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April 18, 1989

ACTORS' EQUITY
ASSOCIATION
SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered into between SALOME JENS; GEORGE BALL; BARBARA BECKLEY; MARIA GOBETTI; GARY GROSSMAN; VALERIE LANDSBURG; DOROTHY LYMAN; AMANDA MCBROOM; ALLAN MILLER; GREG MULLAVEY; THOMAS ORMENY; LINDA PURL; JOSEPH STERN; ADAM CARL, by and through his parents, JACK AND LOIS CARL; AND MICHAEL WADLER (collectively, "Plaintiffs"), and ACTORS' EQUITY ASSOCIATION; THE WESTERN ADVISORY BOARD OF ACTORS' EQUITY ASSOCIATION; and JOSEPH RUSKIN; EDWARD WESTON; HOWARD CAINE; LEV MAILER; ROD LOOMIS; and MICHAEL FOX (collectively, "Defendants").

RECITALS:

A. There have been substantial differences between Plaintiffs and Defendants about the provisions and procedures followed by Defendants in adopting a new plan for Waiver Theatre in Los Angeles. Plaintiffs filed a lawsuit challenging Defendants' conduct, which is now pending in the United States District Court for the Central District of California, styled SALOME JENS; GEORGE BALL; BARBARA BECKLEY; MARIA GOBETTI; GARY GROSSMAN; VALERIE LANDSBURG; DOROTHY LYMAN; AMANDA MCBROOM; ALLAN MILLER; GREG MULLAVEY; THOMAS ORMENY; LINDA PURL; JOSEPH STERN; ADAM CARL, by and through his parents, JACK AND LOIS CARL; AND MICHAEL WADLER, Plaintiffs, vs. ACTORS' EQUITY ASSOCIATION; THE WESTERN ADVISORY BOARD OF ACTORS' EQUITY ASSOCIATION; and JOSEPH

RUSKIN; EDWARD WESTON; HOWARD CAINE; LEV MAILER; ROD LOOMIS;
MICHAEL FOX; and DOES 1-100, Defendants, Case No. 88-05374 TJH
(GHKx) (the "Lawsuit"). Plaintiffs alleged claims against
Defendants for breaches of §§ 411 and 501 of the Landrum-Griffin
Act, breach of the covenant of good faith and fair dealing, and
breach of contract. Plaintiffs sought temporary and preliminary
injunctive relief, which was denied, and continue to seek
permanent injunctive relief, declaratory relief, and monetary
damages. The Parties are now engaged in extensive discovery and
trial preparation, which are and will be costly to the Parties.
After substantial good faith discussions between Plaintiffs,
Defendants, and their respective attorneys, the parties desire to
settle their differences in a way that will further the best
interests of actors and actor-producers in Los Angeles who are
members of Actors' Equity Association, and to promote and advance
the growth of theatre in the Southern California area.
Therefore, Plaintiffs and Defendants agree as follows:

AGREEMENT:

In consideration of the Recitals and the following promises
and covenants, the Parties agree as follows:

1. The Actors' Equity Association Los Angeles 99-Seat
Theatre Plan, as adopted by the Council on November 29, 1988, and
currently in effect, shall not be amended or modified and shall
remain in effect until at least April 1, 1991.

2. There will be a permanent Review Committee. The Review
Committee shall meet on a regular basis to monitor and study the

impact, implementation, problems, and operations of the 99-Seat Theatre Plan, and on a regular basis will provide reports and recommendations to AEA about the 99-Seat Theatre Plan.

(a) The Review Committee shall be composed of eight members, four of the plaintiffs (or their designates) and four members appointed by Actors' Equity Association. Plaintiffs may assign their right to designate members of the Review Committee, however, any designates or assignees of plaintiffs must have an attachment to 99-Seat Theatre in Los Angeles. Each member of the Review Committee is entitled to one vote on all matters voted upon.

(b) The Review Committee shall meet with representatives of the Western Advisory Board and executives of AEA as needed. Whenever necessary and practical, the Executive Secretary shall participate in those meetings.

(c) The Review Committee shall write regular reports about the impact, implementation, operation, and problems of the 99-Seat Theatre Plan, including any recommendations. The reports of the Review Committee will be made available to members for copying, review, and general discussion. Copies of the Review Committee's reports will be made available to members at the AEA office in Los Angeles, and a reasonable number of copies will be made available at AEA Los Angeles membership meetings. The Review Committee, working with the AEA Western Regional Director or his designee, will prepare summaries of its reports which will be printed in "Equity News" twice a year.

3. After April 1, 1991, the Review Committee, the WAB, or any member or executive may propose to the Council that changes be made in the 99-Seat Theatre Plan.

4. If a proposal would make a substantial change to the 99-Seat Theatre Plan as it then exists, the procedure in this paragraph will apply. A substantial change includes, but is not limited to, any change to the provisions of the 99-Seat Theatre Plan regarding length of run, actor reimbursement, and the availability of the Plan.

(a) The following procedures apply to a proposal to make a substantial change to the 99-Seat Theatre Plan:

(i) The Council will provide to the Review Committee and the membership the details of any proposed changes at least 45 days in advance of the date when the Council will act on the proposal to make those changes.

(ii) Before the Council acts on a proposal to make changes, the Council will arrange for a reasonable number of meetings between AEA representatives and members of the Review Committee for the purpose of receiving the recommendations and opinions of the Review Committee about the proposed changes.

(iii) The Council will receive and consider a request from a member, including a member of the Review Committee, that an advisory referendum of the Los Angeles County membership should be held on the proposed substantial changes to the 99-Seat Theatre Plan. If the Council denies

the request for an advisory referendum, the Council nevertheless shall hold an advisory referendum if a written petition of one hundred (100) members in good standing, residing in Los Angeles County requesting a referendum is filed with the Executive Secretary within 30 days after the Council announces its rejection of the request for a referendum.

(iv) If the Council decides to hold an advisory referendum, or if any advisory referendum is triggered by the appropriate filing of a written petition under ¶ 4(a)(iii), the Council shall establish procedures to ensure that the advisory referendum is conducted fairly, which shall include the following:

(1) At least 45 days advance notice will be given to the Los Angeles County membership of the date when the referendum will be mailed.

(2) Those members of the Review Committee who disagree with the proposed changes to be voted upon in the referendum shall be permitted a fair and reasonable opportunity to write one differing viewpoint of reasonable length which shall be included in the referendum materials mailed to the membership.

(3) A Los Angeles membership meeting will be held at least four (4) weeks before referendum materials are mailed to members, for the purpose of explaining, commenting upon, and debating the proposed changes.

(4) All members in good standing of Actor's Equity Association residing in Los Angeles County will be eligible to vote in the referendum.

5. In the event of proposed minor changes to the 99-Seat Theatre Plan, the Council shall give the Review Committee at least 45 days notice prior to any action and will consider comments and recommendations from the Review Committee.

6. Actors' Equity Association will make available to any member a list of the conditions and terms of the concessions that Actors' Equity has granted from the 99-Seat Theatre Plan, and will continue to do so in the future. The information will be made available at the Los Angeles offices of Actors' Equity Association and members will be permitted to copy and otherwise discuss and disseminate the information.

7. Plaintiffs and Defendants will prepare a Joint Statement to be released to the media and to be published in "Equity News" which statement shall commence on the front page. The Joint Statement shall include the fact that the lawsuit has been settled, the terms of this Settlement Agreement, the objectives of the parties in entering into this settlement, their mutual objectives to expand and promote theatre and acting opportunities for AEA members in Los Angeles, and appropriate conciliatory language.

8. Defendants acknowledge that certain of the plaintiffs received letters in January 1989 placing them on "conflict of interest." Defendants agree to make an expeditious, good faith

reevaluation of the status of those plaintiffs. Those plaintiffs placed on conflict of interest in January 1989 may submit to the Los Angeles office of AEA all facts, statements, argument and other evidence that they believe shows that they should not be on conflict of interest. Los Angeles representatives of AEA will review this material and meet with each plaintiff who requests a reevaluation for the purpose of discussing the issue in good faith, including presenting AEA's evidence and position. After this meeting, the Los Angeles office of AEA will make a reevaluation of each plaintiff's status, and advise that plaintiff in writing whether or not he or she will continue to be on conflict of interest and the reasons therefor. After the Los Angeles office has completed its reevaluation, if necessary, that decision may be appealed in writing in accordance with the AEA Constitution to the AEA Council which will review the written appeal and all of the facts and arguments in the record.

9. Plaintiffs and Defendants hereby mutually release and waive all claims alleged in the Lawsuit or arising out of the adoption of the 99-Seat Theatre Plan, including any claims for attorneys' fees and costs.

10. Plaintiffs agree to dismiss the Lawsuit with prejudice, each party to bear its own costs and attorneys' fees.

11. Should any of the provisions herein be determined to be invalid by a court of competent jurisdiction, the parties agree that this shall not effect the enforceability of any other provisions, and they shall renegotiate and reform those

provisions in good faith to effectuate the purposes of this Agreement and to conform it to the law.

12. This Agreement may be executed in any number of counter-parts, each of which shall be an original and all of which shall constitute one in the same Agreement.

13. This Agreement constitutes the entire understanding between Plaintiffs, on the one hand, and Defendants, on the other, and supersedes all prior written and/or oral and all contemporaneous oral agreements, understandings and negotiations. The Parties agree that this agreement may only be modified by a writing executed by all of them.

14. The Recitals of this Agreement are hereby incorporated and made a part of this Agreement.

DATED: April 20, 1989

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM

By


JEROME F. BIRN, JR.

Attorneys for Plaintiffs

DATED: April 19, 1989

TAYLOR, ROTH, BUSH & GEFNER
A Law Corporation

By


LEO GEFNER

Attorneys for Defendants

(aea\setagmt.nc)