



To: SCAPR.

From: "Magen" Israeli Association of Theater and Film Actors.

Subject: We ask you to provide an official response regarding cooperation with a private Israeli company "Eshkolot".

(29.09.2023)

Shalom / Hello.

1. A private company "Eshkolot" (LTD 520043126) in 2023 admitted to SCAPR.

The screenshot displays two web pages. The top page is the Eshkolot website, featuring a dark blue header with navigation links and a main heading in Hebrew: "נוהל אחזקה וחלוקת תמלוגים בנאמנות". Below the heading is a paragraph in Hebrew that includes the company number "520043126". The bottom page is the Israeli Corporations Authority website, showing a search interface with the company number "520043126" entered. The search results table shows the company name in Hebrew, "...erforming Rights of Israel Artists Ltd", and its corporate number, "520043126".

2. According to the membership charter (4.1, they are organized on a not-for-profit basis) SCAPR members must be non-profit organizations, i.e. 100% transparent to society.

4.1. The Organisation may admit as Ordinary Members CMOs, which:

- are representative within their national territory of the performers' intellectual property rights they administer,
- are authorised by law and/or by duly competent authorities and/or by way of assignment, licence or any other contractual arrangement to manage performers' rights in their interests and for their benefit, as their sole or main purpose,
- fulfil both of the following criteria:
 - They are owned or controlled by the rightsholders they represent;
 - **They are organised on a not-for-profit basis**
- directly or indirectly license performers' rights and/or collect remuneration for performers,
- distribute payments individually to the rightsholders – to both nationals and foreigners,
- have entered into and have implemented agreements for the exchange of remuneration with CMOs in other countries (Representation Agreements),
- have established an information system with pertinent recording data and information on the remuneration they administer in relation to national as well as to foreign rightsholders by use of the unique international performers' number (IPN),
- have available information on the actual use of fixed performances (national and international) by the existence of comprehensive play lists or documented surveys,
- are participating in the SCAPR information systems currently named International Performers' Database (IPD) and Virtual Recordings Database (VRDB) ("SCAPR Information Systems").

3. The private company "Eshkolot" is a very closed private company that is practically not transparent to the actors.

3.1. Israeli actors do not know at all what the company does with the money (per 100%), and by what criteria it distributes the funds.

3.2. Example: in 2018, the company received 64 million shekels and distributed 24 million, and we still don't know where 40 million shekels went.

And so every year, the amounts are different, so in 2019 the company received 42 million shekels, distributed 25, and we still cannot understand where 17 million shekels went.

4. In this regard, "Magen", Israeli Association of Theater and Film Actors, filed many complaints to Israeli government agencies (about lack of transparency).

4.1. In addition to everything, on March 25, 2021, the Israeli court took into account the conclusions of the Attorney General that the company is not transparent towards film and television actors (court case number 38122-07-19).

4.2. In the end, the State of Israel decided that a private company "Eshkolot" should be a transparent non-profit organization.

4.2.1. But even in this situation, the company "Eshkolot" did not deign to comply with the decision of the state body, and went to court to overturn the state's decision.

At the moment when "Eshkolot" was present at the signing of entry in SCAPR, the company "Eshkolot" continued to fight in the Israeli court about the right to be a private enterprise. The "Eshkolot" company not only violated the SCAPR charter (clause 4.1), but also carried out the flight at the expense of Israeli actors, and there is also a possibility that SCAPR was misled.

4.3. On 05.09.2023 the court (Jerusalem) determined and ruled that: Eshkolot company is not transparent, in addition, the court ruled that there is an inherent fear of inappropriate use of public funds.

In the verdict, the court ordered and ruled that the private company "Eshkolot" should not be a commercial organization, but on 03/06/2024 it should become a non-profit organization (in the end we will be able to understand where the millions of shekels went (case number 56880-09-22).

(* It is important to note: "Magen", Israeli Association of Theater and Film Actors, was part of the trial, we together with the attorney's office fought for a private company "Eshkolot" to be transparent towards the actors.

5. The private company "Eshkolot" is weighing the possibility of appealing to the High Court of Justice to appeal the court's decision (06.09.2023).

5.1. Going to court will be at the expense of the Israeli actors, and the company is doing everything not to be transparent (the company states to the press that it allegedly operates as a non-profit organization, but this is a lie, you need to be a legally non-profit organization and comply with the court decision, there is no need to be "like" - you need to be a non-profit organization!).

6. We ask you to evaluate "Eshkolot" and give us an answer, can a private closed company that receives a negative assessment from an Israeli court (about not being transparent) be your member?

7. Do you have any sanctions in this case? Is it possible to temporarily suspend membership?

8. When applying to SCAPR were you aware that "Eshkolot" is actually and legally a private company?

9. Did you know that a private company does not "go out of trials" due to a lack of transparency?

There is currently 1 more lawsuit against "Eshkolot" (voice actors against a company "Eshkolot").

Head of the "Magen" Association,

Dim Amor.

