

Payment of Corporations - Indemnification

CAPS will pay loan-out corporations adhering to the following guidelines:

- Corporation must be valid and currently registered
- Must be single-owner entity* (see exceptions below)
- Single owner owns all shares of the company
- Corporation appears on state website as an active corporation AND owner provides Form W-9 and Articles of Incorporation to CAPS

*Exception: A married couple (e.g. husband and wife DGA team) may both be loan-out employees of the same corporation. A loan-out corporation may also consist of multiple members of a band or other performance group.

CAPS does not pay:

- Disregarded entities or partnerships
- DBAs, businesses, partnerships, vendors, etc.
- Individual/Sole Proprietorships

Indemnification Letter

CAPS requires that all loan-out corporations submit a Letter of Representation and Indemnification.

The indemnification acknowledges the loan-out corporation's obligation to pay the required state taxes on its earnings.

The indemnification also acknowledges that the applicable state withholding taxes will be withheld and deposited accordingly, as required by state law.

CAPS Letter of Representation and Indemnification

 Date

 Personnel's Name ("Personnel")

 Personnel's Social Security Number

 Company Name ("COMPANY")

 Company's Taxpayer ID Number

 Company's Address

 Company's Telephone Number

In order to induce CAPS, LLC ("CAPS"), its client ("Client") and their affiliates to pay the service provider ("Personnel") through his or her loan out corporation ("COMPANY") Personnel and COMPANY each represent and warrant as follows:

The Personnel is the owner, principal member, and/or shareholder of COMPANY, and COMPANY employs only Personnel (and/or his/her spouse).

The COMPANY is duly organized, validly existing and in good standing under the laws of the State of _____ and where Personnel is Talent, has the exclusive rights to the services of the Talent in the entertainment field. The Personnel is an officer, with authority to enter into contracts on behalf of the COMPANY pursuant to its Shareholder or Operating Agreement, and is an authorized employee of the COMPANY. Upon demand, COMPANY will provide to CAPS: a certificate of good standing issued by the State of _____ and any other requested formation, status and/or tax compliance documentation (including but not limited to IRS Form W-9).

All payments for the services of the Personnel are to be made payable to the COMPANY and sent to the COMPANY at its address listed above: In reliance upon the representations of COMPANY and Personnel, such payments are to be made in gross, without any deductions, except as required in jurisdictions which have withholding requirements on such payments.

It is understood that CAPS shall issue and/or file all required income reporting forms to report its payment(s) to the COMPANY. To the extent of such payments to it by CAPS, the COMPANY will discharge all obligations imposed upon an employer by federal, state, and local law, including but not limited to the filing of all required returns and reports, the withholding and remittance of all sums required to be withheld from an employee's compensation, and payment of all assessments, taxes, contributions, and other sums required to be paid by employers for Social Security and Medicare taxes, unemployment compensation and disability benefits. The Personnel hereby guarantees to CAPS and its Client and/or their affiliates the COMPANY's performance of these obligations. To the extent of the payments by CAPS to the COMPANY for or arising from the services of Personnel and of any required California withholdings made by CAPS regarding such payments. The Personnel agrees to look solely and exclusively to the COMPANY for his or her compensation.

The COMPANY and the Personnel each agrees, jointly and severally, to indemnify and hold harmless CAPS, its Client or their affiliates from and against any and all claims, losses or damages arising out of the COMPANY's failure to perform any of the obligations undertaken herein or out of the inaccuracy of any of the representations made herein, including but not limited to costs of lawsuit, attorneys' and/or accountants' fees.

The COMPANY and the Personnel each agrees to cooperate fully and promptly with CAPS, its Client and/or their affiliates if any federal, state or local authorities inquire into, examine or audit any aspect of the relationship between or among CAPS, its Client and/or their affiliates, on the one hand, and the COMPANY and/or the Personnel, on the other hand.

Please be advised that DGA, SAG, AFTRA and/or AFM (the "Unions") do not waive any of the terms, conditions or minimum fees of their applicable contracts. However, the Unions agree that their contracts are satisfied provided that: (1) the Unions are paid based upon the gross amount paid by the designated Client and/or its Affiliate for the services of the Personnel; (2) such payments are at least equal to the applicable contract minimums; and (3) the Client and/or its Affiliate pays (or causes to be paid) and reports applicable pension and health contributions, for the services and benefit of the Personnel.

Company**Personnel**

By: _____

 _____,
 Individually

Its: _____

CAPS Letter of Representation and Indemnification

Date

Loan-Out Employee's Name

Personnel's Name ("Personnel")

Loan-Out Company Name

Company Name ("COMPANY")

Loan-Out Company Address

Company's Address

Loan-Out Employee's SSN

Personnel's Social Security Number

Loan-Out Company FEIN-Tax ID Number

Company's Taxpayer ID Number

Loan-Out Company Telephone Number

Company's Telephone Number

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The COMPANY is duly organized, validly existing and in good standing under the laws of the State of (where incorporated) and where Personnel is Talent, has the exclusive rights to the services of the Talent in the entertainment field. The Personnel is an officer, with authority to enter into contracts on behalf of the COMPANY pursuant to its Shareholder or Operating Agreement, and is an authorized employee of the COMPANY. Upon demand, COMPANY will provide to CAPS: a certificate of good standing issued by the State of (where incorporated) and any other requested formation, status and/or tax compliance documentation (including but not limited to IRS Form W-9).

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Company

By: Loan-Out Company Officer Signature

Its: Loan-Out Company Officer Title

Personnel

Loan-Out Employee's Signature,
Individually