

TFE THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



LOUISE LEVISON, EDITOR AND PUBLISHER

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AFM: ACTIVE DESPITE MARKET DISRUPTIONS

The 37th edition of the American Film Market (AFM®), which is presented by the Independent Film and Television Alliance (IFTA) in Santa Monica, was described alternately as “moderately busy” or “lukewarm” by the end of the market. In the last few years, the business has been changing so rapidly that “business as usual” does not seem to fit. The major buyer concerns were audience tastes, the ongoing expansion as buyers by Netflix and Amazon and worldwide currency fluctuations going forward.


Due to the U.S. political climate during the AFM, there was a lot of talk about how the results would affect both the dollars and the attitudes of audiences in other countries. What moviegoers want to see, however, was a far bigger issue than the election. Some distributors thought that international audiences would boycott U.S. films due to election results. “Buyers aren’t worried about a film being too American, as long as it has the right emotional beats,” Jeffrey Greenstein, President of International Sales at Millennium Films told *The Hollywood Reporter*. “The audience can tell cinema from reality,” Jasna Vavra, Head of Theatrical Entertainment at German distributor Universum told *Variety*. The trade paper also reported that sales agent Fortitude International was offering clients at the fest election-themed branded water bottles with either “Bad Hombre” or “Nasty Woman” printed on the side.

Sales tended to be good for films in the micro to under-\$10 million budget range and the \$25 to \$60 million range. “We’re in a period of uncertainty, both domestically and internationally,” IM Global CFO Miguel Palos told *Variety*. The increased risk has caused buyers to look for the budgets mentioned above “where you can hopefully cover the majority of it from international presales,” he added. “Budgets are probably lower now for international distributors, and how much product they can acquire [has lessened].”

This year 7,023 attendees visited the AFM, which was host to a truly global market with 1,517 buyers coming from 734 registered companies from over 68 countries. The market saw an increased presence from the U.K., Italy and China which had 207 registrants from Mainland China and another 75 from Hong Kong. Those numbers almost quadrupled the 56 from

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Mainland China in 2013. Overall industry attendees, non-buyers and sellers including Attorneys, Bankers, Festivals, Film Commissions, Filmmakers, Financiers, Writers, Press and others finished at 2,990. The AFM also screened 301 films with 248 Market Premieres, 65 World Premieres and a total of 415 screenings in Santa Monica. AFM Managing Director Jonathan Wolf told screendaily.com, “There is a continued growth of non-English language films and non-English-language sellers coming into the market. This split was 70/30 ten years ago in favor of English-language content and companies. Now it’s 60/40 and at some point we will hit an equal balance. That’s the direction we are heading because it’s getting more challenging in the U.S.”


QUOTABLE: “I think there is nothing like the creative spirit inside of you. That emotional enthusiasm you have for a property has to outweigh anything a sales agent can tell you.” — David Lancaster, Producer/CEO Rumble Films, on the “Working With Sales Agents” panel. 

AFI FEST AWARDS


AWARD	FILM	WINNER
New Auteurs Grand Jury	<i>The Future Perfect</i>	Nele Wohlatz
Special Jury Mention, Acting	<i>Divines</i>	Oulaya Amamra
Grand Jury Live Action Short	<i>Icebox</i>	Daniel Sawka
Grand Jury Animated Short	<i>Pussy</i>	Cipka
Live Action Short Special Mention		
Comedic Narrative	<i>Hounds</i>	Omer Tobi
Documentary	<i>The Send-Off</i>	Ivete Lucas, Patrick Bresnan
Acting	<i>Dreaming Of Baltimore</i>	Clark Genet Owen Kanga
Cinematography	<i>A Thousand Midnights</i>	Carlos Javier Ortiz
Timely/Open Ended Subject	<i>Speaking Is Difficult</i>	AJ Schnack
Animated Short Special Jury Mention	<i>Summer Camp Island</i>	Julia Pott
No Designation/Good Film	<i>Summer Camp Island</i>	Julia Pott
Creative Vision	<i>Deer Flower</i>	Kangmin Kim
Visual Aesthetics	<i>Superbia</i>	Luca Tóth
Audience Award		
World Cinema	<i>Land of Mine</i>	Martin Zandvliet
New Auteurs	<i>Divines</i>	Houda Benyamina
American Independents	<i>Donald Cried</i>	Kris Avedisian
Breakthrough	<i>Divines</i>	Houda Benyamina
First Runner-Up	<i>One Week And A Day</i>	Asaph Polonsky
Second Runner-Up	<i>The Red Turtle</i>	Michaël Dudok de Wit




TERRENCE MALICK TALKS FILMMAKING AND HIS FUTURE

Going by reputation, one would imagine Terrence Malick to be an imposing, almost mythic figure – the J.D. Salinger, Thomas Pynchon, or Bill Watterson of cinema – an artist whose personal reclusiveness and daunting legacy have, in tandem, produced a legend and folklore among cineastes and artists around the world, says a [filmstage.com](http://www.filmstage.com) summary. Nevertheless, the somewhat reclusive filmmaker agreed to attend a brief discussion and Q&A following a screening of Roberto Rossellini’s 1954 classic drama, *Journey to Italy* at Princeton University’s Garden Theater. The dialogue with Malick primarily covered two subjects: his thoughts on Rossellini’s picture and his thoughts on the current age of digital cinema. On the former, he expressed a longstanding admiration for its naturalism. His opinion is that it does not so much seem scripted, as it does a matter of the camera, an invisible watcher following Ingrid Bergman’s and George Sanders’ characters through an episodic series of encounters. As for the digital age, he expressed enthusiasm at how readily available filmmaking has become, but was concerned over the growing propensity to view films on handheld devices and away from his beloved big screen. Both new and experienced filmmakers may want to check out more about his talk at <https://thefilmstage.com/features/terrence-malick-talks-filmmaking-and-his-future-in-rare-live-appearance/>. 

SPIRIT AWARD NOMINATIONS

The nominations of the 32nd Film Independent Spirit Awards have been announced. These awards often are a precursor to Oscar nominations especially in the major categories: Best Feature, Best Director, Best Actor and Best Actress. In 2007, the nominating committee set a budget limit of \$20 million for eligible films. With a budget estimated at \$30 million, *La La Land* missed the cut. The nominees for Best Feature are: *American Honey*, *Chronic*, *Jackie*, *Manchester by the Sea* and *Moonlight*. The awards will be broadcast live exclusively on IFC on February 25, 2016 at 2:00 pm PT / 5:00 pm ET. For the total list of nominees, go to: <http://www.filmindependent.org/spirit-awards/>. 

SUNDANCE FILM FESTIVAL NOMINATIONS

Sundance Institute convenes a full slate of provocative and agenda-setting independent films at the 2017 Sundance Film Festival in Utah with screenings in Park City, Salt Lake City and at Sundance Mountain Resort January 19-29. This year the festival has added a new section of films called “New Climate.” For information on individual selections go to: <http://www.sundance.org/blogs/news/competition-and-next-films-announced-for-2017-festival> <http://www.sundance.org/blogs/news/new-frontier-projects-and-films-announced-for-2017-festival> <http://www.sundance.org/blogs/news/premieres-spotlight-midnight-kids-documentary-premieres-and-special-events-announced-for-2017-festival> <http://www.sundance.org/blogs/news/2017-sundance-film-festival-late-additions-from-the-collection>. 

COMINGS AND GOINGS

Mexico's Alex Garcia of AG Studios has spun off the company's **Itaca Films** division as an independent unit for Itaca CEO Santiago Garcia to manage as he sees fit. Citing the uncertainty of today's film biz where SVOD platforms such as Netflix, Hulu and Amazon are more actively creating or acquiring content, and collapsing traditional windows in the process, Garcia told *Variety*, "The only way for AG Studios to work was to produce films endlessly; I have decided to stop producing and focus on providing production services instead." Other operations will continue in place such as Latam Distribution, run by Mineko Mori. He will continue to handle the distribution in Latin America of AG Studio's catalog while exploring production opportunities "as long as the productions don't need my investment," said Garcia.

LA-based development and production company **Mt. Hollywood Films** is a new privately-backed company, which aims to provide entry-level opportunities for women and minorities. President and producer R. Andru Davies, CEO and real estate mogul Albert Gersten and CFO and Founder of Cardea Capital Sloan Martin aim to produce five-film commercial slates with projects budgeted in the \$10-40m range before expanding into TV in mid-2017. The company's first feature, *Tupperware Party*, is scheduled to start shooting in January in Scotland and post-production is set to take place in Georgia. Also on the slate is female-driven action film *Texas Rangers: Z-Unit*. Mitch Iverson wrote the screenplay, and Executive Producers are Davies, Gersten and Martin.

China's Anhui Xinke New Materials has acquired an 80 percent stake in Midnight Investments, owner of film financing and production company **Voltage Pictures**, for \$350.71 million (2.39 billion yuan). Founded by producer Nicolas Chartier in 2005, Voltage Pictures began as a foreign sales outfit before venturing into production with Kathryn Bigelow's *The Hurt Locker* in 2010. The company has since produced over 150 films — mostly mid-budget projects in the \$15 million to \$40 million range — including *Dallas Buyers Club* (2013) and the forthcoming horror flick *Keep Watching*, starring Bella Thorne. The company also has produced some television, such as *True Justice* starring Steven Seagal and *Leverage* with Timothy Hutton. The Chinese company is best known for copper processing and manufacturing electric wires and cables, reports *The Hollywood Reporter*.

Leading curated streaming platform **MUBI** announced its entry into the North American theatrical marketplace with the Nov. 25th theatrical premiere in New York and L.A. of *Baden Baden* by Belgian filmmaker Rachel Lang. The film opened at the New York Anthology Film Archives and in Los Angeles at the Arena Cinelounge Hollywood, followed by an exclusive digital release on MUBI. With a community of more than seven million film lovers around the world, the platform features a rotating curated line-up, including timeless classics, international breakouts and award-winning films fresh off the festival circuit. The announcement of its first U.S. theatrical release follows the company's successful UK theatrical releases of Miguel Gomes' *Arabian Nights* in April 2016 after the film's premiere at the Cannes Film Festival and Mathieu Amalric's *The Blue Room* in September. 🍷

NUMBERS! NUMBERS! NUMBERS!

LOW-BUDGET INDEPENDENT FILMS (\$9.5 M and under)

FILM	DISTRIBUTOR	REVENUE	COST
		thous. \$	thous. \$
<i>Anthropoid</i>	Bleecker Street	2,964	9,000
<i>Birth Of A Nation, The*</i>	Fox Searchlight	15,849	8,500
<i>Blair Witch</i>	Lionsgate	20,777	5,000
<i>Bleed for This*</i>	Open Road	4,485	6,000
<i>Darkness, The</i>	High Top Releasing	10,754	4,000
<i>Grandma</i>	Sony Pictures Classics	6,980	600
<i>Edge of Seventeen, The*</i>	STX Entertainment	10,929	9,000
<i>Hello, My Name Is Doris</i>	Roadside Attractions	14,445	1,000
<i>Lobster, The</i>	A24	9,078	4,500
<i>Love and Friendship</i>	Amazon/Roadside Att.	14,017	3,000
<i>Loving*</i>	Focus Features	4,472	9,000
<i>Meet the Blacks</i>	Freestyle Releasing	9,096	900
<i>Middle School: The Worst Years of My Life*</i>	Lionsgate	20,001	8,500
<i>Moonlight*</i>	A24	8,864	5,000
<i>Race</i>	Sony Pictures Releasing	19,115	5,000
<i>Southside With You</i>	Roadside Attractions	6,304	2,000
<i>Swiss Army Man</i>	A24	4,210	3,000
<i>War Room</i>	Sony Pictures Releasing	67,790	3,000
<i>Witch, The</i>	A24	25,139	3,500

*Still in North American distribution as of November 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 \$9.6M)

FILM	DISTRIBUTOR	REV.	COST
		thous. \$	thous.
<i>Arrival*</i>	Paramount	65,049	47,000
<i>Bad Moms</i>	STX Entertainment	113,257	20,000
<i>Bad Santa*</i>	Broad Green	10,608	26,000
<i>Boo! A Madea Halloween*</i>	Lionsgate	72,855	20,000
<i>Café Society</i>	Lionsgate/Amazon	11,103	30,000
<i>Choice, The</i>	Lionsgate	18,730	10,000
<i>Criminal</i>	Lionsgate/Summit	14,709	31,500
<i>Deepwater Horizon*</i>	Lionsgate/Summit	61,159	110,000
<i>Don't Breathe*</i>	Screen Gems	88,907	9,900
<i>Florence Foster Jenkins</i>	Paramount	27,384	29,000
<i>Girl on the Train, The*</i>	Universal	74,938	40,000
<i>Hacksaw Ridge*</i>	Lionsgate	53,515	53,000
<i>Hell or High Water</i>	Lionsgate	27,008	12,000
<i>Infiltrator, The</i>	Broad Green Pictures	15,437	28,000
<i>Kubo and the Two Strings*</i>	Focus Features	48,022	60,000
<i>Masterminds</i>	Relativity	17,357	25,000
<i>Mechanic: Resurrection</i>	Lionsgate/Summit	21,218	40,000
<i>Nerve</i>	Lionsgate	38,584	40,000
<i>Now You See Me 2</i>	Lionsgate	65,075	90,000
<i>Risen</i>	Sony Affirm	36,880	20,000
<i>Rules Don't Apply*</i>	20 th Century Fox	2,649	25,000
<i>Snowden</i>	Open Road	21,587	40,000
<i>Triple 9</i>	Open Road	12,639	20,000

*Same references as Low-Budget Table

LARGE FORMAT FILMS

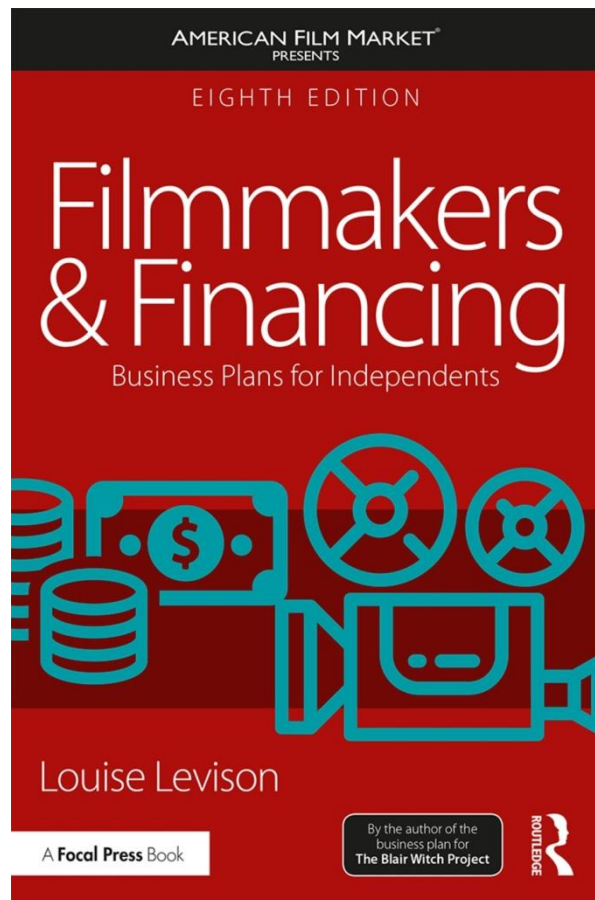
FILM	DISTRIBUTION	REV.	COST
		thous. \$	thous. \$
<i>Apollo 13: The Imax Experience</i>	IMAX	1,737	n/a
<i>Beautiful Planet, A*</i>	IMAX	7,589	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	25,103	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D*</i>	Warner Bros.	46,230	1,000
<i>Galapagos: 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.	51,748	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	10,684	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	7,144	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	93,221	1,000
<i>Thrill Ride</i>	Sony Classics	18,795	9,000
<i>To the Arctic 3D</i>	Warner Bros.	14,445	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.	35,111	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>

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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 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 seventh edition (A Routledge/Taylor&Francis book, 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 *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*), 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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Louise Levison, Editor

11231 U.S. Highway 1 #308

North Palm Beach, FL 33408

Phone: (818) 427-7108

E-mail: louisel@earthlink.net; <http://www.moviemoney.com> @predictfilm