

ANOP

# AICP Member Meeting CA Labor Compliance Forms & Best Practices

March 5, 2026



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President & CEO  
AICP



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# WHY ARE WE HERE?

- California is the epicenter of wage and hour litigation in the United States
  - Wage and hour and representative actions continue to grow with record filings year over year
  - Private Attorneys General Act (“PAGA”) expands liability
  - Plaintiffs’ firms are filing more cases, especially against small to mid-size companies
  - Settlements routinely reach six and seven figures
    - Small violations can trigger significant penalties
  - Most court decisions favor plaintiffs
  - The most common claims are often paperwork and compliance related.

# WHAT CLAIMS ARE TYPICALLY ASSERTED AGAINST EMPLOYERS (AND AICP MEMBERS)?

- In general, nearly all wage and hour class action complaints assert the same set of causes of action which include:
  - Failure to pay timely wages/late payment of wages (especially prevalent with AICP members)
  - Failure to pay minimum wages for all hours worked
  - Failure to pay overtime wages
  - Failure to provide meal periods
  - Failure to provide rest breaks
  - Failure to reimburse business expenses
  - Failure to provide compliant wage statements
  - Failure to pay all wages due upon separation
  - PAGA penalties associated with each of these claims

# COMMON PLAINTIFFS' THEORIES

- It doesn't matter if it is true – Plaintiffs will make allegations without supporting evidence
  - Off the clock work – the timesheets are “too rounded to be real” because employees fill them out by hand OR actual rounding is occurring
  - The recorded meal breaks that are exactly 30 minutes in duration and therefore are “too perfect” or “synthetic” and false
  - Employees could not take meal or rest breaks
  - Employees are not provided timely payment of wages due to Employer's dilatory conduct and it has nothing to do with the Employee's conduct
  - It is necessary for employees to incur expenses that are not reimbursed (cell phone and boots typically)
  - PAGA and other penalties are available at the initial / subsequent standard and the maximum PAGA amounts is realistic exposure

# WHAT CAN EMPLOYERS DO TO DEFEND AGAINST THESE ACTIONS?

- Employers cannot prevent lawsuits from being filed, but they take steps to limit their liability and exposure
  1. Understand the Wage and Hour Landscape
  2. Implement Clear Written Wage and Hour Policies
    - AICP Compliance Materials
  3. Train Supervisors and Managers on Policies
    - Address complaints early and immediately
  4. Maintain Accurate and Complete Documentation
    - Time records, wage statements, signed policy acknowledgments, etc.
  5. Conduct Routine Payroll Audits

Sean Moody  
AICP West Board President



**AICP California Labor & Employment  
Best Practices Committee**

**Sean Moody**  
Committee Chairperson  
AICP West Board President  
*Biscuit Filmworks*

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IMPLEMENT CLEAR  
WRITTEN WAGE AND  
HOUR POLICIES



# WHAT CAN AICP MEMBERS DO TO LIMIT EXPOSURE AND DEFEND AGAINST PREDATORY LAWSUITS?



## CALIFORNIA LABOR COMPLIANCE FORMS & BEST PRACTICES

Keeping up with California labor laws is like trying to hit a moving target in the dark. The laws are constantly changing and oftentimes employers are not sure where to look and who to contact with questions.

That is why the AICP West Chapter Board, in conjunction with the AICP National Board, have created easy-to-use compliance materials to help production companies navigate these issues in an effort to avoid wage and hour lawsuits, including those filed under California's Private Attorneys General Act (PAGA).

### Why do these materials matter?

These compliance materials are tools designed to help you protect your business and crews through flexible, field-tested, and updated handouts that reflect the latest legal requirements in California. Not only are these handouts informational but they can also be added to your own policies and procedures.

These materials are designed in a fashion in which you can easily plug them into your current onboarding materials and payroll systems or be used by any employer as initial materials on these topics. As an AICP member, these materials are open source and free for all. AICP encourages all its members to take advantage of these tools and share them with your freelance production teams. The materials are designed to be practical and easily understood by freelance employees of all levels.

Here are links to the handouts

[Overview from the AICP West Board](#)

[Timekeeping and Timecards](#)

[Meal and Rest Break Compliance](#)

[Business Expense Reimbursements](#)

[Arbitration Agreements](#)

### IN THIS SECTION

- [Union Agreements - Click Here for All Labor Bulletins](#)
- [California Labor Compliance Forms & Best Practices](#)
- [Important Labor Dates](#)
- [Television Commercial Roster Training Updates](#)
- [Personal Appearance Releases](#)
- [Personal Information Collection](#)
- [Wage Theft Forms](#)
- [Child Labor Laws](#)
- [ACA Marketplace Health Coverage](#)

# TIMEKEEPING, TIMECARDS, AND PAYROLL GUIDELINES / HANDOUT

[INSERT COMPANY  
LOGO HERE]

## TIMEKEEPING, TIMECARD, AND PAYROLL GUIDELINES FOR ALL CALIFORNIA FREELANCE EMPLOYEES

[COMPANY] is obligated to comply with all applicable state and federal wage and hour statutes and regulations<sup>1</sup>. [COMPANY] is committed to ensuring that all workers are paid accurately and in full for all hours worked. To achieve this, all Employees must adhere to the following regulations:

### 1. Timekeeping

- Federal and state laws require the [COMPANY] to keep accurate records of hours worked by nonexempt employees and daily on-call employees, as applicable ("Employees"). Nonexempt employees must accurately record all hours worked, including any time worked before their scheduled start. Working before or after scheduled hours requires prior supervisor approval in writing and employees therefore should not clock in ahead of their scheduled start time and should clock out immediately upon their shift ending. Minimum guarantees will be paid pursuant to CBAs regardless of whether an Employee worked less time.
- Every nonexempt employee is required to enter their hours worked accurately, including all meal periods. Nonexempt workers are prohibited from rounding their time. It is [COMPANY] objective to ensure that employees are paid for all of their time worked.
- It is a violation of company policy to clock in or out for another employee. Employees who fail to clock in or out at any time must immediately inform their supervisor. Employees are expected to review their timecards for accuracy and immediately report any discrepancies or missed time entries to their Producer or Production Supervisor as soon as possible.

### 2. On-the-Job Hours

- Employees are required to record their actual start time, not their call time to ensure that they are compensated for all hours worked. Employees agree that all time worked will be accurately recorded and employees are prohibited from rounding their time<sup>2</sup>.
- Working off-the-clock, either before or after clocking in or out or during a meal period is strictly prohibited. In addition, failing to accurately record all time worked is prohibited.
  - No work may be performed by non-exempt employees without accurately recording the time. Employees who fail to promptly record or submit their timecards will be paid for all time worked, but may be subject to discipline. Any supervisor who asks an employee to work without recording the time will be subject to discipline.

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<sup>2</sup> Please be advised that if a CBA governs your employment and your CBA provides for the entering of time in specific time increments or units, those provisions govern. This Handout is meant for informational purposes to complement any applicable CBA and separately applies to those not governed by a CBA. Notwithstanding the foregoing, Employees must still record all time worked to ensure that final compensation is fully and accurately paid in accordance with all applicable CBAs.  
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# TIMEKEEPING, TIMECARDS, AND PAYROLL GUIDELINES / HANDOUT (CONT.)

[INSERT COMPANY  
LOGO HERE]

- o Working before or after scheduled hours requires prior supervisor approval in writing and employees therefore should not clock in ahead of their scheduled start time and should clock out immediately upon their shift ending.

### 3. Overtime Hours

- At certain times [COMPANY] may require nonexempt employees to work overtime. [COMPANY] will attempt to give as much notice as possible if overtime work is known to be needed or expected. All overtime worked, even if not authorized, must be accurately recorded. Employees understand that if they fail to record overtime worked or work unauthorized overtime, employees will be paid for time worked but may be subject to discipline.

### 4. Off The Clock Work

- Employees must obtain approval before performing work outside of scheduled hours. Unless otherwise agreed, employees are prohibited from engaging in any work off the clock. This prohibition includes answering emails or placing or taking phone calls.
- Regardless of authorization, employees understand that work performed must be recorded and will be compensated. Employees who violate this policy may be subject to discipline.

### 5. Reporting Pay Discrepancies

- [COMPANY] is committed to ensuring accurate and timely payment of all wages owed to its employees. Employees who believe that there is an error with their paycheck, including missing hours, incorrect rates, or any other discrepancies, must notify [COMPANY REPRESENTATIVE] as soon as possible.
- Employees understand that the prompt reporting of any pay discrepancies helps the [COMPANY] resolve any issues immediately and ensure employees are paid correctly and on time.
- [COMPANY] strictly prohibits retaliation against any employee who reports, in good faith, a concern regarding their wages, hours worked, or any other pay-related issues. Employees understand that they will not be disciplined, penalized, or subject to any adverse action for reporting a potential pay discrepancy or cooperating in any related investigation.

### 6. Submission of Hours Worked and Timely Payment of Wages

- Timecards must be completed accurately and Employees are encouraged to submit their timecard at the end of each working day to prevent any payroll delays or errors. Employees understand that if they do not submit their timecards on a daily basis, they must submit their timecards either at the end of each week or at the end of each pay period, whichever comes first.
- Should an employee submit a late timecard, [COMPANY] will take all necessary steps to ensure the timely payment of wages, including conducting a prompt investigation into why the timecard(s) was not timely submitted and determining the total number of hours worked by the employee that day. Employees agree to facilitate any investigative efforts regarding their submission of time and payment of wages.

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[INSERT COMPANY  
LOGO HERE]

- Employees understand that if they do not timely submit their timecard before the payroll submission deadline, it may result in a late payment. In cases where timecards are late or missing, and to prevent the late payment of wages, [COMPANY] will engage in an effort to verify the hours worked and issue full payment based on the best available evidence (such as call sheets, supervisor confirmation, production reports, etc.). Based on [COMPANY]'s investigative efforts, it will issue payment based on the result of the investigation. If additional wages are later determined to be owed, [COMPANY] will promptly pay all additional wages promptly during the next payroll period which will be identified as a separate line item on the paystub as a true-up payment.
- If employees believe that they have not been paid all of the wages owed to them, Employees understand and agree that they will promptly contact [COMPANY] regarding the wages that they are believed to be owed to them.

### 7. Receipt of Company Policy

- Copies of this company policy are available upon request from Production.
- A digital copy may also be accessed upon request from Production.

Failure to adhere to these guidelines may result in corrective action. If you have any questions regarding timekeeping procedures, please contact your supervisor. We are committed to providing legally compliant work conditions and appreciate your cooperation in observing break schedules and reporting any issues

Thank you for your cooperation and professionalism on set.

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# MEAL AND REST BREAK GUIDELINES / HANDOUT

[INSERT COMPANY  
LOGO HERE]

## MEAL AND REST BREAK GUIDELINES FOR ALL CALIFORNIA FREELANCE EMPLOYEES

[COMPANY] is obligated to comply with all applicable state and federal wage and hour statutes and regulations related to the taking of meal and rest breaks<sup>1</sup>. [COMPANY] is committed to ensuring that all workers are provided with the opportunity to take complete and timely meal and rest breaks. To achieve this, all personnel working on set are required to adhere to the following regulations<sup>2</sup>:

### 1. Meal Periods

- All non-exempt employees in the motion picture industry who work more than six hours in a workday are entitled to an unpaid, meal period of no less than 30 minutes. To ensure compliance with the foregoing, employees understand that they are required to accurately log the start and end times of all meal periods. Employees understand that they must take their meal periods no later than six hours after they start work and that the meal period must last no less than 30 minutes and no more than one hour.
- Meal periods are off-duty. During a meal period, employees will be relieved of all duties. As such, [COMPANY] relinquish control over employees' activities during a meal period. While on a meal period, [COMPANY] prohibits employees from performing any work and does not expect any employee to complete any work duties. In addition, [COMPANY] will not impede or discourage an employee from exercising their right to take a meal period. Employees are free to leave the premises if they wish and they will not remain on call.

### 2. Rest Breaks

- All employees are entitled to a paid 10-minute rest break for every four hours of work, or major fraction thereof.
- Rest break times are based on the total hours worked daily and all rest breaks should be taken in the middle of each four-hour work period, as practicably possible.
- Below is a table to assist in determining the number of rest breaks employees are entitled to based on the number of hours of work that an employee performs:

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<sup>2</sup> Please be advised that if a CBA governs your employment and your CBA provides for meal periods and penalties for violations of those requirements, those provisions govern. This Handout is meant as a complement to any applicable CBA, whose terms and conditions control. These policies separately apply to those specifically not governed by a CBA.  
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# MEAL AND REST BREAK GUIDELINES / HANDOUT (CONT.)

[INSERT COMPANY  
LOGO HERE]

Shift (Hours Worked in a Day)	Number of Paid Rest Periods
0 to 3.5 hours	0
3.5 to 6 hours	1
6 to 10 hours	2
10 to 14 hours	3

- Unlike meal periods, rest breaks are paid but they are still off-duty. During rest breaks, employees will be relieved of all duties, and [COMPANY] will relinquish control over employees' activities.
- While on a rest break, employees understand that they are not expected to perform any work duties. In addition, [COMPANY] will not impede or discourage employees from exercising their right to take a rest break.

### 3. Use of Walkie-Talkies During Breaks

- During meal and rest breaks, employees understand that [COMPANY] hereby releases you from all work related duties. As a result, all employees understand that they must turn off their walkie-talkies during their meal and rest breaks, except in cases of emergency or exigent circumstances. Employees also understand that walkie-talkies should not be used or monitored while on break. Employees may choose to turn in their walkie-talkies to their designated company representative prior to taking a break. If an employee believes that they need to have their walkie-talkies on during meal and/or rest breaks, employees must receive pre-approval, in writing, in advance of engaging in any such conduct. Failure to abide by this policy may result in disciplinary action.
- Prior to taking a meal or rest break, employees may inform their supervisor when they start and end each designated break to ensure that their breaks are uninterrupted.
- Supervisors and company representatives must not contact employees during their breaks, unless an actual emergency arises. In the event of an emergency, if someone is asked to return early from a break or take a late break, it is the responsibility of the employee to forewarn the individual or superior that they have not completed their full break. If an employee is required to return from their break after giving the foregoing warning, the employees must be paid a meal and/or rest break premium at one hour of that employee's regular rate of pay, unless an applicable CBA provides for alternative remedies. If such an emergency arises and an employee is unable to take a compliant meal or rest break, employees understand that they will promptly report such an incident to their supervisor. Failure to report an interruption of one's right to take a fully compliant meal or rest break may result in disciplinary action.

### 4. Inability to Take Meal Period or Rest Break

- All meal periods and rest breaks are *off-duty* and employees understand that they will be relieved of all work responsibilities.

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# MEAL AND REST BREAK GUIDELINES / HANDOUT (CONT.)

[INSERT COMPANY  
LOGO HERE]

- Employees who are assigned walkie-talkies, radios, or any other communication device understand that they are encouraged to turn off these devices at the beginning of their meal period and must turn them back on once they have returned from their meal period or rest break.
- If production circumstances make it difficult for an employee to take any meal or rest break that they are entitled to, the employee must notify a Producer or Production Supervisor so alternative arrangements can be made.
- If any employee believes that they have been denied a fully compliant meal or rest break, please report this to a Producer or Production Manager or [COMPANY REPRESENTATIVE] immediately. [COMPANY] is committed to complying with all applicable California meal and rest break laws.
- Workers who are not provided with a compliant meal period or rest break will receive one hour of pay at their regular rate of compensation for each workday that a meal or rest break is not provided, unless an applicable CBA provides for alternative remedies..

## 5. Important Note to All Employees

- Employees understand that meal and rest break timing may vary due to working conditions. However, employees understand that they must still comply with the legal requirements set forth above and that they are still entitled to timely and complete meal periods and rest breaks. If an employee believes a break cannot be provided as required based on the working conditions, please report any concerns to a supervisor immediately.
- Employees are required to promptly return to their designated area(s) after the completion of full, complete, and duty-free meal and rest breaks. Employees who do not return to their designated area(s) following their meal and rest breaks may be subject to discipline.
- [COMPANY] will investigate all inquiries made by employees regarding the inability to take compliant, uninterrupted meal and rest breaks.

## 6. Receipt of Company Policy

- Copies of this company policy are available upon request from Production.
- A digital copy may also be accessed upon request from Production.

Failure to comply with these procedures, including failure to promptly report missed breaks, may result in corrective action. If you have any questions regarding the meal period and rest break procedures, please contact the Producer or Production Manager. We are committed to providing legally compliant work conditions and appreciate your cooperation in observing break schedules and reporting any issues.

Thank you for your cooperation and professionalism on set.

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# BUSINESS REIMBURSEMENTS HANDOUT

[INSERT COMPANY  
LOGO HERE]

## BUSINESS EXPENSE REIMBURSEMENT GUIDELINES FOR ALL CALIFORNIA FREELANCE EMPLOYEES

[COMPANY] is obligated to comply with all applicable state and federal wage and hour statutes and regulations related to the reimbursement of necessary business expenditures<sup>1</sup>. [COMPANY] is committed to ensuring that all workers are reimbursed for all necessary expenses that they incur to perform their job duties or making business related purchases. To achieve this, [COMPANY] adheres to and requires all personnel working on set to adhere to the following regulations<sup>2</sup>:

### 1. Business Reimbursements

- [COMPANY] is required to indemnify employees for all necessary expenditures incurred as a direct consequence of performing their job duties or following the employer's instructions. This obligation is strictly enforced and non-waivable, applying to employees engaged in commercial production.
- These expenditures may include, but are not limited to, mileage or fuel (governed by the IRS or a CBA); meals, lodging, or travel; supplies/expenditures; and reasonable use of personal cell phones.
- [COMPANY] understands that employees may occasionally choose to use their own personal property (including but not limited to vehicles, tools, equipment, and workspace) in connection with their job duties. Such use is voluntary unless otherwise specified in writing. [COMPANY] will not reimburse for loss, theft, or damage to personal property arising out of such use unless (i) the use was expressly required by the Company in writing and (ii) the Company has agreed in advance, in writing, to assume such liability. Employees understand that they can contact [COMPANY REPRESENTATIVE] if they have any questions in this regard.

### 2. Cell Phone Usage Reimbursements

#### Eligibility and Reimbursement Amount

- All employees who are required to use their personal cell phones for work-related purposes are eligible for reimbursement.
- Eligible employees will receive [COMPANY DETERMINED REIMBURSEMENT AMOUNT], unless an applicable collective bargaining agreement requires a different reimbursement rate. This amount is intended to cover the cost of using a personal cell phone for basic work-related tasks, such as checking email, receiving work calls, and using work-related apps (for timekeeping, documentation, etc.)

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# BUSINESS REIMBURSEMENTS HANDOUT (CONT.)

[INSERT COMPANY  
LOGO HERE]

## Procedure

- Eligible employees may need to submit any documentation to receive this reimbursement. All reimbursements made to employees will be added to their paycheck during the next regularly scheduled pay period. Please contact [COMPANY REPRESENTATIVE] if employees have any questions regarding any cell phone reimbursement related questions.

## Determination of Reimbursement Amount Determination of Reimbursement Amount

- Employees understand that the nature of their work and job responsibilities require significantly less cell phone and cellular data usage compared to the daily personal usage of their cell phone and cellular data. As such, employees are given a per-pay period stipend rate for every day in which they use their cell phones for work related activities. The costs covered by this reimbursement may include paying a prorated portion of internet, monthly voice and/or data plans used for work purposes, and normal wear and tear. The [COMPANY] then pays employees a pro-rata share of the daily cell phone cost based on the anticipated work-related uses for the cell phone.  
understand that it is their responsibility to communicate their concerns to [COMPANY REPRESENTATIVE], in writing. Employees will be expected to submit documentation to support their claim, such as a copy of their cell phone bill and a log of their work-related cell phone usage in order for the company to consider such appeal.

## 3. Reimbursement Policies

- If an employee incurs an agreed upon or expected business expenditure, [COMPANY] will reimburse the employee for said costs within 30 calendar days of submission of appropriate and complete documentation (such as original receipts or mileage logs).
- If, at any time, an employee incurs a business expense that was not pre-approved, the employee must submit a written request for reimbursement to [COMPANY] as soon as practicable, ideally within 5 business days after incurring the expense. This request should include a description of the expense and an explanation of why it was necessary.
- If an employee believes that they have not been reimbursed for all necessary business expenditures, please immediately contact [COMPANY REPRESENTATIVE].
- Employees understand that [COMPANY] reserves the right to deny a reimbursement of any expense that is not pre-approved and is not deemed to be a necessary business expenditure.

## 4. Receipt of Company Policy

- Copies of this company policy are available upon request from Production.
- A digital copy may also be accessed upon request from Production.

Failure to adhere to these guidelines may result in corrective action. If you have any questions regarding this policy or the expense reimbursement procedures, please contact the Producer or Production Supervisor or [COMPANY REPRESENTATIVE]. We are committed to ensuring that you are compensated for any business expenses incurred and appreciate your cooperation in reporting any issues. Thank you for your cooperation and professionalism on set.

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# ARBITRATION AGREEMENTS



## MEMORANDUM

TO:	AICP Members
DATE:	[INSERT DATE OF DISTRIBUTION]
RE:	Arbitration Agreements and Class Action Waivers for California Non-Union Workers

This memorandum outlines the necessary elements that Members must include in arbitration agreements provided to employees in California<sup>1</sup>. This document is for members who do not want to use the template arbitration agreement made available by AICP. If you adopt the template arbitration agreement provided by AICP, the template addresses each of these points. **Please note:** Members cannot mandate that union employees execute arbitration agreements without union consent. This means that you cannot make arbitration agreements a mandatory condition of employment without first negotiating the same with the relevant union. Generally speaking, employers may ask a union member to voluntarily sign an arbitration agreement but an employer cannot refuse to hire them, or fire them, if they refuse to do so.

Arbitration agreements are commonly used in the entertainment industry as a means of resolving disputes outside of court. Members can and should require arbitration agreements as a condition of employment for your non-union employees. Given the rise in wage and hour claims brought against production companies in California, arbitration agreements can serve as a strong first line of defense to reduce the liability exposure associated with a class action lawsuit. However, for such agreements to be legally binding and enforceable, they must meet specific criteria established under California law and federal standards. While the model agreement provides for arbitration through JAMS, members are free to choose a different arbitration provider of their choosing.

Failure to adhere to these requirements can result in a Court deeming an arbitration agreement unenforceable. In such cases, not only will it lead to costly litigation, but it may also nullify any class action waiver. If you decide to utilize your own arbitration agreement, the following sets forth the primary factors that courts consider when evaluating the enforceability of arbitration agreements in California.

Please note: While this is permissible in California, other States may prohibit this as a term of employment, so if using such forms in other states, you should seek counsel's advice on the specifics of what is permissible.

### Key Factors for Enforceability

- 1. Mutual and Bilateral** – The arbitration agreement must explicitly require that both the employer and worker agree to arbitrate claims that they may have against each other. The language of the agreement should be unambiguous, and the terms must be clearly presented to all parties involved.
- 2. Selection of Neutral Arbitrator** – The arbitration agreement must provide for the selection of a mutually agreed upon neutral arbitrator. If the parties cannot agree on an arbitrator, then the arbitration agreement must provide for a neutral arbitration selection process.
- 3. Extent of Discovery in Arbitration** – The arbitration agreement provides for sufficient discovery to adequately arbitrate the parties' claims. Notwithstanding the foregoing, the parties may agree

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## ARBITRATION AGREEMENT

This Arbitration Agreement ("Agreement") is made and entered into effective \_\_\_\_\_ by and between \_\_\_\_\_, its parent, subsidiaries and affiliates (collectively, the "Company") and \_\_\_\_\_ ("Employee") (individually referred to as "Party" or collectively as "Parties").

WHEREAS, Employee and Company desire to resolve any and all disputes between them in the most expeditious and economical fashion possible, regardless of when such claims arose or the date they were asserted; and

WHEREAS, Employee and Company recognize and agree that arbitration of any and all disputes between them through binding, impartial arbitration is in the best interest of both Parties, in lieu of a jury or other civil trial;

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth here, the Parties agree as follows:

1. Any and all claims or controversies arising out of Employee's applications or candidacy for employment, employment with, or cessation of employment with the Company shall be resolved and administered by JAMS, pursuant to the JAMS Employment Arbitration Rules & Procedures ("Rules") in effect at the time of arbitration (available at <http://www.jamsadr.com/rules-employment-arbitration/>). If any term or provision of the Rules conflicts with any term or provision of this Agreement, the term or provision of this Agreement shall prevail.

2. Except as otherwise provided herein, arbitration may be initiated by either the Employee or the Company, to be held in the County of California where the Employee last worked for the Company or a mutually agreeable forum. To the extent allowed by law, the claims which are subject to arbitration shall include, but not be limited to, any and all employment related claims or controversies, including without limitation, any claim of breach of contract, breach of employment agreement, breach of covenant of good faith and fair dealings, negligent supervision or hiring, wrongful discharge, claims for minimum and overtime wages, meal and/or rest period claims, inaccurate wage statement claims, breach of privacy claims, intentional or negligent infliction of emotional distress claims, fraud, defamation, and divulgence of trade secrets of any kind.

This Agreement is also specifically intended to provide for final and binding arbitration of claims that could be asserted under all state and federal anti-discrimination laws, including but not limited to the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Family and Medical Leave Act. Employee specifically agrees to arbitrate all claims for discrimination and harassment in employment on the basis of race, color, age, sex, religion, ancestry, national origin, marital status, sexual orientation, gender, gender identity, gender expression, mental disability, physical disability, veteran or military status, medical condition, genetic information, political activity, or any other statutorily-protected basis under the procedure set forth in the preceding paragraph and not through a court of law. It shall also include any and all claims Employee may have under the Fair Labor Standards Act, the California Labor Code, and the Industrial Welfare Commission Wage Orders, as well as any other state and federal statutes. This Agreement is further intended to apply to any claim Employee may have against any of the Company's owners, officers, directors, employees, agents, managing agents, or any of its affiliated or related entities, and to any and all past and future employment relationships Employee may have with the Company regardless of job position or title.

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# AICP - IATSE Side letter re:ADR

## ARBITRATION AGREEMENTS (CONT.)

**MEMORANDUM OF AGREEMENT FOR  
INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING  
PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS OF THE UNITED  
STATES AND CANADA, AFL-CIO, CLC -ASSOCIATION OF  
INDEPENDENT COMMERCIAL PRODUCERS, INC.**

This 2025 Production Workers' Agreement is entered into on September 30, 2025 between the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, AFL-CIO, CLC ("IATSE") and the Association of Independent Commercial Producers, Inc. ("AICP") on behalf of those production companies that have authorized it to negotiate and execute this Memorandum of Agreement on their behalf. Each such production company is hereinafter referred to as the "Employer" or "Producer."

The Agreement shall be effective sixty (60) days from written notice to AICP of Union ratification of the agreement, except for the term of agreement which begins October 1, 2025.

In consideration of the mutual agreements herein contained, the parties agree as follows:

**2025 IATSE PRODUCTION WORKERS' COLLECTIVE BARGAINING AGREEMENT**

THIS 2025 IATSE PRODUCTION WORKERS' COLLECTIVE BARGAINING AGREEMENT ("Agreement") has been negotiated between the INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS and ALLIED CRAFTS OF THE UNITED STATES AND CANADA, AFL-CIO, CLC ("IATSE") and the ASSOCIATION OF INDEPENDENT COMMERCIAL PRODUCERS, INC. ("AICP") and is binding on those AICP member commercial production companies that have consented (and those who hereafter consent) in writing to be bound hereby ("Employer" or "Employers").

Employers are engaged in the production of commercials pursuant to contracts with advertising agencies and/or advertisers. The IATSE represents all freelance (as that term is understood and applied in the commercial production industry) employees in the job classifications of Production Assistants, Assistant Production Supervisors, Production Supervisors, Line Producers, and Bidding Producers who work in the production of commercials.

Commercial production services the advertising industry by providing commercials which advertise products to consumers. While the traditional production processes of commercials parallels that of live action motion picture production, the process is creatively controlled by advertisers and their agencies whose requirements affect personnel selection, production schedules, work practices and budgets.

This Agreement is intended to recognize and address the special needs of the commercial production process. It is the intent of the parties hereto that this Agreement establish the wages and working conditions applicable to all freelance (as that term is understood and applied in the commercial production industry) employees in the job classifications of Production Assistants,

# AICP - IATSE Side letter re:ADR

## ARBITRATION AGREEMENTS (CONT.)

APPENDIX 2

October 1, 2025

### SIDELETTER re: ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

This Side Letter is entered into between the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts ("IATSE") and the Association of Independent Commercial Producers, Inc. ("AICP") contemporaneously with the 2025 IATSE Production Workers' Agreement ("PWA") effective October 1, 2025 through September 30, 2029 (the "Agreement").

Notwithstanding the right of the Union to arbitrate grievances as provided in the PWA, with respect to claims arising under local, state and/or federal statutory wage and hour laws (such as and without limitation, claims under the Fair Labor Standards Act, the California Labor Code, including California Private Attorneys General Act ("PAGA") claims, or other city or state statutory equivalents), a production company may require as a condition of employment bargaining unit employees to bring any such claim(s) through an individual production company's alternative dispute resolution procedure (including binding arbitration and class action/individual PAGA waivers), as applicable, and the production company may require that a bargaining unit employee execute documents effectuating the same without violating Article XXVIII, Section 2 of the Local 111 Agreement.

Nothing in this side letter itself shall be deemed a waiver of any individual worker's substantive statutory rights provided by local, state and/or federal laws. Nor shall any production company's alternative dispute resolution procedure prevent an employee from pursuing a claim through the grievance procedure or the National Labor Relations Board.

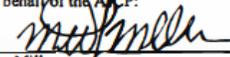
Agreed:

On behalf of IATSE and Local 111:

By:   
Matthew D. Loeb  
International President

Dated: 09/30/25

On behalf of the AICP:

By:   
Matt Miller  
President and CEO

Dated: 9/30/2025

TRAIN SUPERVISORS AND  
MANAGERS ON POLICIES



# WHY SUPERVISOR/ MANAGER TRAINING MATTERS

- Supervisors/Managers are the front-line decision makers who *implement* wage-and-hour policies on a daily basis
  - Many claims arise from manager conduct that *unintentionally* violates company policy of the CA Labor Code
  - Compliant policies  $\neq$  Labor Code Compliance
  - Supervisors/Managers provide vital insight regarding how to implement compliant practices
  - Handling Employee Complaints

MAINTAIN ACCURATE AND  
COMPLETE PAYROLL  
DOCUMENTATION



# WHAT EMPLOYERS CAN DO TO MAINTAIN ACCURATE RECORDS?

- Request employees to accurately and contemporaneously record all hours worked
- Ensure payroll records match time records
  - Regularly conduct spot checks
  - Confirm records are complete and not missing recordkeeping mistakes (i.e. missing time entries, failure to record meal periods, etc.)
- Maintain a regular payroll schedule regardless of shoot days

CONDUCT ROUTINE  
PAYROLL AUDITS



# WHY PAYROLL AUDITS ARE BENEFICIAL?

- Ability to identify compliance issues early to ensure California Labor Code compliance
- Detect payroll errors or systemic issues
- Reduce litigation risk (and exposure)
  - Demonstrates good-faith compliance efforts
  - PAGA penalties significantly limited from \$100/\$200 per violation to as little as \$15 per violation
- Reduces exposure
  - Cost of payroll audits on a periodic basis is significantly less than time and costs associated with defending wage and hour lawsuits

## NEXT STEPS

- Continued Monitoring of Wage and Hour Lawsuits Against AICP Members
- Additional Best Employment Materials
  - Issuance of Timely Paychecks Form
- Townhall Presentations Involving a Deeper Dive Into Specific Wage and Hour Issues in California
- Further Collaboration with AICP West Chapter Board Regarding Realtime Wage and Hour Issues



QUESTIONS?



ANOP