS as a Mediator. You stated that Agreement has since been renewed and we would of course demand access to same and the AMPTP's original and subsequent proposals, if any, to verify what the Producers were threatening if a "producers share" was not carved out of the "performers share" of the foreign royalties, *i.e. to diminish if not abolish residuals or reduce wage rates.*

Irrespective of the merits of such a threat, if made, same could not sanctify a further dilution of the "performers share" of foreign royalties simply because the Producers' "blessed" payment of a 15% indulgence to SAG.

As you are well aware, retention of monies by the Union invites accusations about a lack of transparency and profiting at the expense of members and non-members alike, if not claims of racketeering as well. Even in the *Federal Insurance* litigation, SAG's liability carrier has declined a demand to pay attorneys fees which SAG agreed to pay Neville Johnson and Paul Kiesel in a lopsided "Class Action" settlement negotiated by Joel Grossman, without proper notice prior to certification of the class ever being given. Because of same, counsel for SAG's carrier has repeatedly referred to the concept that "disgorgement of profits" is warranted.

Even the United States Supreme Court this past year, in *Knox vs. SEIU*, 567 U. S. \_\_\_\_, has reminded us in yet another agency shop context, that a labor union cannot extract a loan from unwilling nonmembers even if the money is later repaid. In the same vein, adding and hiding language in the newly approved SAG-AFTRA Constitution and By-laws to authorize membership fees and assessments relative to residuals and foreign royalties will not insulate past actions, while the propriety of such language operating prospectively, under the circumstances at hand, is suspect at best.

If you wish to meet, kindly remove your reservations about who is brought to the meeting and

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December 17, 2012  
Re: USAC Demands  
Page 3:

confirm that you will have all applicable Collective Bargaining Agreements, Foreign Collecting Society Agreements, Side Letters, Memorandums of Understanding, or whatever description the labor organization is now ascribing to the pieces of paper which memorialize the authority for SAG and AFTRA past and now SAG-AFTRA's ongoing receipt of residuals and foreign royalties, if not the retention thereof as well. At present, it appears that the records which should be produced include:

- 1) The Foreign Video Levy Agreements between the Screen Actors Guild, Inc., on the one hand, and the Alliance of Motion Picture and Television Producers, on the other hand, dated October 1, 1992, October 1, 1997, January 1, 2002, and the recent Agreement extending the Foreign Video Levy Agreement;
- 2) All Agreements between the Screen Actors Guild, Inc. and
  - a) IFTA Collections (formerly AFMA Collections);
  - b) Fintage House; and,
  - c) Compact Media Group (formerly Compact Collections).
- 3) All agreements into which the Screen Actors Guild, Inc. and now the Screen Actors Guild-American Federation of Television and Radio Artists has entered under Paragraph 5. of the Foreign Video Levy agreement, with the following collecting societies:
  - a) ADAMI Société Civile pour L'Administration des Droits des Artistes et Musiciens Interprètes (France);
  - b) AISGE Artistas Intérpretes, Sociedad de Gestión (Spain);
  - c) CPRA とは 実演家著作隣接権センター (Japan);
  - d) FILMKOPI (Denmark);
  - e) FINTAGE (Netherlands);
  - f) FRF-VIDEO Filmproducenternas Rättighetsförening (Sweden);
  - g) GDA Gestão dos Direitos dos Artistas, Intérpretes ou Executantes (Portugal);
  - h) GEDIPE Associação Para a Gestão de Direitos de Autor, Produtores e Editores (Portugal);
  - i) GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH (Germany);
  - j) SGAE Sociedad General de Autores y Editores (Spain);

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December 17, 2012  
Re: USAC Demands  
Page 4:

- k) SWISSPERFORM Gesellschaft für Leistungsschutzrechte (Switzerland);
- l) THUISKOPIE Stichting de Thuis kopie (Netherlands); and
- m) VEVAM Vereniging ter Exploitatie van Vertoningsrechten op. Audiovisueel Materiaal (Netherlands).

Since USAC members have performed work falling within AFTRA's jurisdiction, kindly provide the same Agreements referenced in 1-3, including subparts a-m, for AFTRA, as well.

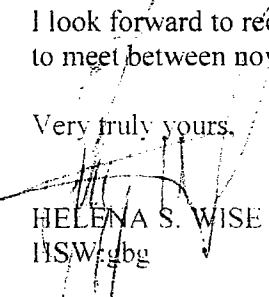
Similarly, in light of the recent posting about an Audit, kindly have available all documentation reviewed by your accountants in these regards, including the time frame of records audited. It appears that SAG takes the position accountability was extinguished relative to the handling of foreign royalties in the years leading up to judicial approval of the Settlement in the *Ken Osmond* Action. If this continues to be the labor organizations' position, then kindly advise, particularly since exculpatory language does not bode well under applicable federal laws governing SAG-AFTRA and its predecessors, while the lack of standing of SAG on the one hand and Neville Johnson and Paul Kiesel on the other to negotiate away vested rights of members and non-members alike should be obvious.

If SAG-AFTRA believes the Audit also pertains to Residuals, please be prepared to describe whether SAG and AFTRA, and now SAG-AFTRA collectively, have located and disbursed to the rightful owners and/or their heirs the more than 77,266 residual checks which have been unlawfully endorsed to permit said monies to be kept in the Unions' coffers. Because this is also linked to the processing of checks by Film Production Services, kindly provide a copy of all such agreements between the labor organization(s) and said entity relative to the receipt, handling and disbursement of residuals.

Finally, USAC also desires to see the Consultant Agreement(s) with Robert Hadl, in light of the substantial monies paid to Robert Hadl according to LM-2s in USAC's possession.

I look forward to receiving your response, by scan and FAX. In the meantime, we are available to meet between now and December 31, 2012.

Very truly yours,

  
HELENA S. WISE  
HSW:gbg

cc: Members of USAC

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# EXHIBIT I

LAW OFFICES OF  
**HELENA SUNNY WISE**

---

1907 W. BURBANK BOULEVARD, SUITE A • BURBANK, CALIFORNIA 91506  
(818) 843-8086 • FAX (818) 843-7958 • (323) 849-3317

January 22, 2013

E-Mail and FAX

Bob Bush, Esq.  
BUSH, GOTTLIEB, SINGER, LOPEZ  
KOHANSKI, ADELSTEIN, DICKINSON  
500 North Central Avenue, Suite 800  
Glendale, California 91203

Re: USAC DEMAND FOR ACCOUNTABILITY AND ACCOUNTING

Dear Bob:

I reviewed your response to my E-Mail repeating our request for a meeting this week. Your reply, "*And those delays were caused by us or by you?*" seemingly ignores what has happened since SAG-AFTRA was served with USAC's Demand for Accountability in September 2012.

When I conversed with you while I was in Alabama on September 27<sup>th</sup>, 2012, because you were requesting additional time to respond to USAC's letter, you indicated a response would be forthcoming upon your clients return from Canada and the brief vacations which were to follow. Although I provided you with that time, you never responded, but rather an Accounting purporting to address Foreign Levies issued and SAG-AFTRA advertised a lottery to determine seating at its October Board Meeting. We requested an invitation to the Board meeting. No invitation was extended and instead, according to you, the Board purportedly discussed USAC's issues and concerns without my clients input, and then purportedly denied all of the allegations levied. When I contacted you regarding these matters, you then offered to meet.

I proposed names. You balked at names mentioned. I requested a response to USAC's letter in writing and again discussed attendance at a meeting in your office, while also responding to your claims that certain individuals lacked standing to participate. No response was received, thus prompting my letter of December 17<sup>th</sup>.

As you are aware, I requested a meeting again. You went on vacation. You returned and two weeks later offered dates. I responded within the week with available dates and now you are once again, not available. Thursday, January 24<sup>th</sup>, between 10 and 1 is again offered. Your affirmative response will be appreciated to not only the date and time, but to my request to have a detailed reply to USAC's concerns, relative to the accounting of Residuals, Foreign Royalties, and now Home Video/DVDs as well.

It may very well be that by stating you will not allow for review of the Agreements with Collecting Societies, your intentions are simply to procrastinate to permit additional documents

Exh I

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January 22, 2013

USAC Demands

Page 2:


to be generated by the SAG-AFTRA staff and accountants. If we are simply spinning our wheels and delaying the inevitable -- a lawsuit seeking accountability, damages, and the entire panalopy of remedies distraught union and non-union members can avail themselves to -- then say so.

If you genuinely wish to meet, I would hope you intend to provide something other than the Master Collective Bargaining Agreement(s) and the recently released "accounting". We have both, while the conveniently released "Accounting" which was posted after SAG-AFTRA received the initial correspondence from USAC creates greater issues since it appears to distinguish between Foreign Royalties (the 100% Performers Share) and Foreign Levies, from which a specially created Producers Share, along with Administrative Expenses, Consulting and legal fees has already been deducted.

With respect to Residuals, nothing more has been offered by your office, let alone the accountants, relative to Unclaimed Residuals, pay-outs, expenses and retentions.

I look forward to receiving your response.

Very truly yours,

  
HELENA S. WISE

HSW:gbg

cc: Members of USAC

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# EXHIBIT J

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# SCREEN ACTORS GUILD FACSIMILE COMMUNICATION



IF THE BOX TO THE LEFT IS CHECKED, THIS TRANSMISSION IS PRIVILEGED, CONFIDENTIAL AND/OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. PLEASE REVIEW NOTICE BELOW.

DATE: June 7, 2007

TO: Neville L. Johnson, Esq.  
Johnson & Rishwain LLP

FAX: (310) 975-1095

FROM: Duncan Crabtree-Ireland

PHONE: (323) 549-6043

PAGES (including cover): 3

MESSAGE:

Re: Klugman & Osmond

Please see attached.

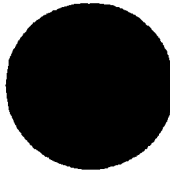
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5757 Wilshire Boulevard ☆ Los Angeles, CA 90036 ☆ Phone (323) 549-6043 ☆ Fax (323) 549-6624

Exh. J

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DUNCAN CRABTREE-IRELAND  
GENERAL COUNSEL



June 7, 2007

Neville L. Johnson, Esq.  
Johnson & Rishwain LLP  
439 N. Canon Dr., Ste. 200  
Beverly Hills, CA 90210

VIA FACSIMILE (310) 975-1095  
AND US MAIL

Re: Jack Klugman and Ken Osmond

Dear Mr. Johnson:

I write to respond to your correspondence of May 9 and May 11, 2007, regarding questions raised by your clients Jack Klugman and Ken Osmond about "foreign levies."

As I confirmed to you by telephone, Screen Actors Guild ("SAG" or "the Guild") has arrangements in place with certain foreign collecting societies ("societies") by which the Guild receives payments identified by the societies as our represented performers' share of certain levies imposed in and by certain foreign nations. These payments have been described using terms such as "foreign levies" and "foreign royalties."

As of February 28, 2007, the Guild has received a total of \$8,123,288.89 in payments under agreements with collecting societies relating to performers' share of levies. The first payments were received in 1996 for Denmark, and further payments have been gradually received over time since then. A majority of the funds received have been received within the past three and one-half years. Thus far, a small portion of the funds (approximately \$250,000) have been distributed to performers.

As you may realize, the process of allocating the lump-sum payments made by a collecting society, both with respect to allocation to projects and allocation to individual performers, is a complex one. Accordingly, the Guild has for some time been developing a specialized computer system for the purpose of efficiently and accurately allocating these sums among the projects and actors involved. We have to date made some distributions only where it was possible to do so because detailed data allocating specific sums to performers was provided by a society. Distributions of the remaining sums can be made only after the implementation of the Guild's system. We presently anticipate beginning distributions using the system in October 2007. However, because we can identify the titles for which payment has been tendered by the collecting societies, we can confirm that both Mr. Klugman and Mr. Osmond can expect to receive payments from the fund. Until implementation later this year of the computer system that will allocate payments amongst individual performers, we will be unable to determine the specific amount either of your clients will receive. As soon as that system is in operation, however, we will gladly provide that information together with an explanation of the calculations.

**SCREEN ACTORS GUILD**

5757 WILSHIRE BOULEVARD ★ LOS ANGELES, CALIFORNIA 90036-3600 ★ Tel. 323.549.6043 ★ Fax 323.395.5997  
direland@sag.org ★ www.sag.org

Branch of Associated Actors and Artistes of America / AFL-CIO • • • Affiliate of International Federation of Actors

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Mr. Neville L. Johnson  
June 7, 2007  
Page 2

Rule 17 of the Guild's Rules and Regulations has the same status as a by-law, and was adopted in 1989 by the Guild's Board of Directors in accordance with its authority to adopt rules and regulations. As you noted in your May 11 letter, the Rule authorizes the Guild to claim funds on behalf of performers and further authorizes the Guild to retain the net proceeds of such claims. That authority notwithstanding, as it has become clear over subsequent years that it will be possible to attribute amounts collected to specific projects, and consequently also to performers, the Guild has worked to identify, allocate, and distribute the funds received. We expect that course of action to continue.

The Guild, acting in its capacity as exclusive bargaining representative, has also entered into a series of agreements with producers, and with organizations representing producers' interests, in which the contractual and statutory claims of the producers to the same revenues have been addressed and resolved.

All money of this nature collected by the Guild has been collected either for Guild members, whether or not the project in question was a Guild-signatory project, or for performers who were in a Guild-represented bargaining unit working on a Guild-signatory project, whether or not they were at the time union members.

In your letters you have tendered extraordinarily broad requests to review internal documents relating to this program. You have also requested to conduct an audit to determine whether your clients are owed monies from foreign levies. It is our view that a more appropriate course of action would be for the Guild to complete the process of system implementation described earlier in this letter, which will then permit us to provide you specific information as to the sums your clients can expect to receive and how those sums were calculated. After your clients have had the opportunity to review that information and assess whether their concerns have been addressed, we can then further discuss what additional verification processes, if any, are desired, warranted, and appropriate.

This letter is not intended to constitute a comprehensive recital of the Guild's position or rights, all of which are expressly reserved.

With best regards,



DUNCAN CRABTREE-IRELAND  
General Counsel

DCI/dm

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# EXHIBIT K

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# EXHIBIT L

Anita P. Wu  
Direct Dial (213) 891-8766  
anita.wu@lw.com

## LATHAM & WATKINS LLP

November 2, 2010

### VIA E-MAIL & U.S. MAIL

Neville L. Johnson  
Johnson & Johnson LLP  
439 North Canon Drive, Suite 200  
Beverly Hills, California 90210  
E-mail: njohnson@jjllplaw.com

Paul R. Kiesel  
Kiesel, Boucher & Larson LLP  
8648 Wilshire Boulevard  
Beverly Hills, CA 90211-2910  
E-mail: kiesel@kbla.com

Re: Interim Information On Status of SAG Foreign Levies Program

Dear Neville and Paul:

Pursuant to Section V.C.1 of the Class Settlement Agreement entered into between Plaintiff Ken Osmond and Defendant Screen Actors Guild, Inc. ("SAG") in the matter entitled *Ken Osmond v. Screen Actors Guild, Inc.*, Case No. BC 377780, provided below is the specified interim information regarding the status of SAG's foreign levies program. These figures are as of October 31, 2010:

- a. Total dollar amount of the Performer's share<sup>1</sup> of Foreign Levy Funds collected by SAG from inception of SAG's foreign levies program: **\$16,368,281.02.**
- b. Total dollar amount of Foreign Levy Funds distributed to Performers from inception of SAG's foreign levies program: **\$8,467,147.74.**
- c. Total administrative fees charged on the distribution of the Foreign Levy Funds from inception of SAG's foreign levies program: **\$824,911.19.**
- d. Total dollar amount of Foreign Levy Funds currently held by SAG pending distribution to Performers (including funds received by SAG for which it has not

<sup>1</sup> All terms are used as defined in the Class Settlement Agreement.

Exh K

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355 South Grand Avenue  
Los Angeles, California 90071-1560  
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www.lw.com

### FIRM / AFFILIATE OFFICES

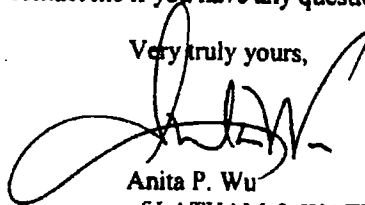
Abu Dhabi	Moscow
Barcelona	Munich
Beijing	New Jersey
Brussels	New York
Chicago	Orange County
Doha	Paris
Dubai	Riyadh
Frankfurt	Rome
Hamburg	San Diego
Hong Kong	San Francisco
Houston	Shanghai
London	Silicon Valley
Los Angeles	Singapore
Madrid	Tokyo
Milan	Washington, D.C.

LATHAM & WATKINS LLP

received corresponding Distribution Information necessary to distribute the funds): \$7,901,133.27.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Anita P. Wu', with a large, stylized loop at the end.

Anita P. Wu  
of LATHAM & WATKINS LLP

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# **EXHIBIT L**

Source URL: <http://www.hollywoodreporter.com/thr-esq/anti-sag-aftra-lawsuit-raises-564256>

## Anti-SAG-AFTRA Lawsuit Raises Many Issues, Targets Union Leadership (Analysis)

7:28 PM PDT 6/6/2013 by Jonathan Handel

- 31
- 21
- 1

The suit filed by former SAG president Ed Asner and others bears down on the union's top two staffers -- and comes just after the start of the SAG-AFTRA election process.



A recent lawsuit filed against SAG-AFTRA by disgruntled members is structured as a direct attack on national executive director **David White** and chief administrative officer and general counsel **Duncan Crabtree-Ireland**, according to a copy of the suit obtained by [The Hollywood Reporter](#).<sup>[1]</sup>

### Related Topics

• [Labor](#) (4)

"The instant action was filed because SAG-AFTRA has resisted all efforts to obtain accountability and transparency in Union finances," the plaintiffs' attorney **Helena Sunny Wise** told *THR* in an email. In that context, White and/or Crabtree-Ireland are portrayed as motivating forces behind an array of alleged improper practices relating to foreign royalties and residuals and are mentioned 49 times in the 52-page page document.

"To put it mildly," Wise said, "inquiring minds want to know."

"SAG-AFTRA is a very transparent organization," Crabtree-Ireland responded in an email. "Public annual reports with extreme detail running to hundreds of pages are filed with the Department of Labor and the [IRS](#) and are available online to all. [In addition], the union has provided comprehensive information in related class-action litigation [filed by **Ken Osmond**] that resulted in a [judicially approved] settlement."

He added, "The plaintiffs -- self-designated and not elected by anyone -- have nonetheless been offered access to review requested information, which they have declined to exercise. Instead, five months (later), the plaintiffs filed a lawsuit."

Some cited grievances against White and Crabtree-Ireland date back to 2002, when White was general counsel of the organization under the leadership of then-national executive director **Robert Pisano**, and Crabtree-Ireland was on the legal staff.

White and Crabtree-Ireland are not named as defendants in the suit, but they probably will be: The complaint (read it in full [here](#) <sup>[9]</sup>), filed on behalf of former SAG president **Ed Asner** and others, seeks court permission to add "the appropriate offending officers, employees, agents, Consultants, and representatives of SAG-AFTRA" as defendants.

The sheer length of the complaint and breadth of its assertions all but guarantee a lengthy and expensive litigation process. For that reason, *THR* is presenting an extended analysis of the complaint and SAG-AFTRA's response. Although many readers will find the detail mind-numbing, those who are concerned about the matters discussed will, we hope, welcome the in-depth examination.

The thrust of the complaint is that the union has operated its foreign royalties program incompetently and in a manner designed to improperly funnel money into the union's general fund.

Crabtree-Ireland responded that this contention had already been raised in the prior *Osmond* case and said, "The whole reason for the existence of the foreign royalties program is to collect money and get it in the hands of our members, and SAG-AFTRA and SAG have done exactly that." He added, "More than \$15 million has been distributed so far to performers, and if the union hadn't claimed those funds when we did, they would have been lost to our members forever due to foreign-collecting-society claim deadlines."

The complaint also accuses the union of acting to "solidify and whitewash the collection, disbursement and retention of Foreign Royalties and Residuals."

"Once accountability and transparency is achieved," Wise said, "Plaintiffs will pursue all avenues for relief envisioned by Congress, the Department of Labor and the Judiciary, including, if appropriate, a housecleaning, reimbursement of inappropriate expenditures, and criminal sanctions."

"The claim that the union is not being transparent is patently false," Crabtree-Ireland fired back. "The fact that (the plaintiffs) ignored the opportunity to meet and instead simply filed a lawsuit demonstrates that they are not really interested in transparency, but rather appear to be interested in filing unnecessary litigation."

The suit asks for an accounting, examination of books and records, injunctions, damages, punitive damages, attorneys fees and expenses and "establishment of an independent body to collect and pay all Foreign Royalties subject to Court supervision."

The practices complained of in the litigation include issues related to last year's union merger, union endorsement of residuals checks, delays in residuals processing, alleged failure to locate easily locatable residuals recipients and more.

[pagebreak]

### Earlier Litigation

The central allegations of the suit – namely, that the union has improperly withheld funds and stonewalled requests for information about millions of dollars held in trust by the union, and that the union has no authority to collect foreign royalties – are not unfamiliar. Whether Hollywood unions even have the right to collect foreign royalties, let alone on behalf of nonmembers and/or for movies and TV shows that aren't under their jurisdiction, was the subject of three state-court class-action lawsuits – one each against the DGA, SAG and WGA – filed in the mid-2000s.

In essence, the unions contended that without their willingness to step up and take on the collecting and disbursement role, all of the collected monies would have gone to the studios and producers – or have been retained by foreign collecting societies. Meanwhile, the plaintiffs argued that the unions cut a bad deal with the studios (i.e., that more or all of the monies should go to talent), that they had done a poor job administering, accounting for and disbursing the sums they do receive and that they had unlawfully retained a large portion of the foreign royalties due performers.

Those lawsuits were settled, with the unions permitted to make collections and disbursements, subject to reporting. Attorney **Neville Johnson**, who filed all three suits, says the process since then has not been smooth.

"The DGA is very closed and uncooperative in providing information ... and is hostile to those making inquiries," Johnson told *THR*. In contrast, he said, "the WGA seems to be making progress, but we're getting anecdotal evidence that they're uncooperative with members inquiring about payments."

Regarding SAG-AFTRA, Johnson said that two consultants are just starting their examination of the union as part of a reporting process set up in the settlement of the *Osmond* case against SAG. The new lawsuit "raises very serious questions about SAG-AFTRA's administrative process," Johnson said. "We hope the plaintiffs are successful in opening the books and relevant agreements."

Johnson is not connected to the new suit – which, in fact, would effectively undo the *Osmond* settlement by requesting appointment of "an independent body" to collect and pay foreign levies received in the U.S.

Whether the latest suit, filed in federal court, is barred by the settlement of the earlier state-court action is likely to be hotly disputed. Wise told *THR* that unlike the new suit, the *Osmond* action was not filed under federal labor law, did not address residuals, did not "seek to enforce a member's rights to accountability and transparency in Union finances" and did not encompass AFTRA's finances. She suggested that these differences would insulate the new action from any preclusive effect of the old. In addition, a Sept. 11, 2012, letter from individuals who later became the plaintiffs to the union co-presidents said that "we the undersigned were either among the 31 performers who either opted out of the *Osmond* litigation or were never even given notice of the *Osmond* litigation."

The union responded that "it's incredible that anyone would think that yet another lawsuit rehashing the same territory would be helpful. All it will do is waste further member money and union resources on unnecessary legal fees and defense costs."

In addition, the union said that only three of the plaintiffs had opted out of the *Osmond* litigation.

### Litigation and Elections

Also an issue: The new suit "seek(s) to recover damages on behalf of members and non-members alike," yet is not filed as a class action. The union told *THR* that this is improper pleading and said that the Federal Rules of Civil Procedure (FRCP) and case law make it clear that litigation is pursued solely on behalf of the named parties unless a class action under FRCP 23 is initiated.

In addition to Asner, the plaintiffs in the suit are **Clancy Brown, George Coe, Tom Bower, Dennis Hayden, William Richert, Louis Reeko Meserole, Terrence Beasor, Alex McArthur, Ed O'Ross, Roger Callard, Steven Barr, Russell Gannon, Stephen Wastell, James A. Osburn, and Eric Hughes aka Jon Whiteley**, who identify themselves collectively as the United Screen Actors Committee (USAC). Several are former SAG board members.

Although operating under a new moniker, several of the individuals have been plaintiffs in previous lawsuits against SAG prior to the merger with AFTRA. Hughes, who is also a WGA member, was an objector to the settlement of the state-court action against that union as well as an objector to the *Osmond* settlement.

Some of the USAC plaintiffs were associated with the SAG political group MembershipFirst, which controlled the union from 2005 through early 2009. It's not known, however, whether USAC will operate as a political group in this year's SAG-AFTRA elections, which are already in the early stages. Nominating petitions have been available since mid-May and are due back June 14. Candidate lists will be released several days thereafter, but until then the identity of candidates is not publicly known.

Given the timing, the litigation will likely be reflected in the election as an effort to tie the current elected leadership to the alleged issues surrounding foreign royalties. White was appointed as national executive director in January 2009 at a time when the union's board was narrowly controlled by the same political groups – including L.A.'s Unite for Strength – that control the union today. That appointment came with the firing of then-director **Doug Allen**, who was identified with MembershipFirst. Three years later, the union membership voted 82 percent in favor of the merger, a stunning reversal of fortune for MembershipFirst.

"Our membership knows and understands what the union is doing, and our plans for the future have been validated by the overwhelming vote of the membership approving the constitution and merger plans," said Crabtree-Ireland. "Historically, our members have expressed their collective frustration with people who try to use the legal system to interfere with our democratic processes."

[pagebreak]

### Foreign Royalties Defined

Foreign royalties (also called foreign levies) result from sums that collection societies in certain countries collect based on various government regulations. The societies then remit a portion of the U.S.-destined payments to the DGA, SAG-AFTRA and WGA for payment to individual "authors" (i.e., writers and directors) and performers – both union members and nonmembers.

Another portion of the collected monies is paid to the U.S. studios or producers, who under U.S. law and customary entertainment contracts are deemed the authors of the movies, television shows and other audiovisual works at issue. The fact that monies are split between the studios and talent is a consequence of balancing the contrasting U.S. and foreign definitions of "author" and was arrived at in agreements between the guilds and studios in the early 1990s.

Foreign royalties are distinct from foreign residuals. The latter are computed according to the terms of the collective bargaining agreements between the unions and studios. As confusing as residuals – and especially foreign residuals – can be, foreign royalties are even murkier.

### Specific Allegations

Among the current suit's allegations:

**\* Pisano, White, Crabtree-Ireland Alleged Scheme.** The complaint alleges that more than a decade ago, White, Crabtree-Ireland and then-national executive director **Robert Pisano** moved to diminish the union's transparency: "Commencing in or about 2002, a scheme was concocted by various staff employed by SAG, including its then Executive Director, ROBERT PISANO, as well as members of its legal staff, including WHITE and CRABTREE-IRELAND, as well as labor consultant **ROBERT HADL**, all of whom have been traditionally aligned with the interests of management, to confuse the elected leadership of SAG and the membership concerning the role and fiduciary responsibilities of SAG, as a labor organization, in collecting, distributing and accounting for monies owing to performers."

The union's response: "The allegations are factually impossible. Crabtree-Ireland didn't even begin working on foreign royalties issues until after White left SAG in 2006. The framework for the Foreign Video Levy Agreement was in place prior to White starting at the Guild in 2002. Pisano left the Guild several years prior to the beginning of mass distributions of foreign royalties. The only common interest among these three individuals was to do whatever they could to maximize the collection and distribution of foreign royalties to our members."

**\* David White's Alleged Connection to Marc Dreier.** The complaint alleges, "Transparency in and accountability of Union finances is further warranted because of a blatant refusal to disclose expenditures or receipts involving the ENTERTAINMENT STRATEGIES GROUP (ESG) where DAVID WHITE was employed after WHITE departed SAG as its General Counsel in 2005 and from which WHITE returned to SAG to become its Interim National Executive Director, following the arrest of attorney MARC DREIER who controlled ESG. The sentencing alone of DREIER, now serving twenty years in federal prison for a variety of offenses, including investment fraud affecting numerous Union Funds, and the arrest of DREIER for impersonating a representative of a Teacher's Pension Fund in Toronto, California, (sic) alone warrants full disclosure, with certain Plaintiffs having reason to believe that WHITE did not divulge the full extent of ESG's investment schemes, let alone to what degree WHITE and other former SAG employees may have if not continued to commit Labor Union funds to said ventures. In these regards, Plaintiffs note that following his return to SAG, and now as the National Executive Director of SAG-AFTRA, WHITE has ensured the funneling of continued consulting opportunities to SALLIE WEAVER who worked with WHITE at ESG and for which accountability has been actively resisted by WHITE."

The union told The Hollywood Reporter that "this is another version of the periodic meritless and ridiculous personal attacks on the union's leadership. It's an attempt to depict a degree of connection (to Dreier) that simply did not exist."

**\* Escheat Laws and Delaware Incorporation.** Prior to merger, SAG was a California corporation and AFTRA an unincorporated New York association. In contrast, pursuant to the constitution and bylaws approved by members in the merger vote, SAG-AFTRA is incorporated in Delaware. The union's leaders say this was in order to take advantage of features of Delaware corporate law that allow for greater flexibility in structuring the legal entity, SAG-AFTRA.

The complaint – and merger opponents at the time the merger was being voted on – charges a different purpose, arguing that the move was designed to allow the union to hold and control unclaimed residuals and foreign royalties that would otherwise have escheated (i.e., transferred) to the state under unclaimed property laws.

By incorporating in Delaware, says the complaint, the union avoids California law, and instead is subject to Delaware law. Since few SAG-AFTRA members live in Delaware, the effect of this according to the complaint is that no escheat laws are applicable where the majority of SAG-AFTRA members live, California, allowing the union to maintain control of unclaimed residuals and foreign royalties.

However, the union says an examination of California escheat law shows that this claim has no merit. First, the basic provisions of the escheat law – **Sec. 1510(a) & (b)(1)** of the California Code of Civil Procedure – say that California's law applies when "the last known address of the apparent owner is in this state."

That means that for unlocatable California members, the member's state is what matters, not the union's. The union's domicile only matters for non-California members in some states and then only if the union hasn't paid the funds to the other state.



Second, the union says that Sec. 1521 <sup>(7)</sup> – and a ruling by New York's comptroller – state that the escheat laws do not apply to residuals. That means, according to the union, unclaimed residuals of California and New York members did not escheat even when SAG was a California corporation. The situation under SAG-AFTRA is no different, says the union.

The California code section the union adverts to is not a model of clarity: that section speaks of "employee benefit plans," not deferred wages (which is what residuals are) – and then references "employee benefit plan distribution(s) in the form of residuals," a phrase whose meaning is unclear on its face. Indeed, Wise pointed to the "employee benefit plans" language in email correspondence with *THR*.

However, the union provided *THR* with a copy of a March 30, 2005, letter from the California state controller's office that appears definitive on this point as to California members. It says the office had reviewed residuals plan documents provided by SAG with reference to Sec. 1521 and concluded that "the unclaimed residuals owed to the Screen Actors Guild members under the Residuals Payment Plan are exempt and do not escheat to the State of California."

Third, the union points out that it has staff who actively try to locate the owners of unclaimed residuals and foreign royalties, as well as a website listing the owners, whereas it says the state of California simply maintains a registry and website rather than making active efforts. For that reason, the union tells *THR*, the union does a better job than the state would. In contrast, the complaint alleges that the union hasn't done the job well, and that an independent organization should be set up instead.

**\* Residuals and Foreign Royalties Staff.** The complaint asserts without detail that SAG-AFTRA has "understaffed as well as placed individuals with questionable credentials in charge of ensuring timely distribution of Residuals and Foreign Royalties." The union denies this, and adds that its hiring process includes skills tests and interviews.

[pagebreak]

**\* Failure to Locate People who are Allegedly Easy to Locate.** The complaint asserts that SAG-AFTRA retains residuals owed to people who are easy to locate: "SAG (sic) leadership, including CRABTREE-IRELAND has sought to justify the burgeoning retention of Residuals on the premise that SAG cannot locate the heirs or estates of such well known entertainment and/or political icons as **Frank Sinatra, John F. Kennedy, Larry Hagman or Sonny Bono**, while lacking the ability to send checks owing to the parents of television personality Anderson Cooper, including his mother, Gloria Vanderbilt, or his now deceased father, Wyatt Cooper, let alone Ed Asner's son, **Matthew Asner** who is now the Southern California Executive Director of Autism Speaks."

The union responds that "unclaimed funds can linger for high profile individuals (for) a variety of reasons, including:

"(1) If the individual is deceased, their estate can be subject to probate proceedings, there may be a dispute among heirs and beneficiaries as to who is entitled to the money, or the estate may simply be taking their time in providing us the necessary documentation to establish who is entitled to the money.

"(2) Family law disputes (divorces, conservatorships, other proceedings) can require us to hold funds pending the resolution of those issues.

"(3) Occasionally members will attempt to assign (sell) their interest in future residuals, and the buyer of those rights will attempt to claim the residuals despite a dispute from the member, raising legal issues under statutes like Cal. Labor Code Sec. 300. Such residuals must be held until the dispute is resolved.

"(4) Well known people may move or change representation and not tell us. Even when we locate them, we have to receive confirming documentation so we can be certain we are not sending substantial sums of money to an unauthorized person or address. Sometimes getting those documents back to us is not their highest priority, and the funds are held."

In addition, according to the union, approximately 94 percent of SAG residuals checks on average are mailed to and received by performers in a given year, and 6 percent of the checks are undeliverable. The union said that corresponds to an average of 99 percent of the SAG residuals dollars mailed to performers annually, with 1 percent undeliverable. AFTRA-side figures were not immediately available.

**\* Diminution of Residuals and Foreign Royalty Payments.** The complaint says that "not long after the DGA and the WGA were threatened with suit because of their withholding of Foreign Royalties, SAG grossly diminished its payment of Residuals and Foreign Royalties, if not suspended payments completely to mask an (u)lterior covert motive to stockpile as part of SAG's own assets undistributed Residuals and Foreign Royalties."

Regarding residuals, the union told *THR*, "The dollar amount of residuals that come in the door is dependent on employment and distribution of projects. It's a fluctuating number, with a general upward trend. Residuals checks are payable directly to the member, and they are processed as quickly as possible and mailed – uncashed – to the member. The member receives exactly the amount of money payrolled by the producer or distributor."

Regarding foreign royalties, the union responded: "Since distributions began in 2007, we have been engaged in a continuous process of distributing foreign royalties as quickly as possible, and have gone from around \$250,000 total distributed in 2007 to an aggregate total distributed since inception of more than \$16.6 million today. The only diminution of the performers share of these sums is the Board- and Court-approved administrative fee of 10%. Note that members do not pay dues on foreign royalties collected for them by the union."

The audited foreign royalties report <sup>(8)</sup> shows disbursements increasing year over year, except for one year when both receipts and disbursements declined, and another year when disbursements declined by about \$2,000. The plaintiffs dispute the nature and accuracy of the report.

**\* Growth of Trust Fund.** The complaint asserts that "SAG has in turn converted Residuals and Foreign Royalties to its own use. ... As evidence of same, Plaintiffs note that in 2002, SAG reported on its LM-2, that it was holding only \$12,085,425, in trust for its members. As of 2011, SAG reported on its LM-2 that said monies had grown to in excess of \$95,205,672, while SAG-AFTRA, after one month of operation, purported that the sum being held in these regards, presumably in different accounts, was now in excess of \$110,000,000."

The union responded to *THR* that the amounts listed include funds held in trust for producers as well as residuals, foreign royalties and other deposits. The union added that all of the funds were audited by the external auditors each year including all the years in question and that growth in

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trust amounts is largely due to additional deposits for increased production activity and other factors.

**\* Unions' "Wrongfully Endorsing" Residuals Checks.** The complaint says that SAG-AFTRA wrongfully endorses residuals checks.

The union's response is that since 1960, its collective bargaining agreement has provided for this; that its constitution and bylaws expressly authorize it (and that SAG's did also); and that it only endorses checks when performers cannot be located, or there is a lack of clarity or dispute as to the beneficiary of a deceased performer or of a performer who has assigned his residuals income to another entity.

In these circumstances, the union told *THR*, failing to endorse and deposit the checks would allow the checks to go stale and become non-negotiable, meaning that new checks would have to be requested from the producer when the matter was resolved – which could be years later. At that point, the producer might resist reissuing the check, or the producer itself (in the case of small entities) may no longer exist or be locatable.

[pagebreak]

**\* Delay in Residuals Processing.** The complaint asserts that the delay in processing residuals payments has increased three-fold (the complaint doesn't say over what period). The union disputes that figure, stating that residuals processing took 45 days premerger and is at about 60 days now. That's twice the union's target of 30 days, but SAG-AFTRA says that merger required integrating two very different IT systems, SAG's and AFTRA's, and that the number of residuals checks received has more than doubled in five years, from 1.8 million checks per year in 2008 to approximately 4 million forecast for 2013.

**\* Relative Size of SAG/SAG-AFTRA Foreign Royalties vs. DGA and WGA.** The complaint critically contrasts the amount of foreign royalties collected by SAG, which the complaint pegs at "less than fifteen million (dollars)," to the over 100 million dollars collected by each of the other two guilds.

Per the audited reports of each guild, the approximate total amounts collected are WGA \$148 million<sup>[9]</sup> (through FY 2012), DGA at least \$92 million<sup>[10]</sup> (though FY 2011) and SAG \$23 million<sup>[11]</sup> (through FY 2012). So the SAG figures are indeed substantially lower than the other two unions – but the union says there's a reason for that: international intellectual property treaties only recognize rights for "authors" (i.e., writers and directors), rather than for performers. As a result, said the union, few Audiovisual Performances Treaty would impr

**\* First-Class Travel.** The complaint asserts t expenditure of Union funds on First Class travel, and in an email to *THR* wise was unequivocal: "the fact that the Labor Organization continues to Ad Info pay for First Class Airfare while surrendering this benefit for its members in contract negotiations is disturbing and warrants further scrutiny."

The union responded that "the union's practice is that no one travels first class at SAG-AFTRA's expense, except that the co-presidents are authorized to do so by the union's travel policy, and business class travel is authorized under certain circumstances."

Bookmark *The Hollywood Reporter's Labor Page*<sup>[4]</sup> for the most in-depth coverage of entertainment unions and guilds.

E-mail: [jhandel99 at gmail dot com](mailto:jhandel99@gmail.com)

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- [2] <http://www.thr.com/>
- [3] <http://www.hollywoodreporter.com/thr-esq/sag-aftra-responds-foreign-royalties-558416>
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- [10] <http://www.dga.org/ForeignLeaves.aspx>
- [11] <http://twitter.com/%21jhandel>

Ads not by this site

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# EXHIBIT M

## Re: our story on the lawsuit is live

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**From:** Jonathan Handel <jhandel99@gmail.com>  
**To:** Law Offices of Helena Sunny Wise  
**Subject:** Re: our story on the lawsuit is live  
**Date:** Jun 6, 2013 11:37 PM

---

Hi Sunny -

Thanks for your email. The letter says that the Controller's Office reviewed the "Screen Actors Guild's (SAG) Residuals Payment Plan" and a portion of the constitution and bylaws, and on that basis reached the conclusion that I quoted in my story ("the unclaimed residuals owed to the Screen Actors Guild members under the Residuals Payment Plan are exempt and do not escheat to the State of California.").

I'd feel weird as a journalist supplying you with the document ... it would start to turn me into a discovery conduit, or something like it. I think it'd be best if you request it from the union or its counsel. I'd think (and would hope) they would give you a copy. I'd certainly like to know if they don't (or if they do, for that matter).

Thanks.

Jonathan

At 10:34 PM 6/6/2013, you wrote:

Jonathan — Thank you for forwarding your story. Since I have provided you with numerous documents (while apparently Bob Bush never provided you with my correspondence trying to set up a meeting that Bush kept postponing), I will simply ask you for the March 30, 2005 Letter from the State Controller to verify the Residuals issue. I assume you never got any Trust Documents from our buddies at SAG-AFTRA to legitimize the claim that their is indeed a trust. If I a wrong, please advise.

Thanks!  
Sunny Wise

—Original Message—

From: Jonathan Handel  
Sent: Jun 6, 2013 8:48 PM  
To: Helena Sunny Wise  
Subject: our story on the lawsuit is live

It's at <http://www.hollywoodreporter.com/thr-esq/anti-sag-aftra-lawsuit-raises-564256> . Thanks for your help.

Jonathan

Jonathan Handel, Esq.

<http://digitalmedialaw.blogspot.com/p/bio.html>

Contributing editor

The Hollywood Reporter

<http://www.hollywoodreporter.com/topic/labor>

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My book The New Zealand Hobbit Crisis is available now on Amazon: paper / <http://amzn.to/SiHUX2>;  
Kindle / <http://amzn.to/UG7q7F>.

Hollywood on Strike! is available on Amazon at <http://tinyurl.com/HOSAMZ>.

Also available: [How to Write LOIs and Term Sheets](#).

The Hollywood Reporter (all, labor only), [jhandel.com](http://jhandel.com), [Twitter](#), [Facebook](#), [LinkedIn](#), [Huffington Post](#), [IMDb](#),  
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# EXHIBIT N

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Agreements governing the distribution of free television and theatrical motion pictures in Supplemental Markets (Article 18 of the Directors Guild of America Basic Agreement, Article 24 of the Directors Guild of America Freelance Live & Tape Television Agreement, Article 51 of the Writers Guild of America Theatrical and Television Basic Agreement).

DIRECTORS GUILD OF AMERICA, INC.

*[Signature]*

Date: 4/1/50

WRITERS GUILD OF AMERICA, WEST, INC.  
ON BEHALF OF ITSELF AND  
WRITERS GUILD OF AMERICA, EAST, INC.

*[Signature]*

Date: 5/1/90

COLUMBIA PICTURES INDUSTRIES, INC.

*[Signature]*

Date: 6/1/90

CPT HOLDINGS, INC.

*[Signature]*

Date: 6/1/90

METRO-GOLDWYN-MAYER PICTURES, INC.

*[Signature]*

Date: Jan 1, 1990

MGM/UA TELEVISION PRODUCTIONS, INC.

*[Signature]*

Date: Jan 1, 1990

ORIGIN (ENTITY TO BE DESIGNATED)

PARAMOUNT PICTURES CORPORATION

*John H. Kohn*

Date: \_\_\_\_\_

Date: 6/1/90

TWENTIETH CENTURY FOX FILM CORP.

*James H. Parsons*

Date: 6/1/90

UNITED ARTISTS PICTURES, INC.

*Byron D. Kohn*

Date: June 1, 1990

UNIVERSAL CITY STUDIOS, INC.

*Robert D. Kohn*

Date: June 1, 1990

WALT DISNEY PICTURES & TELEVISION

*Robert D. Kohn*

Date: June 1, 1990

WARNER BROS. INC.


*Robert D. Kohn*

Date: June 1, 1990



# EXHIBIT O

14P



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Email: ☒

Phone: 310-274-6177

Fax: 310-278-5937


Membership Status: Inactive


Disciplinary history: No

Date of admission: June 10, 1963

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Exh. 0

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# EXHIBIT P

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May 27, 2011

### VIA E-MAIL

Neville L. Johnson  
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Paul R. Kiesel  
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8648 Wilshire Boulevard  
Beverly Hills, CA 90211-2910  
E-mail: kiesel@kbla.com

Re: Ken Osmond v. Screen Actors Guild, Inc. (Case No. BC 377780)

Dear Neville and Paul:

We are in receipt of Neville's letter dated May 19, 2011.

### Notice

We dispute the assertion that "notice was not properly given," for the reasons set forth in our letter of May 3<sup>rd</sup>. We will not belabor the point or repeat what we already have said, other than to note that, against a population of more than 100,000 notices sent by mail or email, in addition to publication notice in *Variety* and *The Hollywood Reporter* and on the SAG website, the fact that there have been some number of inquiries from notice recipients is neither problematic nor an indication of the inadequacy of notice.

We note your assertion that you have received reports from "hundreds of SAG members who feel stonewalled." These kind of outlandish statements are unproductive and suspect on their face, given SAG's actual interaction with these individuals. SAG has been responding diligently to the inquiries it receives, which for the most part relate to (a) queries by SAG members that are unrelated to this litigation, or (b) questions about whether the settlement

LATHAM & WATKINS LLP

entitles an individual to payment. If you really intend to pursue an accusation that you have received hundreds of reports that SAG is stonewalling class members, please provide substantiation in the form of names and the contents of any communications you have received.

Nevertheless, in an attempt to (once again) resolve issues with you which were disposed of long ago, SAG is prepared to include a notification on the next set of foreign royalty statements it issues (currently scheduled for July), directing the recipient to the web address [www.sag.org/notice](http://www.sag.org/notice), which provides the court-approved notice and other information about SAG's foreign royalty program. We trust that this will dispose of the matter and we can move on.

**Scope of Consultant Review**

Our May 3<sup>rd</sup> letter also lays out why the plain language of the Class Settlement Agreement defines the scope of the consultant review, and how your efforts to intrude into the issue of SAG's collection of foreign levies is beyond the scope of review.

Your letter requests three categories of information:

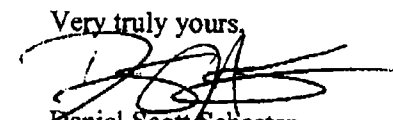
- 1) ***"what is being collected by SAG from the foreign collecting societies"***: We have provided financial information regarding sums collected and disbursed by SAG, and have made clear our intention to make SAG personnel available to Mr. Jasko to discuss this financial information. If there is something more you desire in this regard, please advise.
- 2) ***"what agreements exist between the foreign collecting societies and SAG to continue the collection"***: SAG currently has agreements with foreign collecting societies in the following jurisdictions: Denmark (FILMKOPI), France (Adami), Germany (GWFF), Japan (CPRA), Netherlands (Fintage), Portugal (GEDIPE), Spain (AISGE), Sweden (FRF-Video), and Switzerland (SWISSPERFORM). To the extent your request goes to the issue of SAG continuing to collect, this is at odds with Section V(G) of the Class Settlement Agreement: "Nothing herein shall be construed to obligate SAG to continue to receive and distribute Foreign Levy Funds from any jurisdiction or collecting society."
- 3) ***"how the monies are being collected"***: As noted above, we expect that during a meeting between SAG personnel and Mr. Jasko, details about the manner in which SAG receives foreign levies and distribution information from collecting societies will be discussed.

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LATHAM & WATKINS<sup>LLP</sup>

I remain available for a call to discuss these matters further at your convenience.

Very truly yours,



Daniel Scott Schecter  
of LATHAM & WATKINS LLP

LATHAM & WATKINS LLP

- The method of providing notice by mail was set forth in (i) the form of Judgment attached as Exhibit E to the Class Settlement Agreement *executed by you* on September 10, 2010; (ii) the proposed Judgment *filed by you* with the Court on September 13, 2010; and (iii) the revised Judgment *approved by you* on February 28, 2011 and *entered by the Court* on March 2, 2011.
- The provision regarding the final notice mailing with which you now take issue is *identical* to the provision for issuing notice of final approval in the WGA and DGA cases, in which Neville was counsel (Paul was counsel in the WGA case).<sup>1</sup> Indeed, it was *Neville's firm* who proposed, in the DGA case, that final notice mailing be accomplished by mailing only a copy of the Judgment, with an explicit statement that this was the firm's "usual" practice.

Incredibly, despite all this, Neville has lashed out at me and my client based on the volume of member inquiries received. Neville also has repeatedly referred class members to me or my client, and seems to take the position that he feels put upon and imposed upon by having to deal with the very class of individuals you purported to represent in this action.

Accordingly, your efforts to shift the blame to SAG are misplaced, as are your demands that a second mailing be sent, at SAG's expense. SAG expended considerable sums to provide multiple rounds of notice, and complied with the form of order you approved and submitted to the Court, which was used in the two prior cases, and to which your office supplied the precise provision about which you complain. Moreover, despite the typically nasty and empty rhetoric about SAG's handling of inquiries, SAG has diligently and promptly responded to all inquiries that it or I have received.

**Issues Relating to Collection of Levies From Collecting Societies and Non-Covered Works**

As we have pointed out repeatedly, foreign levies relating to performers who are not members of the settlement class, and foreign levies which SAG does not collect or has not collected from foreign collecting societies, are plainly beyond the scope of the Class Settlement Agreement and the claims asserted in this case. Moreover, under the plain language of the Class Settlement Agreement, these matters also are beyond the scope of the consultant review we negotiated heavily.

The settlement addresses SAG's efforts to *process* and *distribute* foreign levy funds it has received for members of the settlement class.<sup>2</sup> Indeed, Section V(G) of the Class Settlement

<sup>1</sup> See 6/2/10 WGA Judgment ¶¶ 6-7 ("A copy of this Order and the Amended Settlement Agreement shall be mailed to all Class Members presently in WGA's address database" and "[t]he form of the envelopes to be used to mail a copy of this Order shall be provided to the Court on or before June 9, 2010"); 9/10/08 DGA Judgment ¶¶ V-W ("Notice of entry of this Order and Judgment (without exhibits) shall be mailed to all non-DGA members presently in DGA's address database" and "[t]he form of the envelopes (Exhibit B) to be used to mail a copy of this Order is hereby approved").

<sup>2</sup> These matters are explicitly beyond the scope of the settlement, as was resolved in connection with the Hughes objection to the settlement. In addressing that objection, we noted that "[t]his action was

# EXHIBIT Q

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# SCREEN ACTORS GUILD

## Foreign Royalty Statement

Check #: 451188

Check Date: 12/03/2008

Mail Date: 12/29/2008

Payroll Batch #: F112008AA

Performer Name: DENNIS HAYDEN

SAG ID Number: 00081588

TAX ID/ SSN: XXX-XX

DENNIS HAYDEN

To change your member address, please visit our website at [www.sag.org](http://www.sag.org). If you are not yet a member, please see below for instructions.

Foreign Royalties are collected as a result of laws in other countries. Those laws provide for payments to artists in audiovisual works to compensate for private copying (home taping), cable retransmissions, video rentals and other uses of such works. Screen Actors Guild has entered into cooperation agreements with collecting societies in certain foreign countries who collect these royalties. The societies allocate a portion of the royalties collected to those SAG performers who appear in audiovisual productions that are subject to remuneration under the local laws. The royalty payment attached results from the collections and distributions made under those foreign laws and collecting society agreements. Some special rules apply to these royalties:

- \* These monies are not commissionable to your franchised talent agent under the SAG Agency Regulations but may be so under a general services agreement with a non-franchised agent.
- \* These monies are not subject to Pension and Health contributions, therefore will not be reflected on your earnings statements from the Plans. You are not required to pay dues on these monies. SAG has taken a fee to cover the actual costs of collection, administration and distribution.
- \* No taxes have been withheld from this payment. Please consult your tax professional with respect to tax consequences.

If you have any questions concerning these payments, please email [ForeignRoyalties@sag.org](mailto:ForeignRoyalties@sag.org) or call (323)549-6595.

<u>Territory</u>	<u>Production/Episode Title</u>	<u>Gross Amount</u>
Denmark	Die Hard	0.64
Denmark	Die Hard	1.04
Denmark	Sisters/Things We Do For Love,	0.04
Denmark	Wild Bill	0.18
Germany	Another 48 Hrs.	0.56
Germany	Another 48 Hrs.	1.02
Germany	Die Hard	2.51
Germany	Die Hard	4.62
Germany	Murphy's Law	0.60
Germany	Team Knight Rider/Magnificent T K R, The	0.33
Germany	Wild Bill	0.74
Spain	Action Jackson	1.03
Spain	Another 48 Hrs.	1.30
Spain	Die Hard	4.38
Spain	Wild Bill	0.70
Switzerland	Action Jackson	0.12
Switzerland	Another 48 Hrs.	0.34
Switzerland	Another 48 Hrs.	0.48
Switzerland	Falcon Crest/Key To Angela, The	0.06
Switzerland	Falcon Crest/Key To Angela, The	0.33
Switzerland	Murphy's Law	0.19
Switzerland	Murphy's Law	0.52

Ex 17 Q 156



# SCREEN ACTORS GUILD

## Foreign Royalty Statement

Check #: 63401

Check Date: 05/20/2009

Mail Date: 06/02/2009

Payroll Batch #: F050609AA

Performer Name: DENNIS HAYDEN

SAG ID Number: 00081588

TAX ID/ SSN: XXX-XX-

DENNIS HAYDEN  


To change your member address, please visit our website at [www.sag.org](http://www.sag.org). If you are not yet a member, please see below for instructions.

Foreign Royalties are collected as a result of laws in other countries. Those laws provide for payments to artists in audiovisual works to compensate for private copying (home taping), cable retransmissions, video rentals and other uses of such works. Screen Actors Guild has entered into cooperation agreements with collecting societies in certain foreign countries who collect these royalties. The societies allocate a portion of the royalties collected to those SAG performers who appear in audiovisual productions that are subject to remuneration under the local laws. The royalty payment attached results from the collections and distributions made under those foreign laws and collecting society agreements. Some special rules apply to these royalties:

- \* These monies are not commissionable to your franchised talent agent under the SAG Agency Regulations but may be so under a general services agreement with a non-franchised agent.
- \* These monies are not subject to Pension and Health contributions, therefore will not be reflected on your earnings statements from the Plans. You are not required to pay dues on these monies. SAG has taken a fee to cover the actual costs of collection, administration and distribution.
- \* No taxes have been withheld from this payment. Please consult your tax professional with respect to tax consequences.

If you have any questions concerning these payments, please email [ForeignRoyalties@sag.org](mailto:ForeignRoyalties@sag.org) or call (323)549-6595.

<u>Territory</u>	<u>Production/Episode Title</u>	<u>Gross Amt</u>
Germany	Action Jackson	0.49
Germany	Another 48 Hrs.	0.42
Germany	Die Hard	1.75
Spain	Action Jackson	0.81
Spain	Another 48 Hrs.	1.17
Spain	Another 48 Hrs.	1.24
Spain	Another 48 Hrs.	1.09
Spain	Another 48 Hrs.	1.28
Spain	Die Hard	1.95
Spain	Die Hard	2.19
Spain	Wild Bill	0.89
Spain	Wild Bill	0.36
Spain	Wild Bill	0.80
Spain	Wild Bill	0.88
Total Gross:		15.32
Net Check Amount:		15.32

In order to change their address, members or non-members should send a written request to the Screen Actors Guild Residuals Trust Department that must include the following details: Performer Name and/or Loan Out Company; Social Security number (a federal ID number should be provided for a loan out company) or SAG Member ID; New address and the purposes for which the new address should be used (for example, for all Guild mail or for residuals only); phone number and email address. Please sign and date the update request. Please note that without your signature we are unable to process the request.

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# SCREEN ACTORS GUILD

## Foreign Royalty Statement

Check #: 161161

Check Date: 09/29/2009

Mail Date: 10/15/2009

Payroll Batch #: F091709AA

Performer Name: DENNIS HAYDEN

SAG ID Number: 00081588

TAX ID/ SSN: XXX-XX-XXXX

DENNIS HAYDEN

To change your member address, please visit our website at [www.sag.org](http://www.sag.org). If you are not yet a member, please see below for instructions.

Foreign Royalties are collected as a result of laws in other countries. Those laws provide for payments to artists in audiovisual works to compensate for private copying (home taping), cable retransmissions, video rentals and other uses of such works. Screen Actors Guild has entered into cooperation agreements with collecting societies in certain foreign countries who collect these royalties. The societies allocate a portion of the royalties collected to those SAG performers who appear in audiovisual productions that are subject to remuneration under the local laws. The royalty payment attached results from the collections and distributions made under those foreign laws and collecting society agreements. Some special rules apply to these royalties:

- \* These monies are not commissionable to your franchised talent agent under the SAG Agency Regulations but may be so under a general services agreement with a non-franchised agent.
- \* These monies are not subject to Pension and Health contributions, therefore will not be reflected on your earnings statements from the Plans. You are not required to pay dues on these monies. SAG has taken a fee to cover the actual costs of collection, administration and distribution.
- \* No taxes have been withheld from this payment. Please consult your tax professional with respect to tax consequences.

If you have any questions concerning these payments, please email [ForeignRoyalties@sag.org](mailto:ForeignRoyalties@sag.org) or call (323)549-6595.

<u>Territory</u>	<u>Production/Episode Title</u>	<u>Gross Amt</u>
Denmark	Another 48 Hrs.	0.42
Japan	Die Hard	25.15
Spain	Another 48 Hrs.	1.28
Spain	Another 48 Hrs.	1.15
Switzerland	Die Hard	7.23
Total Gross:		35.23
Net Check Amount:		35.23

In order to change their address, members or non-members should send a written request to the Screen Actors Guild Residuals Trust Department that must include the following details: Performer Name and/or Loan Out Company; Social Security number (a federal ID number should be provided for a loan out company) or SAG Member ID; New address and the purposes for which the new address should be used (for example, for all Guild mail or for residuals only); phone numbers; and email address. Please sign and date the update request. Please note that without your signature we are unable to process the request.

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Performer name: DENNIS HAYDEN



## SCREEN ACTORS GUILD Foreign Royalty Statement

Check Number: 357506  
Check Date: 31-AUG-10  
Mail Date: 30-SEP-10  
Postal Batch: 100904AA  
1004US50 XXXX-XX-XX

Performer Name: DENNIS HAYDEN  
SAG ID Number: 00081585

To change your member address, please send an update at [my.sag.org](mailto:my.sag.org). If you are not yet a member, please see below for instructions.

DENNIS HAYDEN

Foreign Royalties are collected as a result of laws or other measures. These laws provide for payments to artists in individual works to compensate for private copying (home use), cable retransmission, video rentals and other uses of such works. Screen Actors Guild has entered into cooperation agreements with collecting societies in certain foreign countries who collect these royalties. The societies allocate a portion of the royalties collected to those SAG performers who appear in audiovisual productions that are subject to remuneration under the local laws. The royalty payment attached results from the collections and distributions made under these foreign laws and collecting society agreements. Some special rules apply to these royalties.

- These monies are not commensurate to your franchisee agent under the SAG Agency Regulations but may be subject to a general services agreement with a non-franchise agent.
- These monies are not subject to Pension and Health contributions, therefore will not be included in your earnings statements from the Plans. You are not required to pay dues on these monies. SAG has taken a fee to cover the actual costs of collection, administration and distribution.
- No taxes have been withheld from this payment. Please consult your tax professional with respect to tax consequences.

If you have any questions concerning these payments, please email [ForeignRoyalties@sag.org](mailto:ForeignRoyalties@sag.org) or call (323) 596-0340.

Please enter this statement in your lifetime/earnings statement records.

Territory	Production/Episode Title	Gross Amt
Switzerland	Wicked Jackson	\$0.00
Switzerland	Numbers 23 Hrs.	\$0.00
Switzerland	Numbers 24 Hrs.	\$1.76
Switzerland	100 Days	\$2.19
Switzerland	The Hunt	\$2.75
Switzerland	Matthew's Law	\$1.71
Switzerland	Pony Mania Case Of The Striped	\$2.00
Total Gross		\$12.45
Net Check Amount		\$12.45

In order to change their address, members or non-members should send a written request to the Screen Actors Guild Residuals Trust Department that must include the following details: Performer Name (and/or Loan Out Company), Social Security number, Federal ID number (should be provided for a loan out company), or SAG Member ID, New address and the purposes for which the new address should be used (for example, for all Guild mail or for residuals only), phone numbers, and email address. Please sign and date the update request. Please note that without your signature we are unable to process the request.

# EXHIBIT R

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Volume 52, Number 2  
Screen Actors Guild Magazine  
SUMMER 2011

SCREEN

# Actor



ACT  
SING  
DANCE



# SAG FOREIGN ROYALTIES DISTRIBUTION SURPASSES \$11 MILLION

In October 2007, Screen Actors Guild began making regular distribution of foreign royalties and, this past July, it passed the \$11 million mark.

Foreign royalties are collected as a result of laws in various countries, which were adopted in the 1980s. Those laws provide for payments to artists in audiovisual works to compensate for private copying (home taping), cable retransmissions, video rentals and other uses of such works. After resolving a dispute with the motion picture studios, which were claiming that foreign royalties should be paid entirely to the studios rather than actors, Screen Actors Guild has entered into cooperation agreements with collecting societies in certain foreign countries that collect these royalties. The societies allocate a portion of the royalties collected to SAG performers who appear in audiovisual productions that are subject to remuneration under the local laws.

In January 2011, Screen Actors Guild launched the Foreign Royalties Tracker, an online search tool that gives members

the ability to log in and see a full-view report of any foreign royalties that may have been collected on their behalf. Not all members receive foreign royalties, and the names of those who don't do not appear in the Foreign Royalties Tracker. Those members who do have foreign royalties or who wish to find out if they do, should log in to their member account at SAG.org.

Members who don't yet have an online account can register by clicking Registration on the top right hand section of the SAG.org home page, or do a preliminary guest name search, which reflects whether the Guild has received any royalties on their behalf.

"If it weren't for SAG's extensive efforts to collect and distribute foreign royalties, more than \$11 million would have been lost forever instead of being in the pockets of our members. We are justifiably proud of those efforts, and remain committed to ensuring members receive their funds as quickly and efficiently as possible," said SAG Deputy National Executive Director and General Counsel Duncan Crabtree-Ireland.

Many members recently received notice of the settlement of a class-action lawsuit that claimed that the Guild's process and procedure for handling foreign royalties was flawed. Even though the Guild was and remains confident that the court would have ultimately found its process and procedures to be completely proper, it settled the case in order to conserve members' resources that would otherwise have been spent on litigation. Under the settlement, the

Guild continues its process of collecting foreign royalties to which its members and represented performers are entitled, and distributes those sums to them when they equal or exceed \$10. Members who want to check the status of their foreign royalties or request a check prior to reaching the \$10 threshold can do so

## BY THE NUMBERS

Amount Distributed to Date  
**\$11,250,000**

Number of Checks Mailed  
**336,000**

Number of Members Who Have Received Foreign Royalties Disbursements  
**81,000**

@ Track your foreign royalties at  
[SAG.org/content/foreign-royalties](http://SAG.org/content/foreign-royalties).

online through the Foreign Royalties Tracker. Additional information on the settlement can be found at [SAG.org/notice](http://SAG.org/notice).

Foreign royalties are not subject to pension and health contributions and will not be considered for plan eligibility purposes, and also are not included in or subject to member dues. The costs of this collection and distribution program are covered by an administrative fee (presently 10 percent) taken from the lump-sum payments provided by the foreign collecting societies, along with interest that accrues during the collection and distribution process. The administrative fee is adjusted periodically to ensure that only such amounts as are needed to defray the costs of the program are deducted.

LET'S HEAR IT FOR YOUR AGENT: If you're represented by a terrific, franchised agent that you believe could use some recognition, your agent could be SAG's next Agent of the Month! Send an email to [agentquestion@sag.org](mailto:agentquestion@sag.org) telling us why your agent deserves some love.

# EXHIBIT S



**From:** Office of the SAG General Counsel <GeneralCounsel@sag.org>  
**Date:** March 24, 2011 6:51:32 PM PDT  
**To:** Foreign Royalties Potential Class Member  
**Subject:** Notice of Final Approval of Class Action Settlement  
**Reply-To:** Office of the SAG General Counsel <GeneralCounsel@sag.org>



**If you have performed in a motion picture, television program, or certain other audio-visual work that has earned foreign royalties, your rights may be affected by a court-approved class action settlement.**

On February 18, 2011, the Superior Court of the County of Los Angeles, California approved a class action settlement in *Osmond v. Screen Actors Guild, Inc.*, Case No. BC377780 and ordered that you be provided a copy of the attached Judgment and Order Granting Final Approval of Class Action Settlement. You may also view this document on SAG's website by clicking on the link below.

[http://www.sag.org/files/sag/documents/ClassActionNotice\\_2011.pdf](http://www.sag.org/files/sag/documents/ClassActionNotice_2011.pdf)

The lawsuit arose as a result of the collection and distribution to performers of royalties (also known as levies) on blank DVDs and tapes in several foreign nations. Various countries have adopted laws imposing these royalties, which are designed to provide compensation to rights holders, including performers in motion pictures and other works. The lawsuit claimed that SAG has failed to properly distribute foreign royalties to performers. SAG asserts that it has appropriately and properly handled all foreign royalties, denied all allegations and asserted many defenses. The settlement is not an admission of wrongdoing or an indication that any law was violated.

For further information please visit <http://www.sag.org/content/foreign-royalties> or call (323) 549-6450. Thank you.

Exh S

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# EXHIBIT T

**Subject:** ALLEGED AUDIT VS. FORM 990 FILINGS

**Date:** Feb 7, 2013 6:13 AM

**Schedule of Foreign Levy Funds  
March 31, 2012**

	<b>Collected</b> (Note 2)	<b>Distributed</b> (Note 2)	<b>Admin Fee</b> (Note 3)	<b>Year-end Balance</b>	<b>Interest Earned - SAG</b> (Note 3)
FY 1997	49,357		(4,936)	44,421	717
FY 1998	126,012		(12,601)	157,832	2,465
FY 1999	726,728		(72,673)	811,887	6,304
FY 2000	-		-	811,887	33,262
FY 2001	703,422		(70,342)	1,444,967	54,850
FY 2002	174,832		(17,483)	1,602,316	62,504
FY 2003	1,464,752		(146,475)	2,920,593	41,243
FY 2004	913,724		(91,372)	3,742,945	21,323

On the Form 990 - Return of Organization Exempt From Income Tax -SAG filed for the Fiscal Year ending on April 30 2004, the Year-end Balance of "Performers' Foreign Levies" was 6,248,935.

Here, above, on PwC's alleged audit of the **Schedule of Foreign Levy Funds**, the Year-end Balance of "Performers' Foreign Levies" for the Fiscal Year ending on April 30 2004 is 3,742,945.

On the Form 990 SAG filed for the Fiscal Year ending on April 30 2005, the Year-end Balance of "Performers' Foreign Levies" was 5,236,4121.

Here, below, on PwC's alleged audit of the **Schedule of Foreign Levy Funds**, the Year-end Balance of "Performers' Foreign Levies" for the Fiscal Year ending on April 30 2005 is 4,085,264.

FY 2005	647,917	(257,441)	(48,157)	4,085,264	154,341
FY 2006	2,210,971	-	(216,222)	6,080,013	306,082
FY 2007	1,044,799	(3,444)	(104,480)	7,016,888	311,383
FY 2008	3,144,501	(773,270)	(303,081)	9,085,038	125,319
FY 2009	3,355,445	(2,780,113)	(330,516)	9,329,854	83,304
FY 2010	3,593,391	(3,320,909)	(354,326)	9,248,010	51,672
FY 2011	2,560,424	(2,726,769)	(250,578)	8,831,087	68,043
FY 2012	2,593,410	(2,724,716)	(246,338)	8,453,443	31,913
Total Activity	\$ 23,309,685	\$ (12,586,662)	\$ (2,269,580)	\$ 8,453,443	\$ 1,354,725

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# **Screen Actors Guild-American Federation of Television and Radio Artists**

(A not-for-profit Corporation)

**Report on Schedule of Foreign Levy Funds**

**March 31, 2012**

**Screen Actors Guild-American Federation of  
Television and Radio Artists**  
(A not-for-profit Corporation)  
**Index**  
**March 31, 2012**

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<b>Schedule of Foreign Levy Funds .....</b>	<b>2</b>
<b>Notes to Schedule of Foreign Levy Funds .....</b>	<b>3-4</b>

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## Report of Independent Auditors

To the Board of Directors  
Screen Actors Guild-American Federation of Television and Radio Artists

We have audited the accompanying Schedule of Foreign Levy Funds (the "Schedule") for Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA"), a not-for-profit corporation, as of March 31, 2012. The Schedule is the responsibility of SAG-AFTRA's management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that our audit provides a reasonable basis for our opinion.

The activities and balances reflected on the Schedule are based on the balances of SAG-AFTRA as of March 31, 2012, based on the significant factors as described in Note 2.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the balance and activities of the Foreign Levy Funds held by SAG-AFTRA as of March 31, 2012, on the basis described in Note 2.

This report is intended solely for the information and use of the board of directors and management of the SAG-AFTRA and should not be used for any other purpose.

*PricewaterhouseCoopers LLP*

October 15, 2012

**Screen Actors Guild-American Federation of  
Television and Radio Artists**  
(A not-for-profit Corporation)  
**Schedule of Foreign Levy Funds**  
**March 31, 2012**

	Collected (Note 2)	Distributed (Note 2)	Admin Fee (Note 3)	Year-end Balance	Interest Earned - SAG (Note 3)
FY 1997	49,357		(4,936)	44,421	717
FY 1998	126,012		(12,601)	157,832	2,465
FY 1999	726,728		(72,673)	811,887	6,304
FY 2000	-		-	811,887	33,262
FY 2001	703,422		(70,342)	1,444,967	54,850
FY 2002	174,832		(17,483)	1,602,316	62,504
FY 2003	1,464,752		(146,475)	2,920,593	41,243
FY 2004	913,724		(91,372)	3,742,945	21,323
FY 2005	647,917	(257,441)	(48,157)	4,085,264	154,341
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FY 2008	3,144,501	(773,270)	(303,081)	9,085,038	125,319
FY 2009	3,355,445	(2,780,113)	(330,516)	9,329,854	83,304
FY 2010	3,593,391	(3,320,909)	(354,326)	9,248,010	51,672
FY 2011	2,560,424	(2,726,769)	(250,578)	8,831,087	68,043
FY 2012	2,593,410	(2,724,716)	(246,338)	8,453,443	31,913
Total Activity	<u>\$23,309,685</u>	<u>\$ (12,586,662)</u>	<u>\$ (2,269,580)</u>	<u>\$ 8,453,443</u>	<u>\$ 1,354,725</u>

The accompanying notes are an integral part of this schedule.

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**Screen Actors Guild-American Federation of  
Television and Radio Artists**  
(A not-for-profit Corporation)  
**Notes to Schedule of Foreign Levy Funds**  
**March 31, 2012**

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**1. Organization**

**Organization and Operations**

Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA" or the "Union") is a not-for-profit corporation formed for the purpose of representing media professionals engaged or expecting to be engaged in various industries, including, but not limited to, motion picture, sound recording, and broadcast which includes the production of works by any means or device for theatrical, television, industrial, educational, commercial, interactive, advertising purposes or uses.

**2. Basis of Presentation**

**Foreign Levy Funds**

Foreign levy funds ("levy funds") are collected as a result of laws in foreign countries, which were adopted in the 1980s. Those laws provide for payments to artists in audiovisual works to compensate for private copying (home taping), cable retransmissions, video rentals and other uses of such works. After resolving a dispute with the motion picture studios, which were claiming that foreign levies should be paid entirely to the studios rather than performers, Screen Actors Guild ("SAG") (a legacy entity of SAG-AFTRA) entered into cooperation agreements with collecting societies in certain foreign countries who collect these levy funds.

**Collections and Distribution**

The collecting societies allocate a portion of the levy funds collected to those SAG productions that are subject to remuneration under the local laws. The levy fund payment results from the collections and distributions made under foreign laws and collecting society agreements; on behalf of performers, SAG-AFTRA receives the levy funds and distribution instructions from the collecting societies and SAG-AFTRA personnel use this information to distribute the levy funds to performers.

In October 2007, SAG began making regular distributions of levy funds. Quarterly distributions are made approximately five to six weeks after the close of each calendar quarter. Performers automatically receive payment of foreign levy funds once their accrued payment equals or exceeds \$10, if valid corresponding distribution information is on file with SAG-AFTRA.

SAG-AFTRA's website contains content regarding the availability of levy funds and the foreign levy funds program. This content includes a list of performers for whom at least \$10 of levy funds have been assigned but not yet paid. If a user clicks on a performer's name, the source of the funds appears, and the user will be provided with an estimated date on which he or she may expect to receive payment. SAG-AFTRA also publishes on its website a list of performers for whom less than \$10 of foreign levy funds have been assigned. If a user clicks on the performer's name, the source of the funds will appear, and the user will be provided with a telephone number and e-mail address to contact SAG-AFTRA for further information. If a performer contacts SAG-AFTRA and requests payment of levy funds which have been assigned to him or her, but have not accrued to the minimum \$10 for check issuance, SAG-AFTRA shall timely fulfill the request if at least \$1 of levy funds has accrued.



**Screen Actors Guild-American Federation of  
Television and Radio Artists**  
(A not-for-profit Corporation)  
**Notes to Schedule of Foreign Levy Funds**  
**March 31, 2012**

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**3. Basis of Presentation**

As of March 31, 2012 aged levy funds held by SAG-AFTRA were as follows:

<b>Funds Held for Greater Than 10 Months Without Corresponding Distribution Information</b>	<b>Funds Held for 12-24 Months With Corresponding Distribution Information</b>	<b>Funds Held for 24-36 Months With Corresponding Distribution Information</b>	<b>Funds Held for Greater Than 36 Months With Corresponding Distribution Information</b>
<b>\$ 27,859</b>	<b>\$ 1,208,421</b>	<b>\$ 1,168,946</b>	<b>\$ 3,819,209</b>

**Interest**

Interest earned on funds held by SAG-AFTRA is retained by SAG-AFTRA to offset administrative costs, including continued system development and enhancement related to the foreign levy funds program. As of March 31, 2012 the total interest earned by SAG-AFTRA since inception from levy funds held was \$1,354,725. As of March 31, 2012 the levy funds distributed to performers is not inclusive of any interest earned.

**Administrative Fee**

SAG-AFTRA charges an administrative fee in the amount of 10% of the foreign levy funds collected in territories that deliver title information only and 5% of the foreign levy funds collected for territories that deliver performer-specific information.

# EXHIBIT U

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## NAILING THEMSELVES ON THE RECORD

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**Subject:** NAILING THEMSELVES ON THE RECORD  
**Date:** Oct 22, 2012 9:00 PM  
**Attachments:** clip\_image001.gif clip\_image001.gif clip\_image001.gif FinalForeignLevy.pdf

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At some point after MAY.3.2012, SAG-AFTRA posted this link on its Foreign Royalties page:  
**To view the Annual Review of the Foreign Royalties Program for Fiscal Year End April 30, 2011, please click here.**

The link [http://www.sagaftra.org/files/sag/documents/FiscalYearEnd\\_April\\_30\\_2011\\_AuditReview.pdf](http://www.sagaftra.org/files/sag/documents/FiscalYearEnd_April_30_2011_AuditReview.pdf)  
links to:

### **Annual Review of Screen Actors Guild, Inc.'s Foreign Royalties Program As of April 30, 2011**

*"SAG had an audit conducted of its Foreign Royalties Program, from its inception through the close of its fiscal year on April 30, 2011, as part of its annual financial review. The audit was conducted by PricewaterhouseCoopers LLP, which is the same accounting firm that SAG engages for its annual financial review. Following is a report of its findings:"*

At some point on or after OCT.15.2012, SAG-AFTRA posted this link on its Foreign Royalties page:

**To view the Annual Review of the Foreign Royalties Program as of March 31, 2012, please click here.**

The link  
[http://www.sagaftra.org/files/sag/documents/published\\_2012\\_sag\\_foreign\\_levies\\_report.pdf](http://www.sagaftra.org/files/sag/documents/published_2012_sag_foreign_levies_report.pdf)  
links to:

### **Annual Review of Screen Actors Guild-American Federation of Television and Radio Artists' Foreign Royalties Program As of March 31, 2012**

*"On March 30, 2012, the Screen Actors Guild and the American Federation of Television and Radio Artists merged to form SAG-AFTRA. All assets and liabilities of the legacy unions were assumed by the new organization.*

*A financial audit of both legacy organizations was performed for the period from May 1, 2011 to March 30, 2012. As part of this audit SAG-AFTRA had an audit conducted of its Foreign Royalties Program from inception through March 31, 2012. The audit was conducted by PricewaterhouseCoopers LLP, which is the same accounting firm that SAG-AFTRA engages for its annual financial review. Following is a report of its findings:"*

As "part" of a "financial audit of both legacy" SAG and AFTRA "for the period from May 1, 2011 to March 30, 2012" – **a period of eleven months** - SAG-AFTRA "had an audit conducted of its Foreign Royalties Program from inception through March 31, 2012" – **a period of 19 years and 5 months.**

The question then becomes did PwC accomplish this by auditing the Foreign Royalties Program for the period *“from May 1, 2011 to March 30, 2012”* and then attach to its report the report of the alleged audit that SAG had PwC conduct of its Foreign Royalties Program *“from its inception through the close of its fiscal year on April 30, 2011”* as part of PwC’s annual financial review of SAG’s financial statements?

That report was issued by PwC on May 3, 2012, and was provided to Class Counsel Neville L. Johnson on May 4, 2012, but was identified by SAG-AFTRA not as an audit but as the *“report on the annual financial review”* by PwC of SAG’s Foreign Royalties Program.

Or, after issuing the report on May 3, 2012, of its alleged audit of the Foreign Royalties Program *“from its inception through the close of its fiscal year on April 30, 2011”*, did PwC perform another audit of the Foreign Royalties Program —this time *“from inception through March 31, 2012”* and issue that report on October 15, 2012?

Although SAG-AFTRA published on its website the *“findings”* of this new alleged audit with the statement that — *“A financial audit of both legacy organizations was performed for the period from May 1, 2011 to March 30, 2012.”* — No such *“financial audit of both legacy”* SAG and AFTRA *“for the period from May 1, 2011 to March 30, 2012”* or any audit whatsoever for any period whatsoever is required under the Merger Agreement Between Screen Actors Guild and the American Federation of Television and Radio Artists.

What was required regarding full disclosure of the financial condition of each of the two labor organizations can be found in Article XVIII (*Due Diligence Exchange*) of the Merger Agreement:

*“AFTRA has provided to SAG, and SAG has provided to AFTRA, all documents reasonably required to make full disclosure of their financial condition and the financial condition of all assets and funds which they, or any of them, administer, and all subsidiary entities and related foundations, including, but not limited to, the annual audited financial statements for the last two fiscal years (including balance sheets and related financial statements, and changes in financial position), the unaudited financial statements current to the end of the month immediately preceding the Effective Date (including balance sheets and related financial statements, and changes in financial position), schedules of assets, schedules of liabilities, schedules of contracts, schedules of collective bargaining agreements and a complete description of any pending litigation to which any such entity is a party.”*

It appears that the inference that the Merger Agreement required an audit of the legacy labor organizations was concocted to address the problem for SAG-AFTRA as to why it would now have an audit conducted of its Foreign Royalties Program *“from inception through March 31, 2012”* when, despite SAG’s claim to its membership that the Settlement Agreement in *Osmond vs. SAG* requires an independent audit of its foreign royalties program from inception, the Settlement Agreement, in fact, stipulates that there will be no audit of monies received before January 2011.

But all this pales in the light of the blatant fraud that is the **Report of Independent Auditors** by *“SAG’s regular auditor”* now *“SAG-AFTRA’s regular auditor”* — PricewaterhouseCoopers

LLP.

*"We have audited the accompanying Schedule of Foreign Levy Funds (the 'Schedule')"* writes PricewaterhouseCoopers LLP.

Audits are evaluations of financial statements.

A schedule is a supplemental document that provides supporting details to a financial statement.

Audit schedules are the information formats developed by the external auditors to guide the corporation in the preparation of particular information presented in a particular manner that facilitates the audit.

Each schedule lists major financial events such as receipts or disbursements by category.

The *Schedule of Foreign Levy Funds* groups together five categories on one schedule.

PricewaterhouseCoopers writes: *"We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America."*

The Settlement Agreement in *Osmond vs. SAG* provides that *"For fiscal year 2011 and all subsequent fiscal years in which SAG maintains its foreign levies program, SAG shall, as part of its annual financial review, have a review performed of the foreign levies program. Said review of the foreign levies program shall be performed by the same accounting firm that SAG selects for its overall annual review, provided that the accounting firm remains an independent 'big four' accounting firm (i.e., PriceWaterhouseCoopers LLP; Deloitte Touche Tohmatsu; Ernst & Young; or KPMG) utilizing Generally Accepted Accounting Principles (GAAP)."*

In the Final Report adopted by the U.S. Treasury Department's Advisory Committee on the Auditing Profession, the Committee reported that the largest U.S. auditing firms informed the Committee that they do not prepare financial statements using GAAP.

PricewaterhouseCoopers LLP does not use GAAP nor does it state in its OCT.15 report that it has.

This means that the 2011 and 2012 Annual Reviews of the Foreign Royalties Program required under the *Osmond vs. SAG* settlement, both attributed to PwC and both at times alleged to be audits, are in violation of the GAPP requirement under the Settlement Agreement.

But the very identification of the one-page schedule as the *Schedule of Foreign Levy Funds* exposes any claim that an audit of the single page *Schedule* is an audit of SAG-AFTRA's Foreign Royalties Program as false.

And that is because SAG defines *"foreign levy funds"* as a specific subset of what SAG references as *"foreign royalties"*.

SAG-AFTRA, without the authorization or knowledge of U.S. Performers and falsely representing itself as the legally mandated collecting society for all Performers of U.S. audiovisual works, collects from foreign collecting societies the statutory remuneration to

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which, under the doctrine of National Treatment, U.S. Performers have a right and designates only a percentage of those monies as its members' share. The "*Performers' Share*" of the collected Performers' Share are the "*foreign levy funds*".

Under the so-called Foreign Royalties Program a percentage of the collected Performers' Share is designated as the "*Producers' Share*" of the Performers' Share.

The Foreign Royalties Program has three categories of funds allocated from the statutory remuneration collected in foreign countries which is 100% rightfully the property of U.S. Performers:

- ➡ the Performers Share,
- ➡ the Producers Share, and
- ➡ SAG-AFTRA's share, the so-called "*administrative fee*".

I will let Steven Brower of Buchalter Nemer, counsel for SAG in *Screen Actors Guild, Inc. vs. Federal Insurance Company* verify what I have just written.

This is from the JAN.19.2012 deposition of Jo Sisson, Director of Residuals Analysis at the Screen Actors Guild.

The Examiner is Michael G. Nardi of Seltzer Caplan McMahon Vitek counsel for Federal Insurance Company.

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18 BY MR. NARDI;

19 Q. Before you go on, again I want to use  
20 terminology that you are comfortable with,  
21 Ms. Sisson.

22 You referred to these in these documents,  
23 these funds, as foreign royalties performer share.

24 A. Uh-huh. Yes.

25 Q. And is it-- and Mr. Brower at times and I

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1 have referred to them as foreign "levies" or  
2 "levies".

3 What is the terminology that you personally  
4 use?

5 A. Screen Actors Guild has taken the position  
6 of using the term "foreign royalties". We call it  
7 the foreign royalties department. We refer to them  
8 as "foreign royalties".

9 "Foreign levies" is fine as well.

10 Q. Okay. So I'm going to try to use the term  
11 "foreign royalties". If I slip up and say "foreign  
12 levies", you will understand that I'm referring to  
13 the foreign royalties?

14 A. Yes.

15 Q. Okay.

16 MR. BROWER: Let me tell you, Mr. Nardi -  
17 and be very careful on something, because it's more  
18 the lawyer's issue, is -

19 MR. NARDI: Okay.

20 MR. BROWER: -- Ms. Sisson, obviously,  
21 acted in compliance with her lawyer's instructions,  
22 but we don't want to get into, you know, the  
23 attorney-client part.

24 Your notice used the defined term "foreign  
25 levy funds". No criticism. Let me remind you where

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1 that came from. It came from the settlement  
2 agreement.

3 So we are in agreement that that's an  
4 acceptable nomenclature from where you started.

5 I do want to point out that you said  
6 foreign levy funds should have the meaning in the  
7 settlement agreement, and the settlement agreement  
8 used that term to refer to the performers' share,  
9 which is why, since we get the different words on  
10 the table up front, these reports are based on the  
11 performers' share because that ties to the  
12 definition that you asked us to use.

13 MR. NARDI: Okay.

14 MR. BROWER: As we talked about foreign  
15 royalties, which is not necessarily only the  
16 performers' share, I want to be careful that -- and  
17 I have no problem agreeing to the nomenclature, but  
18 I don't want us -- I want to be very clear on the  
19 record up front that we are not somehow slipping in  
20 either one of our favors a confusion that could be a  
21 problem later.

22 So I just want to be very clear that the  
23 definition of "foreign levy funds" in the settlement  
24 agreement is a very specific subset of what might be  
25 called "foreign royalties".

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1 MR. NARDI: And that it is the performer  
2 share of the foreign royalties that is defined as  
3 "foreign levy funds" in the settlement agreement;  
4 correct?

5 MR. BROWER: Correct.

6 BY MR. NARDI:

7 Q. Okay. And so we are talking about today  
8 the performers' share of those funds.

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9 A. Correct.

10 Q. Okay. Because SAG itself does not receive  
11 anything but the performers' share of those funds;  
12 is that right?

13 A. No. That's not correct.

14 When -- but let me be clear. We  
15 sometimes will receive from a collecting society the  
16 producers' share as well. And it's a pass-through.  
17 We simply take the money in and then we wire it out  
18 to the producers. So we are not receiving the  
19 money, per se. It's -- it's moving in and out.

20 Q. Are there any other shares besides the  
21 performers' share and the producers' share?

22 A. Other than the administrative fees, no.

23 Q. So there are funds that come in, and they  
24 basically have three categories: There's the  
25 performers' share of the funds, the producers' share

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1 of the funds, and then there's an administrative  
2 fee.

3 A. Correct.

4 Q. -- that SAG gets?

5 A. Correct.

**Brower:** "...let me be clear. We sometimes will receive from a collecting society the producers' share as well. And it's a pass-through. We simply take the money in and then we wire it out to the producers. So we are not receiving the money, per se. It's -- it's moving in and out."

Is Brower identifying SAG-AFTRA as a servicing intermediary collecting revenue for the Companies and, after deducting a fee, remitting or passing such revenue to the Companies?

SAG-AFTRA claims in the depositions that it does not charge the Companies an administrative fee for the "pass through".

And what SAG-AFTRA is actually doing is collecting monies that are 100% rightfully the property of Performers and converting these monies into revenue for the Companies.

Is SAG-AFTRA reporting these activities, and if so, as what?

Are the Companies reporting this illicit revenue, and if so, as what?

There is no such thing as a mere "pass through" of funds as Brower claims. The moment these monies are wired into a SAG-AFTRA account they become receipts that must be reported. And SAG-AFTRA then wiring these monies into the Companies' accounts are disbursements that must be reported.

What Brower is concealing is Section 3 of that alleged collective bargaining agreement, the illegal foreign levy agreement:

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3. **Filing Claims:** All claims to the Performers' Share of any Video Levy or Video Rental Levy shall be filed in the first instance by the undersigned companies or their representatives, on their own behalf and on behalf of the Guild, as representative of Covered Performers. If no claim for the Performers' Share has been filed by the undersigned companies or their representatives within six months after such claim is permitted in a Foreign Country; *or if the undersigned companies are precluded for any reason from filing such a claim or from collecting such Performers' Share, the Guild may seek to collect the Performers' Share in such Foreign Country* and shall so advise the undersigned companies. In any event, *the allocation of the Performers' Share shall be in accordance with Paragraph 2 above and, as to any monies collected by the Guild, the Guild shall promptly remit the balance due to the undersigned companies after deducting the applicable percentage payment required under Paragraph 2 above.*

PricewaterhouseCoopers writes that the auditing standards in accordance with which it conducted its alleged audit of the single page *Schedule of Foreign Levy Funds* "require that we plan and perform the audit to obtain reasonable ~~assurance~~ about whether the Schedule is free of material misstatement."

But either PwC failed to fulfill that requirement or the "auditing standards" it claims are "generally" accepted in the U.S. are less than sterling because despite PwC writing that "In our opinion, the Schedule...presents fairly, in all material respects, the balance and activities of the Foreign Levy Funds held by SAG-AFTRA as of March 31, 2012", the *Schedule of Foreign Levy Funds* contains significant material misstatements, the evidence of which can be found in the audits of SAG's financial statements for the fiscal years listed on the *Schedule*, audits which were performed by PricewaterhouseCoopers itself.

From the JAN.19.2012 deposition of Jo Sisson, Director of Residuals Analysis at the Screen Actors Guild, taken in *Screen Actors Guild, Inc. vs. Federal Insurance Company*:

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12 MR. NARDI: I'd like to mark as Exhibit 39  
13 a document similar to Exhibit 38. This one is  
14 called "Screen Actors Guild, Inc. (A Not-For-Profit  
15 Corporation) Report on Audit of Financial Statements  
16 for the Years Ended April 30, 2005 and 2004".  
17 (Exhibit 39 marked.)

18 BY MR. NARDI:

19 Q. I want to call your attention again to  
20 page 2, Ms. Sisson.

21 A. Uh-huh.

22 Q. Now, if I'm reading this correctly, it  
23 looks like the amount of performers' foreign levies  
24 as of the year ended April 30, 2005 is about  
25 \$1 million less than the amount as of the year ended

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1 April 30, 2004.

2 Do you see that?

3 A. I do.

4 Q. Now, I know that you told me that in 2004  
5 is when approximately \$250,000 was distributed.

6 A. Yes.

7 Q. Do you know why or what factors would cause

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8 this approximately \$1 million ~~reduction~~ other than  
9 the distribution of \$250,000?

10 A. I did, and I do not now recall what it was.  
11 There was a reason for that anomaly, and I don't  
12 recall what it is. I could speculate, but I don't  
13 think it's appropriate.

14 Q. Well, I'll accept your speculation for  
15 purposes of moving the ball along here.

16 MR. BROWER: Yeah. And I only have the  
17 need to say if you really mean speculation like you  
18 are guessing -

19 THE WITNESS: Right

20 MR. BROWER: -- you shouldn't, but to the  
21 extent that what you mean is you have a partial  
22 recollection or you think you might know -

23 MR. NARDI: Or an educated guess.

24 MR. BROWER: Yeah. So be careful. But if  
25 you are saying you have sort of a half recollection

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1 as long as you identify it as such so that it's not  
2 binding later if it's wrong, that's okay. If you are  
3 just guessing and you are not an accountant, I'd  
4 rather you not guess.

5 THE WITNESS: Then I shouldn't guess.

6 BY MR. NARDI:

7 Q. I'm going to venture a guess. Could it be that the  
8 funds were invested in something other than an  
9 interest-bearing account, something maybe more  
10 volatile performance-wise, and the actual ~~investment~~  
11 performance declined?

12 A. I don't believe so.

13 Q. So as you sit here, you don't know without  
14 guessing, which means you don't know, what happened  
15 to the extra approximately \$750,000?

16 A. Yes.

17 Q. Was that "yes"?

18 A. It was a "no".

19 Q. Okay.

20 A. I'll leave it as "no".

21 Q. Maybe it was a bad question.

22 Do you know, as you sit here today, what  
23 happened to the extra \$750,000?

24 A. I think what you are hearing as my  
25 hesitation is that I'm very -- I am confident that

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1 we have accounted for all of the monies that we have  
2 collected as the performers' share, that, in fact,

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3 we have not lost \$750,000. So that's why you see a  
4 hesitation in my response.

5 But to -- directly to your question, no, I  
6 don't know why that anomaly exists. I don't  
7 remember.

8 Q. Is there anyone that would be better  
9 equipped to answer that question than you?

10 A. Probably someone in our finance department.

11 Q. Who operates or directs the finance  
12 department?

13 A. Arianna. Arianna Ozzanto, I think, is her  
19 last name.

Sisson does not dispute that the "*Report on Audit of Financial Statements for the Years Ended April 30, 2005 and 2004*" shows that the amount of performers' foreign levies as of the fiscal year ended April 30, 2005 is about \$1 million less than the amount was as of the fiscal year ended April 30, 2004.

That audit was conducted by PricewaterhouseCoopers.

On the "*Schedule of Foreign Levy Funds*", the single sheet of paper which PricewaterhouseCoopers allegedly audited and issued its report on OCT.15, five days short of a month after SAG-AFTRA was served our Demand for Accountability, a report in which it states that the "*Schedule*" is free of material misrepresentations, the nearly \$1 million reduction in Performers' Share funds at the end of fiscal year 2005 is concealed and there is a fictitious increase of \$342,319 from the amount that was being held at the end of fiscal year 2004.

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23 MR. NARDI: We'll mark as Exhibit 40  
24 "Screen Actors Guild, Inc. (A Not-For-Profit  
25 Corporation) Report on Audit of Financial Statements

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1 for the Years Ended April 30, 2007 and 2006".  
2 (Exhibit 40 marked.)

3 BY MR. NARDI:

4 Q. And again, I'm going to refer to page 2.  
5 And here it appears that the amount of performers'  
6 foreign levies on hand as of year-end 2006, again,  
7 is roughly about a million dollars more than the  
8 amount that was on hand at the end of fiscal year  
9 2007; correct?

10 A. Correct.

11 Q. And fiscal year 2007 ended April 30, 2007;  
12 right?

13 A. Correct.

14 Q. So that was before the computer system was

- 15 in place and under which distribution started being  
16 made on a regular basis?  
17 A. Correct.  
18 Q. With those circumstances in mind, do you  
19 have any -- or are you aware of any facts that would  
20 allow you to explain the approximately \$1 million  
21 decline from 2006 to 2007 in the account balance?  
22 A. No.

Sisson does not dispute that the "*Report on Audit of Financial Statements for the Years April 30, 2007 and 2006*" shows an approximately \$1 million decline from 2006 to 2007 in the amount of performers' foreign levies.

That audit was conducted by PricewaterhouseCoopers.

On the "*Schedule of Foreign Levy Funds*", the single sheet of paper which PricewaterhouseCoopers allegedly audited and issued its report on OCT.15, five days short of a month after SAG-AFTRA was served our Demand for Accountability, a report in which it states that the "*Schedule*" is free of material misrepresentations, the approximately \$1 million reduction in Performers' funds from 2006 to 2007 is concealed and there is a fictitious increase of \$936,875 in Performers' funds from 2006 to 2007.

From the FEB.15.2012 deposition of Screen Actors Guild Deputy National Executive Director and General Counsel Duncan Crabtree-Ireland:

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- 13 Q. Let me show you a document that was marked  
14 Exhibit 40 to the Sisson deposition and unfortunately,  
15 I just have one copy of this document. Share with  
16 Mr. Brower.

- 17 It's Screen Actors Guild, Inc., report on  
18 audit of financial statements for the years ending  
19 April 30, 2007 and 2006.

- 20 Have you seen this document before?

- 21 A. Yes.

- 22 Q. On Page 2, numbered Page 2, it's actually  
23 the third page of the document, go to the  
24 "Liabilities" heading. There's another subheading  
25 called, "Funds held in trust due to others". And

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- 1 beneath that is a heading entitled, "Performers'  
2 foreign levies".

- 3 Do you see that?

- 4 A. Yes.

- 5 Q. And what I notice is that between 2006 and  
6 2007, the amount of performers' foreign levies went  
7 down by about roughly \$900,000.

8 Do you see that?

9 A. Yes.

10 Q. What caused that decline?

11 A. To the best of my knowledge, what caused  
12 that decline was remittance of -- of producers' share  
13 of foreign levies received by the Guild. There may be  
14 some -- there probably is some amount of distributed  
15 funds reflected there as well, given these figures  
16 are -- no, actually I take that back. This is as of  
17 April 30, '07. So that would have -- I believe that  
18 to be exclusively *the result of distribution of*  
19 *producers' share of levies received pursuant to the*  
20 *foreign video levy agreement.*

21 MR. BROWER: Let me mention, Mr. Nardi,  
22 Mr. Crabtree-Ireland was not designated on topic 4,  
23 which is the accounting for this. But your question  
24 which we -- we have noted from last time is one that  
25 we are investigating, so we are not -- I'm not

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1 blocking the inquiry. He's not designated on it so  
2 he's not prepared on that, but we are looking to try  
3 to get a more precise answer.

4 BY MR. NARDI:

5 Q. Because Ms. Sisson didn't know the answer to  
6 that question, so I thought I would ask you hoping  
7 that you would.

8 So it's your understanding, then, that under  
9 the heading "Performers' foreign levies" there's a  
10 possibility that that also includes producers' foreign  
11 levies?

12 A. Yes. Because that -- my understanding is  
13 that we did not have a separate line that reflected  
14 the producers' side of those funds so if there were  
15 producers' shares that were being held by the Guild,  
16 prior to their transfer to the producers and that  
17 happened to cross over the end date of a fiscal year,  
18 that that would be reflected in the statements of  
19 financial position under that line item.

20 Q. So the producers' share of foreign levies is  
21 something different from the producers' production  
22 deposits and the producers' residual deposits.  
23 Correct?

24 A. Yes. Definitely.

25 Q. Is there any other reason to your knowledge

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1 that would cause the amount of the performers' foreign  
2 levies to decline between 2006 and 2007?

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3 A. Not to my knowledge, no. I'm sorry. Just  
4 to be clear, to decline between 2006 and 2007 on the  
5 dates specified in this statement of financial  
6 position.

7 Q. Let me ask it a better way.

8 A. Okay.

9 Q. To your knowledge, there is no other reason  
10 that would cause the amount of performers' foreign  
11 levies to be lower on fiscal year end 2007 than on  
12 fiscal year end 2006.

13 A. That's correct,

14 Q. And the fiscal year ends April 30 -  
15 April 30 every year.

16 A. Yes.

In the OCT.15.2012 *Report of Independent Auditors* by "SAG-AFTRA's regular auditor Pricewaterhouse Coopers LLP", Pricewaterhouse Coopers writes:

*"This report is intended solely for the information and use of the board of directors and management of the SAG-AFTRA and should not be used for any other purpose."*

Nonetheless Daniel Scott Schecter of LATHAM & WATKINS LLP, counsel for SAG in *Osmond vs. SAG* emailed the *Report* to class counsel Neville L. Johnson writing that *"Pursuant to the Class Settlement, attached is the PwC report for the period ending March 31, 2012."*

The Settlement Agreement in *Osmond vs. SAG* provides that *"For fiscal year 2011 and all subsequent fiscal years in which SAG maintains its foreign levies program, SAG shall, as part of its annual financial review, have a review performed of the foreign levies program."*

Disregarding PwC's explicit statement that the report *"is intended solely for the information and use of the board of directors and management of the SAG-AFTRA and should not be used for any other purpose"*, SAG-AFTRA has posted an edited and altered version of the report as the link **To view the Annual Review of the Foreign Royalties Program as of March 31, 2012, please click [here](#).**

On the linked page SAG-AFTRA has published the following:

**Annual Review of Screen Actors Guild-American Federation of Television and Radio Artists' Foreign Royalties Program As of March 31, 2012**

*"On March 30, 2012, the Screen Actors Guild and the American Federation of Television and Radio Artists merged to form SAG-AFTRA. All assets and liabilities of the legacy unions were assumed by the new organization.*

*A financial audit of both legacy organizations was performed for the period from May 1, 2011 to March 30, 2012. As part of this audit SAG-AFTRA had an audit conducted of its Foreign Royalties Program from inception through March 31, 2012. The audit was conducted by PricewaterhouseCoopers LLP, which is the same accounting firm that SAG-AFTRA engages for its annual financial review. Following is a report of its findings:"*


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# EXHIBIT V

**MEET DINA KAMPMAYER AKA "LADY STEAM"****Subject:** MEET DINA KAMPMAYER AKA "LADY STEAM"**Date:** Feb 23, 2013 11:21 AM

Implemented a new automatic system for printing, sorting and mailing over 100K checks annually, saving more than 400 hours per year.

Then what does Media Services fka Film Payment Sevices do exactly?

<b>2.18.2013</b> <b>Manager, Foreign Royalties SAG-AFTRA</b> January 2007 – Present (6 years 2 months) – Los Angeles, CA	<b>6.15.2012</b> <b>Manager, Foreign Royalties at Screen Actors Guild</b> July 2011 - Present (1 year)
 <p>Responsible for the collection and disbursement of millions of dollars and the constant improvement of Oracle processes and <u>databases</u>. Manage department resources and work directly with senior staff, IT, legal department and processing department to ensure compliance with contractual and legal obligations. Significant accomplishments include:</p> <ul style="list-style-type: none"><li>•Process annual distribution reports using Oracle in order to create quarterly payrolls that have totaled over \$14 million dollars being sent to Union members.</li><li>•Designed a custom Oracle interface with the Finance department on deposits, <u>payroll</u> \distributions and trust accounts.</li><li>•Implemented a new automatic</li></ul>	<ul style="list-style-type: none"><li>•Prioritize and manage department workload to ensure compliance with contractual and legal obligations.</li><li>•Utilize department resources to increase the amount of distributions beyond the \$11 million already sent to members to date.</li><li>•Manage support staff and provide hands-on training on process and policy to senior staff and other guild employees</li><li>•Identify and develop vital upgrades to Oracle and work directly with senior IT staff on strategy, development and deployment.</li><li>•Lead in testing of vital system upgrades and maintenance of a live <u>website</u> used by hundreds of\ thousands of SAG-AFTRA members.</li><li>•Developing a comprehensive manual that will provide detailed information to management, new employees and auditors on the complete process of collection, processing and distribution</li><li>•Implemented a new automatic system for printing, sorting and mailing of over 100,000 checks</li></ul>



system for printing, sorting and mailing over 100K checks annually, saving more than 400\ man hours per year.

- Managed a technical working group that has built a custom Oracle database that allows us to process millions of lines of data. Led the beta testing, redesign and technical documentation.

annually, saving more than 400 man \hours per year.

- Strategize with senior guild staff on necessary changes to the SAG foreign royalties program due to the SAG-AFTRA merger and execute the new policies.

### **Foreign Royalties Coordinator at Screen Actors Guild**

January 2007 - July 2011 (4 years 7 months)

- Responsible for the disbursement of over \$8 million in foreign royalty funds to SAG performers through quarterly distributions.
- Utilized my extensive knowledge of television, movies and popular culture to expedite the processing of title and performer based distribution files.
- Co-designed a custom-built Oracle application used to match hundreds of thousands of lines of data to SAG databases, create payment files and keep track of almost half a million checks
- Served as lead in beta testing, redesign and technical documentation. Worked on continuous improvement of the application.
- Interfaced with representatives of\ senior officials from foreign collecting societies, SAG members and SAG employees and managers from a wide-variety of departments.
- Considered an Oracle system expert, providing application support and

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# VERIFICATION

STATE OF CALIFORNIA, COUNTY OF

I have read the foregoing

and know its contents.

## ☒ CHECK APPLICABLE PARAGRAPH

☐ I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am ☐ an Officer ☐ a partner ☐ a of

a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. ☐ I am informed and believe and on that ground allege that the matters stated in the foregoing document are true. ☐ The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am one of the attorneys for a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

Executed on at California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Type or Print Name

Signature

## ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT (other than summons and complaint)

Received copy of document described as

on

Type or Print Name

Signature

## PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF

I am employed in the county of Los Angeles State of California.

I am over the age of 18 and not a party to the within action; my business address is: 1907 W. Burbank Boulevard, Suite A, Burbank, California 91506

On September 16, 2013, served the foregoing document described as PLAINTIFF'S EVIDENCE IN OPPOSITION TO MOTIONS

on

in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Robert Bush, Esq.  
Ira Gottlieb, Esq.  
BUSH GOTTLIEB SINGER LOPEZ  
KOHANSKI ADELSTEIN & DICKINSON  
500 North Central Avenue, Suite 800  
Glendale, California 91203-3345

BY EMAIL 9/16/13

AND BY PERSONAL SERVICE 9/17/13

☐ (BY MAIL) I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at , California.

Executed on at , California.

☒ (BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the addressee.

Executed on September 17, 2013 at Burbank, California.

☐ (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☒ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

PATTY VILLASENOR

Type or Print Name

Signature

1 J9