

ON COOGAN'S LAW

'Parents have a big duty to keep their children's earnings safe. If they start buying expensive cars with their child's money that child now has a cause of action later.'

— Barbara Greenwald Rice,
L.A. Superior Court



FAWNING FOR FANNING: Dakota Fanning, who is nommed for her role in "I Am Sam," will introduce the segment of the broadcast that features the accomplishments of SAG's child actors.



By **CHRISTOPHER GROVE**

'Who in America can save 30% of what they earn? Anything more than 15% would be too burdensome.'

— former child star Paul Petersen

Fourteen months after California's 63-year-old Coogan's Law was rewritten by the California Legislature and signed into law by Gov. Gray Davis, advocates for children working in the entertainment business say more changes are needed.

Though there is some disagreement on what those changes should be, there is general satisfaction with the ex-

INSIDE LOOK

With the SAG Awards honoring child actors at this year's kudo-fest, *Daily Variety* is revisiting Coogan's Law.

panded scope and power of the new law (also known as SB 1162).

"Parents now have a big duty to keep their children's earnings safe," says Barbara Greenwald Rice, judicial research attorney for the Los Angeles Superior Court division that oversees

approved.

■ All earnings by a child thesp are the separate property of the child rather than the community property of the parents according to California community property laws.

■ A minimum of 15% of the gross earnings of the minor must be placed into a trust account that the minor gains control of when he or she turns 18 or is legally emancipated by the courts.

Rice says it's not enough. Under the old law the Superior Court had the discretion to require that up to 30% of a child's gross income be placed into a trust.

"A lot of children are making \$1 million per movie," says Rice. "The mandated set-aside is inadequate."

She's not alone in that view. A top Century City entertainment lawyer, who has represented successful child actors, says, "The tendency for parents is to do the minimum required. My interest is in the maximum protection of the child and, as such, the set-aside should be much higher."

Opposing viewpoint

15% set-aside, the thesp could end up with less than \$400 in their pocket for other expenses.

"You've got to throw out the normal rules when agents and managers are taking 25%," pleads Petersen, who heads A Minor Consideration, a pressure group with many former child thespas as members.

Continued tinkering

In addition to upping the 15% set-aside, Rice maintains the updated Coogan's Law has at least two other flaws that need fixing.

First, the law should specifically state that a child's trust account must be in a California bank. At present, that money can be deposited in financial institutions anywhere in the world. Out-of-state banks are

not covered by California law.

The biggest loophole, according to Rice, allows parents as the trustees of the child's money to move the funds from bank to bank without a requirement that the bank doing the transferring has to inform the receiving bank that the money needs to be in a trust account.

State Sen. Sheila Kuehl (D-Los Angeles), a supporter of the amended Coogan's Law, responds: "If there are any continuing problems with the statute that fails to protect children, I'm sure we would look to correcting them."

Kuehl is also a former child star (ABC's "The Trouble With Father," 1950-55). Her parents saved all her earnings.

The Coogan's Law came into
Turns to page 8

Coogan's Law puts kids first

Continued from page 4
being in 1935 after child thesp Jackie Coogan discovered on his 21st birthday that his mother and stepfather had allegedly squandered his \$4 million fortune. Coogan sued them.

"The law is on our side and Jackie Coogan will not get a cent from his past earnings," his stepfather, Arthur Bernstein, declared at a press conference at the time.

Bernstein was right about the law, but not for long. Within 48 hours, the California Legislature passed the so-called Coogan's Law. It called for at least part of a kid actor's earnings to be de-

posited into court-administered trust funds that the child would receive when he or she reached the age of majority.

For his part, Coogan eventually collected a reported \$126,000, most of which was used to pay legal bills. Still a California law in 2002, even in its amended form, Petersen says it needs to be federalized, and not just for actors.

"All working kids should have this protection," he says.

At present U.S. Sen. Tom Harkin (D-Iowa) and Sen. Sam Brownback (R-Kansas) are co-sponsoring a bill that would do just that.