

## RESOLUTION 05-05-04

### DIGEST

#### Talent Agency Bond: Increase

Amends Labor Code section 1700.15 to change the amount of a surety bond for a talent agency from \$10,000 to \$50,000

### RESOLUTIONS COMMITTEE RECOMMENDATION

APPROVE IN PRINCIPLE

#### History:

No similar resolutions found.

#### Reasons:

This resolution amends Labor Code section 1700.15 to change the amount of a surety bond for a talent agency from \$10,000 to \$50,000. This resolution should be approved in principle because the amount of financial losses by artists has increased significantly since the statute was last amended in 1986.

The Legislature created the Talent Agencies Act (Lab. Code, §1700 et seq.) to shield artists from unscrupulous agents and managers. It creates licensing requirements, a bond, and an administrative law process using the Labor Commissioner to resolve disputes. Increasing the bond amount to \$50,000, to be deposited with the Labor Commissioner, allows for greater penalties to recompense an artist and hence serves as a greater deterrent to halt abuses.

### TEXT OF RESOLUTION

RESOLVED, that the Conference of Delegates of California Bar Associations recommends that legislation be sponsored to amend Labor Code section 1700.15 to read as follows:

- 1 §1700.15
- 2 A talent agency shall also deposit with the Labor Commissioner, prior to the issuance or
- 3 renewal of a license, a surety bond in the penal sum of ~~ten thousand dollars (\$10,000)~~ fifty
- 4 thousand dollars (\$50,000).

(Proposed new language underlined; language to be deleted stricken.)

PROPOSERS: Duncan Crabtree-Ireland, Mary R. Campbell, William Bensussen, Lisa Berman-Lench, Vanessa Eisemann, Tristan Higgins-Goodell, Russell Naymark, Mary B. Peterson, Alison Platt, Laura Beedy Ritchie

### STATEMENT OF REASONS

Existing law: Requires talent agencies to procure a \$10,000 bond in order to secure a talent agency license.

This Resolution: Would increase the bond amount required to \$50,000.

The Problem: Most individuals who are represented by talent agencies are paid through the agency. As a result, a busy agency will often have tens of thousands of dollars of wages belonging to their represented talent in the agency's possession. In many cases, when agencies find themselves in financial trouble, the temptation to divert the talent's wages is irresistible. When it doesn't work out, the agency may fold and dozens or even hundreds of individuals find that their wages are gone, with the only prospect of recovering them being a small proportional share of a bond. By increasing the bond amount (for the first time since 1986), entertainment workers will receive some additional protection against this danger.

#### IMPACT STATEMENT

This resolution does not affect any other law, statute, or rule.

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