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STATE OF CALIFORNIA  
2 DEPARTMENT OF INDUSTRIAL RELATIONS  
DIVISION OF LABOR STANDARDS ENFORCEMENT  
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5 Attorney for the Labor Commissioner  
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7

8 BEFORE THE LABOR COMMISSIONER  
9 OF THE STATE OF CALIFORNIA  
10

11 Corey Alan Campbell, an individual,  
12 Petitioner,  
13 vs.  
14 NEXT Management, LLC.,  
15 Respondent.

**CASE NO. TAC-52723**

**DETERMINATION OF CONTROVERSY**

16  
17 **I. INTRODUCTION**

18 This Petition to Determine Controversy pursuant to Labor Code section 1700.44, was filed  
19 on July 5, 2019 by COREY ALAN CAMPBELL, an individual (“Petitioner”), alleging that  
20 NEXT MANAGEMENT, LLC. (“Respondent”), failed to put Petitioner on notice that  
21 Respondent was a Talent Agency and Respondent used an unapproved contract, despite having a  
22 contract approved by the Labor Commissioner on file. Petitioner seeks disgorgement of  
23 commissions withheld by Respondent and to void the contract between the parties *ab initio*.  
24 Respondent filed an Answer in response to the Petition to Determine Controversy emailed to  
25 Petitioner and the Hearing Officer on January 28, 2020.

26 On January 29, 2020, a hearing was held by the undersigned attorney specially designated  
27 by the Labor Commissioner to hear this matter. Petitioner and Respondent both appeared.  
28 Petitioner appeared in *pro per* and gave sworn testimony. Respondent was represented by Jeffrey

1 S. Whittington and Brett B. McMurdo of KAUFMAN BERGEEST & RYAN LLP. Alexis  
2 Borges testified on behalf of Respondent. Both parties provided documents, and all documents  
3 were taken under submission as evidence herein. Due consideration having been given to the  
4 testimony of all parties present, documentary evidence and oral argument presented, the Labor  
5 Commissioner adopts the following determination of controversy.

6 **II. BACKGROUND FACTS**

7 1. Petitioner is a model in commercials.

8 2. Respondent is a licensed talent agent registered with the State Labor  
9 Commissioner.

10 3. As a Talent Agency licensed by the State of California, Respondent had submitted  
11 a Talent Agency Contract for approval, which was approved by the Labor Commissioner in 2005  
12 (“approved contract”).

13 4. At hearing, Respondent admitted it discontinued the use of the approved contract.  
14 Respondent’s counsel explained that this was due to the business’s need to have exclusivity with  
15 talent on an international basis.

16 5. On July 18, 2018, the Parties entered into a “Management Agreement” in which  
17 “Respondent agreed to provide Petitioner with representation services in connection with  
18 Petitioner’s career: advise Petitioner with respect to career opportunities and advertising, among  
19 other things, develop brand and other opportunities for Petitioner, invoice Petitioner’s clients and  
20 customers, collect fees for Petitioner, evaluate requests to use Petitioner’s likeness, and direct  
21 Petitioner to other model management companies. Petitioner, in return, agreed that Respondent  
22 was Petitioner’s exclusive personal manager. Petitioner agreed to a three (3) year contract with  
23 Respondent and agreed that Respondent would receive a commission equal to twenty percent  
24 (20%) of the gross income paid by others to Petitioner directly or indirectly, as a result of  
25 arrangements/opportunities developed by Respondent.” (Respondent’s Answer).

26 6. The plain language of the Management Agreement clearly contemplated  
27 Respondent procuring modeling gigs for Petitioner. For example, Page 1, Paragraph 1, provides:

28 ....

- 1 (b) develop, negotiate, organize, and administer income-producing  
2 opportunities in the following areas: (i) modeling, ... (iii) personal appearances,  
3 ...”  
4 (c) invoice Talent’s clients and customers;  
5 (d) collect fees for Talent...;  
6 ...

7 Management Agreement page 1.

8 7. The Management Agreement, at page 2 subsection (d), discusses the use of a  
9 Talent Agency for film and television jobs, AC Talent, but makes no mention of a Talent Agent  
10 for modeling jobs which the contract mostly contemplates Petitioner getting. Petitioner testified  
11 that AC Talent was located in the same building as Respondent’s Los Angeles office.

12 8. The Management Agreement at page 5 also has a section contemplating  
13 “Chargebacks” as expenses Talent may be charged for by Management to include:

14 Messenger/FedEx (to send clients your book); Cards (ordered as needed); Laser &  
15 Prints (images for portfolio); Promotional packages (i.e. show packages); Portfolio  
16 Books; ... Imaging & Media Fee (quarter-annual flat fee for: web presence/design,  
17 image hosting/maintenance, social media, scanning, scheduling, electronic  
18 messenger service, & electronic voucher/receipt submission).

19 Management Agreement page 5.

20 9. In June 2019, Petitioner asked to be released from the Management Agreement.  
21 Petitioner advised Respondent that the Management Agreement was void because the Agreement  
22 did not comply with California Labor Code requirements specifying that talent agency contracts  
23 must disclose regulation by the Labor Commissioner, and specifying that the talent can request a  
24 contract be voided if the talent agency does not secure employment for the talent for four (4)  
25 consecutive months.

26 10. Respondent points out that there was no period in which four consecutive months  
27 went without Respondent procuring a job for Petitioner. In fact, Respondent procured quite a bit  
28 of employment as a model for Petitioner.



1 for “Imaging & Web Promo” totaling \$360.00, and charges for “Cards-Bunkers” totaling \$65.23  
2 were improper “registration fees” and must be disgorged in the total amount of \$425.23.

3 6. Labor Code section 1700.23 requires that every talent agency submit their form  
4 talent agency contract to the Labor Commissioner for approval and then use that agreement. The  
5 approved agreement must state in prominent type on its face: “This talent agency is licensed by  
6 the Labor Commissioner of the State of California.” As discussed, Respondent had an approved  
7 Talent Agency contract on file with the Labor Commissioner, and instead used the instant  
8 Management Agreement to sign Petitioner. While Respondent may have been acting as talent  
9 management, it procured Petitioner modeling work, and thus also acted as Petitioner’s talent  
10 agent.

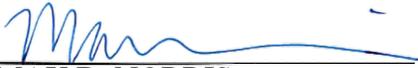
11 **ORDER**

12 For the reasons set forth above, **IT IS HEREBY ORDERED** that the Management  
13 Agreement entered into by Petitioner and Respondent on July 18, 2018 was terminated by the  
14 parties on July 9, 2019. Prior to that mutual termination Respondent collected “registration fees”  
15 unlawfully from Petitioner in the amount of **\$425.23**, which must be disgorged here and paid back  
16 to Petitioner.

17 **IT IS SO ORDERED.**

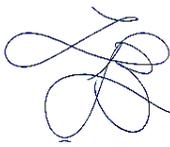
18 Dated: April 28, 2020

Respectfully Submitted,

19  
20 By:   
21 MAX D. NORRIS  
22 Attorney for the Labor Commissioner

23 **ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER**

24  
25  
26 Dated: April 27, 2020

By:   
\_\_\_\_\_

27 Lilia Garcia-Brower,  
28 California Labor Commissioner

1 **PROOF OF SERVICE**

2 (Code of Civil Procedure § 1013A(3))

3 STATE OF CALIFORNIA )  
4 COUNTY OF LOS ANGELES ) S.S.

5 I, Lindsey Lara, declare and state as follows:

6 I am employed in the State of California, County of Los Angeles. I am over the age of  
7 eighteen years old and not a party to the within action; my business address is: 300 Oceangate,  
Suite 850, Long Beach, CA 90802.

8 On April 28, 2020, I served the foregoing document described as: **DETERMINATION**  
9 **OF CONTROVERSY**, on all interested parties in this action by placing a true copy thereof  
enclosed in a sealed envelope addressed as follows:

<p>10 Corey Alan Campbell</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p>	<p>Jeffrey S. Whittington, Esq. KAUFMAN BORGEEST &amp; RYAN LLP 23975 Park Sorrento, Suite 370 Calabasas, CA 91302 Tel: (818) 880-0992 Fax: (818) 880-0993 <a href="mailto:jwhittington@kbrlaw.com">jwhittington@kbrlaw.com</a></p>
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14  (BY CERTIFIED MAIL) I am readily familiar with the business practice for collection  
15 and processing of correspondence for mailing with the United States Postal Service. This  
16 correspondence shall be deposited with fully prepaid postage thereon for certified mail  
17 with the United States Postal Service this same day in the ordinary course of business at  
our office address in Long Beach, California. Service made pursuant to this paragraph,  
upon motion of a party served, shall be presumed invalid if the postal cancellation date of  
postage meter date on the envelope is more than one day after the date of deposit for  
mailing contained in this affidavit.

18  (BY E-MAIL SERVICE) I caused such document(s) to be delivered electronically via  
19 e-mail to the e-mail address of the addressee(s) set forth above.

20  (STATE) I declare under penalty of perjury, under the laws of the State of  
21 California that the above is true and correct.

22 Executed this 28th day of April 2020, at Long Beach, California.

23   
24 \_\_\_\_\_  
Lindsey Lara  
25 Declarant