

PEGBOARD

ANIMATION GUILD AND AFFILIATED ELECTRONIC AND GRAPHIC ARTS
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AB 1839 APPROVED BY ASSEMBLY – OFF TO SENATE COMMITTEES, THEN GOVERNOR



In what amounted to little surprise, AB 1839 (<http://839iat.se/Cali-AB1839>) was approved by the entire Assembly with a vote of 76-0 (there were three “No Vote Recorded” ballots) on Wednesday, May 28th. The bill now moves to the senate where it has to pass through the Governance and Finance and then Appropriations committees. Should the bill come out unscathed, it will move to the Governor’s desk for signing into law. If

it is changed in those committees, it will pass back to the Assembly for approval.

Prior to the general Assembly vote, AB 1839 was amended to add language that would see visual effects work qualify for tax credits under certain restrictions:

17053.95. (a) (1) For taxable years beginning on or after January 1, 2016, there shall be allowed to a qualified taxpayer a credit against the “net tax,” as defined in Section 17039, in an amount equal to the applicable percentage, as specified in paragraph (4),

(F) Twenty-five percent of the qualified expenditures relating to qualified visual effects. (19) “Qualified visual effects” means visual effects where at least 75 percent or a minimum of ten million dollars (\$10,000,000) of the qualified expenditures for the visual effects is paid or incurred in California.

(see AB1839 TO SENATE on page 3)

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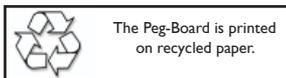
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IATSE LOCAL 839

AB 1839 TO SENATE

(continued from page 1)

“Visual effects” means the creation, alteration, or enhancement of images that cannot be captured on a set or location during live action photography and therefore is accomplished in postproduction. It includes, but is not limited to, matte paintings, animation, set extensions, computer-generated objects, characters and environments, compositing, and wire removals. “Visual effects” does not include fully animated projects, whether created by traditional or digital means.

While we may cringe at seeing the exclusion of “fully animated” projects, it’s important to remember that this tax incentive is meant to draw back work that has left the state. Fully animated films are still alive and well in southern California as is evidenced by our membership numbers that were reported in last month’s Pegboard.

WE STILL NEED YOUR SUPPORT!!

The bill faces its strongest opposition in the senate and the Entertainment Union Coalition has started a support-letter campaign for the two committees in the Senate as well as for Governor Brown. These letters need to be signed and returned to the Guild office ASAP so we can forward them up to Sacramento.

Be on the lookout for a letter from Steve Hulett in your mailbox that includes these letters and a return envelope. Once you get it, please sign and return the letters to us as soon as possible. TAG members returned hundreds of letters through shop stewards and by filling out our online form for the Assembly committees. Your efforts were both recognized and applauded by the Coalition and made a healthy contribution to the effort to get the bill to this point.

You can also visit the Support AB 1839 page on our website (<http://animationguild.org/ab1839-support/>) where copies of the letters from entertainment workers as well as for non-industry supporters are available. Feel free to download them to share with your friends and colleagues.



PERSONAL SERVICE CONTRACTS

Personal Service Contracts (agreements between an animation studio and individual employee) were *de rigueur* in the go-go nineties. But when animation hit a slack spot at the end of the 20th century and start of the 21st, PSCs fell out of fashion.

Disney Feature stopped doing them; DreamWorks Animation continued the personal service contract practice but the documents became less beneficial to employees.

In the last twelve months, however, some studios have started doing individual contrast with employees. Because of the uptick, TAG did a seminar on Personal Service Contracts at the last General Membership Meeting. Some of the bullet points:

Term contracts -- these PSCs begin and end on a date certain. Like for instance, June 1st 2014 to May 31st 2015. The studio agrees to employ an individual for a set period of time (with the usual loopholes in case of performance issues, insubordination, etc.). And the employee agrees to remain with the employer.

At Will contracts -- an agreement with no long-term guarantee of employment. Employer will call this a «week to week» contract, or “run of picture” contract, but in practice this seldom means an employee will be retained until the end of a project, but only until the Producer no longer requires the employee’s services. (Note: In a true “at will” contract, an employer can lay off an employee with a week’s notice; an employee can resign from the studio with or without a week’s notice.

Indemnity Clauses (or «indemnification») -- the employee agrees to pay to defend his/her employer against lawsuits triggered by employee using stolen work on the employer’s project. (The Guild always points out indemnification clauses in PSCs. these clauses have been around since the 1990s.

We've never seen an animation employee **pay** for a legal defense against a third-party lawsuit, but the threat remains.)

“Two-picture contracts” -- A PSC that offers employees a “two picture, run of feature” deal, but the way the contract is structured and worded, an employee can be laid off at any time. (There's no definition of “end of picture”; there's an option, exercised by the studio, to extend an employee to a second feature). The guild considers these “two picture agreements” to actually be “at will” agreements.

Ownership rights -- the employer/Producer claims that the producer retains ownership of any artistic work the employee creates during her/his term of employment. (In practice, the employer seldom -- if ever -- lays claims to such work, but language in the contract makes it a potential threat.)

Carve outs/ Exclusions -- TAG recommends that artists negotiate «carve outs» to studio ownership of their work by negotiating «carve outs» for rights to three or more personal projects that the employee is working on at the time of hire. (And if she/he doesn't have three personal projects, she/ he should invent three titles under which future personal projects could be placed.)

There are sometimes disputes over PSCs. Studios will label them “term” deals (thereby blocking an employee from resigning and taking another job) when they are, in fact, “at will” deals.

And PSCs that have no better terms or conditions (higher wages, guaranteed employment, additional vacation, etc.) can often be disputed. As the TAG lawyer Stu Libicki has said more than once: “Slavery/involuntary servitude was outlawed a few years ago.”

-Steve Hulett

BOOKMARK
THE TAG BLOG
animationguildblog.blogspot.com



It's June of 2014 and in about a year and change we will begin negotiations with the AMPTP, the organization that collectively represents the producers across all studios that are signed with our union.

Earlier this year we held a series of craft meetings to hear issues that affected particular segments of our guild. Some issues transcend these artistic segments—unpaid overtime, for example, is a problem no matter where it happens in a production. Others are more category-specific, such as issues about script fees for writers or piece work rates for board artists. Often we discussed artists hired to one job but asked to do another—while still being paid the lower of the two pay rates.

These issues are the raw material from which we need to craft our proposals to the AMPTP. This is a place where your help is strongly needed. First and foremost, we need you to participate in the crafting of our proposals; email Steve Hulett (shulett@animationguild.org) and ask to be added to our email list to participate.

But the second important area where we need your help: we need you to talk about these issues with your fellow Guild members. There will come a point—perhaps multiple points—during the negotiations where we will have a proposal we have negotiated with the AMPTP. That proposal goes in front of the entire membership for a vote.

I'd like to think that fellow artists would be willing to help you stand up for your issues—but I know that they are more likely to do so if they understand them. So your best negotiating tool in the next year is to make sure that other Guild members are familiar your issues. Get lunch or the beverage of your choice together; talk about the pressures that you're under and what are the ways they can help, and listen to what they have to say about their own duties.

We are all better able to help each other if we understand each other.

- Nathan Loofbourrow



Being a union organizer who aims to increase the amount of animation work done under a union contract, while adding those same standards and protections to the visual effects industry, in AD 2014, poses what I thought were a unique set of challenges. I recently came across an article that changed my view.

The article shared Navy Admiral William H. McRaven's speech to the 2014 graduating class at his alma matter, the University of Texas at Austin. In his address, Admiral McRaven shared ten lessons he learned while undertaking his Basic SEAL training. These lessons not only delineate what it takes to do my job, but also what it takes for anyone to stand firmly against popular sentiment and try to change their world for the better.

When I first started my job as TAG's organizer, I had naive expectations about how easy organizing was going to be. The Nickelodeon CG organizing drive quickly taught me how wrong I was. I'm now in the midst of a few other organizing efforts and I plan on sharing Admiral McRaven's words with those artists in the hopes of solidifying their resolve.

Few people realize the tides that an organizing drive will endure. There are stages to these efforts. There are hurdles that aren't expected that cause setbacks that shake people's commitment. Most people I speak with who have just embraced the notion of organizing are coming from the same "This will be a cinch" mindset I did. I hope the Admiral's words help them as much as they have inspired me.

Below are the closing statements of the Admiral's speech. I encourage you to read all ten of the lessons which you can find at the link below the paragraph.

"Know that life is not fair and that you will fail often, but if you take some risks, step up when the times are toughest, face down the bullies, lift up the downtrodden and never, ever give up .. if you do these things, the next generation and the generations that follow will live in a world far better than the one we have today and what started here will indeed have changed the world for the better."

<http://839iat.se/seal-lessons>

- Steve Kaplan





This Month in Animation History

by Tom Sito

June 1, 1939 - SUPERMAN- Joe Seigel and Jerry Shuster, two aspiring cartoonists in high school create a character called “Superman”. Jewish kids, they had read about the Nazis racial concept of the Aryan Superman. They wanted to show that a Superman could be on the American side. On this day they sell all the rights to their characters to Detective Comics (D.C.) for \$130.

June 1, 1931 - 48 year old Swiss artist Albert Hurter joined the Disney staff, giving the look of cartoons like Snow White a more Germanic storybook look. His hiring created a new type of job at the studio, the Inspirational Sketch Artist, what we today call a Vis-Dev artist.

June 2, 1973 - London animator Richard Williams closed down his “Soho Square Studio” for a month so his staff could be lectured by Hollywood animation legends Art Babbitt, Chuck Jones and Ken Harris.

June 4, 1938 - Date of the Walt Disney Studio crew party to celebrate the success of Snow White. The young artists, released of tension and filled with booze, swapped bedrooms and galloped horses through the Hotel Norconian sending Walt and Roy fleeing the scene for fear of bad publicity. <http://839iat.se/norconian-supreme>

June 3, 1964 - Hanna & Barbera’s feature *Hey There, It’s Yogi Bear* premieres.

June 6, 1982 - The film *Star Trek II: The Wrath of Khan*, premiered. Besides Ricardo Montalban as the bad guy with the great pectorals, it features the Genesis Effect. This one minute sequence was a landmark of computer graphics effects. Done by the Lucas Graphics Group, who four years later would break off and become Pixar.

June 7, 2002 - *Kim Possible*, the second animated Disney Channel Original Series, and the first series to be produced by Walt Disney Television Animation, in association with Disney Channel premiered.

June 8, 1946 - Bob Clampett’s cartoon ‘Kitty Kornered’, the first Sylvester the Cat cartoon, debuted.

June 9, 1934 - Walt Disney short, *The Little Wise He*, introduces Donald Duck.

June 9, 2006 - Pixar’s *Cars* opened.

June 10, 1910 - Cartoonist George Herriman was doing a strip for Hearst called “The Family Upstairs”. He was amused at the idea of a friendship between a cat and a mouse. So Herriman put them in the corner

playing marbles while the family quarreled. First an office boy and later editor Arthur Brisbane suggested they have their own strip. Krazy Kat and Ignacz Mouse are born.

June 10, 1957 - "Tom Terrific and Manfred the Wonder Dog" cartoon debuts on the Captain Kangaroo show.

June 10, 1995 - 110,000 people jam Central Park in New York to see Disney's *Pocahontas*, the largest audience ever to attend a single movie premiere.

June 11, 1984 - Today when Wall Street corporate raider Saul Steinberg announced he intended to target the ailing Walt Disney Company for takeover, Disney CEO Ron Miller paid him \$23 million just to make him go away. The Disney shareholders are outraged at this payment of "greenmail" and demanded Miller's resignation, which was exactly what Roy Disney had planned.

June 11, 1993 - Steven Spielberg's *Jurassic Park* opened. The film set a box office record of \$931 million. It was begun with modelers and puppeteers about to do the dinosaurs with clay and beeswax. But after seeing tests using the new 3D CGI (Computer Graphic Imaging) software, Steven ordered ILM to do it digitally. *Jurassic Park* clinched the digital takeover of Hollywood and set the standard for future VFX.

June 12, 1999 - Disney's *Tarzan* premiered.

June 15, 1994 - Disney's *The Lion King* premiered.

June 16, 1902 - A musical play of L Frank Baum's fantasy story the *Wizard of Oz* premiered at Chicago's Grand Opera House.

June 16, 1955 - Disney's *Lady and the Tramp* premiered.

June 18, 2010 - Pixar's *Toy Story III* opened.

June 19, 1954 - Bugs Bunny short "Devil May Hare" aired, the first cartoon in which the Tasmanian Devil appeared.

June 19, 1998 - Disney's *Mulan* premiered.

June 20, 1941 - Walt Disney's *The Reluctant Dragon* premiered with cartoonist's pickets surrounding the Pantages Theater in Hollywood. Police actually have to close part of Hollywood Blvd. out of concern for what the rampaging animators might do.

June 21, 1988 - *Who Framed Roger Rabbit?* premiered at Radio City Music Hall.

June 21, 2002 - Disney's *Lilo & Stitch* premiered.

June 22, 1977 - Disney's *The Rescuers* premiered. The movie featured the last work of animator Milt Kahl.

(see THIS MONTH IN ANIMATION HISTORY on page 12)

THIS MONTH IN ANIMATION HISTORY

(continued from page 11)

June 23, 1989 - Disney's Roger Rabbit short "Tummy Trouble" premiered with *Honey I Shrank the Kids*, featuring animated titles by Kroyer Films.

June 25, 1934 - Young artist Milt Kahl's first day at Walt Disney Studios. It was said he was the first artist to ever show Walt a real portfolio of drawings to get hired.

June 25, 1997 - Disney's *Hercules* premiered.

June 26, 1974 - Bob Taylors' *The Nine Lives of Fritz the Cat* opened.

June 29, 1936 - Pope Pius X published an encyclical warning of the evils of Motion Pictures. "They glorify Lust and Lascivious behavior."

June 29, 2007 - Pixar's *Ratatouille* premiered.

June 30, 1933 - A group of actors meet in secret at Frank (The Wizard of Oz) Morgan's home and form the Screen Actors Guild. The secrecy was because studios threatened to blacklist anyone who so much as breathed the word union. Among the founding members that night are James Cagney, Groucho Marx, Joan Crawford, Franchot Tone, Frederic March, Robert Montgomery and Boris Karloff.

June 30, 1999 - *South Park: Bigger, Longer, Uncut* opened.

Birthdays: Lotte Reiniger, Dick Huemer, Angelina Jolie, Liam Neeson, Gary Trousdale, Maurice Sendak, Judy Garland, Gustave Courbet, Peter Dinklage, Richard Sherman, Tim Allen, Cliff Edwards (the voice of Jiminy Cricket), Stan Laurel, Pete Burness, Oskar Fischinger, Phil Harris, Alex Toth, Ricky Gervais, Woolie Reitherman, Katherine Beaumont (the voice of Alice in *Alice in Wonderland* and Wendy in *Peter Pan*), Mel Brooks, Ray Harryhausen, Lena Horne

GET TO KNOW YOUR EXECUTIVE BOARD

Bill Flores

Where are you working and what is your job title?

I am currently working at Cartoon Network as the Art Director on Uncle Grandpa.

What brought you to the industry?

Scooby Doo, Mickey Mouse, Speed Racer and Bugs Bunny. I watched those characters as a kid. I knew exactly what I wanted to do with my life afterward.

Where would you like to end up in the industry?

It's been almost twenty years that I have been in the industry. Hopefully I'll be doing this for the next twenty years.

In total number of years, how long have you served on the Executive Board?

This is my first time as a board member.

Being on the Executive Body of a labor organization carries responsibilities and duties.

What inspired you to be a part of TAG's executive team?

I feel its every animation member's responsibility to take an active part in his or her union no matter how big or small the participation is.

What would you like to accomplish in your term as an Executive Board member?

I would like to change the apathetic mentality our members have of this union. I hear many complaints but no action taken (me included). If we can all work together and as one we can make the necessary changes everyone wants.

Do you have any words for the subscribers of the Pegboard?

Si Se Puede! (Yes we can!)



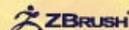
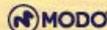
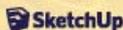
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Don Jurwich Art Exhibition Gallery 839 Animation Guild

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TO:

Don Jurwich
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The Animation Guild Gallery 839
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 Friday June 6 - July 5, 2014
 Reception Friday June 6, 6:00 pm -9:00 pm

the animation guild

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Minimums: <http://839iat.se/minimums>

Bye Bye Imageworks: <http://839iat.se/goodbye-imageworks>

Disney Walk Through: <http://839iat.se/may-dis-walkthru>

At Dreamworks Animation Television: <http://839iat.se/may-dwatv-visit>

Industry News

Renderman/RIS and the next 25 years: <http://839iat.se/rendermanris>

Storyboarding the Star Wars Universe: <http://839iat.se/starwars-storyboards>

One Thing Could Save Dreamworks: <http://839iat.se/chinese-DWA-savior>

Nickelodeon Greenlights Savino's Loud House:

<http://839iat.se/nick-loud-house>

Sony Taps Lauren Faust to Direct 'Medusa' Feature:

<http://839iat.se/sony-medusa>

California Assembly Bill 1839

Bill info and history: <http://839iat.se/Cali-AB1839>

Animation Guild Supports 1839: <http://839iat.se/ab1839-support-ltr>