

TFE THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



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INDIE B/O STRONG THRU SUMMER

Independent films, with a total domestic box office of \$2.0 billion, had the best summer in several years. Normally, I do an analysis only at the end of the quarter. With all the news about how bad the summer was due to — take your choice — Hurricane Harvey, uninteresting films, Netflix, etc., I decided to do an early update. The box office for independent films ran 8 percent ahead of last year through August 31st and 14 percent ahead for June through August. It is important to remember that 2017 continues an upward trend from 2014 which was 15 percent behind 2013's \$2.3 billion box office in a year that topped \$4.0 billion for Indies. In addition, as all the press has proclaimed that this was the worst Labor Day in 20 years, I did an analysis adding Labor Day. As a total box office, 2017 was still 8 percent ahead of last year; however, taken separately the Labor Day weekend itself was 4 percent behind last year.

Granted the lack of interest in some of the studio films helped the Indie box office. It also is likely, though, that the typical moviegoer who prefers specialty films showed up, as well as a portion of the blockbuster audience. The difference was interesting films. According to analysts, the studios' problem was that their audience saw the films as "the-same-old-thing" and wanted to see something more original. The studio films that provided originality from the audience's point-of-view, such as *Wonder Woman* and *Girls Trip*, did well. Check back for more in-depth analysis when the September issue of *TFE* is released. The distributors have left the starting blocks, and the Oscar race is on. 🍷

INDIE ALERT! AFM IS ALMOST HERE

If you are an independent filmmaker — or aspire to be one — The American Film Market is the place to be. Filmmakers, producers, writers, film commissioners, festival programmers, financiers and all those who provide products and services to the film industry — 7,000-plus people from more than 80 countries — will be there.

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The 38th edition of the market runs from November 1th to 8th in Santa Monica (CA). Produced by the International Film and Television Alliance, it is a great place to pitch your project or film – if you have a plan. Read the articles on the market site.

(<http://americanfilmmarket.com/>) Be sure to take special note of the Conferences. If you have a recent copy of “Filmmakers and Financing,” read the “Festivals and Markets” section. The best advice I can give is: Be Prepared.

Knowing how to **work the market** is important. Here is a sampling from the AFM website of the types of steps to take:

STEP 1: Homework: Create a List of Target Companies

STEP 2: More Homework: Create a List of Target Executives

STEP 3: Start Scheduling Meetings

STEP 4: Prioritize Your Target List

STEP 5: Work on Your Pitch

STEP 6: Make More Appointments

STEP 7: Prepare Materials

STEP 8: Work The Show Before You Go

STEP 9: It’s Showtime!

For details on each of these steps and additional advice for filmmakers with a finished film go to: <http://americanfilmmarket.com/how-to-work-the-afm/>

Badges and Prices

Below is the current chart for the various passes and their prices. *TFE*’s suggestion for best overall value for indie filmmakers is the Industry Pass plus 4-day conference and Two-day Writer’s Workshop for US\$595 through October 6th, US\$645 October 7th -27th and US\$695 **Onsite Only** October 31st -7th. Keep in mind, however, that many of the distributors close their offices by Monday (11/6).

Check for updated information at:

<http://americanfilmmarket.com/badges-prices/>

Register:

<https://ifta.ungerboeck.com/prod/emc00/PublicSignIn.aspx?OrgCode=10&EvtID=5095&AppCode=REG&UL=Y>

	Day Badge	Industry Badge	Industry Badge Plus 4-Day Conference	Executive Badge	Executive Badge Plus 7-Day Conference	Platinum Badge
Access to Show Floor & Most of the Screenings	ANY SINGLE DAY	FOUR Days Sat-Tue Nov 4-7	FOUR Days Sat-Tue Nov 4-7	SEVEN Days Wed-Tue Nov 1-7	SEVEN Days Wed-Tue Nov 1-7	SEVEN Days Wed-Tue Nov 1-7
Ticketless Access to the AFM Conferences	—	—	FOUR Days Sat-Tue Nov 4-7	—	FIVE Days Fri-Tue Nov 3-7	FIVE Days Fri-Tue Nov 3-7
Ticketless Access to the	—	—	Two Days	—	Two Days	Two Days

Writers' Workshops			Sun & Mon Nov 5 & 6		Sun & Mon Nov 5 & 6	Sun & Mon Nov 5 & 6
Invitation to Carousel Cocktails	ONE evening	ONE evening	ONE evening	ONE evening	ONE evening	All FOUR +1 Guest at each
Access to Roundtables (until full)	✓	✓	✓	✓	✓	✓
Access to Special Events Until Full	✓	✓	✓	✓	✓	✓
Invitation to an Orientation with AFM Managing Director	✓	✓	✓	✓	✓	✓
Access to the Filmmakers Lounge	✓	✓	✓	✓	✓	✓
One year membership to My AFM, the AFM's online community	—	✓	✓	✓	✓	✓
One year subscription to Cinando, the industry database	—	✓	✓	✓	✓	✓
Wi-Fi in the Loews Hotel for two devices	—	✓	✓	✓	✓	✓
One Free Next Level Webinar from State 32	—	✓	✓	✓	✓	✓
Hotel Discounts Guaranteed Lowest Rates	—	✓	✓	✓	✓	✓
Official AFM Poster	✓	✓	✓	✓	✓	✓
Platinum Experience Enhanced networking. Ultimate convenience	—	—	—	—	—	✓
Through October 6	\$250	\$395	\$595	\$795	\$995	\$1,395
October 7-27 Online registration will close 11/27 6:00 PM PDT 11/28 2:00 AM CET	\$275	\$445	\$645	\$895	\$1,095	\$1,495
Onsite: October 31-Nov 7	\$295	\$495	\$695	\$945	\$1,145	



COMINGS AND GOINGS: CHINA VERSION

Tang Media Partners bought **Open Road Films** from theater chains AMC Entertainment and Regal Entertainment for \$28.8 million August 7th and added it to a newly-formed division, TMP Entertainment along with IM Global. The same day, in a surprise announcement, IM Global CEO Stuart Ford left the financing/production company he founded in 2007 without explanation; and Rob Friedman, the former Co-Chairman of the Lionsgate Motion Picture Group, became Chairman and CEO of TMP Entertainment. In June 2016, TMP had taken a controlling 60 percent stake in IM Global for \$200 million. Media Partners was formed in 2015 by former Bear Stearns Executive Donald Tang with investors including Tencent and Sequoia Capital's Neil Shen, "We have a truly global next-generation studio in the making," Tang, told *The Los Angeles Times*. "Now we just need to attract like-minded people.... And if we have a team of people, we're going to make it happen."

Meanwhile, a takeover of Millennium Films may or may not be a deal — at least as *TFE* goes to press. In February, Recon Group reportedly agreed to \$100 million for a 51 percent stake in Avi Lerner's Millennium. As early as March, several Chinese sources told *The Hollywood Reporter* that they were "skeptical that the deal will close in light of Chinese regulators' crackdown on overseas investment by local firms, part of a broad effort to stem capital outflow." The Millennium purchase is smaller than many, "but still in doubt." In July, the Chinese government released a formal policy citing restrictions on overseas deals in film, entertainment, hotels and property sectors. Chinese officials have spent several months restricting such deals — characterized as "exuberant" and "irrational" — through capital controls and behind the scenes directives to the finance and banking industries. Two weeks ago, Recon head Tony Xia denied reports that this deal was the same one as his publicly listed regulatory filing to the Shenzhen Stock Exchange which was announced was being halted due to having exceeded time limits. On Twitter (which is banned in China), Xia said that the report of a deal being halted referred to "another entity not publicly listed."

Dalian Wanda Group, which has been on a spending spree in the last few years buying Legendary Entertainment, AMC Theaters, Hoyts Cinemas, several sports groups and other business enterprises, appears to be one of the top targets on the government's hit list. With the Legendary purchase in 2016, Wanda Group hoped to take the company public on the Chinese stock market, according to various analysts; however, it was not able to do so. By blocking all future loans to Wanda's entertainment acquisitions, the Chinese government may have created the very financial risk for the company that it sought to prevent. To add to all these problems, in August Dalian Wanda was forced to dismiss "vicious rumors" that its Chairman Wang Jianlin — and China's richest person — was detained by authorities and forbidden to leave China. Other media executives on the shortlist of detained media executives include Patrick Liu Chunning, Head of Alibaba Pictures; Shan Jiuliang and Wen Di of Imagi Animation; and Guo Guangchang CEO of Fosun, a major backer of Jeff Robinov's Studio 8.

At this point, it is hard to tell which deal or company is coming and which is going. ■

NUMBERS! NUMBERS! NUMBERS!

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

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>47 Meters Down*</i>	Entertainment Studios Motion Pictures	43,794	5,000
<i>All Saints*</i>	Pure Flix	2,197	2,000
<i>Beguiled, The</i>	Focus Features	10,577	10,000
<i>Belko Experiment, The</i>	BH Tilt	10,167	5,000
<i>Big Sick, The*</i>	Lionsgate/Amazon	39,555	5,000
<i>Case for Christ, The</i>	Pure Flix	14,682	3,000
<i>Collide</i>	Open Road Films	2,280	800
<i>Ghost Story, A*</i>	A24/Amazon	1,552	100
<i>How To Be A Latin Lover</i>	Pantelion Films	32,149	10,000
<i>I Am Not Your Negro</i>	Magnolia	7,124	1,000
<i>It Comes At Night*</i>	A24	13,883	3,800
<i>Kedi*</i>	Oscilloscope	2,807	1,000
<i>Manchester by the Sea</i>	Roadside Attractions	47,695	8,500
<i>Maudie*</i>	Sony Pictures Classics	5,827	5,600
<i>Moonlight</i>	A24	27,850	1,500
<i>Paris Can Wait*</i>	Sony Pictures Classics	5,611	5,000
<i>Phoenix Forgotten</i>	Cinelou Films	3,600	2,800
<i>Resurrection of Gavin Stone, The</i>	BH Tilt	2,304	2,000
<i>Sleight</i>	BH Tilt	3,931	250

*Still in North American distribution as of August 31, 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>All Eyez On Me</i>	Lionsgate/Summit	44,922	45,000
<i>Atomic Blond*</i>	Focus Features	49,481	30,000
<i>Bad Moms</i>	STX Entertainment	113,257	20,000
<i>Baahubali 2: The Conclusion</i>	Great India Films	20,187	20,000
<i>Circle, The</i>	STX Entertainment	20,498	18,000
<i>Collateral Beauty</i>	Warner Bros.	31,016	36,000
<i>Detroit*</i>	Annapurna	16,333	34,000
<i>Fences</i>	Paramount	57,683	24,000
<i>Girl on the Train, The</i>	Universal	75,395	40,000
<i>Hitman's Bodyguard, The*</i>	Lionsgate/Summit	44,694	30,000
<i>Kidnap*</i>	Aviron	27,743	21,000
<i>Leap!*</i>	The Weinstein Co.	6,495	30,000
<i>Logan Lucky*</i>	Bleecker Street	17,030	29,000
<i>Lost City of Z, The</i>	Bleecker Street	8,580	30,000
<i>Nut Job 2, The: Nutty by Nature*</i>	Open Road	23,840	40,000
<i>Power Rangers (2017)</i>	Lionsgate	85,364	100,000
<i>Shack, The</i>	Lionsgate/Summit	57,386	20,000
<i>Underworld: Blood Wars</i>	Screen Gems	31,023	25,000
<i>Valerian and the City of a Thousand Planets*</i>	STX Entertainment	39,826	209,000
<i>Wind River*</i>	The Weinstein Co.	12,422	11,000
<i>Wish Upon*</i>	Broad Green	14,127	12,000
<i>Wolf Warrior 2*(a)</i>	Well Go USA	2,603	29,700

*Same references as Low-Budget Table (a) WW2 has made \$814 million to-date in the International Box Office.

LARGE FORMAT FILMS

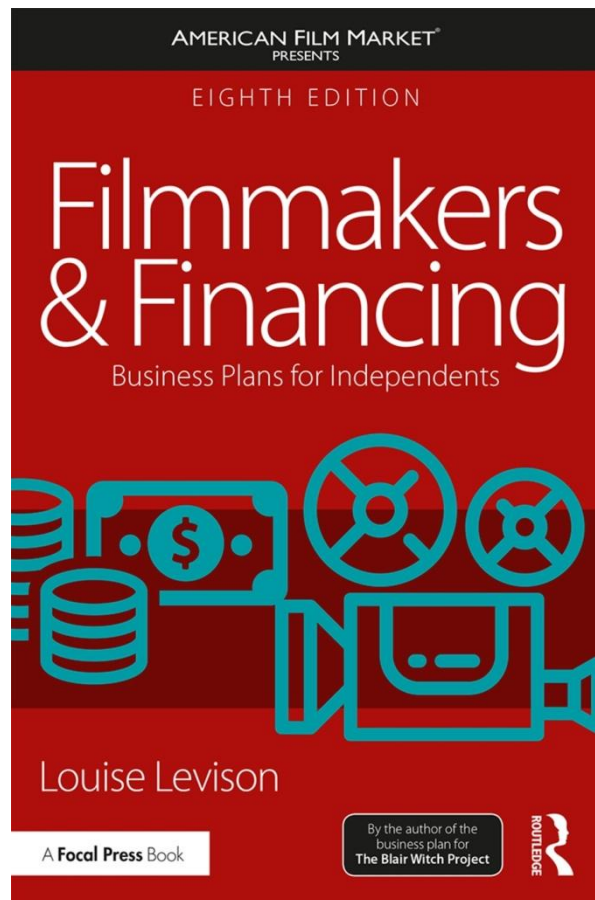
FILM	DISTRIBUTION	REV.	COST
		thous. \$	thous. \$
<i>Apollo 13: The Imax Experience</i>	IMAX	1,737	n/a
<i>Beautiful Planet, A*</i>	IMAX	11,976	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	25,522	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D</i>	Warner Bros.	46,260	1,000
<i>Galapagos: 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.	51,866	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	10,823	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	7,493	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: A Prehistoric Adventure</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	93,289	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D</i>	Warner Bros.	14,515	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.	35,589	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*), Majestic World Entertainment 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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