

EXHIBIT 1 - 4 PAGES



JUL 28 2012

Writers Guild of America, West, Inc.

One-Time Review of the Foreign Levy Program

February 28, 2012

AUDIT ■ TAX ■ ADVISORY

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THIS REPORT IS RENDERED PURSUANT TO OUR ENGAGEMENT LETTER DATED APRIL 26, 2011 (THE "ENGAGEMENT LETTER"). OUR SERVICES AND REPORT CONFORM TO AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS ("AICPA") CONSULTING STANDARDS. OUR SERVICES AND OUR REPORT ARE NOT AN AUDIT, EXAMINATION, ATTESTATION, SPECIAL REPORT OR AGREED-UPON PROCEDURES ENGAGEMENT AS THOSE SERVICES ARE DEFINED IN AICPA LITERATURE APPLICABLE TO SUCH ENGAGEMENTS CONDUCTED BY INDEPENDENT AUDITORS. AS IS SET FORTH IN THE ENGAGEMENT LETTER, THIS REPORT IS INTENDED FOR WRITERS GUILD OF AMERICA, WEST INC.'S ("WGAW") SOLE BENEFIT AND KPMG DOES NOT AUTHORIZE ANY OTHER PARTY TO RELY UPON SUCH REPORT. WGAW'S ABILITY TO SHARE THIS REPORT WITH THIRD PARTIES SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE ENGAGEMENT LETTER.



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IF THIS IS NOT AN AUDIT, WHAT IS IT?

**IF KPMG DOES NOT AUTHORIZE
"ANY OTHER PARTY TO RELY
UPON SUCH REPORT" HOW CAN
THE SETTLEMENT CLASS ACCEPT
IT?**

**WRITERS OF AMERICA
READ THE SMALL PRINT
FROM THE WGA BOARD OF
DIRECTORS AND
PRESIDENT**

THIS REPORT IS RENDERED PURSUANT TO OUR ENGAGEMENT LETTER DATED APRIL 26, 2011 (THE "ENGAGEMENT LETTER"). OUR SERVICES AND REPORT CONFORM TO AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS ("AICPA") CONSULTING STANDARDS. OUR SERVICES AND OUR REPORT ARE NOT AN AUDIT, EXAMINATION, ATTESTATION, SPECIAL REPORT OR AGREED-UPON PROCEDURES ENGAGEMENT AS THOSE SERVICES ARE DEFINED IN AICPA LITERATURE APPLICABLE TO SUCH ENGAGEMENTS CONDUCTED BY INDEPENDENT AUDITORS. AS IS SET FORTH IN THE ENGAGEMENT LETTER, THIS REPORT IS INTENDED FOR WRITERS GUILD OF AMERICA, WEST INC.'S ("WGAW") SOLE BENEFIT AND KPMG DOES NOT AUTHORIZE ANY OTHER PARTY TO RELY UPON SUCH REPORT. WGAW'S ABILITY TO SHARE THIS REPORT WITH THIRD PARTIES SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THE ENGAGEMENT LETTER.

**IF FOR WGAW'S 'SOLE BENEFIT'
THEN IT DOES NOT RELATE TO THE
SETTLEMENT, WHICH IS BREACHED
BY SUCH A NON-USABLE REPORT
ACCEPTED BY LAWYERS IN
SETTLEMENT WRONGLY**

**SIGNIFICANTLY,
PREPOSTEROUSLY, KPMG DOES
NOT AUTHORIZE THE PLAINTIFF
CLASS TO RELY ON SUCH REPORT**

**THE WRITERS OF
AMERICAN MUST
READ THE
ENGAGEMENT
LETTER**



Schedule A: Amount of Foreign Levy Funds Collected, Distributed to Writers and Held by WGAW

Fiscal Year ^{1,2}	Collected				Distributed		Held	
	Beginning Balance	WGAW Funds Collected Remittances ³	Investment Income/Interest ⁴	WGAW Total Funds Collected including Interest	Investment Income/Interest Transferred ⁵	Assessed Administrative Fee ⁶	WGAW Funds Distributed to Writers ⁷	WGAW Funds Held Balance ⁸
	A	B	C	D = B + C	E	F	G	H = A + D - E - F - G
FY 1992	\$ -	\$ 1,257,691	\$ 25,152	\$ 1,282,843	\$ 216	\$ -	\$ -	\$ 1,282,628
FY 1993	1,282,628	2,149,931	45,806	2,195,737	68,479	-	594,207	2,815,678
FY 1994	2,815,678	2,658,324	82,363	2,740,686	84,627	-	630,775	4,840,963
FY 1995	4,840,963	1,093,359	154,799	1,248,158	429,692	-	579,658	5,079,771
FY 1996	5,079,771	840,748	234,815	1,075,563	(173,043)	-	405,074	5,923,304
FY 1997	5,923,304	2,143,225	348,062	2,491,287	354,321	-	666,623	7,393,647
FY 1998	7,393,647	1,060,825	428,916	1,489,741	389,315	-	169,670	8,324,403
FY 1999	8,324,403	4,672,061	524,908	5,196,969	461,532	-	2,396,429	10,663,410
FY 2000	10,663,410	2,165,535	482,650	2,648,185	556,447	-	1,946,246	10,808,902
FY 2001	10,808,902	3,637,092	842,684	4,479,776	603,836	-	604,365	14,080,478
FY 2002	14,080,478	3,005,593	382,141	3,387,734	638,780	-	1,574,321	15,255,110
FY 2003	15,255,110	3,631,882	563,407	4,195,290	248,753	-	1,513,469	17,688,178
FY 2004	17,688,178	6,923,103	296,556	7,219,658	586,082	49,395	458,012	23,814,348
FY 2005	23,814,348	5,351,786	295,503	5,647,289	393,432	588,974	7,040,470	21,438,761
FY 2006	21,438,761	6,552,914	722,983	7,275,897	656,699	441,999	7,207,710	20,408,251
FY 2007	20,408,251	10,721,258	1,196,352	11,917,610	1,032,135	577,707	9,226,913	21,489,106
FY 2008	21,489,106	19,755,282	1,381,460	21,136,742	- ⁹	950,624	19,153,981	22,521,244
FY 2009	22,521,244	18,340,832	309,936	18,650,768	- ⁹	539,934	11,876,747	28,755,332
FY 2010	28,755,332	17,200,809	455,719	17,656,528	- ⁹	977,390	16,845,093	28,589,377
FY 2011	28,589,377	16,073,632	179,111	16,252,743	1,323,149	863,749	21,035,129	21,620,093
Total		\$ 129,235,882	\$ 8,953,324	\$ 138,189,206	\$ 7,654,451	\$ 4,989,771	\$ 103,924,891	

Notes:

All values rounded to the nearest dollar.

¹ WGAW initiated its foreign levy collection efforts in 1987. It received the first remittances from foreign Collecting Societies in 1992.

² WGAW's fiscal year ends on March 31.

³ Remittances from foreign collection societies to WGAW on behalf of writers, net of transfers to other foreign levy payors (e.g. DGA) and refunds to foreign Collecting Societies of improperly transmitted funds.

⁴ Investment Income/Interest on funds held is net of bank and custodial fees. Investment Income/Interest is determined by investment performance.

⁵ Investment Income/Interest is transferred to WGAW general fund to offset the cost of administering the foreign levies program.

⁶ WGAW began charging an administrative fee in 2004 to offset the cost of administering the foreign levies program. The fee is assessed when remittance is distributed to writers.

⁷ Includes payments to both writers and their heirs, successors or other proper parties.

⁸ Balance as of the end of WGAW's fiscal year on March 31.

⁹ No Investment Income/Interest was transferred during these fiscal years.

**ALL OF THE ABOVE WAS
SUPPLIED TO KMPG BY WGAW.
NO OTHER ACCOUNTINGS WERE
GIVEN TO LEAD PLAINTIFF**

**DEFENDANT GIVES ACCOUNTINGS
WITHOUT OVERSIGHT FROM
CLASS**



EXHIBIT 2 - WGA 2012

2012 WGAW Annual Report to Writers

Writers Guild of America, West, Inc.

[Download the 2012 Annual Report](#)

June 8, 2012

Dear Fellow Members,

We are pleased to present the Guild's annual financial report. This year's report reflects that, as the economy continues its slow recovery from a deep recession, the Guild remains financially sound and strong.

In this booklet, you will find the WGAW's financial statements and a summary of industry and employment data for the fiscal year ending March 31, 2012. These are the headlines:

- The Guild ended the fiscal year with total net assets of \$34.4 million. The Guild owns its headquarters free of mortgage debt, and our investments stand at \$19.6 million, including a total of \$12.2 million in our Strike and Good & Welfare Funds.
- The Guild had an operating surplus for the fiscal year of \$2.8 million based on total revenues of \$26.1 million, up from \$25.3 million last year. The increased revenues were the product of a 3.1% increase in total revenue and investment gains generated by a recovering equities market.
- Annual expenditures of \$23.3 million were lower than FY 2011's total of \$24.6 million. The biggest contributor to this decrease was lower legal expenses in FY 2012.
- This year's financial statement contains a new feature: a supplemental schedule, prepared by the Guild's auditors, summarizing the financial activities of the Guild's Foreign Levies Program during the fiscal year just ended. This annual review is also posted on the Foreign Levies page of the Guild's website, www.wga.org/foreignlevies, along with other information about the program, which has distributed more than \$121 million to writers and heirs since 1993.

We publish this financial information each year in the interest of transparency and to ensure an informed membership. The Membership and Finance Committee is a constitutional body, made up of five members appointed by the Board of Directors. The Committee oversees the annual audit conducted by the independent accounting firm of Miller Kaplan Arase LLP, whose report is contained in this booklet.

Sincerely,
The Membership and Finance Committee

Carl Gottlieb (chair), Marjorie David, Tony DeSena, Adam Rodman and Ari B. Rubin

[2011 Annual Report to Writers](#)
[2010 Annual Report to Writers](#)
[2009 Annual Report to Writers](#)
[2008 Annual Report to Writers](#)
[2007 Annual Report to Writers](#)
[2006 Annual Report to Writers](#)
[2005 Annual Report to Writers](#)
[2004 Annual Report to Writers](#)
[2003 Annual Report to Writers](#)
[2002 Annual Report to Writers](#)
[2001 Annual Report to Writers](#)
[2000 Annual Report to Writers](#)
[1999 Annual Report to Writers](#)
[1998 Annual Report to Writers](#)

class members: this is what the WGA put on their website as per the settlement. The settlement is breached.

**WRITERS GUILD OF AMERICA, WEST, INC.
FOREIGN LEVIES FUNDS COLLECTED, DISTRIBUTED TO WRITERS AND HELD BY WGAW
March 31, 2012**

Fiscal Year ^{1,2}	Beginning Balance	WGAW Funds Collected Remittances ³	Investment Income/Interest ⁴	Collected		Assessed Administrative Fee ⁶	Distributed		Held	
				WGAW Total Funds Collected including Interest	Investment Income/Interest Transferred ⁵		WGAW Funds Distributed to Writers ⁷		WGAW Funds Held Balance ⁸	
	A	B	C	D = B + C	E	F	G		H = A + D - E - F - G	
FY 1992 - FY 2011 ⁹	\$ -	\$ 129,235,882	\$ 8,953,324	\$ 138,189,206	\$ 7,654,451	\$ 4,989,771	\$ 103,924,891		\$ 21,620,093	
FY 2012	21,620,093 ¹⁰	18,294,675	203,687	18,498,362	- ¹¹	847,107	17,321,468		21,949,880	
		<u>\$ 147,530,557</u>	<u>\$ 9,157,011</u>	<u>\$ 156,687,568</u>	<u>\$ 7,654,451</u>	<u>\$ 5,836,878</u>	<u>\$ 121,246,359</u>			

Notes:

All values rounded to the nearest dollar.

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⁶ WGAW began charging an administrative fee in 2004 to offset the cost of administering the Foreign Levies Program. The fee is assessed when funds are distributed to writers.

⁷ Includes payments to both writers and their heirs, successors or other proper payees.

⁸ Balance as of the end of WGAW's fiscal year on March 31.

⁹ FY 1992 - FY 2011 data are based on the February 29, 2012 *One-Time Review of the Foreign Levies Program*, prepared by the accounting firm KPMG LLP (the "KPMG Review").

¹⁰ FY 2012 beginning balance is based on the KPMG Review.

¹¹ No Investment Income/Interest was transferred during fiscal year 2012.

WHAT AN AMAZING MISLEADING, SNEAKY, DOCUMENT THIS IS, USING THE KPMG 'REVIEW' AS BASIS FOR ACCOUNTING FOR THE NON UNION WRITERS' AND WGAW MEMBERS MONEY -- WHEN THE REVIEW COMES FROM THE WGAW BOARD OF DIRECTORS TO BEGIN WITH.

THERE NEVER HAS BEEN ANY ACCOUNTING, TRUE HONEST ACCOUNTING, OF 200 MILLION OWED U.S. WRITERS, NOT TO MENTION MILLIONS MORE DIVERTED TO STUDIOS. THE WGA ALSO SUPPLIED FOREIGN LEVIES TO THE DGA MEMBERS AND NON MEMBERS, ALONG WITH PORN WRITERS ETC. -- THIS IS RIDICUOUS AND ABSURD -- William Richert, Class Representative

EXHIBIT 3

JUL 26 2012

DECLARATION OF BRIAN O'ROURKE

I, BRIAN O'ROURKE, declare as follows:

1. I am the Chief Financial Officer for Defendant Directors Guild of America, Inc. ("DGA") and have held that position since June 2009; previously, I was the Controller of the DGA. I have been involved in the DGA's foreign levies program since 2006, and have been supervising the program since I became CFO in 2009. In this capacity, I have personal knowledge of the matters set forth herein and, if called upon to testify, I could and would do so competently. I submit this declaration in support of the DGA's Opposition to Plaintiff's Motion To Compel Compliance With & Execution Of Settlement Agreement.

2. The DGA has fully complied with the terms and requirements set forth in the Class Settlement Agreement (the "CSA").

PKF Engagement

3. The DGA engaged PKF as the independent accounting firm to conduct the annual review of its foreign levy program (the "Annual Review") pursuant to Section V(1) of the CSA. PKF has performed the Annual Reviews for the years 2006, 2007, 2008, 2009 and 2010.

4. PKF's engagement in connection with the Annual Reviews is consistent with and dictated by the terms of the CSA. A true and correct copy of the engagement letter for PKF's work on the Annual Review for the year ended December 31, 2010 is attached hereto as Exhibit A. The engagement letters for prior years were identical in all material respects to this one.

5. PKF is a well-known accounting firm within the entertainment community. It is a member of PKF International Limited, the tenth-largest global accounting network in the world. Attached hereto as Exhibit B is a true and correct copy of the biography of Mark Hannelley, the engagement partner, available at <http://www.pkfcalifornia.com/pageview.aspx?id=33520>.

6. PKF and the DGA have an arms-length relationship. PKF is not the regular auditor for the DGA, and performed only minimal work for DGA in the past ten years. Specifically, PKF (a) performed ballot counting for the DGA Awards in one instance in 2003; and (b) is among several accounting firms which, from time to time, conduct "Tri-Guild" audits – gross receipts audits conducted pursuant to collective bargaining agreements between the

1 major entertainment guilds (DGA, Screen Actors Guild (SAG), and Writers Guild of America
2 (WGA)) and producers, and primarily funded by the major motion picture and television studios
3 pursuant to those collective bargaining agreements.

4 7. Since 2008, the DGA has paid PKF a total of \$70,558 in connection with the
5 Annual Reviews.

6 **Annual Reviews**

7 8. PKF issues a written report confirming the results of each Annual Review, which
8 includes the twelve categories of information specified in Section V(1)(a). This report follows
9 an extensive review process conducted by PKF; among other things, the DGA provides PKF
10 with access to information on the total foreign levies received by the DGA, assigned by the DGA
11 to directors, and paid out to directors (both members and non-members).

12 9. Per Section V(1)(e) of the CSA, the results of each Annual Review have been
13 posted on the DGA's website, with electronic copies available for download. The DGA has
14 never received any request (whether by phone, email, or writing) for a hard copy of any of the
15 Annual Reviews.



16 10. To my knowledge, and based on a log of telephone and written inquiries the DGA
17 has received regarding foreign levies, no person has contacted the DGA to complain or otherwise
18 raise concerns about the scope or quality of the Annual Reviews conducted by PKF, or the
19 information provided in the Annual Reviews.

20 11. The CSA does not require that the Annual Reviews identify "when the foreign
21 levies being distributed each year were actually collected" as Class Counsel now requests.
22 Providing this information would impose substantial cost and burden to the DGA, due in large
23 part to the quality of information the DGA receives from foreign collecting societies, and the
24 gaps in time between our receipt of funds and our receipt of distribution information for the
25 funds. In addition, distribution files we receive from collecting societies can contain 90,000
26
27
28

EXHIBIT

4

Writers Guild of America, west.

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	ACCOUNT CODE	REFERENCE CODE	NET AMOUNT
20030430001	6/20/2003	Vchr VO00078877 Clip title Barfly MP Shew Title Dunaway & Taylor Bros	2600-450-0000-0000	8014159-20030430001	498.00
<p>THESE WORDS I WRITE KEEP ME FROM TOTAL MADNESS. Charles Bukowski</p>  					
PRINT BATCH 1.928	VENDOR CODE 00192121-0000-00-7834				NET TOTAL \$498.00

THIS CHECK WAS PROVIDED
THE PLAINTIFF BY ERIC HUGHES,
WHO GOT IT FROM WHISTLE
BLOWER TERI MIAL. IT IS ONE OF
THE 'DISAPPEARED' CHECKS
NUMBERING IN THOUSANDS, NOT
ACCOUNTED FOR AS YET AS PER
THE SETTLEMENT

DOCUMENT HAS A COLORED BACKGROUND. AN ARTIFICIAL WATERMARK IS PRESENT ON THE REVERSE SIDE.



Writers Guild of America, west, Inc.
7000 West Third Street
Los Angeles, CA 90048

Bank of America NT & SA
Robertson Wilshire Branch 0246
8760 Wilshire Boulevard
Beverly Hills, CA 90048-2456
Member Payment Account

16-66/1220

Writers Guild of America, west

PAY FOUR HUNDRED NINETY-EIGHT AND XX/100

TO THE
ORDER
OF

Charles Bukowski

DATE	6/27/2003	CHECK NUMBER	ME010739
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Account

AMOUNT	\$498.00
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0010739 122000661 02467001360