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| 6        | Attorney for the Labor Commissioner  |                              |
| 7        |  |                              |
| 8        | BEFORE THE LABOR COMMISSIONER  |                              |
| 9        | OF THE STATE OF CALIFORNIA   |                              |
| 10       |  |                              |
| 11       | VIVER BRASIL DANCE COMPANY, a Corporation; and LINDA YUDIN, an   | Case No. TAC38423            |
| 12       | Individual,  |                              |
| 13       | Petitioners,   | DETERMINATION OF CONTROVERSY |
| 14       | <b>v.</b>  |                              |
| 15       | DIVINE RHYTHM PRODUCTIONS, and ELKA SAMUELS SMITH, an  |                              |
| 16       | Individual,  |                              |
| 17       | Respondents.   |                              |
| 18       |  |                              |
| 19       | The above-captioned matter, a Petition to Determine Controversy under Labor Code   |                              |
| 20       | §1700.44, came on regularly for hearing in Los Angeles, California, before the undersigned attorney  |                              |
| 21       | for the Labor Commissioner assigned to hear this case. Petitioners VIVER BRASIL DANCE  |                              |
| 22       | COMPANY, a corporation, and LINDA YUDIN, an individual appeared and were represented by  |                              |
| 23<br>24 | Melissa Cahill, Esq Respondents DIVINE RHYTHM PRODUCTIONS and ELKA SAMUELS   |                              |
| 25       | SMITH were represented by Gregory H. Griffith, Esq. At the conclusion of the hearing, the matter   |                              |
| 26       | was taken under submission.  |                              |
| 27       | Based upon the evidence presented at the hearing and on the other papers on file in this   |                              |
| 28       |  | ·                            |
| TOF      | <b>)</b>   | 1                            |

- DEPARTMENT OF INDESTRIAL RELATIONS DIVISION OF LABOR STANDARDS ENFORCEMENT LEGAL UNIT

matter, the Labor Commissioner adopts the following decision.

#### FINDINGS OF FACT

- 1. Petitioner Viver Brasil Dance Company, ("Viver Brasil"), is a non-profit public charitable corporation organized under the provisions of Internal Revenue Code 501(c)(3). In addition to presenting "contemporary dance theater," Viver Brasil "promotes awareness of Afro-Brazilian dance and music through performances, residencies, lectures, interactive workshops, an annual cultural immersion travel program to Salvador, Bahia (Brazil) and arts education programs." (Respondent's Exhibit 1). The corporation employs a staff of technical and managing directors, lighting designers and an accountant. (Respondent's Exhibit 2). Petitioner Linda Yudin is the organization's Artistic Director.
- 2. Respondent Divine Rhythm Productions (DRP) is a management agency headquartered in the state of New York, and was not, during the time relevant to this action, a licensed talent agency in the state of California. Respondent Elka Samuels Smith is a principal of the agency, and is also not a licensed talent agent in the state of California.
- 3. On February 14, 2013, Viver Brasil entered into a written agreement which provided that DRP would act as the organization's manager "to provide . . . advice, guidance, direction and counsel and any other services as Artist may reasonably require to further Artist's career . . ." for a period of one year, with the option for the parties to extend the term beyond that one-year period. In return, Viver Brasil agreed to pay 20 percent of the organization's "adjusted yearly earnings receipts." Petitioner Linda Yudin was not a named party to the agreement, and signed the agreement as Artistic Director of Viver Brasil Dance Company, as a corporation, but not in any individual capacity. (Petitioner's Exhibit A). On January 8, 2014, Viver Brasil gave notice of its desire to terminate the agreement at the end of the agreement's one-year term.
  - 4. During the term of the agreement, Viver Brasil paid DRP a total of \$41,366.00 in

commissions. Viver Brasil now seeks to void the contract *ab initio* and to recover the commissions it paid DRP, plus interest, on the grounds DRP was acting as an unlicensed talent agent. The Respondents assert the Petitioners do not meet the legal definition of "artist" under the Talent Agencies Act, and even if they did, recovery of the commissions they paid the Respondents would be barred by the applicable statute of limitations.

#### LEGAL CONCLUSIONS

## A. Viver Brasil is not an "artist" under the Talent Agencies Act.

The Talent Agencies Act provides the Labor Commissioner exercise original jurisdiction over controversies between "artists" and "talent agents". Labor Code §1700.44(a). Labor Code section 1700.4(b) defines "artists" as "actors and actresses rendering services on the legitimate stage and in the production of motion pictures, radio artists, musical artists, musical organizations, directors of legitimate stage, motion picture and radio productions, musical directors, writers, cinematographers, composers, lyricists, arrangers, models, and other artists and persons rendering professional services in motion picture, theatrical, radio, television and other entertainment."

Prior decisions of the Labor Commissioner have addressed the application of the term "artist" in relation to controversies presented by producers or production companies. In examining that issue, we have held:

Although Labor Code §1700.4(b) does not expressly list producers or production companies as a category within the definition of 'artist,' the broadly worded definition includes 'other artists and persons rendering professional services in...television and other entertainment enterprises.' Despite this seemingly open-ended formulation, we believe the Legislature intended to limit the term 'artists' to those individuals who perform creative services in connection with an entertainment enterprise. Without such limitation, virtually every "person rendering professional services" connected with an entertainment project -- including the production company's accountants, lawyers and studio teachers....would fall within the definition of 'artists.' We do not believe that the Legislature intended such a radically farreaching result.

American First Run dba American First Run Studios, Max Keller, Micheline Keller v. Omni Entertainment Group, Sheryl Hardy, Steven Maier, TAC 1995-32-1. See also James Mark Burnett,

an Individual; Mark Burnett Productions, Inc.; JMBP, Inc., DJB Inc.; and Jump In, Inc. v. Congrad Rioss; and Cloudbreak Entertainment, Inc., TAC 10192.

The Labor Commissioner has further held when the services provided were primarily of a managerial or business nature, as opposed to creative, the party supplying the services does not meet the statutory definition of "artist" under the Talent Agencies Act. In determining to what extent a producer provided the requisite level of creative services, we've held:

Virtually all line producers or production managers engage in de minimis levels of creativity. There must be more than incidental creative input. The individual must be primarily engaged in or make a significant showing of a creative contribution to the production to be afforded the protection of the Act.

Burt Bluestein, aka Burton Ira Bluestein v. Production Arts Management; Gary Marsh, Steven Miley, Michael Wagner, TAC 1998-2.

Here, the evidence shows Viver Brasil Dance Company provides services as a non-profit corporation which has as its stated purpose to provide educational and cultural enrichment not only by performance of dance, but in significant part through "residencies, lectures, interactive workshops, an annual cultural immersion travel program to Salvador, Bahia (Brazil) and arts education programs." (Respondent's Exhibit 1). The petitioners did not make a showing their services were primarily creative in nature in relation to the several other functions they perform. The organization is more appropriately classified as a charitable, non-profit enterprise than as an "artist" as defined by the Talent Agencies Act.

# B. The Respondents are not "talent agents" under the Talent Agency Act.

It logically follows if the petitioners cannot be properly denominated as "artists," the respondents cannot be classified as "talent agents." Labor Code section 1700.4(a) provides, in relevant part: "'Talent agency' means a person or corporation who engages in the occupation of procuring, offering, promising, or attempting to procure employment or engagements for an artist or artists…" (Emphasis supplied). The respondents do not dispute they negotiated engagements for

performances for Viver Brasil Dance Company, but assert they did not do so for Linda Yudin, who is employed by Viver Brasil as its Artistic Director. Under cross-examination, Ms. Yudin acknowledged the respondents did not seek to procure employment for her, but rather they provided their services under the agreement to, and on behalf of, Viver Brasil. The evidence therefore shows respondents performed their services for a business enterprise, rather than on behalf of "artists" as that word is defined under the Talent Agencies Act and prior decisions of the Labor Commissioner.

#### C. Recovery of the commissions at issue is barred by the statute of limitations.

Even if the petitioners were to meet the statutory definition of "artists" under the Act, the recovery they seek is barred by the statute of limitations set forth in the Talent Agencies Act. The act provides: "No action or proceeding shall be brought pursuant to this chapter with respect to any violation which is alleged to have occurred more than one year prior to commencement of the action or proceeding." Labor Code §1700.44(c). The pleadings in this case state the petitioners made a series of payments to the respondents beginning in November of 2013, and the final payment at issue was made on January 21, 2014. Since the Petition in this case was filed on January 25, 2015, all of the payments at issue were made beyond the one-year limitation of actions under the Talent Agencies Act.

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# **ORDER**

For the reasons set forth above, we find that the parties' written agreement is not subject to the Talent Agencies Act. Additionally, the commissions which the petitioners seek to recover in this action are barred by the Act's statute of limitations.

Dated: 11/7/2016

Respectfully submitted,

By

MICHAEL N. JACK**N**IAN

Attorney for the Labor Commissioner

ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER.

Dated: 11-7-2016

By:

JULIE/A. SU

California Labor Commissioner

Department of Operalal Relations Division of Labor Candards Researchick Lighal Unit

## 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 November 8, 2016, I served the within **DETERMINATION OF** 

**CONTROVERSY** by placing a true copy thereof in an envelope addressed as follows: Melissa Cahill, Esq. 11919 Culver Blvd. #205 Los Angeles, CA 90066 Gregory H. Griffith, Esq. 244 5<sup>th</sup> Ave., Suite G211 New York, NY 10001 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 X Ordinary First Class Mail I certify under penalty of perjury that the foregoing is true and correct. Executed on November 8, 2016, at San Diego, California.

Case No. TAC-38423