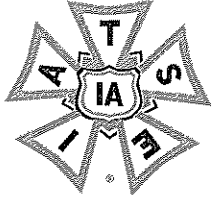


**INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS,
ARTISTS AND ALLIED CRAFTS OF THE UNITED STATES, ITS TERRITORIES AND CANADA**

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*Affiliated with
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February 2009

**TO ALL IATSE MEMBERS WORKING UNDER
THE IATSE/AMPTP BASIC AGREEMENT**

Dear Sisters and Brothers:

The current Basic Agreement is in effect until July 31, 2009. The IATSE and the AMPTP entered into early negotiations that we hoped would help facilitate labor stability at a time when we need it most because of the recent writers strike, the open agreement with the Screen Actors Guild, and the worst economy since the Great Depression. However, it was important that our agreeing to early negotiations came with one important caveat: There would be no Local negotiations. As you know, the Local negotiations provide an opportunity for the Producers to attempt to bargain away working conditions that provide the framework to our contract. The Producers accepted our precondition.

The basic objectives the IATSE had in these negotiations were as follows:

1. Protect the pension plan and provide additional checks to retired members
2. Obtain reasonable wage increases
3. Protect the Health Plan and avoid monthly premium co-payments for participants.

This new agreement accomplishes all of these objectives. A funding plan for the Pension was agreed to that protects the fund and complies with the new pension law. More importantly, retirees will receive 13th and 14th checks without triggers or conditions. Three 3% wage increases are compounded and total 9.3% over the life of the Agreement. The new Agreement will provide for up to \$200 million in new employer money to be contributed to our Health Plan, which allows our Plan to continue as the only Plan in the industry without co-payments on premiums.

The following is an overview of the main items that are included in the enclosed Memorandum of Agreement:

Wages & I.A.P.

1. Increase current wage rates by 3% per year, compounded in each year of new 3 year agreement
2. The IAP percentage contribution of 6% will apply on the increased wage rates.

Pension Plan

1. Negotiated 13 & 14 checks for current retirees in each year of the agreement without any conditions or triggers.

Health Plan

1. Increased the employer contributions to the health plan by \$.35 per hour per year. This results in an additional \$164 million dollars into the health plan over the life of the agreement.
2. Bargained for a mechanism that will provide additional employer contributions when health plan reserves fall below 10 months for actives. These additional employer contributions, when triggered, will result in an additional \$35 million dollars to the health plan.
3. No participant co-pays for premiums.
4. Bargained for responsible health plan design changes aimed at making better consumers out of our members.
5. Spend the current health plan reserve levels down to 6 months in the active health plan and 8 months in the retirees health plan.
6. Beginning August 2011, increase the hours necessary for health care eligibility to 400 hours, saving approx. \$52 million/year. (This means 60 hours x 7 weeks every 6 months or, to put it another way, a little over 15 hours per week for 6 months.)
7. To further protect the health plan, if the reserve levels fall below 6 months in the active health plan or 8 months in the retiree health plan, the union will reallocate up to 1% of wages or IAP into the active health plan until the 6/8 month reserve levels are restored.

New Media

1. Increased IA jurisdiction to cover New Media consistent with DGA, WGA and AFTRA.
2. New Media over \$15k per minute or \$300k per episode or \$500k per series covered.
3. New Media productions employing 4 or more people working under IA-covered crafts.
4. For New Media productions with budgets above \$25,000.00 per minute, there is no reduction in benefits and all Pension, Individual Account Plan (IAP) and health benefits will be paid by the employer.
5. New Media productions based on existing shows (derivatives) are covered.
6. Most terms and conditions (except Benefits, Union Security, Grievance and No Lockout/Strike) on New Media are freely negotiable.
7. There is no mandatory staffing and Interchange among classifications is permitted on New Media productions.
8. All New Media provisions “Sunset” at the end of the contract and will have to be renegotiated.
9. The Union has the right to inspect and audit all New Media records and contracts. This audit language is significant because it gives the IA, for the first time, the right to inspect their complete books, records and contracts for New Media.

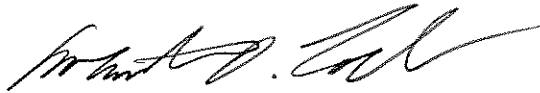
As all of you are aware, our country - in truth, the world - is in financial crisis. Not only is health care in crisis, but our entire financial foundation is collapsing. This has resulted in massive layoffs, the closing of businesses, and personal and corporate bankruptcies. Our industry is not immune to these cataclysmic events. However, even with the negative business news occurring daily as we bargained, I am proud to inform you that we have negotiated a new Agreement that secures employment opportunities, protects our Benefit Plans and, hopefully, will serve as a catalyst to promote labor peace at a time when we all could use a little measure of security.

A "YES" vote for ratification by you will mean that IATSE members will have secured work under the Basic Agreement into the year 2012 with increased wages and secure Health, Pension and IAP benefits. A vote against ratification is a vote to authorize a strike.

In conclusion, I encourage you to join me and all of the West Coast Studio Local Bargaining Committee members in our unanimous support for the new three-year Agreement.

Best personal regards to each member of the IATSE.

Fraternally,

A handwritten signature in black ink, appearing to read "Matthew D. Loeb". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Matthew D. Loeb
INTERNATIONAL PRESIDENT