

CHAIN-OF-TITLE

Why do I need to record it?

The chain-of-title needs to be registered in the public record to protect our security interest from challenge in a bankruptcy or foreclosure.

Why do you need proof that the Copyright Office received my Form PA?

By law, we cannot record an effective security interest until the underlying work is registered. Copyright Office records will not show registration for some time after filing, so we need separate proof of receipt by the Copyright Office.

Why do you need to see my distribution agreements?

Distribution agreements are part of the chain-of-title because a transfer of distribution rights is a transfer of copyright ownership.

Why do you need to see my sales agency agreement?

We review it to confirm that the sales agent is not also a distributor, producer or financier. If they are, other documents may be required of them.

FINANCING AGREEMENTS

Why do you need to see my financing agreements?

Companies wear lots of hats. A financier may also be a distributor, sales agent, equity investor or producer. Since each of these roles relates to different types of financial assurances, we review the financing agreement to understand the scope of a company's role.

A financier may also have lien, copyright or payment requirements that conflict with SAG-AFTRA's, which we need to identify and resolve.



SAG-AFTRA

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FINANCIAL ASSURANCES

FAQS



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RESIDUALS RESERVES AND COLLECTION AGREEMENTS

What might trigger a request for a reserve?

- Your distributor will not sign an assumption agreement and their territory is not covered in a collection agreement to which SAG-AFTRA is a party.
- You have a sales agent for territories where we will not receive assumption agreements and there is no collection agreement – or there is, but we are not party to it.
- Your production lender will not sign our intercreditor agreement, or your equity lender will not sign our interparty/subordination agreement.
- Your collection agreement is not finalized with us before principal photography starts.
- Your distributor will not deliver an assumption agreement or Qualified Distributor Guaranty (QD) before accepting delivery.

Why am I sometimes asked for both a collection agreement and a residuals reserve?

- If moneys will not flow through your collection account before a bank loan or lender is repaid, or before the Residuals Set-Aside is funded, we may request a reserve calculated only on the gross receipts used to repay the loan.
- If the collection agreement does not cover the world, we may request a reserve to cover remaining territories, unless we receive an assumption agreement or a QD letter of guaranty to cover them.

Why does the union need to be a party to my collection agreement?

We agree to have residuals payments handled through a collection agreement as an alternative to receiving assumption agreements from distributors as required under the Basic Agreement.

Just as an assumption agreement gives us a contractual relationship with the party responsible for paying residuals, so does becoming party to the collection agreement.

GUARANTIES

Why do you need guaranties from parties other than your signatory producer?

We know it is customary in the independent film business to create single-purpose vehicles for various reasons. These companies are typically created for a single film, often hold no assets, and tend to have short life spans.

In contrast, residuals obligations have long life spans. We require the financially responsible ongoing concerns involved with the production to sign guaranties to ensure that the Basic Agreement's terms will continue to be met for the duration.

SECURITY DEPOSITS

Why haven't I gotten my security deposit back?

You may not have finalized your financial assurances documents. The security deposit letter you sign when delivering the funds states that delivering all required financial assurances is one condition to return of the deposit.

Your SAG-AFTRA Contracts Department business representative may have sent you a list of outstanding requirements at the time your film was cleared. If you are unsure about what we still need, your Contracts business representative will clarify.