| 1 2 3 4 5 | MAX D. NORRIS, ESQ. (SBN 284974) STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS DIVISION OF LABOR STANDARDS ENFORCEMENT 1500 Hughes Way, Suite C-202 Long Beach, California 90810 Telephone: (424) 450-2585 Facsimile: (562) 546-1359 | | | | | |
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| 6 | Attorney for the Labor Commissioner | | | | | |
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| 7 | | OR GOLD HAGIOLER | | | | |
| 8 | BEFORE THE LABOR COMMISSIONER | | | | | |
| 9 | OF THE STATE OF CALIFORNIA | | | | | |
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| 11 | JENNIFER EDISON, an individual, | CASE NO. TAC-52754 | | | | |
| 12 | Petitioner, | DETERMINATION OF CONTROVERSY | | | | |
| 13 | VS. | | | | | |
| 14 15 | BODY PARTS MODELS, INC., a California Corporation, | | | | | |
| 16 | Respondent. | | | | | |
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| 19 | <u>I. INTRO</u> | <u>DDUCTION</u> | | | | |
| 20 | This Petition to Determine Controversy | pursuant to Labor Code section 1700.44, was filed | | | | |
| | on December 28, 2019, by JENNIFER EDISON | N, an individual (hereinafter "Petitioner"), alleging | | | | |
| 21 | that BODY PARTS MODELS, INC., a California Corporation (hereinafter collectively | | | | | |
| 22 | "Respondent") unlawfully charged "registration fees" to Petitioner within the meaning of Labor | | | | | |
| 23 | Code section 1700.2 and in violation of Labor Code section 1700.40, subsections (a) and (b), by | | | | | |
| 24 | requiring Petitioner to pay for a photoshoot that | at was a condition of her employment to produce | | | | |
| 25 | ZED Cards ¹ . Petitioner also alleges that Respondent unlawfully retained a portion of Petitioner's earnings specifically intended for Petitioner, hence "double dipping" on commissions illegally. | | | | | |
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| 28 | ¹ A "ZED" card is a marketing tool for actors and models typically containing the best photos from the artist's portfolio and are used as a business card in the fashion and entertainment industry. | | | | | |
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On September 30, 2020, a hearing was held by the undersigned attorney specially designated by the Labor Commissioner to hear this matter. Petitioner appeared in *pro per*. Respondent failed to file an answer, and failed to appear at the Zoom hearing. Due consideration having been given to the testimony of all appearing parties, documentary evidence and both oral and written arguments presented, the Labor Commissioner adopts the following determination of controversy.

II. BACKGROUND FACTS

- 1. Petitioner is a model.
- 2. Respondent is a licensed talent agency registered with the State Labor Commissioner and remained a licensed talent agent throughout the relevant period.
- 3. On November 9, 2017, Petitioner entered into a form contract entitled "BODY PARTS MODELS, INC. TALENT AGENCY AGREEMENT (Fashion, Commercials, T.V., Film-New) DEVELOPMENT PARTS MODELS" (hereafter "Contract"), presented to her by Linda Teglovic, the principal agent of Respondent. The Contract, previously approved by the Labor Commissioner, was drafted wholly by Respondent and presented to Petitioner for her signature.
- 4. Also on November 9, 2017, Linda Teglovic instructed Petitioner she had to pay \$1,080.00 for a photoshoot (\$980.00 for "1 BP ZED, 5 images, 5 retouched, 100 printed, posting to LA Casting, Casting Frontier and BPM and \$100.00 for the "movement video") to get her started with Respondent agency. Petitioner was presented with a "Model Photo Package with Photography" agreement that offered services by a photography company called OcchiAddosso, Inc., which Petitioner signed on November 9, 2017 at Ms. Teglovic's insistence. OcchiAddosso, Inc. issued Petitioner an invoice showing Petitioner paid \$1,080.00 for the photoshoot to OcchiAddosso, Inc. on November 9, 2017.
- 5. OcchiAddosso, Inc. sent Petitioner a second invoice for \$52.50 for "additional zedcard cost original invoice undercharged". Petitioner paid the \$52.50 to OcchiAddosso, Inc.
- 6. OcchiAddosso, Inc. is a Nevada Corporation whose sole officer is Linda Teglovic, Respondent's principal agent and sole corporate officer.

7. Respondent booked Petitioner a photo shoot with RPA Advertising for TikTok on June 5, 2019, which was supposed to pay \$500.00 as evidenced by the "Standard Employment Contract for Performers Engaged as Extras in Audio/Visual Commercial" agreement provided by Petitioner at hearing ("TikTok shoot"). The agreement for the TikTok shoot made clear that the "Agents commission of 20% be included in the gross pay." On July 11, 2019, Respondent paid Petitioner only \$318.00 for the TikTok shoot, as reflected by the following check stub:

| Session 6/5/19 | 500.00 |
|---------------------------------|---------|
| Agency Fee 20% (Paid by Client) | 100.00 |
| Agency Fee 20% (Paid by Client) | -100.00 |
| Agency Fee 20% (Paid by Talent) | -100.00 |
| Taxes Withheld | -82.00 |

- 8. Sandy Balcarcel, an agent of Respondent, booked a three-day modeling job for Petitioner with MWP production company who was doing a shoot for Overstock.com that was supposed to pay \$750 per day for 3 days on August 27 to 29, 2019 ("Overstock.com shoot"). Petitioner credibly testified that the job compensation was listed for non-represented talent as \$2,250.00 and for represented talent as "\$2,250.00 +20%". Petitioner explained that MWP told her they did this to even the playing field for the models, so whether they were represented or not they got the same pay for the same work.
- 9. The three-day Overstock.com shoot was completed on August 29, 2019. By November 1, 2019, Respondent failed to pay Petitioner for the Overstock.com job. Petitioner attempted to contact the Respondent regarding nonpayment of Petitioner's earnings. After getting no response from Respondent, Petitioner then inquired directly to MWP. Suzi Clark, Coordinator for MWP responded that MWP paid Respondent the week after the shoot. Ms. Clark provided Petitioner with a canceled check from MWP's bank website showing that MWP paid Respondent \$2,760.00 on September 13, 2019. Only when Petitioner confronted Respondent about MWP having paid on September 13, 2019, did Respondent issue a check dated October 29, 2020, which was received in early November 2019.

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- 10. Despite Petitioner's understanding about how the job was paid (see Paragraph 8), Respondent only paid her \$1,860.00 of the \$2,760.00, rather than \$2,250.00 of the \$2,760.00, a difference of \$390.00.
 - 11. At the end of 2019, Petitioner sent Respondent an email terminating the contract.

III. LEGAL ANALYSIS

- 1. Labor Code section 1700.4, subsection (b), includes "models" in the definition of "artist" and Petitioner is therefore an "artist" thereunder, and therefore Petitioner was an artist.
 - 2. At all times relevant, Respondent was a licensed talent agency.
- 3. Labor Code section 1700.23 provides that the Labor Commissioner is vested with jurisdiction over "any controversy between the artist and the talent agency relating to the terms of the contract," and the Labor Commissioner's jurisdiction has been held to include the resolution of contract claims brought by artists or agents seeking damages for breach of a talent agency contract. Garson v. Div. Of Labor Law Enforcement (1949) 33 Cal.2d 861; Robinson v. Superior Court (1950) 35 Cal.2d 379. Therefore, the Labor Commissioner has jurisdiction to determine this matter, which stems from a violation of the express terms of the Contract.
- 4. Labor Code §1700.40(a) provides that "no talent agency shall collect a registration fee." The term "registration fee" is defined at Labor Code §1700.2(b) as, "any charge made, or attempted to be made, to an artist for ... photographs,... or other reproductions of the applicant [or]...any activity of a like nature." It is well established that a talent agency cannot charge artists for photos or the production of ZED cards.
- 5. Labor Code §1700.40(b) provides that, "[n]o talent agency may refer an artist to any person, firm, or corporation in which the talent agency has a direct or indirect financial interest for other services to be rendered to the artist, including, but not limited to, photography... or other printing." It was established Respondent owns both the company representing artist, as well as, the photography business. Respondent has therefore violated both Labor Code §§1700.40(a) and (b) by referring petitioner to her photography business and collecting for those photographs.

- 6. Having determined that the amounts for photographs and zed cards were unlawfully collected by Respondent, and as such clear violations of Labor Code §§1700.40(a) and (b), Petitioner is entitled to reimbursement for the amounts paid to respondent. Additionally, Petitioner is entitled to interest at 10 percent per annum from the date these amounts were unlawfully collected from Respondent, in accordance with the provisions of Civil Code sections 3287 and 3289.
- 7. Another issue in this case is whether the 20% "agency fee" collected by Respondent from MWP is a separate fee between Respondent and MWP, and had nothing to do with Petitioner's earnings, in which case Respondent was entitled to such fees, or whether the "agency fee" negotiated and collected by Respondent belongs to Petitioner as part of her earnings.
- 8. In *Cargle v. Howard*, TAC-36595, the Labor Commissioner carved out an exception to the general rule that such plus percentages are intended to be paid to the agent announced in *Shazi Ali v. Noveau Model and Talent Mgmt., Inc.*, TAC-14198. The exception in *Cargle* lies where specific facts show that such a "plus percentage" was specifically intended for the artist, then the agent's receipt of the "plus percentage" and a commission is double dipping.
- 9. The "Standard Employment Contract for Performers Engaged as Extras in Audio/Visual Commercial" agreement provided by Petitioner at hearing stated the clear terms of the intentions of RPA Advertising in compensating the artist here, notably stating: "Agents commission of 20% be included in the gross pay." Thus, RPA paid Respondent a gross amount of \$600.00, including Respondent's 20% commission and made this abundantly clear in its contract for the gig. But, Respondent "double dipped" and took \$200 total as her commission on this job. Thus, Respondent took an illegal commission, and owes Petitioner \$100.00. See *Cargle v. Howard*, TAC-36595.
- 10. Petitioner's credible and unrebutted testimony demonstrated that someone from MWP told her that "plus percentage" was intended by MWP to "balance the playing field" for represented and unrepresented talent, unrebutted evidence that MWP intended the full \$2,760.00 to go to the artist and the agent only being entitled to 20% of the contract price. Thus,

| 1 | Respondent took an illegal commission, and owes Petitioner \$390.00. See Cargle v. Howard, | | | | | |
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| 2 | TAC-36595. | | | | | |
| 3 | ORDER | | | | | |
| 4 | For the reasons set forth above, IT IS HEREBY ORDERED that Respondent BODY | | | | | |
| 5 | PARTS MODELS, INC., a California Corporation, pay Petitioner JENNIFER EDISON | | | | | |
| 6 | \$1,132.50 for an illegal "Registration Fee", \$490.00 in illegal commissions withheld, and \$236.04 | | | | | |
| 7 | in interest thereupon, for a total of \$1,858.54 due to Petitioner from Respondent. | | | | | |
| 8 | IT IS SO ORDERED. | | | | | |
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| 10 | Dated: March 15, 2021 Respectfully Submitted, | | | | | |
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| 12 | By: MAYNORPHS | | | | | |
| 13 | MAX NORRIS Attorney for the Labor Commissioner | | | | | |
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| 15 | ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER | | | | | |
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| 17 | Dated: March 15, 2021 By: The Honorable Lilia Garcia-Brower | | | | | |
| 18 | California Labor Commissioner | | | | | |
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| 1 | PROOF OF SERVICE | | | | | |
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| 2 | | STATE OF | CALIFORNIA |) | , | |
| 3 | | COUNTY OF LOS ANGELES | |) S.S.) | | |
| 4 | I, Lindsey Lara, declare and state as follows: | | | | | |
| 5 | eighteen years old and not a party to the within action; my business address is: 1500 Hugher | | | | | |
| 6 | | | | | | |
| 7 8 | On March 15, 2021, I served the foregoing document described as: DETERMINATION OF CONTROVERSY , on all interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows: | | | | | |
| 9 | Jennife | er Edison | | | Body Parts Models, Inc. | |
| 10 | | | | | 2023 Coldwater Canyon Drive Beverly Hills, CA 90210 dis1766@aol.com | |
| 11 | Petitic | oner in pro pe | ar | | Respondent in pro per | |
| 12 | | | | | · · · | |
| 13 | (BY CERTIFIED MAIL) I am readily familiar with the business practice for collection and processing of correspondence for mailing with the United States Postal Service. This correspondence shall be deposited with fully prepaid postage thereon for certified mail | | | | | |
| 14 | | with the Uni | ted States Postal Service | ce this | s same day in the ordinary course of business at ornia. Service made pursuant to this paragraph, | |
| 15 | | upon motion | of a party served, shall | l be pr | resumed invalid if the postal cancellation date of nore than one day after the date of deposit for | |
| 16 | | | ained in this affidavit. | C IS II | fore than one day after the date of deposit for | |
| 17 | (BY E-MAIL SERVICE) I caused such document(s) to be delivered electronically via e-mail to the e-mail address of the addressee(s) set forth above. | | | | | |
| 18 19 | | (STATE) | I declare under penalt California that the abo | | perjury, under the laws of the State of | |
| 20 | Executed this 15th day of March 2021, at Long Beach, California. | | | | | |
| 21 | 2021, at Bong Beach, Cantonna. | | | | | |
| 22 | ZZara | | | | | |
| 23 | Lindsey Lara Declarant | | | | | |
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