

2006 ATA GENERAL MEMBERSHIP MEETING

Lenhoff proposal to adopt a Professional Ethics Canon

Thank you fellow ATA members for allowing me to speak with you.

I'd like to thank our brilliant President Sandy Bressler and our dazzling Executive Director Karen Stuart for doing such a wonderful job in galvanizing our membership...AND, with a new ATA Board coming in, I think it's a perfect time to explore other issues that will strengthen our organization.

Specifically, I would like to address the issue of how the General Public perceives the Agency business, and what can be done to improve that perception so that we can continue to operate in a healthy and congenial environment.

Everywhere we turn, Agent's are being portrayed in a negative light. The perception in the General Public is that we are self serving and not to be trusted. This negativity has spilled into the mainstream...For example: Vanity Fair's recent review of Robert Hofler's new book about exposing dirty dealing agent Henry Willson as "The Man Who Invented Rock Hudson" ...also, last year there was a billboard on Sunset Blvd. proclaiming "Tide Laundry Detergent would even get your agent clean"...this is BS!!! And, it didn't help when Marc Cherry pronounced to the world, in a Golden Globes live telecast, that his former agent Marcie Wright was thrown in jail for embezzling his money...additionally, the Internet is full of scam artists pretending to be on-line modeling and talent agencies illegally taking fees in advance of procuring employment...and most recently, the highly respected University of Iowa Entertainment Law Professor - Nick Johnson's published article stating "Agents, personal managers and lawyers have a horrifying stereotype and stigma. "Agent's just use 'talent'." "Managers rip them off!" "Lawyers... well, they are just rats."

People from outside our business see this flow of information and they look at us like we're animals...that we lack moral turpitude... that we are parasites and not to be trusted.

Are we ruthless people making our living off of the hard sweat of poor starving artists, or are we trained professions working hard to create opportunities for our clients.

I want people to say Agents operate at a "higher ethical standard" ...that we're not lying cheating sumbitches... that we don't contractually interfere with each other's clients...that we are unified in our resolve to look after each other...

I'd like to turn the page and focus on the issue of poaching each other's clients and the need stop this barbaric activity.

Question - Why?

Some people think poaching a client is going to make their business better...or their competitor's worse...but I think in the long run it is hurting all ATA members.

Client poaching is poisoning the water from which we drink.

This cannibalistic activity is painting agents in a negative light...it is breeding a cancer that is undermining our standing within the General Public and the Entertainment Community.

It is unacceptable for an agent to bust their ass for a client...to have a substantial vested interest in building their career...and then, only to have the rug pulled out from them when success starts to happen.

The lack of respect of each other's assets breeds anger... it threatens to divide us...and it is a considerable drain of energy, focus and resources.

We need to respect each other's property and conduct ourselves in a more ethical fashion.

Question - Why does poaching happen? Who benefits from poaching?

Everyone from lawyers, managers, accountants, spouses, studio executives, Guild executives, and anyone else out there with an opinion and access to the client, has formed a perception that agents steal from each other every day...that it's ok...that poaching is acceptable behavior...that poaching is common industry practice. This is B.S. and we are being taken advantage of by letting people from outside the ATA foster this sleazy activity and pit us against each other...it's feeding a cancer that is promoting competition, not fostering growth. The only people benefiting by poaching in the long run is everyone except the agency community.

Question - Is it all about the money?

This business of being licensed to procure employment is meaningless if we are always defending our right to protect the commission by justifying "who shook the proverbial tree." We need to strengthen our resolve and protect our assets to avoid some frivolous claim of a "fiduciary breach" that is spoon fed to the client by the predator agent, lawyer, manager, etc. just to break the contract and avoid paying the commission.

Regarding representation contracts, I think it all begins with a respect for the law and a respect for each other as colleagues. The public assumes agents are unethical and we

need to change that perception. We need to shape opinion so that we are perceived in a positive ethical light that is beyond reproach.

As the state and federal governments, along with the guilds, look to regulate and squeeze us to death, we have to turn this around, and it all starts from the perception of what we do for a living.

Representing Artists is an emotional rollercoaster to begin with. When things are good, it's their doing and when it's bad, it's the agents doing. I propose that by not poaching each other's clients, we are making a positive statement that will pay off in spades for decades. We won't have to spend so much time fighting to enforce the contract and commissions, and we will have considerable more time and energy to focus on the clients and building our businesses.

I propose that our new Board of Directors establish a committee to set forth a set of protocols to prevent ATA member agencies from stealing each other's clients. Similar to the California State Bar Association's Professional Ethics Canon addressing the Solicitation Of Clients, these protocols would include a set of guidelines that would prevent any agency from speaking or meeting with a client under contract to another agency. By self governing our ethical behavior, I believe that we will be reconciling our mutual interests of shaping industry and public opinion of agents...we will ultimately have more control of our destiny...and most importantly, we will create a more stable environment to run our businesses. By recognize and respecting each other's businesses, we strengthen our association.

Every ATA agency large and small will benefit by this protocol if we stick together like we did on the Screen Actor Guild Franchise Agreement. Additionally, by adopting a Code Of Ethics, non-ATA Agencies will be forced to join the ATA as a preemptive measure to protecting their assets.

I think we need to start by framing the issue: ATA members operate their businesses at a very high ethical standard...that we look after each other...and I'm convinced by doing this, it will make us a stronger and more powerful association.

I move that the ATA adopt a Professional Ethics Canon and put it to membership vote – all in favor please raise their hands...

Any opposed?

I move that the vote be counted.

I move to refer the motion to a special committee of seven, the chairman to be myself, with six additional members to be appointed by the president and to instruct the committee to report at the next ATA board meeting.

I move that the vote be counted.