1 2 3 4 5 6 7	STATE OF CALIFORNIA Division of Labor Standards Enforcement Department of Industrial Relations MICHAEL N. JACKMAN, SBN 149138 7575 Metropolitan Drive, Suite 210 San Diego, CA 92108 Tel. (619) 767-2023 Fax. (619) 767-2026 Attorney for the State Labor Commissioner
8	BEFORE THE LABOR COMISSIONER
9	STATE OF CALIFORNIA
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11	VICKI ROBERTS AND ARTHUR ANDELSON, dba: KISMET NO. TAC-22074
12	TALENT AGENCY, DETERMINATION OF CONTROVERSY
13	Petitioner,
14	v.
15 16	ENGELBERT HUMPERDINCK aka ARNOLD GEORGE DORSEY aka GERRY DORSEY, EH PRODUCTIONS, INC.,
17	Respondents.
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19	This matter, a Petition to Determine Controversy under Labor Code §1700.44, came
20	regularly for hearing in Los Angeles, California, before the undersigned attorney for the Labor
21	Commissioner assigned to hear the case. Petitioners VICKI ROBERTS and ARTHUR ANDELSON
22	doing business as KISMET TALENT AGENCY, appeared and were represented by Vicki Roberts.
23	Esq. The respondents ENGLEBERT HUMPERDINCK, also known as both ARNOLD GEORGE
24	DORSEY and GERRY DORSEY, and respondent EH PRODUCTIONS, INC. appeared and were
25	represented by Mark L. Levinson, Esq.
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27	In this action, the petitioners seek commissions of ten percent of all income received by the
28	respondents since the beginning of their contractual relationship. This relationship commenced with
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a written contract which the parties entered into on February 22, 2010. Under the terms of the contract, the petitioners agreed to provide services as the respondents' talent agency for a one-year period in exchange for a commission of ten percent of the artist's compensation, as defined in the contract.

The contract, marked in this proceeding as Exhibit 1, is a pre-printed form issued and approved by the Labor Commissioner for the optional use of artists and talent agents to memorialize their representation agreements. The dispute between the parties deals with the question of whether the services rendered by the petitioners are compensable under the contract or whether, as respondents assert, they fall outside of the terms of the agreement.

Since resolution of the dispute turns on how the contract language should be properly interpreted, substantial portions of the contract are set forth below.

The form is entitled "NON-EXCLUSIVE CONTRACT BETWEEN ARTIST AND TALENT AGENCY" and is a one-page form consisting of ten numbered paragraphs. In Paragraph 1, the parties have filled in a blank to indicate the one-year term of the contract, and have edited the pre-printed language to limit the activities subject to the contract, and to add the word "commercials" to the list of fields in which the agency would negotiate contracts on behalf of the artist. Paragraph 1 reads, in full:

I hereby employ you as my non-exclusive talent agency to a period of <u>1</u> year(s) (not to exceed seven years) from the date hereof to negotiate contracts for the rendition of my professional services as an artist, or otherwise, in the fields of motion pictures, legitimate stage, radio broadcasting, television, and <del>other fields of entertainment <u>commercials</u>.</del> Paragraph 2 provides that the artist agrees that the agency "may advise, counsel, or direct me in the development and/or advancement of my professional career".

Paragraph 3 of the agreement sets the terms of compensation for the agency's services and

reads, in full:

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As compensation for your said services to be rendered hereunder, I hereby agree to pay you a sum equal to ten percent (10%), not to exceed maximum rate shown on fee schedule of all monies or things of value as and when received by me directly or indirectly, as compensation for my professional services rendered or agreed to be rendered during the term hereof under contracts, or any extensions, renewals, modifications, or substitutions thereof, entered into or negotiated during the term hereof and to pay the same to you thereafter for so long a time as I receive compensation on any such contracts, extensions, option, or renewals of said contracts, and for so long as you remain licensed. It is expressly understood that to be entitled to continue to receive the payment compensation on the aforementioned contracts, after the termination of this agreement, you shall remain obligated to serve me and perform obligations with respect to said employment contracts or to extensions or renewals of said contracts or to any employment requiring my services on which such compensation is based. Petitioners assert that while they did not procure employment for the respondents, they did nevertheless, render services for the artist in the carrying out of employment procured by others, and that under theories of implied contract and quasi-contract, as well as the equitable doctrine of quantum meruit, the respondents are liable for payment of a ten percent commission of all the respondents' "direct and indirect" earnings from the commencement of their agreement.

The petitioners argue that the respondents breached the contract by engaging others to represent Mr. Humperdinck in seeking employment, and by removing the petitioners' name and business information from Mr. Humperdinck's own website and from his listing on the Internet Movie Database website.

The respondents did not deny, either at the hearing or in post-hearing briefing that the petitioners devoted time and effort to the furtherance of the Mr. Humperdinck's career. However,

the respondents argue that subject to the terms of the written agreement, the petitioners were engaged to procure employment, and that they did not do so. Accordingly, the respondents argue, no commissions are due.

#### FINDINGS OF FACT

Englebert Humperdinck is an artist, as that term is defined in Labor Code Section 1700.4, and the corporate respondent EH Productions, Inc. is an entity which has as its purpose the "loaning out" of Mr. Humperdinck's personal services as an artist.

Vicki Roberts and Arthur Andelson were at the times relevant to this action, talent agents within the definition set forth in Labor Code Section 1700.4 and were properly licensed under California law.

It is clear from extensive testimony and documentary evidence presented at the hearing that the petitioners were actively engaged in the respondents' business transactions which took place in furtherance of Mr. Humperdinck's business and performances. During part of the time at issue, Mr. Humperdinck's business activities were managed by his son Scott Dorsey. The testimony of both Ms. Roberts and Mr. Dorsey show that there were continued and extensive communications between the parties regarding business matters having to do with the management of Mr. Humperdinck's fan club, publicity initiatives, and issues of the proper licensing of recordings which were sold and distributed on the internet.

It is also clear that in spite of their best efforts and extensive negotiations, the petitioners were not successful in procuring employment for Mr. Humperdinck. The evidence shows that the respondents were attempting to negotiate a contract for Mr. Humperdinck to perform in Egypt, but that following civil unrest and political changes in that country, the plans for his performance there did not come to fruition.

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#### LEGAL ANALYSIS

The petitioners argue that since the contract refers to the possibility of services other than or in addition to procurement of employment, those services are compensable in the same manner and at the same rate as if they had procured the employment contracts in effect during the period of their contract with Mr. Humperdinck.

It is clear from the language of the contract as a whole that the intent and object of the contract was for petitioners to negotiate contracts for Mr. Humperdinck's services and that if they procured employment for him, they were to be paid ten percent of the compensation Mr. Humperdinck received for those services. The contract states in the first paragraph: "I hereby employ you as my non-exclusive talent agency . . .to negotiate contracts for the rendition of my professional services as an artist. . ." In the second paragraph, which petitioners rely on to show an intent to contract for other services, the artist agrees that the petitioner "may advise, counsel, or direct me in the development and/or advancement of my professional career." The phrase is permissive, and not obligatory. In contrast, each time the contact refers to a requirement for performance under the contract, the language used in discussing the procurement of employment carries the language of obligation. – either on the part of the agency, or the artist. Significantly, the only other exception to that language of obligation appears in Paragraph 5, and involves the right of the parties to terminate the contract in the event that the artist does not "obtain a bona-fide offer of employment from a responsible employer during a period of time in excess of four consecutive months". The fact that a right of termination exists for failure to obtain employment, while no such right exists for a failure to advise, counsel or direct makes clear that the object of the contract is employment. Failure to perform adequately as a procurer of employment is a breach of the agreement, and failure to do the other things is not.

The non-exclusive nature of the contract tends to show that the contract was not intended to

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make a ten-percent partner of each talent agent the artist may engage to procure employment and did not do so. Such a result defies logic and the reasonable expectation that in common business transactions, a product or service is bargained for in exchange for money. Here, the only service the contract requires to avoid breach is the procurement of employment.

The petitioners argue several tort causes of action, including fraud and interference with prospective business relations, but claims of that type are not within the ambit of this proceeding. Further, the petitioner's claims for equitable relief and for liability under doctrines of contract formation in absence of an explicit agreement cannot be asserted when the parties did, in fact, have an explicit written agreement which sets forth the rights and obligations of the parties as artist and agent.

#### CONCLUSION

The Labor Commissioner finds that the petitioners have not shown that commissions are due to them for any activity other than the procurement of employment. Since the petitioners were not successful in procuring employment for Mr. Humperdinck, they are not due any commissions under the talent agency agreement.

Dated: February // , 2015

Respectfully submitted By:

MICHAEL N. JACKMAN Attorney for the State Labor Commissioner

ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSONER

By:

Dated: 2/10/2015

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JULIE A. SU Labor Commissioner, State of California

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## STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS DIVISION OF LABOR STANDARDS ENFORCEMENT

## CERTIFICATION OF SERVICE BY MAIL (C.C.P. 1013A) OR CERTIFIED MAIL

I, JUDITH A. ROJAS, do hereby certify that I am a resident of or employed in the County of San Diego, over 18 years of age, not a party to the within action, and that I am employed at and my business address is: 7575 Metropolitan Drive, Suite 210, San Diego, CA 92108-4421

On February 10, 2015, I served the within **DETERMINATION OF CONTROVERSY** by placing a true copy thereof in an envelope addressed as follows:

Mark L. Levinson, Esq. 14724 Ventura Blvd., Penthouse Suite Sherman Oaks, CA 91403

Vicki Roberts, Esq. 3435 Ocean Park Blvd., Suite 107 Santa Monica, CA 90405

and then sealing the envelope and with postage and certified mail fees (if applicable) thereon fully prepaid, depositing it for pickup in this city by:

\_\_\_\_\_ Federal Express Overnight Mail

<u>X</u> Ordinary First Class Mail.

I certify under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2015, at San Diego, California.

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Case No. TAC-22074