Loan-Out Company Acknowledgement & Compliance Notice

1. Employer Status Acknowledgement

A loan-out company is a corporation, or a LLC classified as a corporation for federal income tax purposes, and:

- The main business activity is the performance of personal services for a motion picture production company or motion picture production services company.
- The person performing the work is an employee who is also an owner of the company.

A loan-out company or the individual whose services are provided through a loan-out are not to be considered an employee of Revolution Business Services, LLC (“Revolution”), a motion picture payroll services company, or the motion picture production company.

By executing this acknowledgement, the loan-out company confirms that it:

☐ Is an active corporation in good standing or LLC classified as a corporation for federal income tax purposes;

☐ Has as its principal activity the performance of personal services by one or more of its owners on behalf of a client or production company;

☐ Employs at least one individual who holds an ownership interest in the company and who is rendering services under this engagement;

☐ Acknowledges that it is the employer of record for all applicable employment tax purposes, including but not limited to: federal income tax withholding, Social Security and Medicare (FICA), state income tax withholding, and any applicable state unemployment or disability insurance obligations.

2. Required Information

The loan-out company must provide the following information at the time of onboarding. This information is required by Revolution to administer payroll, meet reporting obligations, and verify the company’s eligibility to operate as a loan-out entity.

Loan-Out Company Information	Individual / Employee-Owner Information
Legal entity name	Full legal name of employee
Federal Employer Identification Number (FEIN)	Social Security Number (SSN)
State of incorporation / formation	Job title / role on production
Principal business address	Contact phone number and email
State tax ID / employer account number (if applicable)	Loan-out Owner (if not the employee)

3. W-2 Default Provision

If the loan-out company is unable or unwilling to provide the required information at the time of onboarding (including the additional information required as described in Section 5 below, for work performed in California), the individual rendering services will be processed and paid as a W-2 employee of the client or production company through Revolution. All applicable employment taxes, withholdings, and benefits obligations will be handled accordingly.

The loan-out company may subsequently provide the required documentation to convert to loan-out status for future pay periods, subject to Revolution's review and approval.

4. Ongoing Obligations

The loan-out company acknowledges and agrees to the following ongoing obligations for the duration of its engagement:

- Maintain active registration and good standing in its state of formation and any state where services are rendered, when required.
- Timely remit all applicable federal, state, and local employment taxes for its employee-owner(s).
- Promptly notify Revolution of any changes in entity status, ownership structure, or tax identification numbers.
- Provide updated documentation upon request to support Revolution's reporting and compliance obligations.

5. California-Specific Requirements (SB 422)

Where services are rendered in California, or where the loan-out company or individual employee-owner is subject to California law, the following additional requirements apply under California Senate Bill 422 (Unemployment Insurance Code §679 and §1088.9).

- The individual rendering services through the loan-out must own more than 10% of the company's outstanding stock or membership interest.
- The loan-out company must provide its California Employment Development Department (EDD) employer account number.
- Revolution, acting as a Motion Picture Payroll Services Company (MPPSC) under UIC §679, is required to file quarterly DE 422 reports with the EDD identifying loan-out companies and their employee-owners. The loan-out company's cooperation in providing accurate, complete information is required to fulfill this obligation.
- The loan-out company must remain in active status with the California Secretary of State and must remit all applicable California employment taxes, including California Personal Income Tax (PIT), State Disability Insurance (SDI), and Unemployment Insurance (UI), for its employee-owner(s).

6. Indemnification

The loan-out company agrees to indemnify and hold harmless Revolution, its affiliates, and the client or production company from any and all claims, penalties, assessments, or liabilities arising from the loan-out company's failure to meet its obligations as the employer of record, including but not limited to failure to withhold, report, or remit employment taxes.