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Labor Disputes and Recession Forced Hollywood and Its Attorneys to Tighten Their Belts

Actors and Writers Are Doing More For Less, Keeping Attorneys Busy With Smaller Deals

By **Jean-Luc Renault**
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To hear some Hollywood lawyers tell it, 2006 was the Golden Age.

Back then, relatively unknown actors could work when they felt like it, midlevel screenwriters could command premium prices, and the stream of television and film gigs led to lucrative practices for attorneys who negotiate entertainment deals and take a cut of clients' pay.

Ever since the 2007 strike by the Writers Guild of America brought production to a standstill, and the recession followed close behind, Hollywood talent has had to adjust to the reality of working more for smaller paychecks.

'Writers are selling three to four scripts a season. For a lawyer, as well as the writer and his agent, that's chaos.'

ROBERT MYMAN

MYMAN GREENSPAN FINEMAN FOX LIGHT

A glut of actors and writers whose work dropped off a cliff in recent years has done nothing to ease the crunch, increasing competition and giving studios even more leverage in contract negotiations.

Tightening belts in Hollywood has meant entertainment transactional lawyers work more for less pay, as well. Now industry players say they have come to terms with the reality that smaller deals may be here to stay. And many say they have adjusted accordingly.



Darrell D. Miller

ROBERT LEVINS/ Daily Journal

In 2011, lawyers expect compensation to remain relatively unchanged for the upper echelon of actors and writers who have always been able to command top dollar, but they anticipate a dramatic drop in pay for those in the so-called "middle class."

Darrell Miller, a partner with Fox Rothschild in Century City, said his film actor clients who earned in the high six figures per film can expect to command roughly

\$250,000, and television clients making \$70,000 per episode may now only get \$35,000.

In turn, Miller said the industrywide rollbacks will continue to affect transactional lawyers, who earn a percentage of clients' pay.

"It really does have a concrete effect on everybody's bottom line," said Miller. "You now have to get two actors instead

Hollywood's Pay Scale Has Shrunk for Legal Work

of one to get that \$70,000 per episode. It's a real problem for all representatives, as well as the industry in general."

Lawyers who represent screenwriters also expect to see a drop in clients' pay over the next year.

Taking an especially heavy hit on television writers is the gradual depletion of overall deals — in-house positions with television studios to develop multiple shows at once.

Overall deals also provide stable jobs for writers, who are often given offices on the studio lot.

"It doesn't seem like long ago that most of my writer clients were in overall deals, being paid \$1.5 million to \$4 million, and not being required to work on specific shows," said Leigh Brecheen, a partner with Bloom Hergott Diemer Rosenthal LaViolette Feldman Schenkman & Goodman in Beverly Hills.

"Now the top of the heap are getting half a million or \$250,000," she added.

For writers and their lawyers, the impact of fewer overall deals in television is more than just financial — it also means doing more work.

"Writers are selling three to four scripts a season," said Robert Myman, a partner with Myman Greenspan Fineman Fox Light in Brentwood. "For a lawyer, as well

as the writer and his agent, that's chaos," he said.

Myman said that deal structures on the feature film side will also continue to tighten over the next year.

Before the industry's contraction, feature film writers were often granted two-step deals, or agreements guaranteeing that a writer is paid for the original script, as well as extra compensation for later revisions.

"Studios will now step up to the writer's quote for a first draft, but they don't guarantee second and subsequent drafts," said Myman, who said these so-called one-step deals greatly affect the writing process.

"Writers end up writing the first draft down the middle so it's not booted," he said, adding that writers will sometimes even make necessary revisions without being paid extra. "The financial impact is that the writer is not getting guaranteed pay for multiple steps. And when they turn it in, they're already looking for their next job."

Although earnings are not expected to return to prerecession levels anytime soon, lawyers do expect to see an increase in the number of television and film deals in 2011, and even though they're bracing for continued pay cutbacks for their clients, they are optimistic about the growing number of opportunities.

"Before the strike, people geared up with production," said Tara Kole, a partner with Gang, Tyre, Ramer & Brown in Beverly Hills who specializes in representing talent.

"After the strike and the economic downturn, studios weren't feeling an enormous need for movies because they had a lot in the can ready to go," she said. "Now people need product — for cable, TV and movies."

Financing sources outside of the studio system have shown eagerness to break into the feature film market, a development that would create more work for writers and actors on the independent film front.

Given that networks didn't pick up a good portion of the pilots from last season, demand is especially high for new scripted television shows.

Working on those films and shows may not pay writers, actors and their lawyers as much as it once did, but Kole said "the initial shock has worn off," and that Hollywood has started to accept that the pay may never reach the highs it did just a few years ago.

"It feels like people are making movies and shows and getting stuff done," said Kole. "Maybe the deals aren't what they were. But it's been a few years now, and I think this is probably the new normal."