



THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



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CINEMACon, INDIES AND THE INDUSTRY

CinemaCon, the annual film trade show, film market and food extravaganza for theater owners, took place in April. Film exhibitors come to see trailers, attend panels, buy new theater seats and mingle with a mix of distributors, movie stars, indie film producers and reporters. Originally envisioned as a meeting with studio execs, CinemaCon's influx of more high-profile attendees has made a significant impact in the past decade. Of importance to this newsletter's readers are the reports released and the panels held during the meeting.

On the opening day, both Motion Picture Association of America (MPAA) Chairman and Chief Executive Officer Christopher Dodd and National Association of Theater Owners (NATO) President John Fithian presented their thoughts on the coming year in film. Senator Dodd addressed the challenge of piracy for the gathered executives. "For everything you do on behalf of the American film industry, the film loving public, both here in North America and around the world, and the creative, innovative people who work behind the cameras..., an industry filled with amazing, beloved stories that entertain, inspire, educate and motivate us..., we must do even more if we are to continue making these films..." The MPAA has created WhereToWatch.com "to directly engage with your customers and, at the same time, support creators by driving audiences to legal sources of content – both in your movie theaters and online... At the MPAA, we are proud to continue that relationship with NATO, as we work together to invite audiences to your theaters to see our films during what is certain to be a record setting year for all of us." <http://www.mpa.org/wp-content/uploads/2015/04/Senator-Dodds-2015-Cinemacon-Remarks-As-Prepared-For-Delivery1.pdf>

John Fithian gave an interesting speech, as the online trades reported in their headlines, including "John Fithian's Top 10 Reasons Why 2015 Is Gonna Be A Record Year," and "CinemaCon: Theater Chief Proclaims 2015 'Year of Women' at Box Office." Both are correct. It depends

indie film producers, on your perspective. Fithian said, “2015 will rock at the box office because it will be the year of women... Research by the Center for the Study of Women in Television and the Geena Davis Institute on Gender in Media has shown that only 12 percent of leading roles in 2014 went to women, even though women bought half of all movie tickets... Three successful movies so far this year had women in leading roles and sold 60 percent or more tickets to women. And we have so much more to come, with big female roles in horror, comedy, science-fiction, animation, family, western, thriller and action.” Keep in mind, Fithian was speaking before the smash opening of *Pitch Perfect 2*.

Among the other ten reasons for a good year are: there will movies in the lineup that appeal to all ages; exhibitors are updating sight and sound; major distribution partners know that theatrical exclusivity drives the entire business, and digital rollout has allowed distributors to save more than \$1 billion theatrically. Fithian also said, “The price of admission has remained affordable. The average ticket price last year was \$8.17. If you go back 40 years and take that average and adjust for inflation, that ticket would cost more than \$9.” <http://natoonline.org/wp-content/uploads/2013/07/Fithian-CinemaCon-Speech-2015.pdf>

“The Independent Game: Based on a True Story” was one of the CinemaCon panels. Among the panelists were Actress Julianne Moore, Sony Pictures Classics Co-chairman Tom Bernard, Director Jay Roach and AMC Theaters President of Programming, Robert Lenihan. Overall, everyone felt that indie films keep growing in popularity. Moore spoke about how the size and number of female roles have grown; however, it is not Hollywood’s job to create work for actresses. “They’re in the business of creating product. It’s about making a package.” She also said that you need a commercial profile so that investors will want to invest. Bernard said that the relative health of indie films is at an all-time peak now. “There are more theaters playing indie film than ever before, and I’ve been doing this since 1977.”

At another panel, “Step Up Your Game With Hispanics: Enticing the Country’s Most Avid Moviegoers to Your Theater,” Univision’s Peter Filiaci said that Hispanics represent 18 percent of the U.S. population and 53 percent of population growth. He added that, according to Nielsen statistics, Hispanic customers go to 8.4 movies per year, compared with 7.3 movies for moviegoers overall, and 50 percent of Hispanic customers attend a film’s opening weekend compared to 34 percent for audiences overall. Walmart’s Javier Delgado Granados stressed that Hispanics want to be thought of as mainstream customers. Evidently, Walmart canceled plans to open Hispanic-targeted stores in the Southwest, as “that’s how the Hispanic customer wants to be treated.”

Your editor has not been in this business as long as Tom Bernard. Over 28 years, however, I have seen CinemaCon (and its forerunner ShoWest) grow from a Las Vegas vacation for major studio executives to a convention that focuses on the business of all films, whether small indies or blockbusters, mainstream films or specialty. It underscores the importance that the exhibitor as the gatekeeper places on independents as well. ■

TRIBECA FILM FESTIVAL

The 14th edition of the Tribeca Film Festival, which ran April 15th to 26th, screened 101 features and 60 short films, as well as hosting five immersive storytelling projects from 38 countries, with \$175,000 in prize money distributed among them. Nearly 1,000 industry delegates were in attendance from 40 countries, including Argentina, Bulgaria, India, Israel, Kosovo, Russia, South Africa, South Korea, Sweden and the United Arab Emirates. Over 780 one-on-one industry meetings were scheduled at Tribeca Film Institute's Network Market, designed to allow filmmakers to connect with film industry executives, potential investors, development executives, producers and agents. Additionally, over 125 industry/decision makers attended.

More than 467,000 people attended screenings, panels, virtual reality experiences and free community events – including the Tribeca Drive-In series, Family Festival Street Fair, Tribeca/ESPN Sports Day, the Tribeca Disruptive Innovation Awards and programming housed at TFF's inaugural downtown creative hub, Tribeca Film Festival at Spring Studios. For the second year, AT&T sponsored an entire day of free film screenings on “Film-for-All Friday,” where over 10,000 comp tickets were claimed for the screenings on Friday, April 24th.

And The Winners Are . . .

WORLD NARRATIVE COMPETITION

The Founders Award for Best Narrative Feature

Virgin Mountain, written and directed by Dagur Kári (Iceland, Denmark)

Best Actor in a Narrative Feature Film

Gunnar Jónsson as Fúsi in *Virgin Mountain*

Best Actress in a Narrative Feature Film

Hannah Murray as Sara in *Bridgend* (Denmark)

Best Cinematography

Magnus Jønck for *Bridgend* (Denmark).

Best Screenplay

Dagur Kári for *Virgin Mountain* (Iceland, Denmark)

Best Narrative Editing

Oliver Bugge Coutté for *Bridgend* (Denmark)

WORLD DOCUMENTARY COMPETITION

Best Documentary Feature

Democrats directed by Camilla Nielsson (Denmark)

Special Jury Mention

In Transit directed by Albert Maysles, Nelson Walker, Lynn True, David Usui and Ben Wu (USA)

Best Documentary Editing

Valerio Bonelli for *Palio* (UK, Italy)

BEST NEW FEATURE DIRECTOR

Best New Narrative Director

Zachary Treitz for *Men Go To Battle* (USA)

Special Jury Mention

Stephen Fingleton for *The Survivalist* (Northern Ireland, UK)

BEST NEW DOCUMENTARY DIRECTOR

Albert Maysles New Documentary Director Award

Ewan McNicol and Anna Sandilands for *Uncertain* (USA)

Special Jury Mention

Erik Shirai for *The Birth of Saké* (USA)

SHORT FILM COMPETITION

Best Narrative Short

Listen directed by Hamy Ramezan and Rungano Nyoni (Finland, Denmark)

Special Jury Mention

Statistical Analysis of Your Failing Relationship directed by Miles Jay (USA, Canada).

2015 BEST DOCUMENTARY AWARD

Best Documentary Short

Body Team 12 directed by David Darg (Liberia)

Special Jury Mention

We Live This directed by James Burns (USA)

STUDENT VISIONARY AWARD

Catwalk directed by Ninja Thyberg (Sweden)

Special Jury Mention

Kingdom of Garbage directed by Yasir Kareem (Iraq, UK)

BOMBAY SAPPHIRE® STORYSCAPES AWARD

Door into the Dark created by Amy Rose and May Abdalla at Anagram (UK)

THE NORA EPHRON PRIZE

Sworn Virgin directed by Laura Bispuri and written by Francesca Manieri and Laura Bispuri (Albania, Germany, Italy, Kosovo, Switzerland)

Special Jury Mention

Being 14 directed and written by H el ene Zimmer (France)

AUDIENCE AWARD WINNERS

Narrative Feature

King Jack directed by Felix Thompson (\$25,000 prize)

Runner up

Sleeping with Other People directed by Leslye Headland

Documentary

TransFatty Lives directed by Patrick O'Brien (\$25,000 prize)

Runner Up

Song of Lahore directed by Sharmeen Obaid-Chinoya and Andy Schocken



CAN HOLLYWOOD SPEAK CHINESE?

That question was the title of a panel at a Milken Institute Global Conference in April. U.S. box-office sales have shown little growth over the past decade. Chinese ticket sales, by contrast, are growing about 30 percent a year and are expected to surpass US sales by 2020. The Institute posed two questions: How far can Hollywood, long considered an ambassador of American culture, go in its courtship of the Chinese consumer? What does it mean for investors and for Hollywood's sustainability?

Under current rules, whenever a foreign studio releases a film in China, it can take home only 25 percent of the box office revenue. "You live or die by your box office receipts. You have to make your money in two weeks," said panelist Relativity Media CEO Ryan Kavanaugh. "Don't look at China as a way to extract dollars. What they're saying is, 'We're willing to let you own more of our box office, but you have to do it here.'" Other speakers were IM Global CEO Stuart Ford, STX Entertainment CEO-Chairman Robert Simonds and Lionsgate Co-COO Brian Goldsmith. The executives also discussed understanding cultural differences. Ford spoke about how China and the U.S. are slightly similar in their film financing. While IM Global as an independent company will rely on structured financing on a picture-by-picture basis, "the Chinese don't rely on heavily structured financing [with their films]. They rely on either big studios like Huayi and funding from private individuals who have netted their money in coal

mining or other industries.” Kavanaugh observed that “China is the most capitalist place I’ve ever seen. It’s as capitalistic if not more capitalistic than the US. It doesn’t happen to be a freedom of speech society. It’s a communist society, and you have to live by their rules. ...”

The execs also discussed how patient US executives need to be when conducting transactions with the Chinese. American businessmen tend to get into a room and hammer out a deal, but, with Chinese business partners, it can take a number of meetings. In addition, they said that the film industry has to find a better way to produce films jointly with the Chinese, so that the finished product appeals in the two countries and the rest of the world.

<http://deadline.com/2015/04/china-robert-simonds-stx-entertainment-ryan-kavanaugh-relativity-im-global-stuart-ford-lionsgate-1201417125/>

<http://variety.com/2015/film/news/patience-key-to-success-in-china-say-milken-panelists-1201480802/>

COMINGS AND GOINGS

Pelican Point Capital Partners, LLC, through its media arm Pelican Point Media, LLC, has formed **Golden Gate Media, LLC**, in conjunction with prolific Hollywood Producer Cassian Elwes. Golden Gate will focus on producing and financing two to five independent feature films per year with budgets from of \$2.0 million \$15.0 million. “The efforts of the company will leverage Cassian’s ability to originate, package and generate Oscar Award winning films coupled with the investment, entrepreneurial and financial strengths of Pelican,” the company said in a statement. Elwes and Pelican Point Co-Founder Ike Suri will be Co-CEOs of Golden Gate. The two previously co-produced several films, including *Cabin Fever* and the upcoming movies *Intruder* and *Daughter of God*. In recent years, Elwes has been involved with assembling the financing for *Dallas Buyers Club*, *Lee Daniels’ The Butler* and *All Is Lost*. Formerly, he was Senior Vice President and Co-Head of the Independent Film Division at William Morris Agency and arranged financing for over 250 films during his tenure.

Producer Joel Silver has partnered with Canadian entrepreneur Daryl Katz to create **Silver Pictures Entertainment**, a new company that will develop, produce and provide or arrange financing for its own slate of feature films, television and digital projects, both independent of and within the traditional studio system. Joel Silver is a genre himself, having produced 70 plus films, including some of the biggest action titles in the last 38 years. Among his pictures are the *Sherlock Holmes* franchise, *The Matrix* trilogy, four-part *Lethal Weapon* series and several *Die Hard* and *Predator* films, which cumulatively have earned over \$14.0 billion in global revenue. Silver Pictures’ most recent hit at the box office was the action-thriller *Non-Stop*, which has earned more than \$222.0 million at the worldwide box office. Daryl Katz is the Founder and Chairman of the Katz Group, one of Canada’s largest privately owned enterprises, with significant operations in the pharmacy, sports & entertainment and real estate development sectors.

Silver Pictures Entertainment will also continue its quarter century relationship with Warner Bros., with active projects including a sequel to its \$103 million hit *Project X* and a third installment of the *Sherlock Holmes* franchise, which has earned more than \$1.0 billion worldwide. Additional titles under the WB arrangement include *Logan's Run*, *Ben 10* and *The Galton Case*.

Former Focus Features International boss Alison Thompson and Weinstein Co-President of Acquisitions Mark Gooder have partnered to form **Cornerstone Films**, a production-finance and sales company with offices in London and Los Angeles. The company is focusing on films ranging from commercial, wide releases to talent-driven projects from “auteur” filmmakers at the Cannes Film Festival. As part of the deal, Cornerstone has partnered with London-based Potboiler Films and Berlin-based X Filme to begin filling the pipeline, providing up to two films a year for financing and sales to the new venture. Cornerstone will make its debut at Cannes by selling *Denial*, a drama based on the book *History on Trial: My Day in Court with a Holocaust Denier*, directed by *Bodyguard* helmer Mick Jackson and starring Hilary Swank and Tom Wilkinson. Thompson will fold her company Sunray Films, founded in 2014, at Cannes.

Sidney Kimmel Entertainment and Ivanhoe Pictures have launched **SKE Global** to build a local-language slate in China, South Korea and India, among others. The company will co-finance and co-produce the slate. SKE will also have the right to participate in the 10-title “India slate” set up between Blumhouse Productions and Ivanhoe, the company launched by SKE President John Penotti and financier Robert Friedland. Penotti will maintain oversight of the Blumhouse genre deal as well as Ivanhoe’s \$130M local-language co-financing partnership with Fox International Productions. SKE Global will also seek to mine the SKE and Ivanhoe Pictures’ libraries, a 70-strong war chest of English-language features identified for potential local-language remake. Penotti headed GreeneStreet Films – where Kimmel was an initial investor – and his executive producer credits include *In the Bedroom* and *A Prairie Home Companion*. 📌

QUOTABLE

“I know I’m a dinosaur, [but] there’s something still for me actually being in a movie theater... I know it’s not a popular view, but as a filmmaker – we kill ourselves with editing, with lighting, with sound. It’s heartbreaking.” – Director Spike Lee at *Variety’s* Entertainment and Technology conference in New York 📌

NUMBERS! NUMBERS! NUMBERS!

LOW-BUDGET INDEPENDENT FILMS (\$9.0 M and under)

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>Addicted</i>	Lionsgate Films	17,391	5,000
<i>Beyond the Lights</i>	Relativity Media	14,620	7,000
<i>Black or White*</i>	Relativity Media	21,554	9,000
<i>Boyhood</i>	IFC	25,359	4,000
<i>Cake</i>	Cinelou Films	1,952	8,000
<i>DUFF, The*</i>	Lionsgate Films	33,919	8,500
<i>Force Majeure</i>	Magnolia	1,359	5,000
<i>Ida</i>	Music Box	3,820	1,700
<i>Insidious: Chapter 2</i>	FilmDistrict	83,586	5,000
<i>It Follows*</i>	RADiUS-TWC	14,195	1,000
<i>Lazarus Effect, The*</i>	Relativity Media	25,615	5,000
<i>Love Is Strange</i>	Sony Pictures Classics	2,262	1,200
<i>Lunchbox, The</i>	Sony Pictures Classics	4,235	1,500
<i>Mom's Night Out</i>	TriStar Pictures	10,430	5,000
<i>Nightcrawler</i>	Open Road	32,381	8,000
<i>Oculus</i>	Relativity Media	27,695	5,000
<i>Still Alice*</i>	Sony Pictures Classics	18,656	4,000
<i>Two Days, One Night*</i>	IFC	1,410	7,700
<i>Unfriended*</i>	Universal	26,543	1,000
<i>Whiplash</i>	Sony Pictures Classics	13,092	3,300
<i>Wild Tales*</i>	Sony Pictures Classics	2,546	3,300

*Still in North American distribution as of April 30, 2015

MORE NUMBERS! NUMBERS! NUMBERS!
HIGH-BUDGET INDEPENDENT FILMS (Over \$9.0M)

FILM	DISTRIBUTOR	REV.	COST
		thous. \$	thous.
<i>Age of Adaline, The*</i>	Lionsgate	17,174	25,000
<i>Big Eyes*</i>	The Weinstein Co.	14,482	10,000
<i>Birdman</i>	Fox Searchlight	42,273	18,000
<i>Boxtrolls, The</i>	Focus Features	50,837	60,000
<i>Chappie*</i>	Sony/Columbia	31,487	50,000
<i>Divergent Series, The: Insurgent*</i>	Lionsgate/Summit	125,567	110,000
<i>Ex Machina*</i>	A24	8,635	15,000
<i>Gunman, The*</i>	Open Road	10,665	40,000
<i>Home*</i>	20 th Century Fox	154,832	135,000
<i>Imitation Game, The*</i>	The Weinstein Co.	91,087	16,000
<i>Mr. Turner*</i>	Sony Pictures Classics	3,958	12,000
<i>Most Violent Year, A*</i>	A24	5,749	20,000
<i>Paddington*</i>	The Weinstein Co.	75,635	43,400
<i>Penguins of Madagascar*</i>	20 th Century Fox	83,342	132,000
<i>P.K.</i>	UTV	10,616	20,600
<i>Second Best Marigold Hotel, The</i>	Fox Searchlight	32,505	10,000
<i>Selma*</i>	Paramount	51,912	20,000
<i>St. Vincent</i>	The Weinstein Co.	44,137	13,000
<i>Seventh Son</i>	Universal	17,223	95,000
<i>Taken 3*</i>	20 th Century Fox	89,212	48,000
<i>Woman in Black 2, The: Angel of Death*</i>	Relativity Media	26,501	15,000
<i>Woman in Gold*</i>	The Weinstein Co.	22,907	11,000

*Same reference as Low-Budget Table

LARGE FORMAT FILMS

FILM	DISTRIBUTION	REV.	COST
		thous. \$	thous. \$
<i>Air Racers 3D</i>	3D Entertainment	1,310	5,000
<i>Apollo 13: The Imax Experience</i>	IMAX	1,737	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	23,996	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D</i>	Warner Bros.	46,097	1,000
<i>Galapagos: The Enchanted Voyage*</i>	IMAX	18,352	7,000
<i>Ghosts of the Abyss</i>	Buena Vista	17,041	13,000
<i>Haunted Castle</i>	nWave	13,652	n/a
<i>Hubble 3D*</i>	Warner Bros.	48,356	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	9,430	n/a
<i>James Cameron's Deepsea Challenge*</i>	DisruptiveLA	236	n/a
<i>Jerusalem 3D</i>	National Geographic	7,880	n/a
<i>Journey to the South Pacific*</i>	IMAX/MacGillivray	6,254	n/a
<i>Magnificent Desolation</i>	IMAX	34,109	3,000
<i>NASCAR 3D</i>	Warner Bros./IMAX	21,337	10,000
<i>Ocean Wonderland 3D</i>	3D Entertainment	11,035	3,000
<i>Roving Mars</i>	Buena Vista	10,408	1,000
<i>Sea Monsters 3D: A Prehistoric</i>	National Geographic	23,746	n/a
<i>Sea Rex: Journey to a Prehistoric</i>	3D Entertainment	6,097	n/a
<i>Space Station 3D</i>	IMAX	92,165	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D*</i>	Warner Bros.	14,317	n/a
<i>T-Rex: Back to the Cretaceous*</i>	IMAX	53,347	14,500
<i>U2 3D</i>	National Geographic	10,362	13,000
<i>Under the Sea 3D*</i>	Warner Bros.	34,498	n/a
<i>Wildest Dream: Conquest of Everest</i>	National Geographic	898	n/a
<i>Wild Parrots of Telegraph Hill</i>	Shadow	3,058	n/a
<i>Wild Safari 3D</i>	nWave	16,621	4,500

* Same references as Low-Budget table ■

NEED MONEY FOR A MOVIE? DON'T GO IN EMPTY-HANDED. HAVE A BUSINESS PLAN.

The benefit of using a reliable business plan to raise financing for a film is that it allows the investors and the filmmaker to gauge the potential success of a film. A polished business plan with projections based on the worldwide results of other films and with clear explanations about the industry, markets and production personnel attached to the film is far more effective than an incomplete document that leaves prospective investors wanting more information. Contact Louise Levison at louisel@earthlink.net to find out how you can put her 27 years of experience as a Film Business Consultant to work creating a business plan for your film.

Levison, the President of Business Strategies, is a highly respected financial consultant in the entertainment industry, specializing in creation of film business plans. Her clients have raised money for low-budget films including *The Blair Witch Project*, the most profitable independent film in history, and for companies raising as much as \$300 million. She is the author of *Filmmakers & Financing: Business Plans for Independents*, currently in its revised and expanded seventh edition (Focal Press, 2013). The sixth edition of the book continues to be available in Mandarin from www.hindabook.com in Beijing, China. Levison also is editor of the online newsletter *The Film Entrepreneur: A Newsletter for the Independent Filmmaker and Investor*. Among other clients' projects are Kahlil Gibran's *The Prophet, Unlimited* (Nathan Frankowski), *The Redemption of Henry Miller, Emoticon ;*), *Moving Midway, Redemption Road, Haunted* (2012), *The First of May, The Open Road, Aluna, Yak: The Giant King, Visual Acoustics: The Modernism of Julius Shulman, My Father and the Man in Black* and *Michael Winslow Live*. Among her corporate clients are Danny Glover's Louverture Films (2008 nominee for Best Documentary Academy Award *Trouble the Water*), The Pamplin Film Company (*Hoover*), Hurricane Film Partners, LLC and Tokuma International Ltd (*Shall We Dance, Princess Mononoke*). Levison is an Instructor in the Extension Program at UCLA. She also has been a Visiting Professor at the Taipei (Taiwan) National University of the Arts, Chapman University (Orange County, CA) and the University of Montana (Missoula). Levison has presented seminars and/or been on panels at festivals and markets around the world. (Additional information is available at <http://www.moviemoney.com>).

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