Miles E. Locker, CSB #103510 1 DIVISION OF LABOR STANDARDS ENFORCEMENT 2 Department of Industrial Relations State of California 3 455 Golden Gate Avenue, 9th Floor San Francisco, California 94102 Telephone: (415) 703-4863 4 (415) 703-4806 Fax: 5 Attorney for State Labor Commissioner 6 7 8 BEFORE THE LABOR COMMISSIONER 9 STATE OF CALIFORNIA 10 No. TAC 26-02 11 MALAIKA PAUL, 12 Petitioner, 13 vs. 14 COLOURS MODEL & TALENT MANAGEMENT) DETERMINATION OF AGENCY, INC.; CMT TALENT AGENCY, a CONTROVERSY 15 partnership; BYRON GARRETT, an individual, 16 Respondents. 17 18 The above-captioned matter, a petition to determine 19 controversy under Labor Code §1700.44, came on regularly for 20 hearing on November 7, 2003, in Los Angeles, California, before the Labor Commissioner's undersigned hearing officer. Petitioner 21 appeared in propria persona; respondents failed to appear. 22 Based 23 on the evidence presented at this hearing and on the other papers 24 on file in this mater, the Labor Commissioner hereby adopts the following decision. 25 26 FINDINGS OF FACT 27 CMT TALENT AGENCY (hereinafter "CMT") was most recently 1. licensed as a talent agency by the State Labor Commissioner from 28

TAC 26-02 Decision

1

July 25, 2001 to July 24, 2002. It was licensed as a
 partnership, owned by ALBERTA SELLERS and BYRON GARRETT, with a
 business address at 8344 ½ W. 3rd Street, Los Angeles,
 California.

2. COLOURS MODEL & TALENT MANAGEMENT AGENCY, INC.,
(hereinafter "COLOURS") was most recently licensed by the Labor
Commissioner as a talent agency from June 9, 2000 to March 26,
2001. It was licensed as a corporation, and ALBERTA SELLERS and
BYRON GARRETT were listed on the license application form as
corporate officers, with a business address at 8344 ½ W. 3rd
Street, Los Angeles, California.

While at an acting class in early 2001, Petitioner 12 3. 13 MALAIKA PAUL met a person who identified himself as a booking agent for COLOURS. The booking agent arranged for Petitioner to 14 audition for Byron Garrett After the audition Garrett told 1-5-Petitioner that he wanted to represent her as her talent agent. 16 Petitioner then entered into an oral agreement with Garrett 17 whereby COLOURS was to serve as Petitioner's talent agent, with 18 19 COLOURS to receive commissions equal to 10% of Petitioner's 20 earnings for all television work and 20% of Petitioner's earnings for all print modeling work, on jobs procured by COLOURS. 21

4. On April 18, 2001, Petitioner performed television
modeling work in connection with a commercial for Bally Total
Fitness Corporation, for which Petitioner was to be paid \$2,500
for Bally's use, for a period of two years, of advertising
containing Petitioner's likeness, with an option for a second
two-year period at Bally's sole discretion. In addition to this
payment for use of her commercial likeness, Bally agreed to pay

TAC 26-02 Decision

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Petitioner an additional \$1,625 for extra hours in shooting the
 commercial. This modeling job had been procured by COLOURS.

5. On April 20, 2001, COLOURS sent an invoice to Bally for Petitioner's modeling services, and on May 17, 2001, Bally paid \$4,125 to COLOURS pursuant to this invoice. Despite repeated demands for payment, COLOURS did not pay Petitioner until November 2001, and then only paid her \$2,320, retaining \$1,805, an amount far in excess of what it was entitled to retain as its commission pursuant to its agreement with Petitioner.

10 6. Petitioner made several phone calls to Byron Garrett and 11 to Philip Johnson, COLOURS' accountant, during which she insisted 12 that she was entitled to more money that the amount she had 13 received. Although Johnson promised that a check would be sent 14 providing her with additional payment, no further payment was 15 made.

16 7. In May 2003, Bally exercised its option to use
17 Petitioner's commercial likeness for another two-year period, and
18 sent a \$2500 to Respondents for that purpose. Respondents never
19 transmitted this check to the petitioner, and has never paid her
20 any proceeds from this check. On May 27, 2003, Respondents
21 cashed this check.

8. This petition was filed on August 12, 2002, and served
on respondents on July 31, 2003.

LEGAL ANALYSIS

25 1. Petitioner is an "artist" within the meaning of Labor
26 Code section 1700.4(b). Respondents are a "talent agency" within
27 the meaning of Labor Code section 1700.4(a).

2. Labor Code §1700.5 provides that "[n]o person shall

TAC 26-02 Decision

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1 engage in or carry on the occupation of a talent agency without first procuring a license . . from the Labor Commissioner." 2 The Talent Agencies Act is a remedial statute; its purpose is to 3 protect artists seeking professional employment from the abuses 4 5 of talent agencies. For that reason, "even the incidental or occasional provision of such [procurement] services requires 6 licensure." Styne v. Stevens (2001) 26 Cal.4th 42, 51. Here, 7 Respondent's procurement of the Bally modeling job occurred when 8 9 it was not licensed as a talent agent -- the license issued to COLOURS had already expired, and the license issued to CMT had 10 not yet been issued. By procuring employment for the petitioner 11 when they were not licensed as a talent agency by the State Labor 12 Commissioner, respondents violated Labor Code §1700.5. 13

14 З. An agreement that violates the licensing requirement of the Talent Agencies Act is illegal and unenforceable. "Since the 15 clear object of the Act is to prevent improper persons from 16 becoming [talent agents] and to regulate such activity for the 17 protection of the public, a contract between an unlicensed 18 19 [agent] and an artist is void." Buchwald v. Superior Court (1967) 254 Cal.App.2d 347, 351. Having determined that a person 20 or business entity procured, promised or attempted to procure 21 employment for an artist without the requisite talent agency 22 license, "the [Labor] Commissioner may declare the contract 23 [between the unlicensed agent and the artist] void and 24 25 unenforceable as involving the services of an unlicensed person 26 || in violation of the Act." Styne v. Stevens, supra, 26 Cal.4th at 55. "[A]n agreement that violates the licensing requirement is 27 illegal and unenforceable . . . " 28 || Waisbren v. Peppercorn

TAC 26-02 Decision

1 Productions, Inc. (1995) 41 Cal.App.4th 246, 262. Moreover, the 2 artist that is party to such an agreement may seek disgorgement 3 of amounts paid pursuant to the agreement, and "may . . [be] 4 entitle[d] . . to restitution of all fees paid the agent." 5 Wachs v. Curry (1993) 13 Cal.App.4th 616, 626.

4. Due to the absence of a talent agency license at the 6 time of procuring this modeling employment for petitioner, 7 neither COLOURS nor CMT nor BYRON GARRETT are entitled to retain 8 any portion of the amounts that were withheld from petitioner's 9 modeling earnings. Petitioner is entitled to restitution of all 10 unlawfully withheld amounts, plus interest at 10% per annum on 11 all such amounts, from the dates that such amounts were received 12 by respondents. 13

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<u>ORDER</u>

For the reasons set forth above, IT IS HEREBY ORDERED that COLOURS MODEL & TALENT MANAGEMENT AGENCY, INC. ("COLOURS"), CMT TALENT AGENCY ("CMT"), and BYRON GARRETT, are jointly and severally liable for the following amounts, which shall be paid to petitioner MALAIKA PAUL:

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1. \$4,305.00 for unlawfully withheld earnings;

2. \$1,089.38 for interest on these unlawfully withheld
earnings, as of the date of this decision (with further interest
accruing at the rate of \$1.18 per day thereafter);

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For a total, as of the date of this decision, of \$5,394.38.

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26 Dated: 2/25/04 27

MILES E. LOCKER Attorney for the Labor Commissioner

TAC 26-02 Decision

ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER: Dated: 3/8/04 CREGORY L. RUPP Acting Depity Chief Labor Commissioner 1.3 TAC 26-02 Decision