1	STATE OF CALIFORNIA		
	DEPARTMENT OF INDUSTRIAL RELATIONS		
2	DIVISION OF LABOR STANDARDS ENFORCEMENT Jessenya Y. Hernandez, Esq. (SBN 236991)		
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5	Attorney for the Labor Commissioner		
6	BEFORE THE LABOR COMMISSIONER		
7	STATE OF CALIFORNIA		
8	INNOVATIVE ARTISTS BROADCAST	CASE NO.: TAC-48745	
9	DIVISION, LLC, a California limited liability Corporation; and INNOVATIVE		
10	ARTISTS TALENT AND LITERARY AGENCY, Inc., a California corporation,	AMENDED DETERMINATION OF CONTROVERSY	
11	Petitioners,		
12	VS.		
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14	ANDREA TANTAROS, an individual; and ASTERO, LLC, a New Jersey limited		
15	liability company,		
16	Respondents.		
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18	I. INTRODUCTION		
19	The above-captioned Petition to Determine Controversy under Labor Code section		
20	1700.44 came on regularly for hearing in Los Angeles, California, before the Labor		
21	Commissioner. Petitioner INNOVATIVE ARTISTS BROADCAST DIVISION, LLC, a		
22	California limited liability Corporation; and INNOVATIVE ARTISTS TALENT AND		
23	LITERARY AGENCY, Inc., a California corporation ("INNOVATIVE ARTISTS") appeared		
24	and were represented by Joseph P. Costa. Respondent ANDREA TANTAROS,		
25	("TANTAROS"), an individual; and ASTERO, LLC, a New Jersey limited liability company		
26	appeared and were represented by Christian S. Molnar. At hearing INNOVATIVE ARTISTS		
27	dismissed ASTERO and proceeded only against TANTAROS. The matter was taken under		
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-1-DETERMINATION OF CON submission after the parties submitted post-hearing briefs. Based on evidence presented at the hearing and on the other papers on file in this matter, the Labor Commissioner hereby adopts the following decision.

II. FINDINGS OF FACT

At all relevant times, TANTAROS was a television and media personality, political analyst, author, and columnist. TANTAROS worked for Fox News ("Fox") from 2007 until October 2016. In early 2014, TANTAROS hired talent agent Babette Perry ("Ms. Perry") of IMG, a subsidiary of William Morris Endeavor Entertainment, LLC ("WME"). TANTAROS entered into an Agency Agreement with IMG on or about May 27, 2014, in which TANTAROS agreed to pay IMG a commission rate of 7% of all income she received in connection with TANTAROS' broadcasting services at Fox. The Agency Agreement contained a non-compete clause prohibiting TANTAROS from allowing any person who IMG employed during one year preceding termination from representing her.

In May of 2014, Ms. Perry renegotiated TANTAROS' contract with Fox (the "Fox Employment Contract") and obtained a \$475,000.00 salary increase - from \$250,000.00 to \$750,000.00 annually. In addition, Perry negotiated and obtained a wardrobe increase, car service, and a personal shared assistant for TANTAROS. In accordance with the Agency Agreement, TANTAROS began paying IMG a 7% commission.

On December 1, 2014, IMG terminated Ms. Perry's employment. According to the separation agreement between Ms. Perry and IMG, Ms. Perry was allowed to collect and retain commissions from specified clients who terminated their representation from IMG, including TANTAROS. Ms. Perry informed TANTAROS about the terms of her separation agreement. TANTAROS did not terminate the Agency Agreement with IMG, but IMG did not assign her to a new agent and discontinued invoicing TANTAROS after December of 2014. TANTAROS stopped paying IMG after December of 2014.

26In April of 2015, INNOVATIVE ARTISTS employed Ms. Perry. Ms. Perry contacted27TANTAROS and TANTAROS allowed Ms. Perry to continue to send emails and make phone

-2-AMENDED DETERMINATION OF CONTROVERSY

calls on her behalf. On May 18, 2015, Fawn Fuso from Innovative Business Affairs, emailed TANTAROS to remind her about Ms. Perry's separation agreement and to arrange payment of the commission payments. On May 19, 2015, TANTAROS informed Ms. Fuso she and her attorney were waiting for written authorization as to her release and stated she would contact Ms. Perry to get payments squared away once the legal issue surrounding IMG's waiver of the non-compete clause was confirmed.

In February of 2016, TANTAROS' legal counsel terminated her relationship with INNOVATIVE ARTISTS and Ms. Perry. In October of 2016, Fox terminated TANTAROS' employment; TANTAROS received her last payment from Fox that month. In January of 2017, INNOVATIVE ARTISTS, Ms. Perry, IMG, and WME entered into a Commission and Debt Assignment Agreement, which confirmed TANTAROS was to pay INNOVATIVE ARTISTS the 7% commission in connection with the Fox Employment Contract. INNOVATIVE ARTISTS sent TANTAROS a copy of the Debt Assignment Agreement and demanded payment from TANTAROS. TANTAROS has not paid IMG or INNOVATIVE ARTISTS in connection with the Fox News Employment Contract from January of 2015 to the date of her termination – October 2016.

Several issues arose between Fox and TANTAROS after the Fox Employment Contract was signed, which TANTAROS expected Ms. Perry to resolve. First, Fox did not hire the shared assistant provided for in the Fox Employment Contract. Second, TANTAROS testified she experienced sexual harassment from Roger Ailes and Bill O'Reilly¹. TANTAROS blames Ms. Perry for failing to address the harassment with Fox executives. At TANTAROS' request, PERRY placed phone calls and sent emails to Fox executives inquiring about and pushing for TANTAROS' assistant but no resolution was obtained. Third, TANTAROS was pulled from her spot in *The Five*, a prime time show that was number one in its time slot for cable television ratings. She was placed in *Outnumbered*, a show that aired at noon and was 15th in the ratings.

¹ TANTAROS testified to meeting with Roger Ailes on several occasions during which Roger Alies asked for a kiss and hug from TANTAROS, asked her to turn around so he could get a better look at her, and asked her to sit on his lap. She also testified Bill O' Reilly invited her to his beach house on one occasion.

TANTAROS felt the demotion was in retaliation of her complaints against sexual harassment. TANTAROS instructed Ms. Perry to find out why she was demoted and felt everything that went wrong was a result of Ms. Perry's inadequacy.

TANTAROS acknowledges she did not pay commissions for the salary she earned from January 2015 to October 2016. She argues INNOVATIVE ARTISTS is not entitled to commissions on the Fox Employment Contract for a number of reasons, first of which because it did not result from new employment procured by Ms. Perry. According to TANTAROS, she was already working for Fox and she provided Ms. Perry all the talking points so that all Ms. Perry had to do was deliver TANTAROS' demands to Fox. TANTAROS testified she did her own research to find out how much she should earn and put together a deal she emailed to Ms. Perry that specified what other people were making on the show, in other networks, and what she should be making based on the ratings she was generating. TANTAROS testified she was already a successful host at Fox several years before she hired Ms. Perry, and believed Fox did not want to lose her. In TANTAROS' opinion, Ms. Perry's job was not so much to negotiate as it was to simply convey her demands to Fox.

Ms. Perry and INNOVATIVE ARTISTS dispute TANTAROS characterization of the relationship and the work performed. TANTAROS interviewed a number of agents, including Ms. Perry, to represent her at Fox in re-negotiating the contract. At the time, Ms. Perry represented other talent at Fox and had a good relationship with the network. Following the renegotiation, TANTAROS expressed gratitude, stating in a note, "Babette, I'm truly grateful for all of your hardwork on the deal. You're an incredible agent…" Ms. Perry and INNOVATIVE ARTISTS argue Ms. Perry procured the contract and are owed commissions accordingly.

Second, TANTAROS argues INNOVATIVE ARTISTS is not entitled to commissions on the Fox Employment Contract because of the alleged sexual harassment at Fox. TANTAROS argues Ms. Perry breached her duty as a licensed talent agent by sending her to a work environment which adversely affected her health, safety, and welfare in violation of Labor Code section 1700.33. TANTAROS presented no evidence that Ms. Perry knew about the sexual

harassment, but asked the Labor Commissioner to infer knowledge based on Ms. Perry's relationship with Fox and representation of other talent, as well as various sexual harassment lawsuits in recent years. Ms. Perry disputes that she was aware of any sexual harassment, testifying that she did not receive complaints and, in fact, only heard positive things from her other talent. Ms. Perry also argued that the lawsuits filed against Fox for sexual harassment occurred in 2016, well after she negotiated the Fox Employment Contract.

Finally, TANTAROS argues INNOVATIVE ARTISTS is not entitled to commissions on the Fox Employment Contract because Ms. Perry breached her contract by failing to procure other employment; by turning a blind eye to sexual harassment; by failing to enforce the specific terms of the Fox Employment Contract with regards to the personal assistant, refusal to promote her via media or press, and by refusing to build out a website and digital presence, among other things. TANTAROS argues these issues amounted to a breach by Ms. Perry of her fiduciary duty as TANTAROS' agent, thereby rendering any commissions owed to INNOVATIVE ARTISTS null and void. Ms. Perry conceded that she did not procure additional work for TANTAROS, but she did explore other opportunities that never came to fruition. As detailed above, Ms. Perry disputes that she breached her fiduciary duty with regards to the allegations of sexual harassment at Fox. Ms. Perry concedes that she was unsuccessful in her effort to hire an assistant for TANTAROS. Ms. Perry argues that none of these issues amount to a breach.²

III. ISSUES

1. Did INNOVATIVE ARTISTS "procure employment" for TANTAROS within the meaning of Labor Code section 1700.4(a) by renegotiating TANTAROS' employment contract?

2. Did INNOVATIVE ARTISTS' actions and/or omissions amount to a breach of its duty as a licensed talent agency to provide for the health, safety and welfare of TANTAROS pursuant to Labor Code section 1700.33?

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²⁶ ² TANTAROS testified that she used the services of her attorney to confirm her release from IMG and to terminate Ms. Perry and INNOVATIVE ARTISTS, and to file unrelated lawsuits against Fox. TANTAROS provided no 27 explanation as to why Ms. Perry, her talent agent, was responsible for these contract issues, or why she did not retain attorneys to do so on her behalf.

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3. Did INNOVATIVE ARTISTS' actions/and or omissions constitute a material breach of the implied covenant of good faith and fair dealing in an agency relationship thereby rendering any commissions owed to INNOVATIVE ARTISTS null and void?

IV. LEGAL ANALYSIS

INNOVATIVE ARTISTS is a "talent agency" within the meaning of Labor Code §1700.4(a) and TANTAROS is an "artist" under Labor Code §1700.4(b). Labor Code §1700.23 provides that the Labor Commissioner is vested with jurisdiction over "any controversy between the artist and the talent agency relating to the terms of the contract," and the labor Commissioner's jurisdiction has been held to include the resolution of contract claims brought by artists or agents seeking damages for breach of a talent agency contract. *Garson v. Div. of Labor Law Enforcement* (1943) 33 Cal.2d 861, *Robinson v. Superior Court* (1950) 35 Cal.2d 379. Therefore, the Labor Commissioner has jurisdiction to determine this matter.

The burden of proof in actions before the Labor Commissioner is found at Evidence Code section 115, which states, "[e]xcept as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence." Evidence Code §115. "[T]he party asserting the affirmative at an administrative hearing has the burden of proof, including both the initial burden of going forward and the burden of persuasion by preponderance of the evidence..." *McCoy v. Bd. of Ret.* (1986) 183 Cal.App.3d 1044, 105-52. ""[P]reponderance of the evidence standard...simply requires the trier of fact' to believe the existence of a fact is more probable than its nonexistence." *In re Michael G.* (1998) 63 Cal.App.4th 700, 709, fn.6.

A. INNOVATIVE ARTISTS PROCURED EMPLOYMENT FOR TANTAROS BY NEGOTIATION THE FOX EMPLOYMENT CONTRACT

TANTAROS argues that Ms. Perry and INNOVATIVE ARTISTS are not entitled to commissions because they did not procure employment, which TANTAROS had held for seven years. TANTAROS argues that renegotiation of a pre-existing contract does not fall within the definition of procuring employment under California law. Labor Code §1700.4(a) defines "talent agency" as "a person or corporation who engages in the occupation of procuring, offering,

promising, or attempting to procure employment or engagements for an artists or artists..." Under the Talent Agencies Act, "procuring employment" is not limited to soliciting employment or initiating contacts with employers. "Procurement" within the meaning of Labor Code section 1700.4(a) includes an active participation in a communication with a potential purchase or the artist's services...regardless of who initiated communication. Hall v. X Management TAC No. 19-90, pp.29-31. The term "procure," as used in Labor Code § 1700.4(a), means "to get possession of: obtain, acquire, to cause to happen or be done: bring about." Wachs v. Curry (1993) 13 Cal.App.4th 616, 628. The Labor Commissioner has long held procurement to include the process of negotiating an agreement for an artist's services. Pryor v. Franklin, TAC 17 MP 114. 10

TANTAROS argues Ms. Perry did not procure employment for her, but that she 11 essentially hand-delivered the deal to Ms. Perry to simply communicate. TANTAROS claims she 12 was already a successful host at Fox several years before she hired Ms. Perry, that her own hard 13 work justified her salary increase because she researched her "own worth," crafted her entire 14 deal, and gave Ms. Perry all the talking points. However, TANTAROS did not simply find any 15 16 person to convey her demands. She interviewed a number of agents, selecting one with an established and positive relationship with Fox. Despite TANTAROS' attempt to minimize Ms. 17 Perry's role, it is clear Ms. Perry's initial purpose was to renegotiate TANTAROS' Fox 18 19 Employment Contract and it is clear Ms. Perry completed that task. And, TANTAROS was thankful, as evidenced by her note to Ms. Perry about her hard work and skill. 20

As a result of Ms. Perry's negotiation efforts, TANTAROS received a higher rate of pay, an increase for her wardrobe, a shared personal assistant, and car service. Even if TANTAROS put together the deal and instructed Ms. Perry on the terms she requested, by TANTAROS' own testimony, Ms. Perry ultimately relayed and negotiated the terms of the contract. As such, Ms. Perry's work on the Fox Employment Contract can and should be considered procurement based on existing law.

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B. INNOVATIVE ARTISTS DID NOT BREACH ITS FIDUCIARY DUTY AS A LICENSED TALENT AGENT PURSUANT TO LABOR CODE SECTION 1700.33

TANTAROS argues that Ms. Perry and INNOVATIVE ARTISTS are not entitled to commissions under the Fox Employment Contract because Ms. Perry breached her fiduciary duty when she sent her to work at Fox because of the issues relating to sexual harassment in the workforce which Ms. Perry knew or should have known about.

Under Labor Code section 1700.33, a talent agency has a duty to not send artists to employment where that artist's "health, safety, or welfare of the artist could be adversely affected," and places upon talent agents or agencies an explicit obligation to make a reasonable inquiry as to the character of the locations to ascertain the risk. Lab. Code, § 1700.33; *Szarko v. Direct Models, Inc., a California Corporation, dba L.A. DIRECT MODELS*, TAC Case No. 50639, p.10. In *Direct Models, the talent agency sent artists to a private Poker Party of 50-100 men, where the men offered at least one artist illegal drugs, groped her aggressively, and asked her for presumably sexual favors in exchange for cash tips. Direct Models sent the artists to the party without security to accompany them and without any inquiry as to the women's security at the party. <i>Id., pp. 12-13. The Labor Commissioner found that Direct Models violated Labor Code section 1700.33, and found that a reasonable inquiry is an essential part of the agent's covenant with the artist and its negotiations with the employer, and an agent's failure to do so is a material breach of any agency agreement.*

In her post-hearing brief, TANTAROS acknowledges the express language of Labor Code section 1700.33 does not directly apply to her situation but urges the Labor Commission to expand the meaning of Labor Code section 1700.33 to prohibit agents from keeping their clients in unhealthy environments. TANTAROS hopes such a finding is an opportunity to make the much needed reform that will afford more protections to artists while sending a message to agencies and agents who place their own interests above their clients.

The Labor Commissioner finds this policy argument unavailing in the present case. Petitioner did not violate Labor Code section 1700.33. TANTAROS has failed to demonstrate that Ms. Perry knew or should have known that the environment at Fox posed a risk to TANTAROS' health, safety

or welfare. Ms. Perry did not send TANTAROS to Fox. As TANTAROS herself has made clear, she was working at Fox when she hired Ms. Perry. In fact, she had been working at Fox for approximately seven years prior to Ms. Perry's involvement. TANTAROS initially hired Ms. Perry for one specific purpose – to renegotiate her employment contract, not for her departure or transfer. TANTAROS wished to remain a co-host of *The Five* but she knew she was worth more money and needed representation in negotiating a higher salary.

TANTAROS argued Ms. Perry was fully aware of the work environment because she represented other talent at Fox. But, Ms. Perry credibly testified she did not receive complaints and, in fact, only heard positive things from her other talent. Ms. Perry also testified the lawsuits filed against Fox for sexual harassment occurred in 2016, well after she negotiated the Fox Employment Contract. This does not mean a talent agent does not have an ongoing fiduciary duty to a client especially in a case like *Direct Models* where the nature of the work required the respondent to ascertain the safety of the talent for every job booked. Here, however, TANTAROS failed to meet her burden to establish Ms. Perry knew or should have known TANTAROS was in an unsafe working environment.

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C. INNOVATIVE ARTISTS DID NOT BREACH THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING IN AN AGENCY RELATIONSHIP

TANTAROS asks the Labor Commissioner to find that Ms. Perry breached her contract because Ms. Perry failed to procure other work and failed to address outstanding issues within the Fox Employment Contract. However, any perceived failures by Ms. Perry fall short of breach of contract.

The wrongful, i.e., the unjustified or unexcused, failure to perform a contract is breach. See Rest.2d, Contracts §235(2). Ordinarily, a breach is the result of an intentional act, but negligent performance may also constitute a breach, giving rise to alternative contract and tort 24 actions. See Witkin 11th Ed. Contracts §872 citing Cal.Proc.5th, §§ 158, 159. Any breach, total 25 or partial, that causes a measurable injury, gives the injured party a right to damages as compensation therefor. See Brawley v. J.C. Interiors (2008) 161 C.A.4th 1126, 1134 quoting *Borongonovo v. Henderson* (1960) 182 C.A.2d 220, 231. The important questions, however, is whether a particular breach will also give the injured party the right to refuse further performance on his or her own part, i.e., to terminate the contract. The test is whether the breach is material, and a total or complete breach is of course material and grounds for termination by the injured party. *See* Witkin 11th ed. Contracts §877. The law is well-settled that a person is not entitled to rescind or abandon a contract for an alleged breach of that contract when the breach does not go to the root of consideration. *See Karz v. Department of Professional Vocational Standards* (1936) 11 C.A.2d 554,557, quoting *Walker v. Harbor Business Blocks Co.*, 181 Cal. 773, 186 P. 356; 13 C.J. 614 § 664. Consideration may be an act, forbearance, change in legal relations, or promise. *See* Rest.2d, Contracts §71(3).

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Here, the Agency Agreement was the only contract between INNOVATIVE ARTISTS and TANTAROS. The primary purpose of and responsibility under the terms of the Agency Agreement was – within the meaning of Labor Code §1700.4 – for the talent agency to procure employment or engagements for TANTAROS. Ms. Perry fulfilled her primary responsibility in negotiating a more favorable employment contract for TANTAROS. There was no contract requiring Ms. Perry to obtain other employment, although Ms. Perry did attempt to do so, albeit unsuccessfully. TANTAROS was unhappy with Ms. Perry's performance and felt Ms. Perry was an incompetent agent who squandered her deals. The evidence established here however, did not rise to the level of a material breach.

TANTAROS further argues INNOVATIVE ARTISTS breached its fiduciary duty by 20 failing to assist her when Fox breached the Fox Employment Contract. Specifically, 21 TANTAROS argues Ms. Perry failed to assist her with her exposure to a hostile work 22 environment, retaliation, sexual harassment, Fox's refusal to provide TANTAROS with an 23 assistant, refusal to promote her via media or press, and refusal to build out a website and digital 24 presence, among other things. TANTAROS alleges Ms. Perry opted to protect her image instead 25 of fulfilling her role as her agent. Other than TANTAROS' self- serving testimony, it is unclear 26 that TANTAROS asked Ms. Perry to take any actions on her behalf regarding her allegations of 27

> -10-Amended determination of controversy

sexual harassment and retaliation. It was, however, clear through testimony and emails that Ms. Perry did contact Fox management and executives to push for the fulfilment of the agreements contained in the Fox Employment Contract, for example the hiring of an assistant for TANTAROS.

It is the role of a transactional attorney to verify that a contract's terms purport what they are supposed to say, and it is the role of litigation counsel to fight when a party does not abide by the contract. *Jones v. William Morris Agency and William Morris Endeavor Entertainment, LLC.* TAC No. 16396, p. 13. The expectation TANTAROS placed on Ms. Perry to resolve Fox's breach of the terms of the Fox Employment Agreement, does not fall within the purview of a talent agent.

TANTAROS used the services of her attorney to confirm her release from IMG and to terminate Ms. Perry and INNOVATIVE ARTISTS. It is unclear why she didn't engage her counsel to enforce the terms of the Fox Employment Agreement or to advise her regarding her claims of sexual harassment and retaliation. Ms. Perry was TANTAROS' talent agent – not her attorney. TANTAROS failed to meet her burden that Ms. Perry violated Labor Code section 1700.33, and, consequently, fails to establish Ms. Perry breached her fiduciary duty by placing TANTAROS in an unsafe working environment.

As to all allegations of breach of fiduciary duty, Ms. Perry's conduct does constitute a material breach.

V. ORDER

For the above-stated reasons, IT IS HEREBY ORDERED Petitioner INNOVATIVE ARTISTS BROADCAST DIVISION, LLC, a California limited liability Corporation; and INNOVATIVE ARTISTS TALENT AND LITERARY AGENCY, Inc., a California corporation are entitled to 7% commission for earnings connected with the Fox Employment Agreement and interest calculated at 10% per annum through the date of satisfaction of the award.

Based upon the testimony of Ms. Tantaros at the hearing, Ms. Tantaros was paid

1	\$750,000 a year under the Fox Employment Agreement that forms the basis for the Labor	
2	Commissioner Award. Seven percent of \$750,000 is \$52,500. To calculate what is due in interest	
3	between October 31, 2016, and October 5, 2023, we apply a daily interest rate of \$14.38	
4	(\$52,500 divided by 365 = \$143.83 x .10 = \$14.38 per day. There are 2530 days in which interest	
5	is owed (October 31, 2016-October 5, 2023). $2530 \times 14.38 = 36,381.40$ (interest) + $52,500$	
6	(7% commissions). Thus, Innovative Artists is entitled to commissions in connection with the	
7	Fox News Agreement from Andrea Tantaros in the amount of \$88, 881.40.	
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9	Respectfully submitted,	
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11	Dated: 10/25/2023 David L. Gurley, Esq. on behalf of Jessenya Y.	
12	Hernandez, Esq., Attorney for the Labor Commissioner	
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14	ADOPTED AS THE DETERMINATION OF THE LABOR COMMISSIONER:	
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16	Dated: 10/24/2023	
17	Lilia Garcia-Brower, Labor Commissioner	
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