DIVISION OF LABOR STANDARDS ENFORCEMENT 1 Department of Industrial Relations State of California 2 BY: DAVID L. GURLEY (Bar No. 194298) 455 Golden Gate Ave., 9<sup>th</sup> Floor 3 San Francisco, CA 94102 Telephone: (415) 703-4863 4 Attorney for the Labor Commissioner 5 BEFORE THE LABOR COMMISSIONER 6 OF THE STATE OF CALIFORNIA 7 8 9 Case No. TAC 33-00 JOY JONES, 10 Petitioner, DETERMINATION OF vs. 11 CONTROVERSY 12 TROY MCVEY-SOLAREK & MITCHELL AGENCY 13 INC., (a.k.a. MITCHELL TALENT AGENCY and a.k.a. MITCHELL MODEL MANAGEMENT) 14 Respondents. 15 16 INTRODUCTION 17 The above-captioned petition was filed on October 13, 18 2000, by JOY JONES, (hereinafter "Petitioner"), alleging that TROY 19 McVEY-SOLAREK acting on behalf of MITCHELL AGENCY INC., a.k.a. 20 and/or MITCHELL MODEL MANAGEMENT, TALENT AGENCY MITCHELL 21 (hereinafter "Respondent" or "Mitchell"), failed to pay wages 22 earned for modeling performed in violation of Labor Code 23 \$1700.25(a)<sup>1</sup>. Petitioner further alleges respondent willfully 24 withheld petitioner's earnings and is therefore entitled to 25 26 1 All statutory citations will refer to the California Labor Code unless otherwise indicated. 27

1 attorney's fees and interest pursuant to 1700.25(e)(1)and(2).
2 Finally, petitioner seeks disgorgement of all commissions collected
3 and held by respondent.

4 Respondent telephoned the hearing officer designated to 5 hear this matter and indicated her response to the petition would 6 be filed on the day of the hearing. The hearing was originally 7 scheduled on December 20, 2000. The hearing was continued to 8 January 5, 2001, on request of the respondent. On January 4, 2001, 9 respondent again requested a continuance because Troy Solarek's 10 husband, a corporate officer and material witness, had broken his 11 arm in a ski accident. The hearing was again continued and eventually held on January 24, 2001, before the undersigned 12 attorney for the Labor Commissioner. The petitioner appeared with 13 her attorney Carita T. Shanklin of Skadden, Arps, Slate, Meagher & 14 Flom LLP. The respondent failed to appear. Based upon the 15 testimony and evidence presented at this hearing, the Labor 16 Commissioner adopts the following Determination of Controversy. 17

## FINDINGS OF FACT

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Petitioner, a professional model, entered into an 1. 20 oral contract with the respondent on or around September, 1996. 21 Respondent procured modeling engagements on behalf of the 22 petitioner in exchange for 20% of petitioner's earnings. The 23 employer/client paid petitioner's earnings directly to the 24 respondent who then deducted a 20% commission and remitted the 25 remaining wages to the petitioner. The relationship operated in 26 this fashion for the next several years. 27

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1 2. Between the months of April 17, 2000 and July 26, 2 2000, petitioner performed several modeling engagements procured by 3 the respondent, whereby the respondent collected petitioner's 4 earnings from the employer/client, but then failed to remit those 5 earnings to her.

6 3. The modeling assignments that were procured by the 7 respondent; performed by the petitioner and monies which were not 8 disbursed include the following:

A) On April 17, 2000, petitioner completed a photo
shoot for Levi Strauss & Co. Petitioner supplied invoices
establishing that respondent collected \$2,150.00 on behalf of the
petitioner.

B) On April 29, 2000, petitioner completed a photo shoot for Eddie Bauer. Petitioner supplied invoices establishing that respondent collected \$3,111.00 on behalf of the petitioner.

C) On July 26, 2000, petitioner completed a photo shoot for Eddie Bauer. Petitioner supplied invoices establishing that respondent collected \$3,120.00 on behalf of the petitioner.

D) On June 20, 2000, petitioner completed a photo shoot for Mervyn's. Petitioner supplied invoices establishing that respondent collected \$562.50 on behalf of the petitioner.

E) On June 22, 2000, petitioner completed a photo shoot for Mervyn's. Petitioner supplied invoices establishing that respondent collected \$562.50 behalf of the petitioner.

F) On June 23, 2000, petitioner completed a photo shoot for Mervyn's. Petitioner supplied invoices establishing that respondent collected \$562.50 on behalf of the petitioner.

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1 On June 29, 2000, petitioner completed a photo G) shoot for Nordstrom. Petitioner supplied invoices establishing that respondent collected \$2,000.00 on behalf of the petitioner.

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4 4. Additional credible testimony by the petitioner, 5 buttressed by phone logs and detailed memorandums reflected that 6 the respondent stated to the petitioner that Mitchell Talent had 7 not been paid by the employer/client and that monies earned would 8 be forthcoming as soon as payment from the client was rendered. 9 Petitioner, skeptical of respondent's story, directly contacted the 10 various clients of Mitchell to verify whether the clients had 11 indeed paid for petitioner's services. The clients (all well known 12 retailers in the garment manufacturing industry) indicated that 13 payment had been made soon after the photo shoot.

## LEGAL ANALYSIS

1. Labor Code 1700.4(b) includes "models" in the 16 definition of "artist". Petitioner's is an "artist" within the 17 meaning of Labor Code §1700.4(b). 18

> 2. Respondent is a licensed California talent agent. 3. Labor Code 1700.25 states in pertinent part:

(a) A licensee who receives any payment of funds on behalf of an artist shall immediately deposit that amount in a trust fund account maintained by him or her in a bank or other recognized depository. The funds, less the licensee's commission, shall be disbursed to the artist within 30 days after receipt.

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1 The respondent failed to disburse petitioner's 4. 2 earnings within 30 days of receipt and consequently is in violation 3 of 1700.25(a). 4 Further Labor Code §1700.25(e) states, 5 If the Labor Commissioner finds, in proceedings under 6 Section 1700.44, that the licensee's failure to disburse 7 funds to an artist within the time required by subdivision (a) was a willful violation, the Labor 8 Commissioner may, in addition to other relief under 9 Section 1700.44, order the following: (1) Award reasonable attorney's fees to the prevailing 10 artist. 11 (2) Award interest to the prevailing artist on the funds wrongfully withheld at the rate of 10 percent per annum during the 12 period of the violation. 13 14 Respondent's misrepresentations regarding the 5. 15 alleged non-payment of the employer/client violates respondent's 16 fiduciary duty toward the petitioners and establishes a willful 17 violation within the meaning of Labor Code §1700.25(e). 18 Finally, petitioner is entitled to recover all 6. 19 commissions paid to respondent for the one year period preceding 20 filing of the petition pursuant to Labor Code §1700.44(c). 21 22 ORDER 23 For the above-state reasons, respondent is to immediately pay petitioner \$9,654.80 in unpaid earnings; \$594.44 interest 24 calculated at 10 percent per annum; \$2367.50 in commissions 25 retained by respondent totaling \$12,526.74. Additionally, 26 27 5

petitioner is entitled to reasonable attorney's fees. IT IS SO ORDERED. Dated: 2/15/01 DAVID L. GURLEY Attorney for the Labor Commissioner ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER: FEB 1 5 2001 Dated: ARTHUR S. LUJAN State Labor Commissioner