

TFE THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



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TOTAL U.S. DIGITAL UP 21.7% FIRST HALF

With digital the big winner, total U.S. home entertainment spending was \$11.3 billion for the first half of the year, up 9.1 percent over the same period in 2017, reports The Digital Entertainment Group (The DEG), due to strong digital sales, video on demand and streaming subscriptions. Consumers continued to embrace 4K Ultra HD technology with purchases of TVs, players and discs, doubling their purchases of product to enjoy in the advanced format at home.

Other highlights from their quarterly “Home Entertainment Report” include:


- Electronic sell-through (EST) spending was 10 percent higher in the second quarter compared to a year earlier, led by a 13 percent jump in theatrical EST. Results came even though fewer major theatrical titles were released in the quarter on home entertainment platforms.
- Theatrical Video on Demand also was strong, rising nearly 25% as iVOD rose 24percent from the year earlier period.
- Subscription streaming remained strong, rising 31percent from the second quarter of 2017 and 30 percent for the half-year period.
- More than 8 million 4K Ultra HD TVs sold in the first half of 2018, bringing the total number of U.S. households to 38 million. Growth of 4K Ultra HD content is expanding rapidly. The DEG estimates that there are more than 125 million HDTV households representing all U.S. households.

While “DVD and the physical formats in general will not be the longtime revenue drivers we’ve all enjoyed over the last 25 years,” Cinedigm Entertainment Group President Bill Sondheim noted at the Los Angeles Entertainment Summit noted. There are “large demographics” that still like the medium because it is familiar, easy to use and affordable. “I think it would be foolish”

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to abandon the segment prematurely. . . “I often say digital is the democratization of entertainment consumption,” he continued. “Content distributors, retail shelves, they no longer decide what wins. The omnipresent availability of digital content anywhere and everywhere allows the consumer to be in charge.”


For more detail go to:

https://degonline.org/wp-content/uploads/2018/08/f_DEG-2Q18-Cover-Note-External-Grid.pdf
https://degonline.org/portfolio_page/deg-q2-2018-home-entertainment-report/
www.mediaplaynews.com/laes-keynoter-sondheim-indies-must-maintain-legacy-disc-business-while-embracing-digital-future/ 

MOVIEPASS UPDATE . . .

The “current” plan (set to go into effect on August 15th) is keep the monthly subscription price at \$9.95 but allow you to see a maximum of three movies a month rather than one every day. In addition, subscribers will get a \$5 discount for any additional movie tickets they buy. Annual subscribers will not be affected by the new plan until their renewal dates. There are no restrictions on which movies a pass holder can see. Since the company is new, however, it is adjusting its model. In addition, as *TFE* is going to press, MoviePass announced it is producing its first movie (*10 Minutes Gone* starring Bruce Willis). Helios & Matheson Analytics, the parent company, acquired Emmett/Furla/Oasis Films in May to head production. (*TFE Newsletter* May 2018).

The Internet has been filled with pros and cons about the situation. The biggest positive is that many customers (and investors in the parent company) believe in the success and sustainability of the business model. Analysts have used Uber as an example of a company that stumbled at first but eventually found the correct business model. Others cite Netflix which jumped into streaming video in 2011 by buying *House of Cards* for \$100 million and will spend \$12-13 billion this year, according to *The Economist*. The other side of that argument is that Uber and others were delivering a product more efficiently but not for free. In addition, Uber and Netflix still are tweaking their models.

Pass holder Jessica Roy represented the naysayers in a *Los Angeles Times* column by delivering an early obituary, “You were too good —and too entirely, overwhelmingly, comedically unprofitable — for this world.” For consumers, however, MoviePass is a gift that continues. . . “When you are building a business like this, you invest in content. Our content is buying tickets,” MoviePass CEO Mitch Lowe told *Indiewire's* in February. “You invest in building a subscriber base and that’s exactly what we’re doing, so believe me, we have enough money to support the business and we’re already way ahead of where we thought we would be at this time.” It is easy for me, who has not spent money on a pass, to say, “Give the company time. It’s too early to forecast its demise. Much depends on the patience of both the subscribers and the investors. For now, let’s assume it is a great idea whose time has come. 

THE SPIRIT AWARDS SUBMISSIONS OPEN SOON

Submissions open August 14, 2018 for the Film Independent (FIND) Spirit Awards. The regular deadline is September 18, 2018, and the final deadline is October 9, 2018. Late entries will be considered on a case-by-case basis.

The Spirit Awards Nominating Committees apply the following guidelines:

- Diversity, Innovation, Uniqueness of vision
- Original, provocative subject matter
- Economy of means (with particular attention paid to total production cost and individual compensation)
- Percentage of financing from independent sources
- Uniqueness of vision

Excerpts from the rules:

1. All submitted films must be at least 70 minutes long.
2. Cost of completed film, including post, should be less than \$20 million. Any variations are at the sole discretion of the Nominating Committees and Film Independent. For verification purposes, all films with total budgets exceeding \$15 million or films with budgets under \$500,000 and applying for the Cassavetes Award are required to submit the top sheets from the Final Cost Reports. Absolutely no exceptions to this requirement will be made.
3. Eligible films must have either:
 - a. Been shown in a commercial theater in the United States for at least one week (seven consecutive days) beginning in the 2018 calendar year; or been shown in 2018 at one of the following six film festivals: Los Angeles Film Festival, New Directors/New Films, New York Film Festival, Sundance Film Festival, Telluride Film Festival or Toronto International Film Festival.
4. Although films may be submitted in any year they are eligible, such as the year they screen in a qualifying festival or the year of their theatrical release, once a film is nominated (in any category), it is no longer eligible for submission in subsequent year.
5. Except for the category of Best International Film and Best Documentary, all nominations go to American productions. The Spirit Awards defines an “**American production**” as: a) U.S. citizens or permanent residents are credited in at least two of the following categories of responsibilities: director, writer or producer. This can be fulfilled by one person with multiple duties or by separate individuals; or b) The film is set in significant part in the United States and/or has significant American content.
6. Documentary films are only eligible for Best Documentary; international narrative films are only eligible for Best International Film.
7. Eligibility for all awards shall first be determined by credits as they appear on the screen and/or as supplied to Film Independent by way of this submission form, provided by the film’s production company or the distributor responsible for the film.

Inquiries can be made by emailing spiritawards@filmindependent.org or calling 323 556 9349. For more information go to: <https://www.filmindependent.org/spirit-awards/faq/>
https://s3.amazonaws.com/SA_SubForm_etc/2019_SAsubmissions_RulesRegs_073018.pdf 

NUMBERS! NUMBERS! NUMBERS!
(North American Box Office)
LOW-BUDGET INDEPENDENT FILMS (\$10.0M and under)

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>47 Meters Down</i>	Entertainment Studios Motion Pictures	44,993	5,000
<i>Book Club*</i>	Paramount	66,447	10,000
<i>Call Me By Your Name</i>	Sony Pictures Classics	18,096	3,500
<i>Every Day</i>	Orion	6,102	4,900
<i>First Reformed</i>	A24	3,439	3,500
<i>Forever My Girl</i>	Roadside Attractions	16,376	3,500
<i>Gotti</i>	Vertical Entertainment	4,342	10,000
<i>Hereditary*</i>	A24	43,793	10,000
<i>I Am Not Your Negro</i>	Magnolia	7,124	1,000
<i>I Can Only Imagine</i>	Roadside Attractions	83,454	7,000
<i>Lady Bird</i>	A24	48,958	10,000
<i>Leave No Trace*</i>	Bleecker Street	4,784	<5,000
<i>Let There Be Light</i>	Atlas Distribution	7,242	3,000
<i>Midnight Sun</i>	Open Road	9,561	2,800
<i>Paul, Apostle of Christ</i>	Sony	17,560	5,000
<i>Show Dogs*</i>	Global Road	17,812	5,000
<i>Strangers, The: Prey at Night</i>	Aviron	24,420	5,000
<i>Traffik</i>	Lionsgate	9,186	4,000
<i>Truth or Dare</i>	Universal	40,717	3,500
<i>Unfriended: Dark Web*</i>	BH Tilt	8,015	1,000
<i>Winchester</i>	CBS Films	25,092	3,500

*Still in North American distribution as of July 31, 2018. 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!
(North American Box Office)
HIGH-BUDGET INDEPENDENT FILMS (Over \$10.0M)

FILM	DISTRIBUTOR	REV.	COST
		thous. \$	thous. \$
<i>Adrift*</i>	STX Entertainment	31,432	35,000
<i>American Assassin</i>	Lionsgate Films	36,250	33,000
<i>Atomic Blond</i>	Focus Features	51,574	30,000
<i>Bad Mom's Christmas, A</i>	STX Entertainment	72,110	28,000
<i>Chappaquiddick*</i>	Entertainment Studios	17,395	34,000
<i>Commuter, The</i>	Lionsgate Films	36,343	30,000
<i>Darkest Hour</i>	Focus Films	56,443	30,000
<i>Den of Thieves</i>	STX Entertainment	44,947	30,000
<i>Early Man</i>	Lionsgate	8,267	50,000
<i>Hitman's Bodyguard, The</i>	Lionsgate/Summit	75,455	30,000
<i>Hostiles</i>	Entertainment Studios	29,818	40,000
<i>Hotel Artemis*</i>	Global Road	6,708	15,000
<i>I Feel Pretty*</i>	STX Entertainment	48,796	32,000
<i>Only the Brave</i>	Sony	18,340	38,000
<i>Overboard</i>	Pantelion Films	50,173	12,000
<i>Proud Mary</i>	Screen Gems	20,868	14,000
<i>Sicario 2: Day of the Soldado*</i>	Columbia	48,917	35,000
<i>Super Troopers</i>	Fox Searchlight	30,606	13,500
<i>Three Billboards Outside of Ebbing, MO</i>	Fox Searchlight	54,514	15,000
<i>Tyler Perry's Acrimony*</i>	Lionsgate Films	43,549	20,000
<i>Uncle Drew *</i>	Lionsgate/Summit	41,4557	17-19,000
<i>Wind River</i>	The Weinstein Co.	33,801	11,000
<i>Wonder</i>	Lionsgate	132,423	20,000

*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	14,509	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	25,738	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D</i>	Warner Bros.	46,351	1,000
<i>Galapagos: The Enchanted Voyage</i>	IMAX	18,607	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.	52,324	n/a
<i>Island of Lemurs: Madagascar</i>	Warner Bros.	11,238	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	7,633	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	93,339	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D</i>	Warner Bros.	14,525	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.	35,939	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

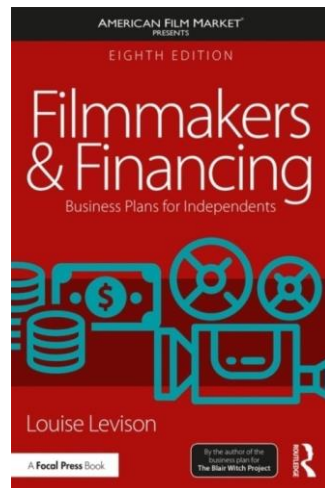
* Same references as low-budget table.

RICK PAMPLIN DIRECTOR OF NEW DOC

Local award-winning independent filmmaker Rick Pamplin has been announced as writer-director of a new feature length documentary inspired by Palm Beach resident Louise Levison's best-selling book *Filmmakers & Financing: Business Plans for Independents*. Pamplin says, "We are making a bold, truthful movie, which will reveal as many secrets as possible." He plans to interview multiple Palm Beach residents on camera and utilize locations throughout the County. Pamplin's storied career spans 18 years in Hollywood and 14 years at Universal Studios in Florida before he relocated to Palm Beach. He has written and directed several award-winning films including *Hoover*, starring Academy Award-winning actor **Ernest Borgnine**. Producers on the new film include Scott duPont, formerly a Jupiter Island resident turned Hollywood-based movie producer, and Palm Beach artist and production designer Maggie Phipps Pamplin. The executive producer is P.J. Marks. Follow updates on the production via Twitter at #ConfidentialFilmProject.



Pamplin and Borgnine



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

**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](http://www.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. Louise Levison, the President of Business Strategies, is a highly respected financial consultant in the entertainment industry, specializing in creation of film business plans. She is the author of *Filmmakers & Financing: Business Plans for Independents*, currently in its revised and expanded eighth edition (A Routledge/Taylor & Francis book, 2017) which inspired the **#CONFIDENTIALFilmProject**.

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. Levison's clients have raised money for low-budget films including *The Blair Witch Project*, the most profitable independent film in history, as well as for companies raising as much as \$300 million.

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). She also has presented seminars and/or been on panels at festivals and markets around the world.

Contact Levison at louisel@earthlink.net to find out how you can put her 30 years of experience as a Film Business Consultant to work creating a business plan for your film.

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