

TFE THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



LOUISE LEVISON, EDITOR AND PUBLISHER

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HOME ENTERTAINMENT SPENDING UP 1ST QTR 2017

Total domestic consumer spending on home entertainment in the first quarter (ended March 31) reached \$4.7 billion, a 2 percent increase compared with the previous-year period, according to data from DEG: The Digital Entertainment Group. Electronic sellthrough (EST) was the key revenue driver, with sales up 13 percent to \$572 million, from \$505 million a year ago. Digital sales of theatrical titles — notably animated — were up 30 percent. “A key driver of this growth for the past year has been the collaborative efforts by the studios and their key retail distribution partners to create new ways for consumers to engage with their favorite content earlier and more deeply than ever,” Amy Jo Smith, President of the DEG told homemediamagazine.com.

Other specifics are:

1. Transactional VOD rentals via pay-TV operators declined nearly 5 percent to \$571 million, from \$599 million a year ago, while online VOD rentals increased 13 percent.
2. Subscription streaming revenue — driven by Netflix, Amazon Prime Video and Hulu — rose more than 26 percent to \$1.8 billion.
3. Meanwhile, sales of DVD and Blu-ray Disc titles reached nearly \$1.2 billion, down 14.3 percent from nearly \$1.4 billion a year ago.
4. Packaged-media rentals continue to decline, notably among kiosks, where revenue was down more than 17 percent to \$339 million. Redbox, which was acquired by an investor group last year, no longer reports financial results.

For more information go to: <http://degonline.org/news-releases/deg-q1-2017-home-entertainment-spending-report/> For a chart on with specific dollars go to: [2017 Q1 DEG Home Entertainment Spending Rev 1.0 External Distribution Final](#) 

TRIBECA FILM FESTIVAL

The Tribeca Film Festival, which ran April 19th to 30th, had a slimmed-down slate including 97 world premieres and 37 feature directorial debuts culled from 8,700 submissions. In addition there were 57 short films, 31 immersive storytelling projects, 15 television shows, and 16 N.O.W. (New Online Work) projects from 42 countries. The Festival also honored Earth Day (April 22nd) by screening documentaries that focus on critical and timely issues that have an impact on our planet, including climate change, food waste and animal extinction. In a first for Tribeca, all five feature categories winners are from women-directed films. “We’ve avoided saying there’s a certain kind of film that is best for us, because we want those doors to be open,” Director of Programming Cara Cusumano said. “We want to be the place where you can come when you’re doing something a little bit different or you don’t see a box out there that you fit into.”

There were 15 talks and post-film conversations from “afar” via Facebook Live. In a discussion with Scarlett Johansson, Jon Favreau, said, “If you can make a profit, you don’t get opportunities.” Earlier talking about making *Swingers* in 1996, he said, “It was a different ecosystem. The big studios were buying Independents. A lot of money was being infused because if an independent film took off, it would cost only \$5M and they could make \$100M . . . As video went away, people stopped taking chances. But with streaming, there’s an infusion of financing and they’re allowing these voices to come back.” Of importance from your editor’s point of view is that the director, who had made many large studio projects in recent years also said that it’s harder for him to stomach when [a project] goes sideways, because *all of the projects* he works on *are passion projects*, developed over two to three years.

In another conversation, multi-Oscar winning filmmaker Alejandro González Iñárritu told the audience, “I try to finish the [writing] and then find who will serve the story. There was one time I had someone in mind at first and that was a traumatic experience. Though, I would have loved to work with Philip Seymour Hoffman. He was one of my favorite actors in the world.” Regarding Virtual Reality, he said, “One of the biggest mistakes [relating] to VR is that it has been interpreted as an extension of cinema. . . Cinema is a ‘hole’ which we look through and everything else is created in our minds. VR is multidimensional . . . Science has proven that our brains are unable to distinguish between reality and fiction. That is why religion has been able to survive for thousands of years. When you are in a VR world, your wires are completely misled.”

All the talks can be found at:

<https://www.facebook.com/search/top/?q=2017%20tribeca%20talks>

AND THE PRIZE GOES TO . . .

AWARD	FILM	FILMMAKER
U.S. Narrative Features		
Founders for Best Feature	<i>Keep The Change</i>	Rachel Israel
Best Actor	<i>One Percent More Humid</i>	Alessandro Nivola
Best Actress	<i>Blame</i>	Nadia Alexander
Best Cinematography	<i>Love After Love</i>	Chris Teague
Best Screenplay	<i>Abundant Acreage Available</i>	Angus MacLachlan
International Narrative Features		
Best Feature	<i>Son of Sofia</i>	Elina Psykou
Best Actor	<i>Nobody's Watching</i>	Guillermo Pfening
Best Actress	<i>The Divine Order</i>	Marie Leuenberger
Best Cinematography	<i>November</i>	Mart Taniel
Best Screenplay	<i>Ice Mother</i>	Bohdan Sláma
World Documentary		
Best Feature	<i>Bobbi Jene</i>	Elvira Lind
Best Cinematography	<i>Bobbi Jene</i>	Elvira Lind
Best Editing	<i>Bobbi Jene</i>	Adam Nielson
Special Jury	<i>True Conviction</i>	Jamie Meltzer
Best New Narrative Director Competition	<i>Keep The Change</i>	Rachel Israel
Albert Maysles New Documentary Director	<i>A Suitable Girl</i>	Sarita Khurana, Smriti Mundhra
Special Jury	<i>Hondros</i>	Greg Campbell
Audience Award		

Winner-Narrative	<i>The Divine Order</i>	Petra Volpe
Runner up Narrative	<i>Saturday Church</i>	Damon Cardasis
Winner-Documentary	<i>Hondros</i>	Greg Campbell
Runner up Documentary	<i>Shadowman</i>	Oren Jacoby
Short Film		
Best Narrative	<i>Retouch</i>	Kaveh Mazaheri
Best Documentary	<i>The Good Fight</i>	Ben Holman
Special Jury	<i>Resurface</i>	Josh Izenberg Wynn Padula
Best Animated	<i>Odd is an Egg</i>	Kristin Ulseth
Student Visionary	<i>Fry Day</i>	Laura Moss
Special Jury	<i>Dive</i>	Marianne Amelinckx
Snapchat	<i>Magic Show</i>	Annie Hubbard
Storyscapes	<i>Treehugger: Wawona</i>	Barnaby Steel, Ersin Han Ersin and Robin McNicholas of Marshmallow Laser Feast
The Nora Ephron Prize	<i>The Divine Order</i>	Petra Volpe
Tribeca X Award	<i>Chris Fonseca: Keep It Moving</i>	Zachary Heinzerling



AMBASSADOR CHARLES RIVKIN NEW CEO OF MPAA

After serving six years as Chairman and CEO of the Motion Picture Association of America, Chris Dodd is leaving in September. The MPAA Board has appointed Charles Rivkin to succeed him. Rivkin most recently served as Assistant Secretary of State for Economic and Business Affairs, and, prior to that position, U.S. Ambassador to France and Monaco. Before entering public service, however, he spent 20 years in Hollywood. After working as a corporate finance analyst at Salomon Brothers, Rivkin became a strategic planner at The Henson Company in 1988 and President and CEO in 1995. In 2000, he facilitated the sale of the company to German-owned EM.TV for nearly \$1 billion. After Henson bought the company back in 2001, he went on to become CEO of entertainment and animation company W!ldbrain where he won a BAFTA Award as Executive Producer of the hit TV series Yo Gabba Gabba! “In today’s digital world,

the mission and function of the MPAA are more important than ever” said Ambassador Rivkin. “Chris has done a great job, and I’m excited to work with the member studios to continue to expand the global market for entertainment content, while ensuring creators’ rights are respected around the world.” For more details, go to: <http://www.hollywoodreporter.com/news/mpaa-shake-up-chairman-christopher-dodd-be-replaced-by-charles-rivkin-998588>
<http://www.mpa.org/press/senator-christopher-dodd-chairman-ceo-of-the-motion-picture-association-of-america-to-step-down-charles-rivkin-former-u-s-assistant-secretary-of-state-for-economic-and-buisness-affairs-named-t/#.WRhbBca1s2w> 📌

LOCATIONEXPO® @ AFM

The American Film Market has launched (AFM) **LocationEXPO® @ AFM**, a face to face and online platform that connects Film Commissions, incentives, facilities and services with the world's producers, distributors and industry professionals. During the AFM, and all year-round, LocationEXPO will connect producers and filmmakers with the people and organizations that can guide them through incentives and resources and quickly get their film moving.

LocationEXPO will have three core components:

- **LocationEXPO Branded Space** inside the AFM where Film Commissions and companies can meet with AFM’s 7,000+ industry attendees.
- **LocationEXPO.com**, home to the world’s locations, incentives, facilities and services.
- **LocationEXPO News**, a monthly newsletter launching May 9, delivered to 100,000+ film & television industry professionals in 100+ countries that will profile Film Commissions and provide updates on incentives.

To register for the newsletter, go to <http://americanfilmmarket.com/locationexpo/> 📌


ITS MUST BE SPRING: AMPAS HAS NEW OSCAR RULES!

The Academy of Motion Picture Arts and Sciences (AMPAS) has announced its annual rule changes for the 90th Academy Awards in 2018.

- **Best Documentary Feature:** “Multi-part or limited series are not eligible for awards consideration. The Documentary Branch Executive Committee will resolve all questions of eligibility and rules.” This rule would have disqualified 2017 winner *O.J.: Made in America*.
- **Animation:** “For the first time, nominations voting in the Animated Feature Film category will be opened up to the entire eligible voting membership. Invitations to join the nominating committee will be sent to all active Academy members, rather than a select craft-based group. Voting in the nominations round will now be preferential instead of based on a numerical scoring system. Members participating on the nominating committee may view films in their theatrical runs or at other screenings, through the Academy’s streaming site or on DVDs/screener to qualify to vote.” Whether this will benefit studio films or Indies is under a debate similar to the one about Best Picture over the years. Which is more important: quality or size of advertising budget?

- Best Picture: “In determining the number of producers eligible for nomination, a bona fide team of not more than two people shall be considered to be a single "producer" if the two individuals have had an established producing partnership as determined by the Producers Guild of America (PGA) Producing Partnership Panel.”

- Music-Original Score: “In the case of a score that has three or more equally contributing composers, the composers may be considered as a group. If the score wins the Original Score award, the group would receive a single statuette.” *Deadline* pointed out those visiting rights would have to be worked out by the winners.

Nothing about foreign films, but Oscar season has just begun. For changes in what the Academy refers to as “housekeeping” changes go to: <http://www.oscars.org/news/awards-rules-approved-90th-oscar> 

Quotable

“Big is not inherently bad. Small is not inherently good. Good is good and bad is bad. Rules are guidelines but should always have someone questioning them. If theatrical movies disappear in the next decade or so, it would be self-fulfilling prophecy. The world will be a darker place and the culprit isn’t new technology, it’s the people who didn’t think things out.” — Bill Mechanic, Chairman & CEO of Pandemonium Film, in a blog in *deadline.com*.

<http://deadline.com/2017/03/bill-mechanic-hollywood-movie-business-problems-commentary-1202057438/> 

COMINGS AND GOINGS

Plan B (run by Brad Pitt, Dede Gardner and Jeremy Kleiner), which over the years has straddled the Indie and studio worlds, has signed a three-year deal with Annapurna Productions. Their first film together is an Adam McKay film about former Vice President Dick Cheney that Paramount put into turnaround. *Deadline.com* estimates the cost at \$50 million. “We are very excited to find a home with Megan and Annapurna, who are like-minded in their commitment to backing and curating passionate films and filmmakers,” the Plan B partners said. “We look forward to working closely with Annapurna’s stellar team.”

Lured by the bright lights of Hollywood, Boston tech entrepreneurs Paul English and Wayne Chang have teamed and moved there to form **Wicked Magic Productions**. English is the co-founder of Kayak and Lola Travel, and Chang is an angel investor in 50 companies among which are Crashlytics, JetSmarter, Dropbox and Napster. They are seeking out “scripts and packages on which they can become producers and financiers or co-financiers . . . We love movies, and hope that we can bring our experience in the tech and digital fields to what we’ll do in Hollywood,” Chang told *deadline.com*. Chang said that they got their first taste with *Coup D’Etat*, a political satire currently in post-production, and his investment in the documentary *Chasing Coral*, which was acquired by Netflix after its Sundance debut. “Movies are imagination in action, and I’ve always enjoyed escaping into the latest thriller, psychological drama or foreign film,” English added. They hope to find ways to lend their tech expertise to productions, as well as find ways to tie in film projects to their own ventures.

Bill Block became CEO of Miramax in late April. The producer, former agent, founder of QED International and President of Artisan Entertainment (*The Blair Witch Project*), will lead efforts to create content across a range of platforms. The executive and his team will mine the company’s library and source new properties to exploit through film, television, mobile platforms and other channels. With Block at the helm, Miramax returns to its roots (i.e. the Weinstein brothers’ original company) as a producer and distributor of high-end indie fare. “Nasser Al-Khelaifi [beIN Media Group and Miramax Chairman] is a visionary entrepreneur and the beIN Media Group are committed to the long term horizon of media growth and evolution in the 21st century,” Block said. Miramax currently is co-financing *Labyrinth* with Open Road Films and has acquired U.S. rights to the Tonya Harding biopic *I, Tonya* starring Margot Robbie. Their roster also includes the Whitney Houston documentary *Whitney* directed by Kevin Macdonald. Recent releases include *Bad Santa 2* and *Bridget Jones’s Baby*. Acquired by beIN last year, Miramax has a library of more than 700 titles from the late 1980s to the present. By the way, he immediately cleaned house by laying off 25 or possibly more of the company’s roster of 100+ staffers. Many of those remaining are in international sales. Block said, “I have decided to reorganize the team at Miramax. This reorganization will allow me to lead a streamlined Miramax to grow in film, television and the licensing of our impressive library.”

Chinese company Meridian Entertainment has concluded a film financing agreement with Blumhouse Productions reports *Variety*. The pact is a multi-year one and will cover all Blumhouse films outside of the production company’s overall deal with Universal Pictures. The partners’ first film will be a remake of *Benji*, the long-running series of films about a mixed-breed dog with a preternatural ability to rescue humans. Meridian also partners with FremantleMedia North America and oversees the film business of Random House Studios. In addition to financing and developing television and film projects, it has in-house marketing and distribution teams for both domestic and foreign films that are trying to access the Chinese market, currently the second biggest source of box office revenue in the world. Meridian also has a first-look and strategic partnership with James Schamus, the former chief of Focus Features, through his company, Symbolic Exchange. Chinese industrial veteran Jennifer Dong founded Meridian in Beijing in 2013. 🍅

NUMBERS! NUMBERS! NUMBERS!

LOW-BUDGET INDEPENDENT FILMS (\$10.0 M and under)

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>20th Century Women</i>	A24	5,663	7,000
<i>Before I Fall</i>	Open Road	12,231	5,000
<i>Belko Experiment, The*</i>	BH Tilt	9,697	5000
<i>Bye, Bye Man, The</i>	STX Entertainment	22,395	7,400
<i>Case for Christ, The*</i>	Pure Flix	13,054	3,000
<i>Collide</i>	Open Road Films	2,280	800
<i>Don't Breathe</i>	Screen Gems	89,218	9,900
<i>Edge of Seventeen, The</i>	STX Entertainment	14,433	9,000
<i>Founder, The</i>	The Weinstein Co.	12,785	7,000
<i>How To Be A Latin Lover*</i>	Pantelion Films	12,252	10,000
<i>I Am Not Your Negro*</i>	Magnolia	7,054	1,000
<i>Jackie</i>	Fox Searchlight	13,960	9,000
<i>Love and Friendship</i>	Amazon/Roadside Att.	14,017	3,000
<i>Manchester by the Sea</i>	Roadside Attractions	47,695	8,500
<i>Moonlight*</i>	A24	27,850	1,500
<i>Phoenix Forgotten*</i>	Cinelou Films	3,103	2,800
<i>Split*</i>	Universal	138,120	9,000
<i>War Room</i>	Sony Pictures Releasing	67,790	3,000

*Still in North American distribution as of April 30, 2017. 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 \$10.0M)

FILM	DISTRIBUTOR	REV.	COST
		thous. \$	thous.
<i>Arrival</i>	Paramount	100,546	47,000
<i>Assassin's Creed</i>	20 th Century Fox	54,648	125,000
<i>Bad Moms</i>	STX Entertainment	113,257	20,000
<i>Baahabulli 2*</i>	Great India Films	10,354	20,000
<i>Circle, The*</i>	STX Entertainment	9,034	18,000
<i>Collateral Beauty</i>	Warner Bros.	31,016	36,000
<i>Dangal</i>	UTV	12,392	11,200
<i>Dog's Purpose, A*</i>	Universal	64,230	22,000
<i>Fences</i>	Paramount	57,683	24,000
<i>Girl on the Train, The</i>	Universal	75,395	40,000
<i>Great Wall, The*</i>	Universal	45,059	150,000
<i>Hacksaw Ridge</i>	Lionsgate	67,210	53,000
<i>Hell or High Water</i>	Lionsgate	27,008	12,000
<i>John Wick: Chapter Two</i>	Lionsgate/Summit	91,970	40,000
<i>La La Land</i>	Lionsgate/Summit	151,058	30,000
<i>Lion*</i>	The Weinstein Co.	51,695	12,000
<i>Patriot's Day</i>	Lionsgate	31,886	40,000
<i>Power Rangers (2017)*</i>	Lionsgate	84,234	100,000
<i>Shack, The*</i>	Lionsgate/Summit	57,011	20,000
<i>Sleepless</i>	Open Road	20,784	30,000
<i>Trolls</i>	20 th Century Fox	153,707	125,000
<i>Underworld: Blood Wars</i>	Screen Gems	30,348	25,000

*Same references as Low-Budget Table

LARGE FORMAT FILMS

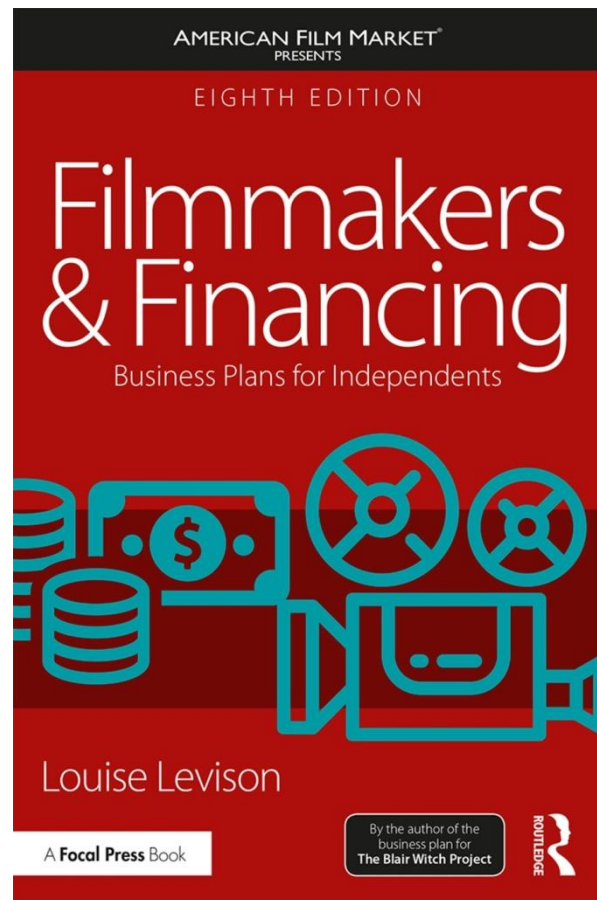
FILM	DISTRIBUTION	REV.	COST
		thous. \$	thous. \$
<i>Apollo 13: The Imax Experience</i>	IMAX	1,737	n/a
<i>Beautiful Planet, A*</i>	IMAX	10,208	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	25,319	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D*</i>	Warner Bros.	46,244	1,000
<i>Galapagos: The Enchanted Voyage</i>	IMAX	18,572	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.	51,831	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	10,720	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	7,231	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 3D: Journey to a Prehistoric</i>	3D Entertainment	6,097	n/a
<i>Space Station 3D*</i>	IMAX	93,272	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D*</i>	Warner Bros.	14,513	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.	35,368	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. ◻

NEW EDITION!

Filmmakers and Financing: Business Plans for Independents

By Louise Levison



<https://www.routledge.com/Filmmakers-and-Financing-Business-Plans-for-Independents/Levison/p/book/9781138947443>

[Routledge.com/American-Film-Market-Presents/book-series/AFMP](https://www.routledge.com/American-Film-Market-Presents/book-series/AFMP)

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

(Speaking of 21st Century technology, check out the updated moviemoney.com site)

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 28 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 eighth edition (A Routledge/Taylor & Francis book, 2016). The sixth edition of the book was published in Mandarin. 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, Greater, 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*), Pamplin Film Company (*Hoover*), Hurricane Film Partners, LLC and Tokuma International Ltd (*Shall We Dance, Princess Mononoke*). Levison was an Instructor in the Extension Program at UCLA for 22 years before moving to Florida. 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.

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