



# THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors

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## CINEMACon: BOX OFFICE MATTERS

CinemaCon, the annual film trade show, film market and food extravaganza for the National Association of Theater Owners (NATO), took place in April. Film exhibitors attend to see trailers, attend panels, buy new theater seats and mingle with a mix of distributors, movie stars, Indie film producers and reporters. The Las Vegas gathering originally was envisioned only as a meeting for studio execs to view film trailers and make deals for films to show on their screens, as well as providers of food and equipment to exhibit on the convention floor. Then indie films became increasingly important during the '90s and their producers, filmmakers and distributors were invited to the party. Of importance to this newsletter's readers are the reports released and the panels held during the meeting.

In making his fifth keynote address at the show, Motion Picture Association of America (MPAA) Chairman and CEO Chris Dodd said, "The exclusive theatrical windows make movies into events, and . . . bolster value in downstream markets. . . The changing technological landscape, and the need to continue evolving to meet the demands of our consumers . . . will mean finding new ways to enable audiences to see movies where and how they want, while maintaining the magic and unrivaled appeal of the theater-going experience that has been this industry's driving force for well over a century." Of even more importance is that Dodd released the MPAA's "Theatrical Markets Research Report for 2015" showing that the yearly box office total for North America was \$11.1 billion and \$38.3 billion worldwide among many other important stats.

[http://www.mpa.org/wp-content/uploads/2016/04/MPAA-Theatrical-Market-Statistics-2015\\_Final.pdf](http://www.mpa.org/wp-content/uploads/2016/04/MPAA-Theatrical-Market-Statistics-2015_Final.pdf)

<http://www.mpa.org/wp-content/uploads/2016/04/2016-CinemaCon-Senator-Dodd-Remarks-1.pdf>

In his welcome talk, John Fithian, CEO of NATO, gave several reasons why cinema here and abroad is growing. After pointing out the obvious — great movies exhibited in fabulous movie theaters with the best in sight and sound, luxurious seating, and expanded food and beverage — he expanded on the following three:

- 1) Teenagers remain the strongest segment of movie-goers. Americans aged 12 to 17 had the highest growth rate in ticket sales of any age demographic. They represent 16 percent of movie tickets despite being only 8 percent of the U.S. population. “The small screens of television may hold less appeal for teenagers. But the big screens of cinema, and the personal screens of hand-held devices, can co-exist quite well.”
- 2) The cinema fastest growth rates are in Asia and Latin America compared to the 1980s and ‘90s when three of the biggest cinema markets were the United States, Europe, and Australia. “Hispanics have the highest rate of cinema visits. . . The more that movie casting looks like the world, the more the world goes to the movies.” He added, “In the U.S., a majority Caucasian country, white folks accounted for only 40 percent of the tickets sold for the movie. And globally the diverse cast of that franchise has helped to drive record sales. At CinemaCon we champion the diversity of our industry, not just because it’s the right thing to do, but because diversity matters for business.”
- 3) “At NATO we continue to believe that exclusive theatrical release windows drive success in theatrical markets and in ancillary movie markets as well. Exclusive theatrical windows make new movies into events.”

<http://www.natoonline.org/wp-content/uploads/2016/04/Fithian-CinemaCon-Speech-2016.pdf>

Perhaps the biggest surprise for some attendees was the presence of Amazon and Netflix at the event. “We welcome all distributors who take theatrical releases seriously,” NATO Vice President Patrick Corcoran told *The Hollywood Reporter*. Speaking at the final luncheon, Amazon Studios’ Head of Movie Marketing and Distribution Bob Berney, said, “We are developing an extensive slate to deliver quality films and become an important supplier and real partner to exhibitors.” Very happy after finding that five of their films will be at Cannes, Amazon Studios’ Vice President Roy Price said, “We are a filmmaker-driven studio; therefore, almost all our films will have traditional theatrical windows.” Several trades reported that the room erupted into cheers at that point. As nice as it is to have such experienced independents as Ted Hope and Bob Berney running a new theatrical distributor, your editor does not know if this works for filmmakers with equity investors. How much revenue, if any, would you receive from Amazon’s ancillary distribution model? 🍷

## TRIBECA FILM FESTIVAL

The 15<sup>th</sup> edition of the Tribeca Film Festival, which ran April 13<sup>th</sup> to 24<sup>th</sup>, screened 102 features out of the 3,055 submitted from 42 countries. There also were 74 short films screened (3,556 submitted from 24 countries) and 38 immersive storytelling projects. For the first time in the Festival's history, there were separate U.S. and International narrative competition categories. The eight TFF juries for the film and experiential storytelling categories awarded \$155,000 in cash and prizes. The inaugural Tribeca Digital Creators Market and Special Screenings program was the festival's first ever marketplace for digital and online content connecting online creators with industry, including buyers, producers and agents, and setting a new standard for the creation, sale and showcase of digital series and standalone content. "With this new platform, we hope to encourage quality storytelling in digital media and beyond, and give the public a first look at what their favorite creators are working on," said Festival Director Genna Terranova.

Looking to the future of film, Francis Ford Coppola announced that his latest project, *Distant Vision*, is an experimental production which will take at least five years to complete. The story of a fictional Italian family spanning four generations, the project will take the form of what Coppola calls "live cinema," a combination of live performance and traditional filmmaking. In contrast, as a nice tip of the hat to the past and a time when story was definitely more meaningful than technology, Martin Scorsese celebrated the fortieth anniversary of *Taxi Driver* at a special screening. He was joined by actors Robert De Niro, Jodie Foster, Cybill Shepherd and Michael Phillips, as well as screenwriter Paul Schrader.

### AND THE PRIZE GOES TO . . .

AWARD	FILM	FILMMAKER
<b>U.S. Narrative Features</b>		
Founders for Best Feature	<i>Dean</i>	Demteri Martin.
Best Actor	<i>The Fixer</i>	Dominic Rains
Best Actress	<i>Always Shine</i>	Mackenzie Davis
Best Cinematography	<i>Kicks</i>	Michael Ragen
Best Screenplay	<i>Women Who Kill</i>	Ingrid Jungermann
<b>International Narrative Features</b>		
Best Feature	<i>Junction 48</i>	Udi Aloni
Best Actor	<i>The Tenth Man</i>	Alan Sabbagh
Best Actress	<i>Clean Shaven</i> (in <i>Madly</i> )	Radhika Apte

Best Cinematography	<i>El Clasico</i>	Kjell Vassdal
Best Screenplay	<i>Perfect Strangers</i>	Filippo Bologna, Paolo Costella, Paolo Genovese, Paola Mammini, Rolando Ravello
<b>World Documentary</b>		
Best Feature	<i>Do Not Resist</i>	Craig Atkinson
Best Cinematography	<i>Contemporary Color</i>	Jarred Alterman
Best Editing	<i>Contemporary Color</i>	Bill Ross
Directing		
Best New Narrative	<i>Children of the Mountain</i>	Priscilla Anany
Albert Maysles New Documentary	<i>Untouchable</i>	David Feige
<b>Audience Award</b>		
Winner-Narrative	<i>Here Alone</i>	Rod Blackhurst
Winner-Documentary	<i>The Return</i>	Kelly Duane de la Vega and Katie Galloway
Runners up Narrative	<i>Children of the Mountain</i> <i>Midsummer in Newtown</i>	Lloyd Kramer Priscilla Anany
<b>Short Film</b>		
Best Narrative	<i>Hold On</i>	Charlotte Scott-Wilson
Best Documentary	<i>Extremis</i>	Dan Krauss
Student Visionary	<i>Ping Pong Coach</i>	Yi Liu
<b>Storyscapes</b>	<i>Notes on Blindness: Into Darkness</i>	Arnaud Colinart, Amaury La Burthe, Peter Middleton, James Spinney
<b>The Nora Ephron Prize</b>	<i>Adult Life Skills</i>	Rachel Tunnard
<b>Tribeca X Award</b>	<i>Hearing Colors</i>	Greg Brunkalla



## THE SCREENING ROOM: PRO AND CON

Sean Parker wants to “save” the film industry now that he has conquered peer-to-peer online music sharing (Napster) and social networking online (Facebook). Shortly before CinemaCon started and it was demonstrated at the final luncheon, a report appeared in *Variety* about Parker and tech mogul Prem Akkaraju’s new company called The Screening Room which will offer new releases day-and-date for home screens through technology that prevents piracy. Customers would be charged about \$150 for access to the set-top box that transmits the movies and charge \$50 per view of a movie on the same day it opens in theaters. The company has proposed cutting in the exhibitors on a large portion of the revenue, as much as \$20 of the rental fee and offering two free tickets for a movie at a cinema to customers who pay \$50 to rent a title. Presumably, those tickets also would benefit sales at the concession stands.

Needless to say, the exhibitors at CinemaCon generally were opposed to the idea. At the opening press conference, John Fithian called press reports about the service “a distraction” and said that it is not up to a third party to decide to support “a model like this” for NATO and members. Directors and producers were on both sides of the argument. J.J. Abrams told the group, “There’s nothing better than going to the movies and there never will be. I’m open to all good ideas. In this age of piracy we must be thoughtful partners . . . we must do that without fear.” Steven Spielberg, Peter Jackson, Martin Scorsese and Ron Howard, who is an adviser to the company, support the idea. Jackson said that the company is carefully designed to capture an audience that does not currently go to the theater. Veteran Indie producer, distributor and exhibitor Ira Deutchman even said that it could be good business for studio films. “The truth is we’re living in an age where movies have to do \$250 million to break even – and some of the movies that these film-makers make are not hitting those numbers.” Not as optimistic, Alamo Drafthouse founder Tim League said, “Even if it does launch, if Screening Room proves to be a piracy issue, it won’t last for long because studios won’t stand for that.” Art House Convergence, a group of roughly 600 specialty theaters agreed that the platform could inspire “a wildfire spread” of pirated content. Jon Landau told *Variety*, “Both Jim [Cameron] and I remain committed to the sanctity of the in-theater experience. For us, from both a creative and financial standpoint, it is essential for movies to be offered exclusively in theaters for their initial release. We don’t understand why the industry would want to provide audiences an incentive to skip the best form to experience the art that we work so hard to create.” Former CEO of Ticketmaster Fredric D. Rosen, writing in the *wrap.com*, suggested that distributors and exhibitors would be better off looking to the premium pricing model of live music or major league baseball games for a system. “Our friends in Silicon Valley, like the ones behind Screening Room, have never understood nor appreciated the value of content . . . It’s the Hollywood content that has been pirated — not the devices they are played on.”

<https://www.thewrap.com/sean-parker-screening-room-ticketmaster-absurd-50-movies-home/>  
<http://variety.com/2016/film/columns/hollywood-sean-parker-home-movie-services-screening-room-1201737625/> <http://www.theguardian.com/film/2016/apr/08/sean-parker-screening-room-new-movie-releases-home-viewing-film-industry> 📌

## NUMBERS! NUMBERS! NUMBERS!

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

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>99 Homes</i>	Broad Green	11,412	8,000
<i>Anomalisa</i>	Paramount	3,759	8,000
<i>Bronze, The*</i>	Sony Pictures Classics	616	3,500
<i>Fifty Shades of Black</i>	Open Road	11,686	6,000
<i>Grandma</i>	Sony Pictures Classics	6,980	600
<i>Green Inferno, The</i>	High Top Releasing	7,193	6,000
<i>Hello, My Name Is Doris*</i>	Roadside Attractions	12,325	1,000
<i>Lady in the Van, The*</i>	Sony Pictures Classics	9,819	5,500
<i>Lazarus Effect, The</i>	Relativity Media	25,801	5,000
<i>Lazer Team</i>	Amplify	1,186	2,400
<i>Meet the Blacks*</i>	Freestyle Releasing	8,810	900
<i>Mustang*</i>	Cohen Media	845	1,400
<i>Neerja</i>	India's Fox Star Studios	1,586	1,950
<i>Perfect Match, The*</i>	Lionsgate	9,669	5,000
<i>Race*</i>	Sony Pictures Releasing	19,115	5,000
<i>Room</i>	A24	14,658	6,000
<i>Unfriended</i>	Universal	32,482	1,000
<i>War Room</i>	Sony Pictures Releasing	67,790	3,000
<i>Witch, The*</i>	A24	25,098	3,500

\*Still in North American distribution as of April 30, 2016. Revenues are from boxoffice.com and boxofficemojo.com. Negative costs (production prior to prints and ads) are approximate, based either on industry estimates, and published interviews with filmmakers or personal conversations with filmmakers.

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

FILM	DISTRIBUTOR	REV.	COST
		thous. \$	thous.
<i>Big Short, The</i>	Paramount	70,260	28,000
<i>Boy, The</i>	STX Entertainment	35,820	10,000
<i>Bridge of Spies</i>	Buena Vista	72,313	40,000
<i>Brooklyn*</i>	Fox Searchlight	38,260	10,000
<i>Carol</i>	The Weinstein Co.	12,711	11,800
<i>Choice, The*</i>	Lionsgate	18,730	10,000
<i>Criminal*</i>	Lionsgate/Summit	12,151	31,500
<i>Danish Girl, The</i>	Focus Features	11,106	15,000
<i>Divergent Series, The: Allegiant*</i>	Lionsgate/Summit	65,464	110,000
<i>Eddie the Eagle *</i>	20 <sup>th</sup> Century Fox	15,701	23,000
<i>Everybody Wants Some!*</i>	Paramount	2,622	10,000
<i>Forest, The</i>	Gramercy	26,583	10,000
<i>Gods of Egypt*</i>	Lionsgate	31,071	140,000
<i>Hateful Eight, The*</i>	The Weinstein Co.	54,117	44,000
<i>Kung Fu Panda 3*</i>	DreamWorks Animation	141,926	120,000
<i>London Has Fallen*</i>	Focus Features	61,798	60,000
<i>Mother's Day*</i>	Open Road	6,129	25,000
<i>Norm of the North</i>	Lionsgate	17,017	18,000
<i>Revenant, The*</i>	20 <sup>th</sup> Century Fox	183,470	135,000
<i>Risen*</i>	Sony Affirm	36,749	20,000
<i>Spotlight*</i>	Open Road Films	44,955	20,000
<i>Triple 9*</i>	Open Road	12,639	20,000
<i>Young Messiah, The</i>	Focus Features	6,420	18,500

\*Same references as Low-Budget Table

## LARGE FORMAT FILMS

FILM	DISTRIBUTION	REV. thous. \$	COST 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	24,590	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D</i>	Warner Bros.	46,190	1,000
<i>Galapagos: The Enchanted Voyage*</i>	IMAX	18,551	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.	51,621	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	10,617	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	7,125	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	93,180	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D*</i>	Warner Bros.	14,439	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.	34,980	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](mailto: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](http://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 *The Prophet (Kahlil Gibran's)*, *Unlimited* (Nathan Frankowski), *Burning Bodhi*, *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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