



EntertainmentPartners®
an employee owned company

December 23, 2008

Re: Program Update Notification

Dear Valued EP Client:

Gross Receipts Tax on our handling fees are charged by the respective States for payroll processing/administrative services. Currently, Entertainment Partners is providing separate billing for *Gross Receipts Tax* in Hawaii and in New Mexico. *Additional Gross Receipt Taxes will apply to New Mexico Super Loan-Out Clients. Starting in January 2009 productions filming in the State of Hawaii or New Mexico will see Gross Receipts Tax on their payroll invoices.*

Prior to processing payroll in calendar year 2009, Entertainment Partners will be updating several core payroll programs. These changes will affect the file layouts of several data files but should have no impact on any payroll processing other than for productions doing business in the State of Hawaii or the State of New Mexico.

If you would like more information regarding *Gross Receipts Tax* please contact Greg Creighton, Director of Finance Tax Compliance at 818.955.6064. For information regarding EP's *Super Loan-Out* services in New Mexico, please contact Marco Cordova, Director of Business Development and Tax Incentives, at 818.955.6278.

Happy Holidays,

A handwritten signature in black ink, appearing to read 'Michael Liu'.

Executive Vice President
Marketing and Sales