

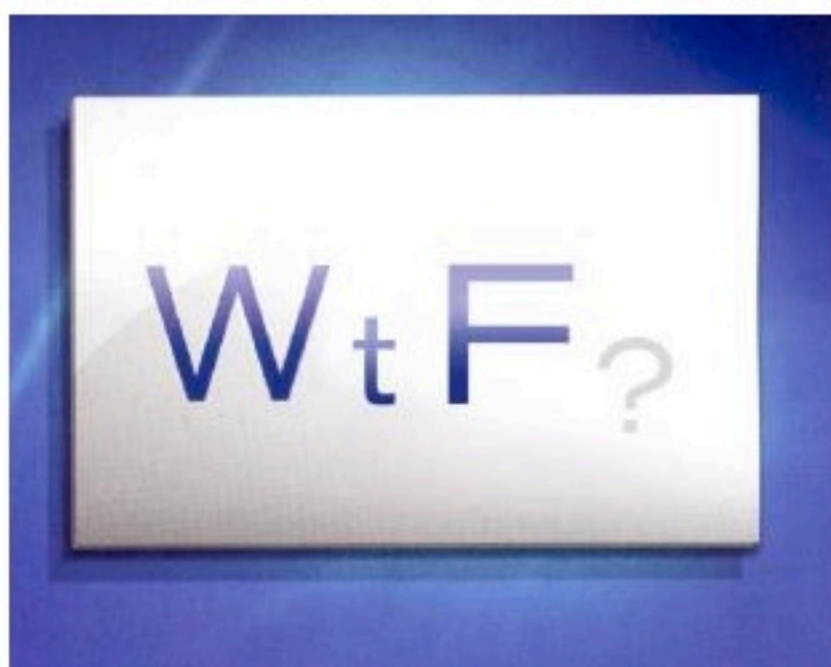
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PAYBACK! WME Tries To Bully Fired Agents: Agents Bully WME Right Back For Salaries

By NIKKI FINKE, Editor in Chief | Tuesday August 25, 2009 @ 3:56pm PDT

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EXCLUSIVE: This is a case of "Don't get mad, get even" Hollywood-style. Last month I had the exclusive news that WME sent bad news letters to certain laid-off William Morris agents who found work at CAA, UTA, ICM and Paradigm. The point of the missives was to cut off these agents from receiving whole or part of their William Morris salaries because they'd signed contracts calling for mitigation. (This meant that if the tenpercenters had time left on their deals and could find work as agents elsewhere, then WME would be on the hook for paying them the salary difference between their new jobs and their old ones.) WME claimed those letters went out to "only" those agents playing fast and loose with the mitigation terms. (For instance, if an agent making \$250K at Morris went to work at a rival agency for a new salary of \$25K, WME had to pay \$225K for the life of the Morris contract. That's not how mitigation is supposed to work.) But rival agencies suspected that WME was using economic duress to cut deals only worth \$.70 on the dollar with those agents lucky enough to find jobs in this tough market.



Understandably, the agents receiving these WME letters first began freaking out. Then four of them fought back. Their attorney, Century City pitbull litigator Bryan Freedman of Freedman and Taitelman, filed and immediate demand for arbitration. This time, it was former Endeavor, and now WME, business affairs exec Tom McGuire's turn to freak out. I hear he called Freedman to express shock and complain that the attorney was asking for arbitration so quickly without trying to negotiate first. To which Freedman reportedly responded, "Your WME letters didn't say, 'Hey, give me a call.'" They said, "We're not paying you starting immediately."

In fact, WME didn't stop paying the agents. And the agency now has backed off its threat and will continue to compensate the agents according to the contracts. (Unless WME can prove later the tenpercenters were gaming the mitigation system. An investigation will continue). Oh, and did I mention that Freedman's hiring was approved by WME's competitors, UTA and ICM? "WME acted like bullies — and they got bullied right back," one rival agent gloated to me. "Ari made a big thuggy threat. But he had to cave when he realized the downside was too great. Now everybody's getting paid fully."

Game, set, match.