

Writers Guild Accuses Talent Agencies of Conflicts of Interest

By [Dave McNary](#)



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Amping up a potentially contentious fight, the [Writers Guild of America](#) has accused Hollywood's top talent agencies of being engaged in conflicts of interest in how they represent writers.

The WGA is making the accusations in printed materials given to WGA members at recent meetings to discuss renegotiating the guild's agency franchise agreement. The first meetings were held March 10 at the WGA Theater in Beverly Hills, followed by a March 14 meeting at the Sheraton Universal.

The issue has gained prominence in recent months due to Hollywood's two largest agencies — WME and CAA — aggressively moving into production. As *Variety* noted in a Feb. 13 cover story, the issue has the potential for conflicts of interest that arise when the same company represents the creative talent on one side of the table and is the employer on the other.

The material asserts that agencies with a financial interest in shows may have less incentive to get the best deals for writers. The WGA said that's because agency compensation is taken out of the show's budget and its profits in that scenario — rather than the traditional commission on writers' earnings.

"Agencies have little incentive to defend or improve quotes (writers' previous pay) because their compensation is not tied to the well-being of their clients," the guild said.

The source of those assertions was not named by the WGA. The Association of Talent Agents (ATA) did not immediately reply to a request for comment.

But agents have expressed frustration recently in private conversations over the lack of engagement from the WGA leadership about these issues, noting that the guild has not approached the agent community to express their concerns directly. Agents have also pointed out that the new productions are generating a significant amount of work for writers.

The WGA material noted that WME and CAA are becoming active in content production, financing, and distribution with projects set up at Netflix, Apple, Hulu, Amazon, and YouTube. The guild also cited the 1962 antitrust lawsuit by the U.S. Dept. of Justice, which forced MCA-Universal to exit the agency business.

The guild notified members on March 2 that it was holding the meetings with the goal of updating its agreement with the ATA. "The contract has not been renegotiated for 42 years and is completely out of date," the message said. "The Guild is considering renegotiating the contract to update its terms and ensure that agencies represent the interests of writers."

In a page titled "Conflict of Interest," the guild said, "Under California and New York law (and most other states), agencies are fiduciaries with full obligation to their clients, including the obligation to avoid any conflict of interest or to make any deals that benefit the agent at the client's expense."

"A fiduciary is expected to refrain from acting for his private advantage or otherwise contrary to the interests of his client; the fiduciary should fully, without compromise, assert the complete and unmitigated interest of the client," it went on.

The WGA material, which was generated by both the Los Angeles-based WGA West and the New York-based WGA East, also showed that for the 2016-17 television season, more than 300 series were packaged with WME and CAA leading the way.

WME was the solo packager of 84 series and shared packaging on 59 others. CAA was the solo packager of 64 series and shared packaging on 61 others. UTA was the solo packager of 35 series and shared packaging on 53 others. ICM Partners was the solo packager of 14 series and share packaging on 30 others while Paradigm was the solo packager of three series and shared packaging on 10 others.

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WRITERS GUILD OF AMERICA

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