



Stop Lighting Money on Fire!

Paperless Residuals and Participations Payments
Now Available Industry-Wide



Corporate Update

- Growing team of experts now at 50+ FTEs
- Increased presence in Music and Digital Marketplaces
- SAG-AFTRA 20-year agreement
- Entertainment Partners 20-year agreement
- Acquired by City National Bank in August



Lines of Business



FILM/TV



MUSIC



MARKETPLACES



GLOBAL MUSIC RIGHTS



PaymentHub Overview

The Residuals Problem

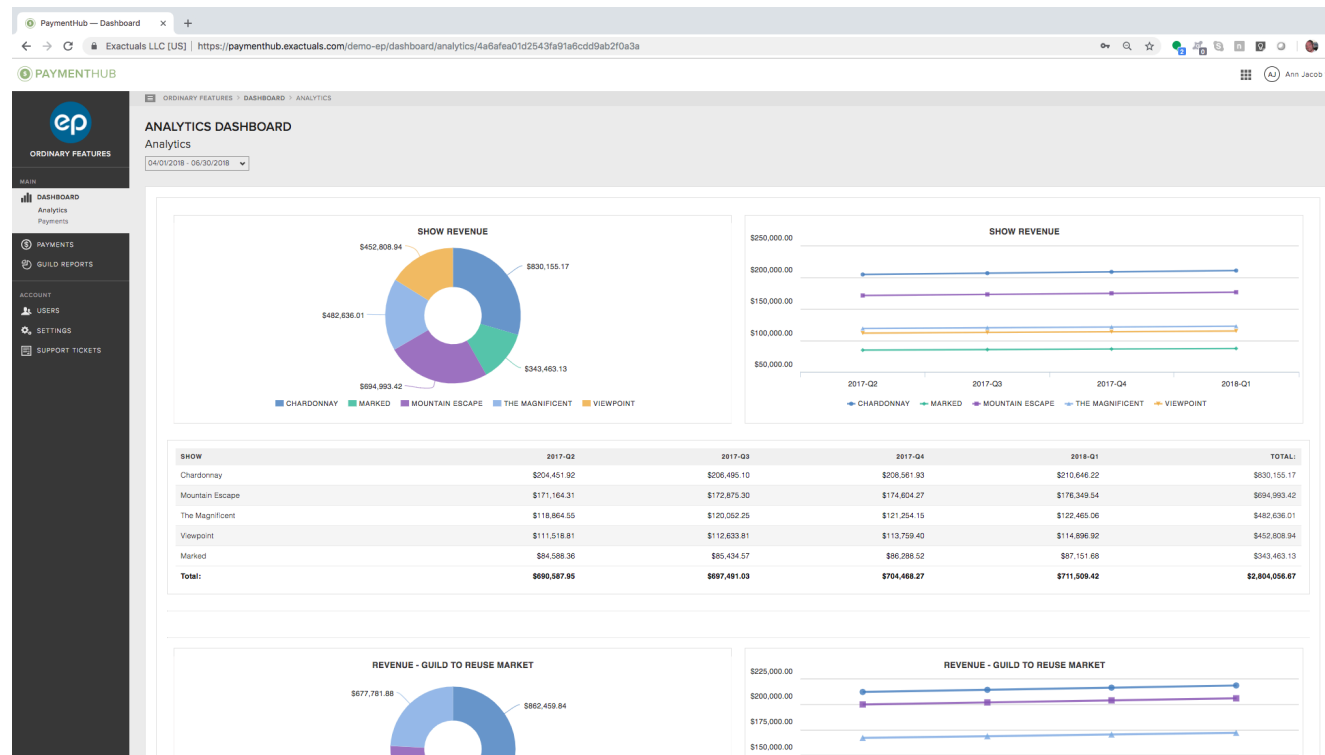
- 5M+ paper payments per year
- 10% annual growth in volume
- 20% of all residuals are < \$5.00
- The industry often spends more to send and support a paper check than the amount the check is written for
- Uncashed checks either need to be cancel/replaced or escheated to the state
- Reporting and support are convoluted and manual
- There is loss and waste at every step of this process
- The industry needed an end to end paperless solution...

PaymentHub: Industry-Wide Information Exchange

- Paper-free payments for residuals, participations, payroll, and more
- Online portal for studios, guilds, payroll companies, and talent
- Data Standardization Service for guild reporting and support
- Secure registration engine for payees in 200+ countries
- Massive savings tool for companies processing high payment volumes
- CBA compliant and highly secure



PaymentHub: Industry-Wide Information Exchange



Exactuals and EP Partnership

- Invested in 2017
- Matching teams of 15+ built fully integrated solution
- CFO, Darren Seidel, Board Member
- First to market
- 600+ accounts now onboarded to Exactuals
- Client portal launching soon
 - Guild reports
 - Market trends
 - Live payment status
 - Delegated access
 - Bank level security

A Fully Automated Platform



(Click [here](#) and [here](#) to watch YouTube videos)

Savings at Every Level

- Potential Savings
 - No more paper
 - No more printing
 - No more sorting
 - No more courier
 - No more cancel/replace requests
 - No more escheat requirements
 - No more lost payments
 - No more lost/undelivered tax documents
- Potential Enhancements
 - Improved internal reporting
 - Improved reconciliation transparency
 - Improved guild reporting
 - One call resolution for many payee or guild calls
 - Improved and persistent payee data
 - Prepared for massive growth in txn volume with existing team

Savings at Every Level

Enhanced Reporting

Enhanced Services

Reduced Costs

Enhanced Scalability

Savings Example

<u>Today's Gross Costs</u>	<u>Per Check</u>
Print / Courier / Support Processing Cost per Check	\$1.76
Weighted Average Cost of Cancel & Replace Processing	\$0.06
Weighted Average Cost of Cancel & Replace Bank Fees	\$0.60
Weighted Average Cost of Escheatment	\$0.57
Weighted Average Cost of Other Support Costs	\$0.20
Weighted Average Impact of Reduced Float Income	(\$0.06)
Total Costs	\$3.13

<u>Exactuals Costs</u>	<u>Per Check</u>
Fees at 23 basis points of dollars processed	\$1.06
Print / Courier / Support Processing Cost per Check	Included
Weighted Average Cost of Cancel & Replace Processing	Included
Weighted Average Cost of Cancel & Replace Bank Fees	Included
Weighted Average Cost of Escheatment	Included
Total	\$1.06

Launch Press



"The performers union first announced in 2017 that it had entered into a multiyear agreement with Exactuals, a Los Angeles-based payments software company, to deliver residual payments through direct deposit. SAG-AFTRA said Tuesday that it had put into place the infrastructure and run pilot programs nationwide to ensure that the process is secure and stable. Exactuals is part of City National Bank."

Launch Press cont.

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BUSINESS

SAG-AFTRA Unveils Residuals Direct Deposit

4:39 PM PDT 4/9/2019 by Jonathan Handel

Tibrina Hobson/FilmMagic

The move may mark the beginning of the end for millions of paper checks.

“The direct deposit process is powered by technology from software/services firm Exactuals (which was [purchased](#) by **City National Bank** in 2018), and with the [participation](#) of Entertainment Partners (itself [recently sold](#)). The announcement comes a year after [pilot testing](#) was first announced.”

Members Love ACH

<

Comments





tasteofadrian



We did it! 🙌🙌🙌🙌

1h

Reply




gatsbycoram



2h

Reply





hazelcalderon

Wow!!!!

2h

Reply




toiyalea

Oh yes!!!!

2h

Reply




alizer_gaillard

WOW! 🙌🙌

2h

Reply




mercedesrenard

Yes! @vanemillon

2h

Reply




shenitamooore

SOOOOO excited about this! ❤️

2h

Reply




stevenmendeziv

Finally!

2h

Reply




Jay Kristopher

No more ten cent checks! #savethetrees

Like

Reply

2d

Edited




7


Angel Sing

No brainer! YAY! ...

Like

Reply

1d



1


Ron Norris

Yes yes yes

Like

Reply

1d



1


Angela Fox

Love my direct deposit. So happy all members will soon be able to choose this option!

Like

Reply

2d



1


John Lister

Direct deposit has been working great for me. So glad it's being rolled out for all members.

Like

Reply


2d




1

<

Comments




47m



ryansatterfeal

WOOOO!

10m

Reply






jennifersavageactress

🙌🙌

17m

Reply






missdanger1

Aw on my birthday! Thanks guys ❤️

20m

Reply






deadatlantic

Yaaaaaaa annual direct deposits of 78 bucks!!

24m

Reply






michelejang

🙌🙌

33m

Reply






julialynnninc

Solutions Bravo @sagafta

33m

Reply






margiesullivanactress

❤️

34m

Reply





sylvie.sadarnac

It totally is! I love the

34m

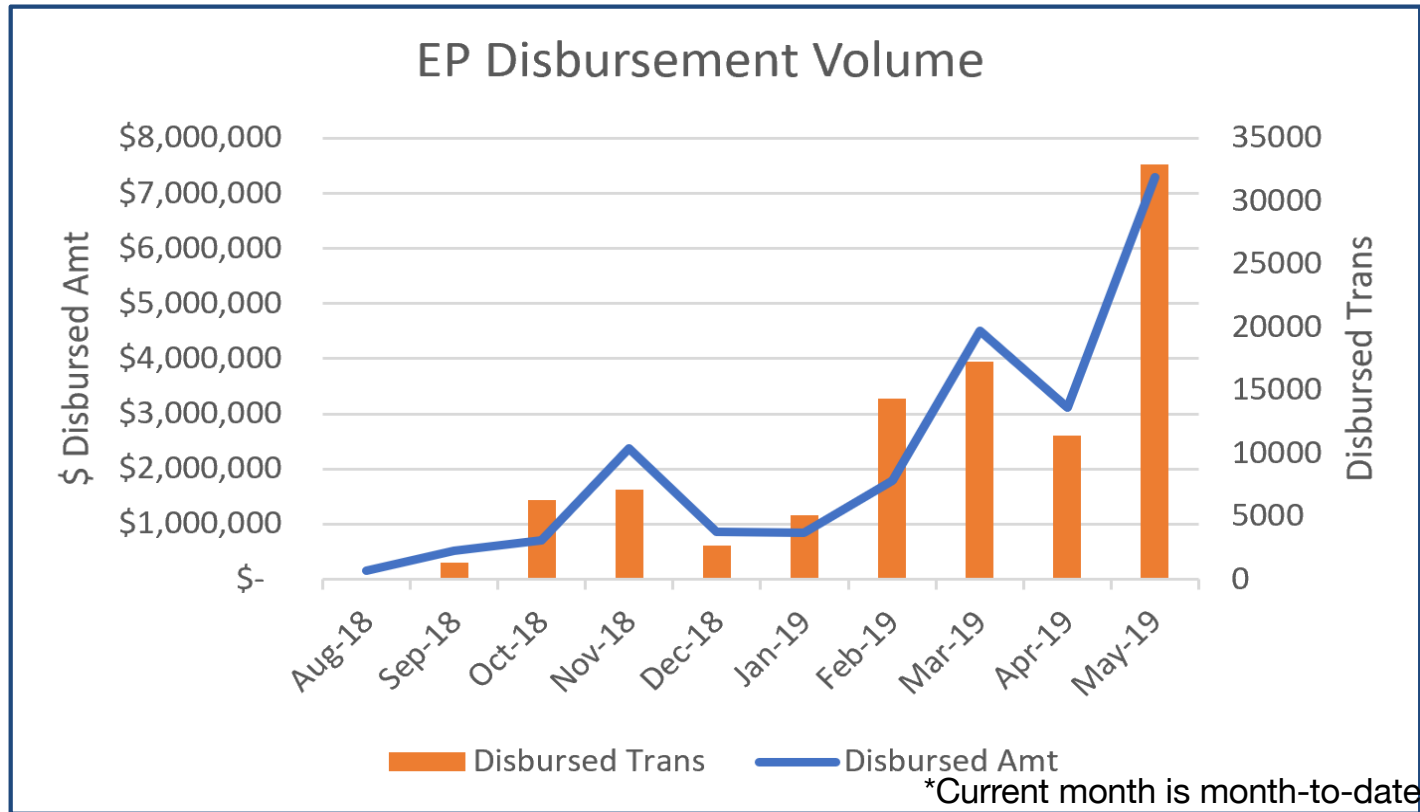
Reply





Studio Driven Payments Platform

Market Launch Progress



\$22.2M

Paid out

98K

Transactions

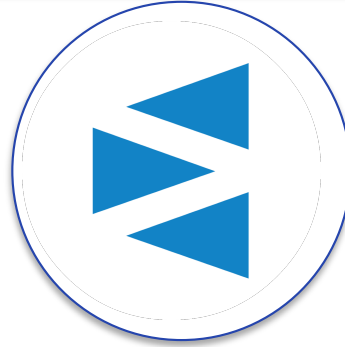
Studio Driven DD (How it Works with)



Residuals
Calculation



Gross to Net
Calculation



Union Data
Exchange



Verifies
Payment
Data



Payment
Settlement

Tax
Withholdings

Union
Customer
Support

Releases
Payment

Guild/EP/
Studio
Portals

Minor Trust
Accounting

CBA
Compliance

Payment
Customer
Service

Fringe
Calculation

Trust
Management
Assistance

Everyone Wins

Guilds

**Studios &
Payroll
Houses**

Talent

Happy Talent

Enhanced
Reporting

Direct Deposit

Enhanced Service

Tax Center

Centralized identity
management

Reduced Costs

Zero Escheatment
& Cancel/Replace

Mgmt Access

Why Exactuals

Focused: Experts in Residuals and Royalties

- Established relationship with trusted entertainment banking leader
- Batch payment structure built and tested
- Datafaction integration built and tested

Innovative: Software as a Service

- Zero upfront cost for implementation, licenses, or hardware
- Product constantly improving
- Extremely secure infrastructure with high-availability architecture
- Tax Center to benefit all parties
- Escheatment elimination through union Trust account integration

Trusted: Neutral third party

- Exactuals has invested the time and effort to establish an agreed-upon industry standard for data and payment processing
- Exactuals provides high value to both studios and unions
- Registration, security, and management of all sensitive data
- Bank-level security for all PII data



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