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## New York State Fashion Workers Act Becomes Law Thanks to Sara Ziff of Model Alliance

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The Fashion Workers Act (FWA) will go into effect in New York State on June 19, 2025, after first being introduced in 2022 by our client <u>Sara Ziff</u>, founder of <u>Model Alliance</u>. Ziff filed a <u>lawsuit</u> in New York State Supreme Court in April 2023 alleging she was raped when she was just 19 years old by a former head of Miramax in Italy, Fabrizio Lombardo, one of Harvey Weinstein's key enablers.

On December 21, 2024, the Fashion Workers Act (S.9832 (Holyman-Sigal) / A.5631E (Reyes)) was signed by Governor Kathy Hochul to go into effect 180 days later in June 2025. The FWA brings previously unrestricted predatory management agencies into regulation and protects models from financial and sexual abuse. In the past, management agencies would benefit from one-sided contracts that exploit models without giving them any financial transparency. Often models got trapped in contracts that controlled their housing arrangements and increased their vulnerability to debt as well as other forms of abuse, like trafficking. The law's sponsors, State Senator Brad Hoylman-Sigal and Assemblymember Karines Reyes told <u>The New York Times</u> that the legislation will close "the legal loophole by which management companies escape accountability and create basic protections."

Modeling agencies will finally be required to give models access to deal memos and transparency into their own client contracts, as well as protections against harassment, discrimination and exploitation of their image in connection with artificial intelligence. According to Model Alliance's current <u>research</u> in a poll of over 100 fashion models and influencers, one in five of them have already been asked to submit 3D body scans without knowing how the scan would be used. This is a specific concern to models whose images are their livelihoods. Under the FWA, model management companies and clients must obtain separate, specific written consent from a model to create or use a digital replica of them (including their face, body and voice).

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The New York State Senate's justification for this groundbreaking law explains that "New York is the center of the American fashion industry... [that] employs 180,000 people, accounting for 6% of the city's workforce and generating \$10.9 billion in total wages." Unlike talent agencies, modeling agencies have to this point invoked the "incidental booking exception" under New York State General Business Law § 171(8) to avoid licensing and regulation. Models, many of whom are young, immigrant women and girls, are largely unprotected outside their contracts with their modeling agencies and are then highly vulnerable to financial insecurity, isolation, and other forms of abuse such as sexual assault and trafficking.

Importantly, the law specifies that model management companies have a fiduciary duty (a heightened standard) to models who they represent. The law outlines the duties of model management companies to act in the best interests of the models and to protect the models' legal and financial rights, and also a set of specifically prohibited practices by such companies. For example, if expenses are to be deducted from the model's compensation, they must be clearly specified, documented and shared with the model quarterly (including items such as rent or travel expenses). Models also must be provided with a copy



(hard copy or digital) of the agreements they have signed with the model management company and client agreements, written in the language requested by the model. To avoid any conflicts of interest, any financial relationship between the management company and a client must be disclosed. If a management company collects royalties for a model they no longer represent, they must notify the former model in writing, including electronic notification.

Common scams and predatory practices such as requiring a fee for a model to sign with a model management company, charging for accommodations without notice, contracts of greater than three years in length, automatic contract renewals, and commission fees higher than 20% are prohibited under the new FWA. New restrictions on power of attorney documents for models and specific duties for modeling clients also appear in the new law.

The Writers' Guild of America (WGA) and Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) recently concluded their long strikes against Hollywood studios over contracts which advocated for protection from writers and actors being replaced by Al programs without permission or compensation. However, models typically cannot unionize because they are largely presumed to be independent contractors not covered by the National Labor Relations Act. Therefore, protections for models like those under the new law (which many employees have under other laws or union agreements) are a very welcome and overdue development. Model management companies must obtain clear written consent, separately from the representation agreement, for digital replica creation, manipulation, or use of a model's image, detailing the scope, purpose, rate of pay and duration. Modeling clients also must obtain specific, separate written consent from a model for the creation or use of a digital replica, containing the same information that is required for model management companies. The model's digital replica for such purposes is defined to include but is not limited to their face, body, or voice.

Voice exploitation through AI has already gained attention in Hollywood. Scarlett Johansson, who ironically provided the voice of the AI operating system in the film "Her," and her lawyers demanded OpenAI disclose how it developed their "Sky" AI personal assistant, because it was quickly publicly said to sound very similar to Johansson's voice. OpenAI's CEO Sam Altman has publicly said that "Her" is his favorite movie and even published a post that consisted of the single word "Her" on X after he announced the new ChatGPT version. Later, executives denied the connection and halted the use of the voice. This similar voice debuted nine months after Altman had asked Johansson to license her voice for this new ChatGPT voice assistant to be "comforting to people" who were not yet comfortable with AI. Johansson said, "I look forward to resolution in the form of transparency and the passage of appropriate legislation to help ensure that individual rights are protected."

A violation by a model management company of this new law's requirements to register with New York State (including a significant monetary bond) within the time specified will receive an order issued by the commissioner to comply. The commissioner may impose a civil penalty to a model management company that violates the law, including a monetary penalty.

A model who discovers or is harmed by a violation of the law may file a complaint with the commissioner within six years of the violation or unlawful action they are reporting. Models also have the right to bring their own lawsuit in court based on violations of the FWA by a model management



company. A model management company cannot discriminate against or harass a model or put them at an unreasonable risk of danger. The law also allows the model to be accompanied by their agent, chaperone, or other representative to any work-related engagement or performance to help safeguard them.

Models working over eight hours during any twenty-four-hour period also must be paid at rate 50% higher than the contractual rate for that job for time over the eight-hour mark and must be given at least one thirty-minute meal break during that time.

This law is a huge step forward for the entire fashion industry and an example for other states to follow. We are pleased to see models – the backbone of the fashion industry – receiving the employment law protections they deserve.

Ziff thanked the campaign's supporters, saying "It's no small thing to risk your livelihood to stand up for what's right. In an industry that often left us feeling mute and isolated, we raised our voices collectively. I feel proud to have accomplished this together." Read more about Sara Ziff's lawsuit in New York State Supreme Court in the April 2023 <u>complaint</u>. Wigdor's award-winning employment lawyers have represented many sexual abuse and assault survivors, help survivors find their voice and hold offenders accountable for their actions. Please <u>contact us</u> if you believe you are a victim of unfair workplace practices.