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Reed Smith LLP
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To: All JPC Authorizer Signatories to the Screen Actors Guild ("SAG")
2009 Commercials Contract

From: Douglas J. Wood and Stacy Marcus

Re: 2009 Commercials Contract – Multi-Service Contract Requirements

Date: December 7, 2010

According to the SAG 2009 Commercials Contract, all signatories shall designate multi-service contract status on the contribution remittance reports filed with the Plans when contributions are tendered in connection with services related to a multi-service agreement. You also agree to provide unredacted copies of all contracts relating to services provided under such multi-service agreements to the Plans at the time of submission of initial contribution reports to the Plans or, should you fail to do so, you agree to provide such unredacted copies upon written request by the Plans. If justified by unusual circumstances, you may request that the Plans examine the agreements in Los Angeles or New York.

Due to the confidential and sensitive nature of the terms of these multi-services agreements, as a condition of providing any copies of the agreements or providing access to them, you may require that the Plans execute a confidentiality agreement.

It has come to our attention that the Plans have stated that the failure of a signatory to supply the multi-service agreements will result in the imposition of liquidated damages based upon recent revisions to the Plans' Trust Agreements. The Plans' revision goes beyond the collective bargaining agreement, and, as such is beyond the powers of the Plans. **It is the Joint Policy Committee's position that liquidated damages can only be imposed in the event of a delinquency. Under the 2009 SAG Commercials Contract, a unresolved dispute over an allocation can only be resolved through an arbitration between the Guild and the producer. Until such an arbitration resolves a dispute and an amount becomes due that a producer fails to pay can there be a delinquency. Until then, the Plans are bound by whatever allocation is set forth in a given multi-service agreement. The Plans have no legal authority to collect**

liquidated damages for failure to provide an unredacted copy of a multi-service contract.

In the event that you have been served notice by the plans of an assessment of liquidated damages or have paid liquidated damages to the Plans on the basis of a failure to designate multi-service contract status and/or to provide a copy of a multi-service agreement, please contact Stacy Marcus at smarcus@reedsmith.com or +1 212 549-0446.