

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

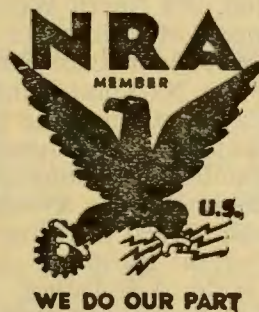
FOR THE

MOTION PICTURE INDUSTRY

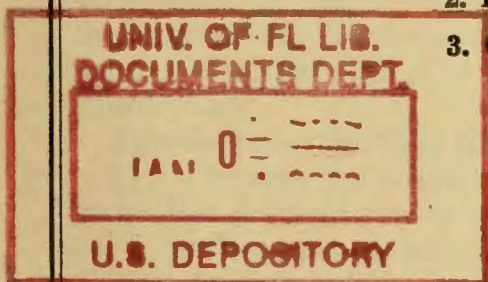
AS APPROVED ON NOVEMBER 27, 1933

BY

PRESIDENT ROOSEVELT



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Approved Code No. 124

CODE OF FAIR COMPETITION

FOR THE

MOTION PICTURE INDUSTRY

As Approved on November 27, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

An application having been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Motion Picture Industry, and a hearing having been held thereon, and the Administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

Now, therefore, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator, and do order that the said code of fair competition be, and it is hereby, approved, subject to the following conditions:

To effectuate further the policies of the act, that:

(1) Because the constituency of the code authority is named in this code, the Administrator shall have the right to review, and if necessary, to disapprove any act taken by the code authority, or by any committee named by it, and any act taken by any board named by it; and

(2) If, in the administration of this code, any member or temporary alternate of any member of said code authority, or any member of any board appointed by the code authority shall fail to be fair, impartial, and just, the Administrator shall have the

right to remove such member or temporary alternate from said code authority, and to remove such member of any such board, and, if he deems necessary, to name another member or alternate from the general class represented by such removed member or alternate to replace such removed member or alternate upon said code authority or upon any such board; and

(3) If, in the administration of this code, it shall be found by the Administrator that there has not been sufficient representation of any employer class in this industry on the code authority, the Administrator shall have the right to add members from any such class to such code authority; and

(4) Because the President believes that further investigation with respect to the problems of payment of excessive compensation to executives and other employees in this industry is required, the provisions of article V, division A, part 4, of this code are hereby suspended from operation and shall not become effective pending further report from the Administrator after investigation; and

(5) Because the President believes that writers, authors, and dramatists are engaged in purely creative work, the provisions of article V, division B, part 5, sections 1 (c), 2, 3, 4, and 6, of this code, shall not become effective with respect to such employees; and

(6) Because the President believes that further investigation is required with respect to problems generally affecting unfair competitive methods for the services of classes of employees of producers rendering services of an artistic, interpretative, technical, supervisory, or executive nature, the provisions of article V, division B, part 5, sections 1 (c), 2, 3, 4, and 6, of this code, are suspended from operation and shall not become effective pending further report from the Administrator, after investigation, as to whether such provisions should be indefinitely suspended, or modified, altered or changed, or become effective.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
November 27, 1933.

NOVEMBER 4, 1933.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: The Hearing on the Code of Fair Competition for the Motion Picture Industry in the United States was conducted in the Large Auditorium of the United States Chamber of Commerce Building in Washington, D.C., commencing on September 12, 1933, and ending on September 14, 1933, in accordance with the provisions of the National Industrial Recovery Act.

The following papers are included and annexed:

1. Code submitted.
2. Notice of Hearing.
3. Statement of Procedure.
4. Transcript of Record.
5. Report of the Deputy.

The Code for this industry was formulated by representative industrial groups, because there is in this industry no trade or industrial association fairly representative of the industry.

This industry embraces all activities connected with the production, distribution, and exhibition of motion pictures in theaters.

The three economic divisions of this industry are entirely inter-related with and dependent upon each other, and this Code, therefore, embraces every step taken by the Industry from the production of motion pictures to their distribution and thereafter their exhibition before the public.

The industry assumes a position of unusual importance because of its far-reaching influence upon social and economic standards and conduct throughout the world. The total investment in all branches of the industry in the United States is estimated at \$2,000,000,000, of which investment \$95,000,000 is represented by production studios.

The labor provisions of the Code are, in my opinion, fair and equitable. Every class of labor in all the divisions of the industry is provided for as to minimum rates of pay and maximum hours of labor, the hours generally in the production field being 36 hours per week, and in the other divisions of the industry 40 hours per week.

Provision is made for safeguarding the working conditions of "extras", "free-lance" players, and actor employees in motion-picture vaudeville and presentation houses.

A Code Authority is provided for with respect to the administration of the Code, such Code Authority being named and consisting of five producers, distributors, and exhibitors with circuit theatre interests, and five producers, distributors, and exhibitors without circuit theatre interests.

I recommend such Code Authority, with the proviso, however, that the Administrator have the right upon proper showing to disapprove

any of its acts or the acts of any Committees appointed by it; and that the Administrator further have the right to remove any member or alternate from membership upon said Code Authority and to appoint his successor, if such shall be deemed advisable, and to add members to said Code Authority from any employer class in the industry should the same be advisable.

Provision is made for the seating upon the Code Authority of representatives of classes of employees whose interests may be affected, upon proper occasion; and also for the designation by the Administrator of three impartial persons to be appointed by him.

Among the proposed unfair practices is one which provides that the Code Authority may investigate whether any employer in the industry has offered an unreasonably excessive inducement to anyone to enter his employ, and that if found to have done so, such employer may be assessed the amount of the unreasonable excess payment up to the amount of \$10,000.00. However, nothing in the proposal affects the validity of the agreement of employment so entered into between the offending employer and his employee. I recommend that such proposal shall not become effective and that the same shall be indefinitely suspended from operation pending further order from the President.

Among other practices of producers regulated under this Code, is one which forbids negotiation with employees prior to thirty days before the expiration of the period of employment. Any offers made during such last thirty days must be communicated to the then employing producer if he has made a bona fide offer for the continuance of an employee in his employ, and the proposal further contemplates that with respect to certain employees receiving a stipulated sum per week, and following the expiration of the period of employment, the former employing producer shall have notice for three or six months, as the case may be, of offers made for the services of such former employee. I recommend that such provisions shall in no event apply to writers, authors, and dramatists, and that with respect to other employees embraced within such provisions that such provisions shall not become effective and shall be suspended from operation pending further report from the Administrator after investigation.

Unfair practices by the distributors and exhibitors are specifically provided for, together with the creation of certain Boards known as "Clearance and Zoning Boards and Grievance Boards." The function of the Clearance and Zoning Boards is to establish a schedule which will be binding upon all distributors and exhibitors in any exchange territory regulating the number of days which must elapse between the theatres in their showing of the same motion pictures in such territory. The Grievance Boards are set up as industrial forums before which exhibitors and distributors may take not only specified grievances and unfair practices for determination within the industry by such Boards but also may carry their grievances other than those specified in the Code to such Boards for determination. The creation of these Boards is intended particularly to care for the buying problems of exhibitors, and so that they may be assured to the greatest degree possible of

a sufficiency of motion-picture product with which to operate their theatres.

The various Advisory Boards have approved this Code, as well as labor and representative employers in the industry.

It is believed that this Code as now revised represents a great advance in dealing effectively with the problems of this industry.

I find that:

(a) The Code as revised complies in all respects with the pertinent provisions of Title I of the Act including, without limitations, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The respective Producers', Distributors', and Exhibitors' Committees, under their Coordinators, were and are industrial groups truly representative as a whole of the Motion Picture Industry; and that such groups imposed no inequitable restrictions on admission to membership therein; and that

(c) The Code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

Accordingly, I adopt the report of the Deputy Administrator and I hereby recommend the approval of the Code of Fair Competition for the Motion Picture Industry.

Respectfully submitted.

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION

FOR THE

MOTION PICTURE INDUSTRY

PREAMBLE

This Code is established for the purpose of effectuating the policy of Title I of the National Industrial Recovery Act, and shall be binding upon all those engaged in the Motion Picture Industry.

ARTICLE I—DEFINITIONS

1. The term "Motion Picture Industry" as used herein shall be deemed to include, without limitation, the production, distribution, or exhibition of motion pictures and all activities normally related thereto, except as specifically excepted from the operation of this Code.

2. The term "Producer" shall include, without limitation, all persons, partnerships, associations, and corporations who shall engage or contract to engage in the production of motion pictures.

3. The term "Distributor" shall include, without limitation, all persons, partnerships, associations, and corporations who shall engage or contract to engage in the distribution of motion pictures.

4. The term "Exhibitor" shall include, without limitation, all persons, partnerships, associations, and corporations engaged in the ownership or operation of theaters for the exhibition of motion pictures.

5. The term "legitimate production" as used herein shall be deemed to refer to theatrical performances of dramatic and musical plays performed on the stage by living persons.

6. The term "employee" as used herein shall be deemed to refer to and include every person employed by any Producer, Distributor, or Exhibitor as hereinabove defined.

7. The term "clearance" as used herein shall be deemed to refer to that interval of time between the conclusion of the exhibition of a motion picture at a theater licensed to exhibit such motion picture prior in time to its exhibition at another theater or theaters and the commencement of exhibition at such other theater or theaters.

8. The term "zone" as used herein shall be deemed to refer to any defined area embraced within the operations of a local clearance and zoning board.

9. The term "non-theatrical account" as used herein shall be deemed to refer to churches, schools, and other places where motion pictures are exhibited but which are not operated in the usual and ordinary course of the business of operating a theater for the exhibition of motion pictures.

10. The term "affiliated Exhibitor" as used herein shall be deemed to refer to an Exhibitor engaged in the business of operating a

motion-picture theatre which business is owned, controlled, or managed by a Producer or Distributor or in which a Producer or a Distributor has a financial interest in the ownership, control, or management thereof. The mere ownership, however, by a Producer or Distributor of any theatre premises leased to an Exhibitor shall not constitute any such Exhibitor an "affiliated Exhibitor."

11. The term "unaffiliated Exhibitor" as used herein shall be deemed to refer to an Exhibitor engaged in the business of operating a motion-picture theatre which business is not owned, controlled, or managed by any Producer or Distributor or in which no Producer or Distributor has an interest in the ownership, management, or control thereof.

12. The term "outside or associated Producer" as used herein shall refer to a Producer of motion pictures, including features, short subjects, and/or cartoons, and which Producer operates his or its own production unit independently of, though in conjunction with, another Producer or Distributor under whose trade name or trade mark the productions of said outside or associated Producer are released and distributed.

13. The term "Administrator" as used herein shall be deemed to mean the National Recovery Administrator.

14. The term "effective date" shall be, and this Code shall become effective on, the tenth day following the approval of this Code by the President of the United States.

15. Population, for the purposes of this Code, shall be determined by reference to the 1930 Federal Census.

ARTICLE II—ADMINISTRATION

1. A Code Authority of the Motion Picture Industry constituted as in this Article provided and herein referred to as the "Code Authority" shall be the agency for the administration of this Code, and shall have such powers as shall be necessary therefor, together with such other powers and duties as are prescribed in this Code.

2. (a) The Code Authority shall consist of the following:

REPRESENTING AFFILIATED PRODUCERS, DISTRIBUTORS, AND EXHIBITORS

Merlin H. Aylesworth.
 Sidney R. Kent.
 George J. Schaefer.
 Nicholas M. Schenck.
 Harry M. Warner.

REPRESENTING UNAFFILIATED PRODUCERS, DISTRIBUTORS, AND EXHIBITORS

Robert H. Cochrane.
 W. Ray Johnston.
 Ed Kuykendall.
 Charles L. O'Reilly.
 Nathan Yamins.

(b) As and when any question directly or indirectly affecting any class of employees engaged in the motion picture industry is to be considered by the Code Authority, one representative of such class, selected by the Administrator from nominations made by such class

in such manner as may be prescribed by the Administrator, shall sit with and become for such purposes a member of the Code Authority with a right to vote.

(c) The Administrator may designate not more than three additional persons without vote who shall not have any direct, personal interest in the motion picture industry nor represent any interest adverse to the interest of those engaged therein, as representatives of the Administration.

(d) In case of the absence, resignation, ineligibility, or incapacity of any member of the Code Authority to act, an alternate of the same general class of the industry and a bona fide executive, or a bona fide Exhibitor, as the case may be, designated by such member shall act temporarily in place of such member. Such designated alternate shall be certified to the Code Authority by such member but the Code Authority may reject such alternate and require another to be so designated.

(e) Each alternate designated by a member of the Code Authority to be a permanent alternate for such member shall be approved by the Administrator.

(f) In the event any member of the Code Authority is unable for any reason to designate his alternate, the Code Authority, subject to the approval of the Administrator, shall select such alternate from the same general class as that of such member.

(g) No employer in the industry shall have more than one representative at any time upon the Code Authority.

(h) A vacancy in the Code Authority subject to being filled in the same manner as above provided in subsection (f) of this Section shall exist when any member shall cease to be a bona fide executive or a bona fide Exhibitor.

3. The Code Authority may make such rules as to meetings and other procedural matters as it may from time to time determine.

4. The Code Authority may from time to time appoint Committees which may include or be constituted of persons other than members of the Code Authority as it shall deem necessary to effectuate the purposes of this Code, and may delegate to any such Committee generally or in particular instances any power and authority within the scope of the powers granted to the Code Authority under this Code, provided that the Code Authority shall not be relieved of its responsibility and duties hereunder. The Code Authority may at any time remove from any Committee any member thereof. The Code Authority shall coordinate the duties of the Committees with a view to promoting joint and harmonious action upon matters of common interest. Any action taken by any of such Committees shall be reviewed by the Code Authority.

5. (a) The Code Authority shall be empowered to collect from the members of the industry all data and statistics required by the President, or reasonably pertinent to the effectuation of Title I of the National Industrial Recovery Act to compile the same and disseminate without individual identification among the members of the industry summaries thereof, all in such form and manner as the Code Authority or the Administrator shall prescribe. No such statistics, data, and information of any one member of the industry shall be revealed to any other member. The dissemination of sum-

maries of such information shall not be deemed a disclosure thereof. In addition to information required to be submitted to the Code Authority, there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the National Industrial Recovery Act.

(b) The Code Authority shall have the right to make independent investigations of violations or alleged violations of the Code by any branch of the industry or by any person, firm, or corporation engaged in any branch of the industry.

6. The Code Authority shall assist the Administrator in administering the provisions of this Code, in making investigations as to the functioning or observance of any of the provisions of this Code at its own instance or on the complaint of any person engaged in the industry, and shall report to the Administrator on any such matters. The Code Authority may initiate and consider such recommendations and regulations and interpretations, including those pertaining to trade practices, as may come before it.

7. The Code Authority, after notice and hearing, may prescribe additional rules governing the conduct of Producers, Distributors, and Exhibitors among themselves and with each other and with their employees, which rules shall be submitted to the Administrator and if approved by the President after such notice and hearing as he shall deem proper, shall constitute rules of fair practice for the industry, and any violation thereof shall constitute a violation of this Code.

8. The Code Authority shall, to such extent and in such manner as may seem most useful, utilize the facilities of national, regional, and local trade associations, groups, institutes, boards, and organizations in the industry.

9. No member of the Code Authority shall sit on any matter involving his company's or his own interest directly and not as a class. In such case the Code Authority, including such ineligible member, shall designate an alternate of the same general class not connected with the company or theatre of the ineligible member to sit in his place.

10. (a) The Code Authority shall have the right to appoint, remove, and fix the compensation of all persons whom it may employ to assist it in any capacity whatsoever in administering this Code.

(b) The expenses of the Code Authority in administering this Code shall be budgeted and fairly allocated among the three divisions of the industry and assessed against the respective members thereof who accept the benefits of the activities of the Code Authority or otherwise assent to this Code, in such manner as shall be determined by the Code Authority.

(c) Any person who shall fail to promptly pay any assessment or levy made pursuant to an order of the Code Authority as an expense in administering this Code shall not be entitled to file any complaint under any ARTICLE or PART thereof.

ARTICLE III—GENERAL PROVISIONS

SECTION 1. (a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing,

and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

SEC. 2. This Code is not designed to promote monopolies or to eliminate or oppress small enterprises and shall not be applied to discriminate against them nor to permit monopolies or monopolistic practices.

ARTICLE IV—LABOR PROVISIONS

A. On and after the effective date of this Code, in the Production of Motion Pictures:

SECTION 1. *Hours of employment.*—(a) No employee shall work more than forty (40) hours in any one week.

(b) No employee of the following classes shall work more than forty (40) hours in any one week:

Accountants; accounting machine operators; bookkeepers; clerks; firemen; garage clerks; gardeners; janitors; librarians; mail clerks; messengers; mimeograph operators; porters; readers; restaurant workers; seamstresses; secretaries (exclusive of Executives' secretaries receiving \$35.00 or more per week); stenographers; telephone and telegraph operators; timekeepers; typists; and watchmen.

(c) No studio mechanic of the following classes shall work more than thirty-six (36) hours in any one week:

Artists and sculptors; automotive mechanics; blacksmiths; carpenters; casters and mouldmakers (staff); cement finishers; chauffeurs and truck drivers; construction foremen (carpenters); electrical foremen; electrical workers; floormen (electric); foundrymen; gaffers; grips; laborers; lamp operators; machinists; marbleizers, grainers, and furniture finishers; modelers (staff); model makers (staff); moulders (metal); operating engineers; ornamental iron workers; painters; pattern makers; plasterers; plumbers; projectionists (except process projectionists); propertymen; scenic artists; set drapers, sheet-metal workers; sign writers; sprinkler fitters; steam fitters; structural steel workers; swing gang (property); upholsterers; welders; and Laboratory Workers of the following classifications; Chemical mixers, negative assemblers and breaker-downs; negative developers' assistants, negative notchers, negative splicers, positive daily assemblers, positive developers' assistants, positive release splicers, printers, processing and negative polishers, release inspectors, rewinders, sensitometry assistants, shift boss printers, and vault clerks.

(d) The maximum hours fixed in the foregoing paragraphs (a), (b), and (c) shall not apply to employees on emergency, or maintenance and repair work; nor to cases where restriction of hours of

skilled workers on continuous processes would hinder, reduce, or delay production; nor to

(1) employees in executive or managerial capacities, professional persons, actors (exclusive of so-called "extras"); attorneys and their assistants; department heads and their assistants; directors; doctors; managers; executives, their assistants and secretaries; professional nurses; producers and their assistants; purchasing agents; unit business managers; and writers; nor to

(2) employees engaged directly in production work whose working time must necessarily follow that of a production unit, including art directors; assistant directors; cameramen and assistants; company wardrobe men (women) and assistants; costume designers; draftsmen; make-up artists and hairdressers; optical experts; positive cutters and assistants; process projectionists; script clerks; set dressers; "stand-by" or "key-men"; sound mixers; sound recorders; wardrobe fitters; nor to

(3) employees regardless of classification assigned on location work; nor to

(4) employees engaged directly in news-reel production work in the following classifications: editors and subeditors; film cutters and film joiners; typesetters; cameramen and soundmen; the working hours of news-reel cameramen and soundmen shall be limited to three hundred and twenty (320) hours in any eight (8) week period, to be computed from the time such employees leave their base of operation with their equipment until the time of their return, or are required to remain in a designated place; contacting and planning shall not be computed as working hours; nor shall this limitation on working hours apply to news-reel cameramen and soundmen who make special trips of a semivacational nature on trains, ships, etc., or who shall be assigned to duty at a summer or winter resort for an extended period of time, nor to news-reel cameramen and soundmen on roving or "gypsy" assignments; nor to

(5) employees of producers of animated motion-picture cartoons in the following classifications: animators, assistant animators, cartoon photographers, story and music department employees, tracers and opaquers; the working hours of tracers and opaquers shall be limited to forty-four (44) hours in any one week, subject to the exceptions made herein in cases of emergency.

(e) With respect to those classes of employees specified within subdivision (2) of the foregoing subdivision (d) of this Section 1:

(1) such employees employed on an hourly basis or on a daily basis with overtime compensation shall at the conclusion of any single production be given a full day off without pay for each six (6) hours of work in excess of a thirty-six (36) hour weekly average during the production. Employees employed on a weekly basis, whether by agreement in writing or otherwise, shall not be deemed to be within the purview of this subsection (1).

(2) Art directors, assistant directors, company wardrobe men, women and assistants, costume designers, draftsmen, make-up artists, hair dressers, optical experts, process projectionists, script clerks, and wardrobe fitters receiving seventy dollars (\$70.00) or less per week without overtime compensation, at the conclusion of any single production shall be laid off one full day, without pay, for each six

(6) hours of work in excess of a thirty-six (36) hour weekly average during the production period, but for each six (6) hours or fraction thereof which each such employee has worked in excess of a fifty-four (54) hour weekly average during said production such employee shall receive one full day's pay. No such employee shall be permitted to work in another studio during the time of such lay-off.

SEC. 2. *Minimum wages.*—(a) No employee of any class shall be paid less than forty (40) cents per hour.

(b) The following clerical, office, and service employees shall be paid not less than fifty (50) cents per hours:

Accountants, accounting machine operators, bookkeepers, clerks, file clerks, firemen, garage clerks, readers, secretaries, stenographers, telephone and telegraph operators, timekeepers, typists.

(c) No employee of the following classes of studio mechanics shall be paid less per hour than the rates specified for each class:

Artists and Sculptors	\$1. 94
Automotive Mechanics	1. 00
Blacksmiths	1. 16 $\frac{2}{3}$
Carpenters	1. 16 $\frac{2}{3}$
Casters and Mouldmakers (staff)	1. 16 $\frac{2}{3}$
Cement Finishers	1. 16 $\frac{2}{3}$
Construction Foremen (carpenter)	1. 33 $\frac{1}{3}$
Electrical Foremen	1. 33 $\frac{1}{3}$
Electrical Workers	1. 16 $\frac{2}{3}$
Floormen (electric)	1. 00
Foundrymen	1. 16 $\frac{2}{3}$
Gaffers	1. 16 $\frac{2}{3}$
Grips	1. 00
Laborers	. 60
Lamp Operators	1. 00
Machinists	1. 16 $\frac{2}{3}$
Marbleizers, Grainers and Fur Finishers	1. 40
Modelers (staff)	1. 94
Modelmakers (staff)	1. 25
Moulders (metal)	1. 16 $\frac{2}{3}$
Operating Engineers	1. 16 $\frac{2}{3}$
Ornamental Iron Workers	1. 16 $\frac{2}{3}$
Painters	1. 16 $\frac{2}{3}$
Pattern Makers	1. 16 $\frac{2}{3}$
Plasterers	1. 25
Plumbers	1. 16 $\frac{2}{3}$
Projectionists	1. 25
Propertymen (first)	1. 00
Propertymen (second)	. 90
Scenic Artists	2. 25
Set Drapers	1. 00
Sheetmetal Workers	1. 16 $\frac{2}{3}$
Sign Writers	1. 66 $\frac{2}{3}$
Sprinkler Fitters	1. 16 $\frac{2}{3}$
Steam Fitters	1. 16 $\frac{2}{3}$
Structural Steel Workers	1. 16 $\frac{2}{3}$
Swing Gang (property)	. 75
Upholsterers	1. 10
Welders	1. 16 $\frac{2}{3}$

When any of the above studio mechanics works more than six (6) hours per day on: (1) emergency or maintenance or repair work, or (2) to avoid hindering, reducing or delaying production, he shall be compensated at not less than time and one-half for all overtime in excess of six (6) hours.

(d) No employees of the following classes shall be paid less per hour than the rates specified for each class:

Assistant Cutters.....	\$1. 00
Chauffeurs and Truck Drivers.....	. 83½
Laboratory Workers of the following classifications:	
Chemical Mixers.....	. 70
Negative Assemblers and Breaker-downs.....	. 81
Negative Developers' Assistants.....	. 81
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When any of the above employees work more than thirty-six (36) hours in any one week on: (1) emergency or maintenance or repair work; or (2) to avoid hindering, reducing, or delaying production, he shall be compensated at straight time for all overtime in excess of thirty-six (36) cumulative hours.

(e) With respect to the following classifications there may be substituted a weekly wage in lieu of an hourly wage:

Construction Foremen (carpenter).....	\$76. 75
Electrical Foreman.....	76. 75
Gaffer.....	68. 50
Floormen (electric).....	60. 00
Grips.....	60. 00
Property men (first).....	60. 00

However, for "stand-by" or "key men", not more than one man of each of the above classifications shall be assigned to any one producing unit.

(f) With respect to all employees listed in paragraphs (c) and (d) of this Section, the foregoing scale of minimum wages shall prevail on all locations except that the following wage scale may be paid in lieu thereof on distant location, if so stipulated before employment commences and all such employees' expenses are paid:

Distant locations when employed less than one week of seven (7) days and subject to "call at any time":

Studio, hourly rate	Distant location, daily rate when less than 1 week	Distant location, weekly rate
\$2. 25	\$27. 25	\$161. 75
1. 94	24. 00	141. 75
1. 66½	20. 75	121. 75
1. 40	17. 25	101. 75
1. 33½	15. 75	91. 75
1. 25	14. 75	86. 75
1. 16½	13. 75	81. 75
1. 10	13. 25	78. 00
1. 00	12. 25	71. 75
. 90	11. 50	66. 75
. 83½	8. 50	51. 75
. 75	8. 00	46. 75
. 60	6. 50	37. 75

When the distant location daily rate above is employed, the total wage for any one week shall not exceed the distant location weekly wage.

(g) Every news-reel cameraman or soundman shall be given one day off with pay for every four (4) cumulative days (24 hours per day) that he is away from his base of operations, except if on roving or "gypsy" assignments.

SEC. 3. *Provisions Regarding "Extras."*—1. The Code Authority provided for in this Code shall undertake and provide for rules and regulations to be adopted by all casting agencies and/or Producers with respect to "extras", and shall appoint a standing committee representative of employers, "extra players", and the public, to effectuate the foregoing purposes and to interpret the terms of any provisions made for "extras" and to supervise the same, receive and pass on complaints and grievances, and to otherwise aid in effectuating the foregoing provisions, subject to review by the Administrator.

2. Such standing committee under the supervision of the Code Authority shall cause a reclassification of "extras" and "extra talent" to be undertaken, based upon the following qualifications for such labor:

(a) "Extra players" shall be those who by experience and/or ability are known to be competent to play group and individual business parts and to otherwise appear in a motion picture in other than atmospheric background or crowd work.

(b) Atmosphere people who are not to be classified as dependent on motion pictures for a livelihood, but who may be recorded, listed, and called upon for occasional special qualifications not possible of being filled from the registered Extra Players.

(c) Crowds not classified, including racial groups, location crowds where transportation is unpractical and crowd assemblies of a public nature.

3. The minimum pay for the foregoing classifications shall be as follows:

(a) "Extra players", \$7.50 per day, with this minimum graded upward according to the character and importance of the performance and the personal wardrobe required, the minimum for Class A "dress" people to be \$15.00 per day; provided that, if any "extra player" employed as such is required to play a part or bit with essential story dialogue, such "extra player" shall not be deemed to be an "extra player" and shall become a "bit player", and his compensation shall be fixed by agreement between such player and the Producer before the part or bit is undertaken, but the minimum compensation to such "bit player" shall not be less than twenty-five dollars (\$25.00).

(b) Atmosphere people, \$5.00 per day; provided that any "extra player" may accept atmosphere work without losing or jeopardizing his registration as an "extra player."

(c) Crowds, \$5.00 per day, provided that this minimum shall not prevent the employment of large groups under special circumstances at a rate lower than the minimum.

(d) Transportation to and from location shall be paid to "extra players." There shall also be paid to "extra players" for inter-

views and fittings the payments provided for in Order 16-A of the Industrial Welfare Commission of the State of California; except that in the event that any interview extends beyond one and one half hours, the "extra player", although not engaged, shall receive not less than one fourth of a day's pay, and if any interview shall extend beyond two hours, the "extra player" shall receive an additional one fourth of a day's pay for every additional two hours or fraction thereof.

4. The following shall be provided for by said standing committee among the working conditions to be regulated as above provided:

(a) In Casting Bureaus casting and employment interviews of women and children shall be by women casting officials, and men by men.

(b) No one shall be employed as an "extra player" or "atmosphere worker" who is a dependent member of the immediate family of any regular employee of a motion-picture company, or any person who is not obliged to depend upon extra work as a means of livelihood, unless the exigencies of production reasonably construed, require an exception to be made. And further, no one shall be employed as an "extra player" or "atmosphere worker" on account of personal favoritism.

(c) A day's work in any State shall be eight (8) hours, with overtime as provided by the existing California Statutes relating thereto.

(d) No person coming under the above classification (excepting crowds) shall be permitted to work in more than one picture for the same day's pay, including overtime.

(e) Rotation of work shall be established to such reasonable degree as may be possible and practicable.

(f) No person not a registered "extra player" shall be requested by a studio casting office from any casting agency, and each registered "extra player" shall be provided with a card of identification; suitable regulations for carrying out this provision shall be adopted.

SEC. 4. *Provisions Regarding "Free Lance" Players.*—The Code Authority provided for in this Code shall undertake and provide for rules and regulations to be binding upon all Producers with respect to "free lance" players receiving compensation of one hundred and fifty dollars (\$150.00) or less per week, and shall appoint a standing committee representative of employers, "free lance" players, and the public, to effectuate the foregoing purposes and to interpret the terms of any provisions made for "free lance" players, and to supervise the same, receive and pass on complaints and grievances, and to otherwise aid in effectuating the foregoing provisions subject to review by the Administrator.

Such standing committee, under the supervision of the Code Authority, shall make full investigation with respect to the working conditions of such "free lance" players and shall undertake and provide for by the rules and regulations hereinabove provided for with respect to hours of employment for such "free lance" players, rotation and distribution of work to such reasonable degree as may be possible and practicable, and minimum adequate compensation therefor.

SEC. 5. *Overriding provisions.*—If the prevailing wage scale and maximum number of hours per week as of August 23, 1933, as fixed

in any agreement or as enforced between the employers and associations of any such employees, however, shall be at a rate exceeding the minimum wage scale provided for or less than the number of hours per week herein provided for with respect to any of such employees, such scales and hours of labor in the localities where same were enforced shall be deemed to be, and hereby are declared to be, the minimum scale of wages and maximum number of hours with respect to these aforementioned employees in such localities under this Section of the Code.

SEC. 6. *Child labor*.—On and after the effective date of this Code, no person under sixteen (16) years of age shall be employed in the production of motion pictures, provided, however, where a State law provides a higher minimum age, no person under the age specified by said State shall be employed in that State, and provided further, however, where a role or roles are to be filled or appearances made by a child or children, a Producer may utilize the services of such child or children upon his compliance with the provisions of State laws appertaining thereto.

B. On and after the effective date of this Code, in the Distribution of Motion Pictures:

SECTION 1. *Hours of Employment*.—(a) No employee except outside salesmen shall work more than forty (40) hours in any one week.

(b) This provision for working hours shall not apply to professional persons employed in their profession nor to employees in a managerial or an executive capacity or in any other capacity of distinction or sole responsibility who now receive more than \$35.00 per week; nor to employees on emergency or maintenance and repair work.

SEC. 2. *Minimum Wages*.—No employee shall be paid:

(a) Less than fifteen dollars (\$15.00) per week in any city over 500,000 population or in the immediate trade area of such city.

(b) Less than fourteen dollars and fifty cents (\$14.50) per week in any city between 250,000 and 500,000 population or in the immediate trade area of such city.

(c) Less than fourteen dollars (\$14.00) per week in any city or place up to 250,000 population or in the immediate trade area of such city or place.

SEC. 3. On or after the effective date no person under sixteen (16) years of age shall be employed in the distribution of motion pictures, provided, however, where a State law provides a higher minimum age, no person below the age specified by such State law shall be employed within that State.

C. On and after the effective date of this Code, in the Exhibition of Motion Pictures:

Part 1. Employees Other than Actors.

SECTION 1. No person under sixteen (16) years of age shall be employed; provided, however, that where a State law provides a higher minimum age no person below the age specified by such State law shall be employed in that State.

SEC. 2. No employee, notwithstanding the provisions of Section 6 (a) hereof, shall work more than forty (40) hours in one week, except that such maximum hours shall not apply to employees in a managerial, executive, or advisory capacity who now receive thirty-

five (\$35.00) or more per week, or to employees whose duties are of general utilitarian character, or to emergencies.

SEC. 3. With respect to employees regularly employed as ticket-sellers, doormen, ushers, cleaners, matrons, watchmen, attendants, porters, and office help, such employees shall receive not less than a twenty percent (20%) increase over the wage paid to them as of August 1, 1933, in cities and places having a population of less than 15,000, provided that this shall not require a wage for these employees in excess of twenty-five (25) cents per hour.

SEC. 4. With respect to employees regularly employed as ticket-sellers, doormen, cleaners, matrons, watchmen, attendants, porters, and office help, such employees shall receive not less than thirty (30) cents per hour in cities and places having a population of more than 15,000 and less than 500,000, and not less than thirty-five (35) cents per hour in cities and towns having a population of more than 500,000.

SEC. 5. With respect to employees regularly employed as ushers, in cities and places having a population over 15,000, such employees shall receive a wage of not less than twenty-five (25) cents per hour.

SEC. 6. (a) Employees associated with organizations of or performing the duties of bill-posters, carpenters, electrical workers, engineers, firemen, motion-picture machine operators, oilers, painters, theatrical stage employees, theatrical wardrobe attendants, or other skilled mechanics and artisans, who are directly and regularly employed by the Exhibitors, shall receive not less than the minimum wage and work no longer than the maximum number of hours per week which were in force as of August 23, 1933, as the prevailing scale of wages and maximum number of hours of labor by organizations of any of such employees affiliated with the American Federation of Labor with respect to their respective type of work in a particular class of theatre or theatres in a particular location in a particular community, and such scales and hours of labor with respect to any of such employees in such community shall be deemed to be, and hereby are declared to be, the minimum scale of wages and maximum number of hours with respect to all of such employees in such communities in such class of theatre or theatres.

(b) In the event, however, that there exist in the particular community organizations of such employees above mentioned, members of which were directly and regularly employed by the Exhibitor or Exhibitors on August 23, 1933, and which organizations are affiliated as above set forth, and (1) no prevailing scale of wages and maximum number of hours for such employees exist in such community with respect to such employees, or (2) any dispute should arise as to what is a minimum scale of wages or the maximum number of hours of labor with respect to any of such employees for a particular class of theater or theaters in any particular community then and in either of those events such disputes shall be determined as follows:

(1) If the question at issue arises with an organization of such employees affiliated with the American Federation of Labor, then a representative appointed by the National President of such affiliated organization, together with a representative appointed by the Exhibitors, shall examine into the facts and determine the existing

minimum scale of wages and maximum number of hours of labor for such class of theater or theaters in such particular locality, and in the event they cannot agree upon the same, they shall mutually designate an impartial third person who shall be empowered to sit with such representatives, review the facts and finally determine such dispute, with the proviso, however, that in the event such representatives cannot mutually agree upon such third person, then the Administrator shall designate such third person; or

(2) If the question at issue arises with unorganized employees or with an organization of such employees not affiliated with the American Federation of Labor, and if in said community there exist members of such affiliated organization directly and regularly employed by an Exhibitor or Exhibitors, then a representative of such unorganized employees, or, as the case may be, a representative appointed by the President of such unaffiliated organization or both, together with a representative appointed by the National President of such affiliated organization above referred to, together with a representative appointed by the Exhibitors, shall examine into the facts and unanimously determine the existing scale of wages and maximum number of hours of labor for such class of theatre or theatres in such particular community, and in the event they cannot unanimously agree upon the same, they shall mutually designate an impartial person who shall be empowered to sit with such representatives, review the facts, and finally determine such dispute, with the proviso, however, that in the event such representatives cannot mutually agree upon such impartial person, then the Administrator shall designate such impartial person; or

(3) If the question at issue arises with unorganized employees or with an organization of such employees not affiliated with the American Federation of Labor and not subject to the foregoing provisions of subparagraphs (1) and (2) of paragraph (b) hereof, then a representative of such unorganized employees, or, as the case may be, a representative of the President of such unaffiliated organization, or both together, with a representative appointed by the Exhibitors, shall examine into the facts and determine the existing minimum scale of wages and maximum hours of labor, for such class of theatre or theatres in such particular locality, and in the event they cannot agree upon the same, they shall mutually designate an impartial person who shall be empowered to sit with such representatives, review the facts and finally determine such dispute, with the proviso, however, that in the event such representatives cannot mutually agree upon such impartial person, then the Administrator shall designate such impartial person.

(c) Pending the determination of any such dispute, the rate of wages then paid by the Exhibitor in such theatre or theatres in such community, and the maximum number of hours then in force (if not more than the hours provided for in this Code) shall not be changed so as to decrease wages or increase hours.

(d) In order to effectuate the foregoing provisions of this Section 6 hereof, and pending the determination of any dispute as above specified, the employees herein embraced and provided for agree that they shall not strike, and the Exhibitors agree that they shall not lock out such employees.

SEC. 7. In no event shall the duties of any of the employees hereinabove specified in Section 6 (a) directly and regularly employed by the Exhibitors as of August 23, 1933, be increased so as to decrease the number of such employees employed in any theatre or theatres in any community, except by mutual consent.

SEC. 8. With respect to any employee not hereinbefore provided for, such employee when directly and regularly employed by the Exhibitors shall be paid not less than forty (40) cents per hour.

SEC. 9. By reason of the professional character of their employment, the minimum wage and maximum hours of employment of employees performing the duties of musicians shall as heretofore be established by prevailing labor agreements, understandings, or practices.

SEC. 10. With respect to disputes arising between employees and employers in the Exhibition branch of the Motion Picture Industry, the parties pledge themselves to attempt to arbitrate all such disputes.

SEC. 11. The Administrator after such notice and hearing as he shall prescribe may revise or modify any determination of any dispute pursuant to Section 6 of Part 1 of Division C of this Article IV.

Part 2. Actor Employees in Vaudeville and Presentation Motion-Picture Theatres.

SECTION 1. *Definitions.*—(a) Presentation and vaudeville shall include both permanent and traveling companies of artists playing presentation and vaudeville houses, but is not intended to include: amateur shows, "rep" shows, "tab" shows, "tent" shows, "wagon" shows, "truck" shows, "medicine" shows, "show-boat" or "burlesque", as these terms are understood in the theatre.

(b) A "traveling" company, as used in this Code, means a company which moves from theatre to theatre irrespective of locality.

SEC. 2. *Auditions*—(a) *Principals.*—It shall be an unfair trade practice for any Exhibitor or independent contractor under the guise of public audition to break in, try out, or to require a performer to render service for less than the minimum salary established by this Code. This shall not prohibit, however, the appearance or participation of any performer in benefit performances which have been approved by the performer or by any bona fide organization of the performer's own choosing.

(b) *Chorus.*—It shall be an unfair trade practice for any manager or independent contractor, under the guise of a public audition, break-in, or try-out, to require the chorus to render services for less than the minimum salary established by this Code. This shall not prohibit, however, the appearance of the chorus or participation in benefit performances which have been approved by the chorus or any bona fide organization of the chorus' own choosing.

SEC. 3. *Rehearsals*—(a) *Principals.*—Rehearsal period for principals shall be limited to four weeks, and they shall be guaranteed two consecutive weeks' compensation for employment for said four weeks of rehearsals, which shall immediately follow the rehearsal period. In the event that any rehearsal over four weeks is required, there shall be compensation for an additional consecutive week's playing time guaranteed for each week's rehearsal. This shall not apply, however, to principals owning their own acts.

(b) *Chorus*.—No exhibitor or independent contractor shall require for an engagement of only one week any chorus person to rehearse in excess of five (5) days, nor for an engagement of two or more weeks to rehearse in excess of two (2) weeks. Any such engagement shall follow immediately such respective rehearsal periods. The chorus shall not be required to rehearse for more than forty (40) hours a week and rehearsal shall be considered to be continuous from the time the chorus is called on the first day of rehearsal until the opening day. For each additional week of rehearsal there shall be compensation for an additional week's consecutive employment.

SEC. 4. *Maximum Hours and Minimum Wages*—(a) *Principals*.—Owing to the peculiar nature of the stage presentation and vaudeville business and the unique conditions prevailing therein, the necessary policy and variations in the operation of such theatres, the changing nature of the entertainment, and the fact that such entertainment is of a character requiring the services of artists of unique and distinctive ability who cannot be replaced, it is recognized that it is impossible to fix the maximum hours per week of artists appearing in such theatres.

(1) For performers with more than two years' theatrical experience, there shall be a minimum wage of forty dollars (\$40.00) weekly net.

(2) For performers with less than two years' theatrical experience, there shall be a minimum wage of twenty-five dollars (\$25.00) weekly net.

(3) The minimum wage of performers employed on a per diem basis shall be seven dollars and fifty cents (\$7.50) per day net.

(b) *Chorus*.—No singing or dancing chorus person shall be required to work more than forty (40) hours in any week, and there shall be one day out of every seven during which the chorus shall be released from work with pay. Working time shall include the entire time of a performance or presentation in which the chorus appears in one or more numbers as an integral part of the presentation, and all rehearsal time excluding dressing and undressing time. No chorus person shall be required to report at a theatre before 9 o'clock in the morning.

On the day a chorus person is released with pay, such chorus person shall not be required to rehearse or report to the theatre or perform any service. This provision for a free day shall not apply to traveling companies.

(1) There shall be a minimum wage of thirty dollars (\$30.00) per week in any De Luxe Theatre.

(2) There shall be a minimum wage of thirty-five dollars (\$35.00) per week in traveling companies.

(8) There shall be a minimum wage of twenty-five dollars (\$25.00) per week in other than De Luxe Theatres.

(4) Wherever a theater augments the chorus by employing additional chorus persons, such additional chorus persons shall not rehearse more than five (5) days.

(5) It shall be an unfair trade practice for any Exhibitor or independent contractor to engage any chorus person under any agreement which would reduce the net salary below the minimum wage through the payment of any fee or commission to any agency

(whether such fee is paid by the Exhibitor or independent contractor or by the chorus), or by any other form of deduction.

(6) After the first two weeks of consecutive employment, if a lay-off is necessary, the Exhibitor or independent contractor shall pay each chorus person not less than three dollars (\$3.00) per day for each day of lay-off. In connection with a traveling unit after the first two weeks of consecutive employment, if lay-off is caused on account of traveling, the Exhibitor or independent contractor shall be allowed two days' traveling without pay for each four weeks of employment West of the Rockies, and one day's traveling without pay for each four weeks of employment East of the Rockies.

(7) Wherever on August 23, 1933, any theatre paid a rate to chorus persons in excess of the minimum wages or employed chorus persons for a number of hours per week of labor less than the maximum hours, said higher wage and lesser number of hours shall be deemed to be, and are hereby declared to be, the minimum scale of wages and maximum hours of labor with respect to such theatres in this Section of the Code.

SEC. 5. *General Provisions.*—(a) If in any city or place where by custom Sunday performances by living actors, or the performance of particular classes of acts, are not given, no performer or chorus person engaged to work in such city or place shall be required to perform or give performances of such particular class of act in such city or in any other place on the Sunday of the week for which such performer or chorus person was engaged to render services in such city or place.

(b) Wherever any unit, traveling company or artist is required to give more than the regular number of performances established in the theatres in which they appear, said unit, traveling company or artist, all artists and chorus persons shall be paid for said extra performances pro rata.

SEC. 6. *Chorus Transportation.*—(a) Transportation of the chorus when required to travel, including transportation from point of organization and back, including sleepers, shall be paid by the employer whether Exhibitor or independent contractor.

(b) If individual notice of contract termination is given, the chorus shall only be paid in cash the amount of the cost of transportation and sleeper of the chorus and baggage back to the point of origin whether the chorus returns immediately or not.

SEC. 7. *Wardrobe*—(a) *Principals.*—The Exhibitor or independent contractor shall furnish to every artist in a presentation unit or traveling company (not including what is commonly known as a vaudeville act) and receiving less than fifty dollars (\$50.00) per week, without charge, all hats, costumes, wigs, shoes, tights, and stockings, and other necessary stage wardrobe, excepting street clothes.

(b) *Chorus.*—The Exhibitor or independent contractor shall furnish the chorus, without charge, with all hats, costumes, wigs, shoes, tights, and stockings and other necessary stage wardrobe.

SEC. 8. *Arbitration.*—(a) Arbitration of all disputes under this Section of this ARTICLE of the Code shall be in accordance with the arbitration provisions of this Code as hereinafter generally provided.

SEC. 9. *Child Labor.*—(a) On or after the effective date of this Code, no person under sixteen (16) years of age shall be employed as a principal or chorus person in connection with the EXHIBITION of motion pictures, provided, however, where a State law provides a higher minimum age, no person under the age specified by said State law shall be employed in that State, and provided further, however, where a role or roles are to be filled or appearances made by a child or children, an Exhibitor or independent contractor may utilize the services of such child or children upon his compliance with the provisions of State laws appertaining thereto.

SEC. 10. The Code Authority may receive complaints with respect to alleged violations by an independent contractor of any of the foregoing Sections of this PART 2 and may after notice and hearing and with the approval of the Administrator prescribe rules and regulations governing the relations between Exhibitors and independent contractors guilty of any such violations.

ARTICLE V—UNFAIR PRACTICES

A. GENERAL

Part 1. The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or by the false disparagement of the grade or quality of their motion pictures or theatres, shall be deemed to be an unfair trade practice.

Part 2. The publishing or circularizing of threats or suits or any other legal proceedings not in good faith, with the tendency or effect of harrassing competitors or intimidating their customers, shall be deemed to be an unfair trade practice.

Part 3. Securing confidential information concerning the business of a competitor by a false or misleading statement or representation, by a false impersonation of one in authority, by bribery, or by any other unfair method, shall be deemed to be an unfair trade practice.

Part 4. To avoid the payment of sums unreasonably in excess of the fair value of personal services which results in unfair and destructive competition, the Code Authority shall have power, with the approval of the Administrator, to investigate whether in any case any employer in the motion-picture industry has agreed to pay an unreasonably excessive inducement to any person to enter into the employ of such employer. If the Code Authority finds that such employer has done so, the Code Authority shall have the power, with the approval of the Administrator, to impose an assessment against such employer in the amount of the unreasonable excess payment to such person, not, however, to exceed the sum of Ten Thousand Dollars (\$10,000.00), and to make public its findings, but nothing in this PART shall in any manner impair the validity or enforceability of such agreement of employment. All such assessments shall be paid to the Code Authority for use by it in the Administration of its functions.

B. PRODUCERS

Part 1. It shall be an unfair trade practice for any Producer to aid, abet, or assist in the voluntary release or dismissal of any author,

dramatist, or actor employed in rendering his exclusive services in connection with the production of a "legitimate" drama or musical comedy for the purposes of securing the services of such author, dramatist, or actor.

Part 2. It shall be an unfair trade practice for a number of Producers who, in the usual and ordinary course of business, rent their respective studios or studio facilities to Producers (other than their affiliated companies), to conspire, agree, or take joint action to prevent any responsible Producer or Producers from renting such studios or studio facilities.

Part 3. It shall be an unfair trade practice for a Producer to knowingly employ as an "extra" any member of the immediate family of any employee or any person who is not obliged to depend upon "extra" work as a means of livelihood, unless the exigencies of production require an exception to be made.

Part 4. SECTION 1. No Producer, directly or indirectly, shall transact any business relating to the production of motion pictures with any agent who under the procedure hereinafter set forth shall be found by the Agency Committee:

(a) to have given, offered, or promised to any employee of any Producer any gift or gratuity to influence the action of such employee in relation to the business of such Producer;

(b) to have alienated or enticed, or to have attempted to alienate or entice, any employee under written contract of employment, from such employment, or to have induced or advised without justification any employee to do any act or thing in conflict with such employee's obligation to perform in good faith any contract of employment, whether oral or written;

(c) knowingly to have made any materially false representation to any Producer in negotiations with such Producer for or affecting the employment or contemplated employment of any person represented by such agent;

(d) to have violated or evaded or to have attempted to violate or evade, directly or indirectly, any of the provisions of Parts 4 or 5 of this Article V.

(e) to have failed or refused to have registered as an agent, in the event that such registration is required as provided for in Section 3 of this Part, or to have transacted business as an agent after his registration shall have been revoked, cancelled, or suspended.

SEC. 2. The Agency Committee shall consist of ten (10) members, five (5) of whom shall be Producers or Producers' representatives named by the Code Authority, and the other five (5) shall consist of one agent, one actor, one writer, one director, and one technician, who shall be selected by the Administrator from nominations as to each class named, respectively, by agents, actors, writers, directors, and technicians, in such equitable manner as may be prescribed by the Administrator.

SEC. 3. In order to effectuate this Part, the Agency Committee may recommend to the Administrator uniform terms and conditions for and an appropriate procedure for the registration of all agents with whom Producers may transact business relating to the production of motion pictures, and for the suspension, revocation, or cancellation of any such registration and appropriate rules and regulations affecting the agents as provided for herein. Such recommendations of the

Agency Committee, together with the recommendations of the individual members thereof, shall be submitted in writing to the Administrator, who after such notice and hearing as he may prescribe, may approve or modify such recommendations. Upon approval by the Administrator, such recommendations shall have full force and effect as provisions of this Code. No agent shall be deprived of the right of registration without affording such agent a full and fair opportunity to be heard, and without the approval of the Administrator. Should it at any time be determined to provide for the registration of agents as hereinabove set forth, then all persons regularly transacting business as agents at such time shall be entitled to registration as a matter of course, provided application is made to the Agency Committee within thirty (30) days thereafter.

SEC. 4. The Agency Committee may, after due notice and hearing, and with the approval of the Administrator, set up rules of fair practice governing relations between Producers and agents, writers, actors, directors, and technicians.

SEC. 5. The Agency Committee shall make findings of fact concerning any matter coming before it pursuant to the provisions of this Part and shall make such recommendations to the Administrator as it may deem proper if the Committee is unanimous, otherwise separate recommendations may be submitted, together with a report that the Committee has disagreed. No hearing or proceeding shall be conducted without due notice and a full and fair opportunity to all interested parties to appear and be heard. A complete transcript of all testimony and arguments shall be made and certified to the Administrator, together with the recommendations of the members of the Committee. The Administrator shall approve, reject, or modify such recommendations, or any of them, and may conduct such further investigations and hearings as to him may seem necessary or advisable. The order of the Administrator shall be final.

SEC. 6. The Agency Committee, subject to the approval of the Administrator, shall have authority to require all Producers to furnish such information as may be desired to effectuate the provisions of this Part.

SEC. 7. The Agency Committee shall have full power and authority to prescribe reasonable rules of procedure for determining all matters of dispute or controversy which may properly arise before such Committee in connection with this Part.

SEC. 8. The term "agent" as used herein shall apply to any person (including firms, corporations, or associations) who, directly or indirectly, for a fee or other valuable consideration, procures, promises, or undertakes to procure employment for any person for or in connection with the production of motion pictures.

SEC. 9. The provisions of Article II, Section 7, of this Code shall not supersede the operation of this Part 4, and the following Part 4 (A).

SEC. 10. It shall be an unfair trade practice for any Producer, or any employee of a Producer, directly or indirectly, to engage in, carry on, or in any way be financially interested in or connected with the business of an agent as herein defined, without making known such fact to the Agency Committee within twenty (20) days from the effective date, or if such interest is acquired subsequent to the

effective date, then within ten (10) days after the acquisition of such interest. The Agency Committee shall require such public disclosure to be made of such interest as it may deem advisable; and the Agency Committee may make such further rules in connection with the subject matter of this Section as it sees fit, subject to the approval of the Administrator.

Part 4 (A).—(a) Should the Administrator determine at any time upon a fair showing, after notice, that a set of fair practices should be adopted governing relations between Producers and any one of the following classes: writers, directors, technicians, actors, and agents, a special committee shall be appointed for that purpose. The Producers and the class interested in such fair practices in each instance shall be entitled to equal representation on such committee.

(b) The Committee members shall be appointed in the manner, and its proceedings and those of the Administrator shall be the same, as above provided in the case of the Agency Committee.

(c) At the same time that the findings or report of the Committee shall be sent to the Administrator, the same shall be made public in such manner as may be determined by the Administrator.

Part 5. SECTION 1. No Producer, directly or indirectly, secretly or otherwise, shall—

(a) Entice or alienate from his employment any employee of any other Producer or induce or advise any such employee to do anything in conflict or inconsistent with such employee's obligation to perform in good faith any contract of employment.

(b) Foment dissension, discord, or strife between any employee of any other Producer and his employer with the effect of securing the employee's release from employment or a change in the terms of any contract under which the employee is engaged or of causing the employee to be or become dissatisfied with his subsisting contract.

(c) In any manner whatsoever negotiate with or make any offer for or to any employee under written contract to any other Producer prior to the last thirty (30) days of the term of the contract of employment, regardless of the compensation.

SEC. 2. All production employees rendering services of an artistic, creative, technical, or executive nature, for the purpose of this Part, shall be classified as follows:

(a) Employees not under written contract who are employed at not less than \$250.00 per week or \$2,500.00 per picture.

(b) Employees under written contract, for a period, inclusive of options, if any, of less than one year, whose compensation is not less than \$250.00 per week or \$2,500.00 per picture

(c) Employees under written contract for the period of at least one year, or at least three pictures, inclusive of options, if any, whose compensation is not less than \$250.00 per week (exclusive of lay-off periods) or \$2,500.00 per picture.

The term "contract" as used in subdivisions (b) and (c) shall be deemed to mean and include not only any subsisting contract with any Producer, but also any prior contract with such Producer or with any parent, subsidiary, or predecessor corporation of such Producer, provided that the employment thereunder has been or may be continuous.

(d) Nothing hereinbefore in subdivision (c) of Section 1 or in subdivisions (a), (b), and (c) of this Section contained shall apply to so-called "free lance" players, writers, directors, or other employees who are engaged to render services of an artistic nature in connection with one or two pictures only, unless the actual period of employment of any such employee is intended to or shall cover a minimum period of one year.

SEC. 3. Should any Producer make any offer for the services of any employee of any other Producer, and such employee is classified, within either subdivision (a), (b), (c) or (d) of Section 2, and registered as hereinafter in Section 6 provided, then on the same day such offer is made, the Producer making such offer shall notify the employing Producer in writing that such offer has been made, and shall state the full and complete terms and conditions thereof, including particularly the compensation, the proposed period of employment, and any additional special terms. Simultaneously, a copy of said notice shall be delivered to the Registrar hereinafter provided for. The employing Producer thereupon shall be afforded a reasonable opportunity, not exceeding three (3) days, to be determined by the Registrar as hereinafter in Section 6 provided, within which time to negotiate for and contract with such employee for his continued services, on such terms as may be mutually acceptable, but the employee in every instance shall have the full and independent choice as to which offer he will accept. Any offer made by any Producer and reported to the employing Producer shall be conditional upon the right of the employing Producer as hereinabove provided, and shall be a firm offer not to expire until at least twenty-four (24) hours after the period permitted the employing Producer to negotiate as herein provided for.

The notice hereinabove provided for need be given, however, with reference to employees classified in subdivisions (b) and (c) of Section 2, only upon the condition that prior to the last thirty (30) day period of employment the employing Producer shall have made an offer in good faith to such employee for a renewal or extension of his contract of employment and shall have communicated that fact to the Registrar.

SEC. 4. Should any Producer desire to continue, renew, or extend the period of employment of any employee classified within subdivision (c) of Section 2 hereof, and if he shall have evidenced such desire by making an offer in good faith to such employee prior to the last thirty (30) day period of his employment and such offer be rejected, and provided the compensation of such employee last paid by the employing Producer was at least \$500.00 per week or \$5,000.00 per picture, such Producer nevertheless shall be entitled to notice of offers which may be made to such employee by other Producers, during the period hereinafter provided, following the termination of such employment. Should any other Producer make any offer for the services of any such employee within such period, then on the same day that such offer is made such Producer shall notify the former employing Producer and the Registrar in like manner as is provided for in Section 3. The same procedure, rules, and conditions shall govern with reference to offers made under this Section as are provided for in Section 3, to the end that:

(a) the former employing Producer shall be entitled to a reasonable period not exceeding three (3) days within which to negotiate and contract for the services of the employee in question;

(b) the offer of the second Producer shall continue as a firm offer for twenty-four (24) hours beyond the period referred to in subdivision (a); and

(c) the employee at all times shall have a free and independent choice as to which offer he will accept.

The period during which the first employing Producer shall be entitled to notice of offers made by other Producers, as hereinabove provided for, shall be three (3) months from the date of termination of the first employment in all cases where the compensation for the employee in connection with the former employment was at the rate of less than \$1,000 per week (exclusive of lay-off periods), or if the employee was employed on a picture basis, less than \$10,000 per picture. In all other cases where the compensation was equal to or in excess of the above amounts, the period shall be six (6) months.

SEC. 5. No Producer, Distributor, or Exhibitor shall violate or aid or abet in the violation of this Part. It shall be an unfair trade practice for any Producer to use coercion to prevent offers being made any employee by other Producers.

SEC. 6. The Code Authority shall appoint a standing committee, which shall have full power and authority to determine the good faith of any offer made by the employing Producer, so as to entitle such Producer to notice of subsequent offers, as hereinabove provided for, and to determine whether the period within which such notice must be given should be for three (3) months or six (6) months. The Registrar shall be appointed and removed by said standing committee at will, and any act or decision of the Registrar shall be subject to review, reversal, or modification by said committee or by the Code Authority on its own motion or on application of any interested party.

The Registrar shall provide an appropriate method whereby all Producers may ascertain in each instance when, and the period during which, notices of offers are to be transmitted to the employing or former employing Producer. Said Registrar shall also prescribe the procedure so as to prevent any employing or any former employing Producer from any unreasonable delay or from withholding any action or decision permitted under the provisions hereof, to the end that the immediate employment of any persons with whom any other Producer desires to contract shall not be unreasonably delayed or prevented. In such connection the Registrar shall have power in any instance to designate a reasonable period, in no event to exceed three (3) days, within which the second Producer shall be precluded from executing any proposed contract with the employee or former employee of the first employing or former employing Producer.

Notwithstanding anything contained in this Part to the contrary, the provisions of this Part shall apply only to employees whose names are registered with the Registrar by the employing Producer, and the right of registration or continued registration may be determined in any instance by the standing committee either upon its own motion or on application of any person interested, including the employee

affected. In the event of the termination for any reason whatsoever of the employment of any person whose name is registered, the former employing Producer shall notify the Registrar in writing forthwith of such termination. Any Producer may withdraw from registration the name of any employee or by written notice served on the Registrar may waive the right to be notified of offers made to any employee by any other Producer, but he shall not refrain from registering the name of any employee, withdraw any name so registered or waive any such right to notice by virtue of any agreement to that effect with the employee. The Registrar shall provide an appropriate method for notifying all Producers promptly of all registrations, withdrawal of registrations, terminations of employment and waivers.

SEC. 7. If the Code Authority, or any committee appointed by it for that purpose, after notice and hearing shall find that any employee of any Producer has refused without just cause to render services under any contract of employment, the Code Authority shall have full power and authority, with the approval of the Administrator, to order all Producers to refrain from employing any such person in connection with the business of producing motion pictures for such period of time as may be designated by the Code Authority and it shall be an unfair trade practice for any Producer to employ such person in violation of such order, or for any Distributor or Exhibitor, respectively, to distribute or exhibit any picture produced during the period prescribed by the Code Authority by or with the aid of such person. Such hearing shall be conducted only upon due notice. A full and fair opportunity shall be afforded to all interested parties to appear. A complete transcript of all testimony and arguments, together with the findings and order of the Code Authority, shall be made and certified to the Administrator, who may approve, reject, or modify such order, and in such connection conduct such further investigations and hearings as to him may seem necessary or advisable. The order of the Administrator shall be final.

SEC. 8. If any Producer deliberately, willfully, or persistently violates any of the provisions of this Part and the Code Authority so finds, and such finding is upheld by the Administrator, the Code Authority, with the approval of the Administrator, shall have power to impose such restrictions, prohibitions, or conditions as it may deem proper upon the distribution or exhibition of motion pictures produced by any such offending Producer. Due notice of the ruling of the Code Authority, as approved by the Administrator, shall be published in such manner as the Code Authority prescribes.

Part 6. (a) No cartoon Producer shall employ any person during such time as he is employed full time by another.

(b) No cartoon Producer shall make any offer directly or indirectly of any money inducement or advantage of any kind to any employee of any other cartoon Producer in an effort to entice, persuade, or induce such employee to leave or become dissatisfied or to breach any contract covering his employment.

(c) No cartoon Producer shall adapt a cartoon character of another in such manner that the use of the adapted character shall constitute an appropriation by him of the goodwill of the creator.

C. PRODUCERS-DISTRIBUTORS

Part 1. Where any contract granting the motion-picture rights in any dramatic or dramatico-musical work specifies a date prior to which no motion picture based upon such work may be publicly exhibited, it shall be deemed to be an unfair trade practice for any Producer or Distributor to permit the public exhibition of such motion picture prior to such date.

Part 2. (a) It shall be deemed to be an unfair trade practice for any Producer or Distributor, by any of its employees or through other persons who have a direct or indirect interest, whether financial or otherwise, in any such Producer or Distributor, to knowingly and intentionally directly or indirectly interfere with existing relations between an outside or associated Producer and a Producer or Distributor, or to do anything to alienate or entice any such outside or associated Producer away from a Producer or Distributor, or to do anything which would tend to create discord or strife between such outside or associated Producer and a Producer or Distributor, or foment dissension between them, for the purpose of inducing such outside or associated Producer to breach or attempt to breach any existing contracts between it and Producer or Distributor, or to secure a change in the terms and conditions of any existing contract between any such outside associated Producer and a Producer or Distributor.

(b) To effectuate the foregoing, no Producer or Distributor shall negotiate with or make any offer for or to any such outside or associated Producer at any time prior to sixty (60) days before the termination of any existing agreement between such outside or associated Producer and any other Producer or Distributor, or not prior to sixty (60) days before the date when such outside or associated Producer shall fulfill its delivery commitment to the Producer or Distributor with whom it has contractual obligations, whichever date is earlier.

D. DISTRIBUTORS

Part 1. No Distributor shall threaten or coerce or intimidate any Exhibitor to enter into any contract for the exhibition of motion pictures, or to pay higher film rentals by the commission of any overt act evidencing an intention to build or otherwise acquire a motion picture theater for operation in competition with such Exhibitor, but nothing in this ARTICLE shall in any way abridge the right of a Producer or Distributor in good faith to build or otherwise acquire a motion picture theater in any location.

Part 2. No Distributor's employee shall use his position with the Distributor to interfere with the licensing of motion pictures by an Exhibitor operating a theater in competition with a theater in which such employee may have a direct or indirect interest, provided, however, that an employee of a Distributor shall not be deemed to have an interest in any theater affiliated with such Distributor.

Part 3. (a) No Distributor shall substitute for any feature motion picture described in the contract therefor as that of a named star or stars, or named director or named well-known author, book, or play one of any other star or stars, director, author, book, or play,

nor shall such Distributor substitute any other feature motion picture for one which in the contract therefor is designated "no substitute"; and no Exhibitor shall be required to accept any such substitute motion picture.

(b) Nothing in this ARTICLE contained shall be interpreted to prohibit any Distributor from changing the title of any motion picture contracted for, from making changes, alterations, and adaptations of any story, book, or play upon which it is based and from substituting for any such story, book, or play another story, book, or play, or from changing the director, cast, or any member thereof of any such motion picture, except as hereinabove specifically prohibited.

(c) If for any such author, book, or play there is substituted another author, book, or play, notice of such substitution shall be given by a paid advertisement of not less than one quarter page in at least one issue of a national trade publication before the release date of the motion picture in which such substitution has been made.

Part 4. (a) It shall be an unfair practice for any Distributor to license the exhibition of its motion pictures for exhibition by any non-theatrical account contrary to any determination, restriction, or limitation by a Local Grievance Board where such exhibition shall be determined by such Grievance Board provided for in this Code to be unfair to an established motion-picture theatre.

(b) Nothing in this PART shall be interpreted to prohibit the licensing of motion pictures for exhibition at army posts, or camps, or on board ships of the United States Navy or ships engaged in carrying passengers to foreign or domestic ports or at educational or religious institutions or at institutions housing "shut-ins", such as prisons, hospitals, orphanages, etc.

Part 5. No Distributor shall require as a condition of entering into a contract for the licensing of the exhibition of feature motion pictures that the Exhibitor contract also for the licensing of the exhibition of a greater number of short subjects (excepting news reels), in proportion to the total number of short subjects required by such Exhibitor, than the proportion of the feature pictures for which a contract is negotiated bears to the total number of feature pictures required by the Exhibitor.

Part 6. No Distributor shall divulge or authorize or knowingly permit to be divulged by any employee or checker any information received in the checking of the receipts of its motion pictures, except that such information may be divulged in any arbitration or grievance proceeding or litigation concerning a controversy and for any Government or Code Authority report.

Part 7. No Distributor shall convey or transfer its assets for the purpose of avoiding the delivery to any Exhibitor of any feature motion picture licensed for exhibition by such Exhibitor.

Part 8. No Distributor shall refuse to make a fair adjustment of the license fees for the exhibition rights of a number of pictures licensed in a group for a stated average sum per picture and so stated in the license agreement, if the total number of pictures so licensed by any Exhibitor are not delivered by such Distributor, provided such Exhibitor shall have fully and completely performed all the terms and conditions of such license on the part of the Exhibitor to

be performed. Any dispute or controversy concerning any such adjustment shall be determined by a Local Grievance Board provided for in this Code.

Part 9. (a) No Distributor shall require any specific day or days of the week for the exhibition of specified pictures or class of pictures unless specifically provided for in the Exhibitor's contract therefor and in no event if the license fee therefor is a fixed sum only.

(b) Where under an exhibition contract which provides that the rental to be paid by the Exhibitor for any feature motion picture specified therein shall be determined in whole or in part upon a percentage basis, and that said picture shall be played by the Exhibitor upon a designated day or days of the week and the Exhibitor seeks to be relieved from the obligation to exhibit such motion picture upon such designated day or days for the reason only that the subject and character of the motion picture so designated are unsuitable for exhibition at the Exhibitor's theatre on such day or days, the claim of the Exhibitor shall be determined by the Local Grievance Board provided for by this Code, and the Distributor, if such Local Board so determines, shall relieve the Exhibitor from the obligation to play the motion picture upon the day or days designated by the Distributor; provided that the Exhibitor makes such claim within three (3) days after receipt of the notice of availability of such feature picture. In such cases the said Local Board shall proceed to determine the matter upon forty-eight (48) hours' notice if the Distributor so desires.

(c) If the said Local Board shall sustain the claim of the Exhibitor:

(1) the Distributor shall have the right to designate for the same day or dates another motion picture licensed upon a percentage basis upon the same or similar terms as the motion picture in question, if there be one licensed; and to designate the motion picture objected to for a later date or dates but upon another day or other days of the week; and (2) the award of the said Local Board shall not be deemed to apply to any other theatre in the same way or any other location.

(d) Where because of a proceeding before a Local Grievance Board, or because of an award of such Local Board, it shall be impractical to serve subsequent-run Exhibitors in compliance with any notice of availability or confirmed play dates given any such subsequent-run Exhibitors, the Distributors shall have the right to change such play dates.

Part 10. No Distributor shall refuse to deliver to any Exhibitor any feature motion picture licensed under an exhibition contract therefor because of such Exhibitor's default in the performance of any exhibition contract licensing the exhibition of short subjects of such Distributor, or *vice versa*, provided such Exhibitor has agreed to arbitrate all claims and controversies arising under all existing Optional Standard License Agreements between them.

Part 11. (a) If any Exhibitor has contracted to exhibit more than fifty percent (50%) of the total number of motion pictures announced for release during any given season by a Distributor and such Distributor shall during such season generally release any feature motion picture in addition to the number so announced,

such Distributor shall first offer to the Exhibitor for license such additional motion pictures for exhibition at the Exhibitor's theatre, provided that at the time of such offer such Exhibitor shall have duly performed all the terms and conditions of all existing exhibition contracts between such Exhibitor and Distributor and is not in default thereunder.

(b) In cases where two Exhibitors have each contracted to exhibit, respectively, an equal division (i.e. 50%) of the number of motion pictures announced for release by a Distributor during any given season, and the Distributor shall generally release during such season any feature motion picture in addition to the number so announced, such Distributor shall first offer such additional motion picture for license to one of such Exhibitors, in the discretion of the Distributor, provided that at the time of such offer such Exhibitor shall have duly performed all the terms and conditions of all existing exhibition contracts between such Exhibitor and Distributor and is not in default thereunder.

Part 12. In each territory wherein any Distributor maintains an exchange, such Distributor shall abide by the regulations promulgated by the Code Authority for the prevention of fire, for the holding of fire drills, and rigid monthly inspections, the inspection of prints, the storing of inflammable material, the maintenance and testing of sprinkler systems and fire extinguishers, the avoidance of smoking and other cautions, methods and devices to protect the lives of employees and the public, and to insure safety against fire hazards.

E. EXHIBITORS

Part 1. Any Exhibitor entering into a contract for the exhibition of motion pictures which permits the Exhibitor to select from the total number of pictures licensed less than eighty-five percent (85%) of the total number, and to reject the remainder, shall by written notice to the Distributor reject each of such motion pictures not to exceed the number which may be rejected, within twenty-one (21) days after its date of availability in the exchange territory wherein is located the Exhibitor's theatre, and upon the Exhibitor's failing to give such notice of rejection, each of such pictures shall be deemed to have been selected.

Part 2. No Exhibitor shall contract for a license to exhibit more motion pictures than such Exhibitor reasonably shall require for exhibition in any theatre or theatres operated by such Exhibitor, with the intent and effect of depriving a competing Exhibitor from contracting to exhibit such excess number of motion pictures, provided, however, that nothing herein contained shall be deemed to prohibit any Exhibitor from contracting for a reasonable number of motion pictures in excess of the number which are actually to be exhibited in the theatre or theatres of such Exhibitor in order to reasonably protect such Exhibitor against non-delivery of motion pictures.

Part 3. SECTION 1. No Exhibitor shall (a) lower the admission prices publicly announced or advertised for his theatre by giving rebates in the form of lotteries, prizes, reduced script books, coupons, throw-away tickets, or by two-for-one admissions, or by other

methods or devices of similar nature which directly or indirectly lower or tend to lower such announced admission prices and which are unfair to competing Exhibitors, or which deceive the public; or (b) fail at all times to maintain the minimum price of admission specified in any contract licensing the exhibition of any motion picture during the exhibition thereof. This Section shall not be deemed to prohibit Exhibitors from reducing or increasing their admission scales as they see fit, except as may be prohibited by exhibition contracts.

SEC. 2. The giving of rebates such as premiums in the form of gifts or other things of value shall be deemed to be included within the provisions of Section 1 of this Article in those areas as shall be defined by each Local Clearance and Zoning Board, where the Exhibitors operating not less than seventy five percent (75%) of the number of the then actively and continuously operated theatres not affiliated with Distributors or Producers and the Exhibitors operating not less than seventy five percent (75%) of the number of the then actively and continuously operated theatres affiliated with Distributors or Producers have both declared in writing that the giving of rebates in such form shall not be permitted. For the purpose of such declaration each Exhibitor shall be entitled to one vote for each theatre then actively and continuously operated by such Exhibitor.

SEC. 3. In case any Exhibitor is found after notice and hearing by a Local Grievance Board provided for in this Code, to have violated any provision of this part, and if such Local Board shall on account thereof declare that such Exhibitor shall not be permitted to license the exhibition of any motion picture unless the Exhibitor ceases and desists from such violation, the Local Grievance Board shall have power to direct that Distributors of motion pictures shall refuse to enter into license contracts for the exhibition of their respective motion pictures by such Exhibitor and shall refuse to make further deliveries of motion pictures to such Exhibitor under license agreements executed after the effective date of this Code if the Exhibitor fails or refuses to so cease and desist.

SEC. 4. Notwithstanding any action which may be taken by the Exhibitors in any area as above in this Part 3 defined ruling out the giving of rebates as defined in Section 1 hereof, such ruling shall not become effective until ninety (90) days after such action on the part of such Exhibitors as aforesaid.

Part 4. No Exhibitor shall transfer the ownership or possession of a theatre or theatres operated by any such Exhibitor for the purpose of avoiding uncompleted contracts for the exhibition of motion pictures at such theatre or theatres. Any disputes or controversies with respect to any transfer shall be submitted to and determined by a Local Grievance Board, and the findings of such Board shall be binding upon all parties concerned.

Part 5. (a) No Exhibitor licensed to exhibit a motion picture subsequent to its exhibition by another Exhibitor having the right to a prior run thereof shall advertise such motion picture by any means of advertising prior to or during its exhibition by such other Exhibitor.

(b) Notwithstanding anything herein contained, in the event any Exhibitor shall make complaint that the restrictions embraced in

this part work an unfair hardship on him, the Local Grievance Board shall have the right to hear such complaint and after determination of the facts presented shall fix and specify the time limit within which such Exhibitor may advertise such motion picture; provided, however, that should the subsequent-run Exhibitor be granted permission to advertise before the completion of said prior run, he shall not advertise prior to the commencement of said prior run, nor shall he have the right to advertise in any way, shape, manner or form, or issue any statement that the prices of admission are or will be less than the admission prices charged by the Exhibitor having the first or prior run of such motion picture; provided further, however, that such subsequent-run Exhibitor may be granted the right in cases where the run of such Exhibitor follows the prior run in or within a period of seven (7) days, to advertise upon the screen of the Exhibitor or to distribute within the Exhibitor's theatre a printed program or mail such printed program to a list of regular patrons, such programs to be limited to announcement of the motion pictures which will be there exhibited during the period of not more than seven (7) days immediately following.

(c) Nothing herein contained shall be deemed to prohibit any Exhibitor from advertising generally all of the feature motion pictures licensed for exhibition by such Exhibitor as a group, but such general advertising shall not refer to any one of such motion pictures at any time prior to its exhibition by any other Exhibitor having the first or immediately prior run thereof excepting as hereinabove provided.

Part 6. To prevent disturbance of the continued possession of a theatre by an Exhibitor, it shall be an unfair trade practice for any person engaged in the motion picture industry knowingly and intentionally, directly or indirectly, to interfere with pending negotiations between such Exhibitor and any other party pertaining to or affecting the possession, operation, or occupancy of any such theatre then actually operated by such Exhibitor, or in respect of any modification, renewal, or extension of any agreement affecting the same, for the purpose of preventing the consummation of such negotiations so as to deprive such Exhibitor of the continued operation, possession, or occupancy of such theatre.

Part 7. No Exhibitor shall exhibit a motion picture previous to dawn of the first licensed and booked day of exhibition without securing express written permission therefor under the license agreement.

F. DISTRIBUTORS—EXHIBITORS

Part 1. The so-called Optional Standard License Agreement (1933) negotiated by Exhibitors and now being used by a large number of Distributors shall be the form of license contract to be used by Distributors for licensing the exhibition of motion pictures, unless the parties mutually agree that a different form be used, and excepting that in case any condition or provision thereof is in conflict or inconsistent with any provision of this Code, such condition or provision of said Optional Standard License Agreement shall be deemed amended to conform with such provision of this Code, it being the intention that the provisions of this Code shall govern. Individual Distributor sales policy provisions may be inserted in the

Schedule of such form but shall not be contradictory of any provisions thereof.

Part 2. (a) The arbitration of all disputes between Exhibitors and Distributors arising under any exhibition contract, if the parties shall agree on arbitration, shall be in accordance with the optional arbitration clause of the so-called Optional Standard License Agreement, provided for in this Code, except as the provisions of such clause may be modified by the provisions of this Code.

(b) By stipulation of the parties to any dispute growing out of an exhibition contract, the number of arbitrators to be appointed by each party may be reduced to one, with power in the two thus appointed, if they cannot agree upon an award, to appoint an umpire as provided in said optional arbitration clause.

Part 3. No Exhibitor or Distributor shall induce or seek to induce the breach of any subsisting contract licensing the exhibition of motion pictures.

Part 4. No Exhibitor or Distributor shall give any gratuity or make any offer of any gratuity for the purpose of procuring advantages that would not otherwise be procurable, or as an inducement to influence a Distributor or Exhibitor, or representative of either not to deal with any competing or other Exhibitors, or Distributors.

Part 5. No Exhibitor or Distributor shall make any disclosure of box office receipts for publication except necessary reports to stockholders, credit and governmental agencies, and to other like bodies. No Exhibitor or Distributor shall be responsible for disclosures in violation of this Part made by agents not authorized to do so.

Part 6. If in any license agreement for the exhibition of feature motion pictures the Exhibitor has contracted to exhibit all of the motion pictures offered at one time by the Distributor to the Exhibitor and the license fees of all thereof average not more than \$250.00, the Exhibitor shall have the privilege to exclude from such license agreement not to exceed ten percent (10%) of the total number of the motion pictures so licensed; provided the Exhibitor

(1) is not in default under such license agreement, and

(2) shall have complied with all of the provisions thereof, if any, for the exhibition of such motion pictures at specified intervals.

(b) Such privilege of exclusion may be exercised only upon the following terms and conditions:

(1) The Exhibitor shall give to the Distributor written notice of each motion picture to be excluded within fourteen (14) days after the general release date thereof in the exchange territory out of which the Exhibitor is served.

(2) The Exhibitor may exclude without payment therefor one (1) motion picture out of each group of ten (10) of the number of feature motion pictures specified in the license agreement provided he has paid for the other nine (9) of such group.

(3) If such privilege of exclusion is not exercised as provided in paragraph (b) (2) above, the Exhibitor may nevertheless exercise such privilege by paying the license fee of each motion picture excluded with the notice of its exclusion. In such case, such payment shall be credited against such tenth or succeeding tenth motion

picture, as the case may be, which the Exhibitor would otherwise be privileged to exclude as provided in paragraph (b) (2) above.

If the only or last group licensed is less than ten (10) and more than five (5) motion pictures, the privilege to exclude shall apply provided the Exhibitor has paid for all motion pictures but one in such group.

(c) Upon the failure or refusal of the Exhibitor to comply with any term or condition of such license agreement, or to comply with any arbitration award in respect thereto, the privilege of exclusion forthwith shall be revoked and the Exhibitor shall be liable for and pay to the Distributor the license fees of all motion pictures theretofore excluded.

(d) If the license fee of any feature motion picture specified in the license agreement is to be computed in whole or in part upon a percentage of the receipts of the Exhibitor's theater, such license fee (for the purpose of computing the average license fee of all the motion pictures licensed) shall be determined as follows:

(1) Average the license fees of all of the Distributor's feature motion pictures exhibited upon a percentage basis at the Exhibitor's theater during the period of one year prior to the term of such license agreement.

(2) If none of the Distributor's feature motion pictures were exhibited upon a percentage basis at such theater during said period, average the license fees of all feature motion pictures exhibited upon a percentage basis at such theater during the said period.

(e) If the rental of any motion picture excluded is to be computed in whole or in part upon a percentage of the receipts of the Exhibitor's theater, the sum to be paid by the Exhibitor as provided in paragraph (b) (3) hereof shall be determined as follows:

(1) Average the gross receipts of all the Distributor's feature motion pictures exhibited at the Exhibitor's theatre during the ninety (90) day period preceding the Exhibitor's notice of exclusion, and apply to such average the percentage terms specified in the license agreement for the picture excluded.

(2) If no feature motion pictures of the Distributor were exhibited at the Exhibitor's theatre during said ninety (90) day period, average the daily gross receipts of the Exhibitor's theatre for the period of thirty (30) operating days preceding the Exhibitor's notice of exclusion and apply to such average the percentage terms specified in the license agreement for the picture excluded.

(f) In computing the number of feature motion pictures which may be excluded hereunder, fractions of more than one half ($\frac{1}{2}$) shall be regarded as one (1).

(g) Upon the exclusion of each feature motion picture, the license therefor and all rights thereunder shall terminate and shall revert to the Distributor.

(h) The Optional Standard License Agreement referred to in Part 1 hereof shall be deemed amended by substituting in place of Article Fifteenth of such contract the provisions of this Part.

ARTICLE VI

Part 1. Clearance and Zoning Boards.—SECTION 1. To provide against clearance of unreasonable length and/or area in any ex-

change territory, fair, just, reasonable, and equitable schedules of clearance and zoning may be prescribed by a Local Clearance and Zoning Board created for such territory.

SEC. 2. Each such Board shall be appointed by the Code Authority and shall consist of two representatives of Distributors, one of whom shall be a National Distributor with theatre affiliations and one of whom shall be a Distributor without circuit theatre affiliations; two representatives of first-run theatres located in such territory, one of whom shall be an affiliated Exhibitor, if there be one, and one of whom shall be an unaffiliated Exhibitor; and two representatives of subsequent-run unaffiliated theatres operating within such territory; and one person approved by the Administrator who shall have no direct or indirect affiliation with any branch of the motion-picture industry who shall be regarded as the impartial representative of the Code Authority and who shall vote on any question before the Board only in the case where the Board is deadlocked. There shall be a Chairman of each Board, selected by a majority vote of the members of the Board. Any vacancy in the Board shall be filled from the class of members in which the vacancy occurred.

SEC. 3. Each Local Clearance and Zoning Board shall, promptly after its creation, and prior to January 1, 1934, and prior to January 1st of each year thereafter, formulate, prescribe and publish for its territory, schedules of clearance as in Section 1 above described, for the season next ensuing. Such schedules may classify theatres by zones or other classifications suited to local conditions, but for the sole purpose of fixing the maximum clearance in length of time and area after the conclusion of the prior runs of such theatres. Each Board may, after fair and reasonable notice and hearing to interested parties, change, modify, or vary any part of the schedule set up by it, provided that any such change or modification shall not in any wise apply to, affect, or modify any exhibition contract made subject to, or in reliance upon, or pursuant to any such schedules, without the prior written consent of the parties to such contract.

SEC. 4. Each Board when making any classification of theatres, or when fixing the maximum period or area of clearance in respect of any theatre shall, among other things, consider and give due regard to the following factors:

(a) that clearance to a very considerable extent determines the rental value of motion pictures;

(b) that exhibitions of the same motion picture within the same competitive area at too short an interval after the conclusion of a preceding run or runs thereof by unduly restricting the competitive area in which clearance is limited, depreciates the rental value of motion pictures; and

(c) that all such depreciations of the rental values of motion pictures tend to reduce the number of motion pictures produced, discourages the production of motion pictures of quality involving large investments of capital, labor, skill, and enterprise and thereby tend to reduce employment.

(d) that unreasonable clearance to a considerable extent affects the value of motion pictures for subsequent-run theaters.

(e) that unreasonable clearance depreciates the potential return from motion pictures to subsequent-run theaters.

(f) that unreasonable clearance as to time and area diminishes the potential revenue to the Distributor from the subsequent-run Exhibitor.

SEC. 5. The decision of each Board upon any question shall be determined by a majority vote, but in case the Board is evenly divided, such question shall be submitted for determination to the impartial representative of the Code Authority, who is provided for in Section 2 of this PART. The decision of the Board and/or the impartial representative, as the case may be, shall be in writing.

SEC. 6. It shall be the duty of each such Board to promptly publish the schedules formulated by it, and file a copy thereof immediately with the Code Authority.

SEC. 7. (a) Any party aggrieved by the schedules shall promptly and not later than thirty (30) days after publication thereof file a protest in writing with the Board issuing them. Thereupon such Board shall promptly convene and give reasonable notice of hearing to all parties concerned or having an interest in the proceeding and hear them and accept from them all papers and evidence. The Board shall have power to make reasonable rules respecting notice of the time, place, and manner of hearing. The Board shall make its decision within fifteen (15) days from the filing of the protest, or within three (3) days after the parties shall have been fully heard, whichever date is sooner. Any party aggrieved by the decision shall have the absolute right to appeal therefrom to the Code Authority, provided such appeal be filed or mailed by registered mail or delivered in writing not later than five (5) days after the decision of the Local Board is rendered, in which case the protest, with all evidence taken before the Local Clearance and Zoning Board, shall be referred to the Code Authority.

(b) All persons interested in the decision shall have the right to appear before the Code Authority and present additional evidence. The Code Authority, after investigating such protest and reviewing the evidence theretofore taken and considering the additional evidence, if any, shall promptly render its decision, and not later than fifteen (15) days from and after the date of the hearing upon the appeal. The requirement as to the various steps herein prescribed shall be mandatory in order to give full relief before the buying season commences.

SEC. 8. (a) The schedules presented and/or decisions made by any Local Clearance and Zoning Board and/or decisions of the Code Authority upon any appeal to it, shall be binding upon all Distributors and Exhibitors in the territory affected.

(b) Pending the final determination of any dispute or controversy all existing contracts between the disputants shall continue to be performed in every respect.

SEC. 9. The jurisdiction of the Local Clearance and Zoning Board shall be limited as herein specifically provided and such Board shall hear no questions other than those pertaining strictly to clearance and zoning matters.

Part 2. Grievance Boards.—SECTION 1. The complaint of any Exhibitor that a competing Exhibitor has committed any of the acts set forth in the following paragraphs (a), (b), (c), and (d) with the intention and effect of depriving, without just cause, the complaining

Exhibitor of a sufficient number of motion pictures to operate such Exhibitor's theatre, shall be referred for determination to a Local Grievance Board constituted as hereinafter provided:

(a) The licensing of more motion pictures than are reasonably required.

(b) The adoption of an unfairly competing operating policy of unnecessary and too frequent changes of motion pictures.

(c) The exaction without just cause of an agreement from any Distributor as a condition for entering into a contract for motion pictures that such Distributor refrain from licensing its motion pictures to the complaining Exhibitor.

(d) The commission of any other similar act with the intent and effect of depriving without just cause the complaining Exhibitor of a sufficient number of motion pictures to operate such Exhibitor's theatre.

SEC. 2. Each such complaint shall be in writing and made immediately after knowledge of the commission of the act or acts complained of, or in cases where an act or acts is threatened, immediately after notice thereof, and the Local Grievance Board after a fair and impartial consideration of all of the facts presented, a full, expeditious and complete hearing of all the parties concerned, including the Exhibitors directly involved, the Distributors having contracts with the Exhibitor complained against, and Exhibitors having contracts for runs subsequent to each of the Exhibitors directly involved, and if it deems it necessary, an independent investigation of the facts, shall make a prompt determination of each complaint submitted to it.

SEC. 3. The Local Grievance Board shall determine whether or not any Exhibitor complained of has committed any of the acts specified in paragraphs (a), (b), (c), and (d) of Section 1 of Part 2 hereof, and shall make findings of fact in such regard. The Local Grievance Board upon the facts found shall make an award (a) dismissing the complaint, or (b) granting such relief as the Local Board may deem appropriate. The Local Grievance Board shall not have power to award damages. No award shall be made in favor of a complaining Exhibitor unless the Local Grievance Board shall find as a fact that the complaining Exhibitor is able, ready, and willing to fully carry out and comply with all of the terms and conditions which may be fixed by the Local Grievance Board as a condition for making the award, which terms and conditions shall in no event be less favorable to the Distributor concerned than those contained in the license contract of the Exhibitor complained of, including the Distributor's loss of revenue, if any, resulting from the elimination of or reduction of revenue from any subsequent run or runs made necessary by such award, and such other terms and conditions as the Local Grievance Board may prescribe.

SEC. 4. All complaints and grievances of Exhibitors or Distributors concerning provisions of this Code or otherwise and not specifically designated to be heard or passed upon in the first instance by the Code Authority or by arbitration or by the Local Clearance and Zoning Board shall be heard by the Local Grievance Board, and if such Local Board by a majority vote of the representatives thereon shall deem that any such complaint or grievance shall be certified to the Code Authority for determination, it shall be so certified, and

the Code Authority shall consider and determine the same; otherwise such complaint or grievance shall be dismissed with a right of appeal from such dismissal to the Code Authority. Such proceedings before the Local Grievance Board and before the Code Authority shall be within the periods of time hereinafter prescribed in Sections 6 and 7 hereof.

SEC. 5. Each Distributor shall have the right to license all or any number of the motion pictures distributed by such Distributor for exhibition at theatres affiliated with such Distributor, and no Local Grievance Board shall have jurisdiction to hear or determine any complaint by any Exhibitor based upon the fact that a Distributor has licensed the motion pictures distributed by it for exhibition at theatres affiliated with such Distributor.

SEC. 6. (a) There shall be established a Local Grievance Board, appointed by the Code Authority, in each exchange territory. Each such Board shall consist of two representatives of Distributors, one of whom shall be a National Distributor with theatre affiliations and one of whom shall be a Distributor without circuit theatre affiliations, and two representatives of Exhibitors, one of whom shall be an affiliated Exhibitor, if there be one, and one of whom shall be an unaffiliated Exhibitor, and one person who shall have no direct or indirect affiliation with any branch of the motion picture industry, who shall be approved by the Administrator, who shall be regarded as the impartial representative of the Code Authority, and who shall vote on any question before the Board only in the case where the Board is deadlocked. There shall be a Chairman of each Board, selected by a majority vote of the members of the Board. Any vacancy in the Board shall be filled from the class of members in which the vacancy occurred. No member of such Board shall sit on any matter involving his own or his company's interest.

(b) The decision of each Local Board upon any question submitted to it shall be determined by a majority vote, but in case the Board is evenly divided, such question shall be submitted for determination to the impartial representative of the Code Authority, as provided in paragraph (a) of this Section. The decision of the Board and/or the impartial representative, as the case may be, shall be in writing. All decisions of the Local Board shall be made within fifteen (15) days from the filing of the protest, grievance, or complaint, or within three (3) business days after the parties shall have been fully heard, whichever date is earlier.

SEC. 7. (a) Any party aggrieved by any decision of the Local Board shall have the absolute right to appeal therefrom to the Code Authority, provided such appeal be filed or mailed by registered mail or delivered in writing not later than five (5) days after the decision of the Local Board is rendered, in which case the grievance or complaint, together with all the evidence taken before the Local Board shall be referred to the Code Authority.

(b) Pending the determination of such appeal, the determination order or other action of the Local Grievance Board shall be stayed.

(c) Any party aggrieved shall have the right to appear before the Code Authority and present additional evidence. The Code Authority, after investigating the complaint or grievance and reviewing the evidence theretofore taken, and considering the additional evidence,

if any, shall promptly render its decision not later than fifteen (15) days from and after the date when the parties have been fully heard on appeal.

SEC. 8. No Exhibitor or Distributor shall be entitled to file any complaint under this or any other Article of this Code unless such Exhibitor or Distributor shall have duly executed this Code in its entirety within forty-five (45) days after it is signed by the President of the United States, and/or forty-five (45) days after engaging in the motion picture industry, and shall have thereby agreed to comply with all the requirements of the National Industrial Recovery Act. Evidence of such compliance shall be filed with the Code Authority.

Part 3. All members appointed to serve on respective Clearance and Zoning Boards and Local Grievance Boards shall be persons of good repute and of good standing in the industry, and shall upon acceptance of appointment subscribe and file with the Administrator an oath to fairly and impartially determine whatever issue is presented to the Board to which such member has been appointed. No such Board shall contain in its membership more than one representative of any Distributor or Exhibitor.

Part 4. If a member of any Board provided for by this Article VI ceases to belong to the class he represents upon such Board, his membership shall terminate, and the Code Authority shall fill the vacancy so caused by designating a representative of the same class.

ARTICLE VII—GENERAL TRADE POLICY PROVISIONS

Part 1. The industry pledges its combined strength to maintain right moral standards in the production of motion pictures as a form of entertainment. To that end the industry pledges itself to and shall adhere to the regulations promulgated by and within the industry to assure the attainment of such purpose.

Part 2. The industry pledges its combined strength to maintain the best standards of advertising and publicity procedure. To that end the industry pledges itself to and shall adhere to the regulations promulgated by and within the industry to assure the attainment of such purpose.

ARTICLE VIII—MISCELLANEOUS PROVISIONS

Part 1. Any Exhibitor forwarding or delivering to another Exhibitor a print of a motion picture at the request or upon the order of the Distributor thereof, shall, but only for such purpose, be deemed to be the agent of such Distributor.

Part 2. (a) Wherever in this Code arbitration of any matter is provided for, other than arbitration as provided in the Optional Standard License Agreement (1933) or as may be otherwise specifically provided for, such matter shall be submitted for determination to an Arbitration Board. Such Arbitration Board shall consist of four (4) members. Each of the groups concerned in such matter shall appoint two of such members. In any case where arbitration is to be used as provided in this Code, upon the written request of either group to the dispute or controversy the group making such request shall name therein two arbitrators, stating the

business address and business or business connection of each, and shall designate therein the date, time, and place of the hearing of such controversy. The date of such hearing shall not be earlier than seven (7) days from the date of the sending of such notice, unless it shall be claimed in such notice that irreparable injury will result unless there is a speedy determination of such controversy, in which case such hearing may be designated to be held earlier than the said seven-day period.

(b) Within five (5) days from the mailing of such request for arbitration, or within twenty-four (24) hours if the date of such hearing shall be earlier than seven (7) days from the date of the sending of such notice, the group upon whom such request is made shall name two arbitrators in a written notice mailed or delivered to the other party, stating therein the business address and business or business connection of each arbitrator. If either group fails or refuses to name the arbitrators as herein provided, or if any arbitrator so named shall fail or refuse to act, or be unable to serve, or shall be challenged, and others are or another arbitrator qualified and then available to act is not appointed, others or another arbitrator may be appointed by the other group as the case may be.

(c) No member of an Arbitration Board shall hear or determine any controversy in which he has an interest, direct or indirect, and any member having such interest shall be disqualified to act.

(d) If the arbitrators or a majority of them are unable to reach a decision, they or a majority of them shall immediately select an umpire who shall not be engaged in the motion picture business. In such case, the hearing before the umpire shall be at such time and place as the umpire shall designate and shall be had before the umpire alone, the arbitrators not to be permitted to attend the hearing before the umpire. If the arbitrators or a majority of them are unable to agree upon the selection of an umpire, the Administrator shall upon request make such selection.

Part 3. Nothing in this Code shall be deemed to apply to the production, distribution, or exhibition of motion pictures on film of recognized substandard widths, or to slide films, or to nontheatrical motion pictures designed primarily for educational, scientific, industrial, commercial, advertising, selling, or other nontheatrical purpose, or to television of motion pictures, provided that the commercial production, distribution, or exhibition of such films shall be subject to investigation by the Code Authority to determine whether such production, distribution, or exhibition of such films is unfair competition to an established motion-picture theatre or theatres. If found to be unfair competition, the Code Authority shall promulgate rules and regulations governing such unfair competition.

Part 4. The provisions of this Code shall be separable.

ARTICLE IX—MANDATORY AND AMENDING PROVISIONS

Part 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause 10 (b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of said Act and specifically

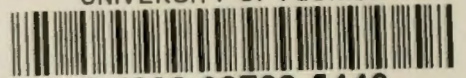
to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

Part 2. Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act, upon the application of the Code Authority approved by the Administrator and with the approval of the President, may be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competition and other unfair and destructive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof.

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