



THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



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INDIE BOX OFFICE REACHES \$2.1B AT ¾ MARK

The box office for indie films had a slow start this year; but with \$2.1 billion in North American revenues through September 30th, it was almost even with last year's \$2.2 billion. The total revenues also improved from mid-year when the comparative total was down 3 percent. The biggest increase was for films earning between \$10 and \$20 million which were up 55 percent as a group and those earning between \$50 and \$99 million which were up 3 percent.

The last quarter of the year usually is the indie segment's best, as distributors tend to hold the films they believe to be most Oscar-worthy. In 2015, the indie total grew by \$900 million, but will we do it again this year? As we have noted in *TFE* before, it is difficult to know if the changing landscape for film, especially independents, is permanent or a will keep swinging back and forth. Relativity is for sale or going into Chapter 7 (see page 5), Broad Green is focusing on producing rather than distribution and The Weinstein Company appears to have problems on the film side. Besides the ever-changing audience habits, no one knows to what extent Netflix (which bought five films at Toronto and Amazon (which bought none during the festival) will continue to be in the buying mix going forward.

At this point, I feel more confident playing poker than betting on the end-of-the year total indie box office; but I believe in the possibility of a \$3 billion year for the segment.▣

QUOTABLE

“Don't make a movie for four quadrants. Find one and make your movie for them,” Lionsgate Motion Picture Co-chairman Patrick Wachsberger on a distribution panel at Zurich Summit.

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TORONTO SALES MIRROR CHANGES IN INDUSTRY

At the 41st edition of the Toronto International Film Festival® (TIFF), which ran September 8th to 18th, buyers acquired 23 films for U.S. distribution compared to 28 films in 2015, 35 films in 2014 and 28 in 2013. The drop is consistent with the changes that have taken place among independent films in the last two years. Distributors wanted product but felt the most desirable films were acquired before the festival. Acquisitions Consultant Jason Resnick told screendaily.com that it is rare for a film that buyers have tracked to arrive at a festival as an available title. In addition, Mimi Steinbauer, President and CEO of Radiant Films Intl told *Variety*, “It’s such a changing landscape that it makes everyone shy of doing deals.”

The festival hosted 397 films —296 features and 101 shorts — the same total as 2015 with a slightly different mix (287 and 110 respectively). Of the features, there were 266 premieres (97 North American premieres, 30 International and 139 World). There were 6,933 submissions from 83 countries compared to 6,118 from 71 countries last year.

There were two big worldwide rights buys at the beginning of the festival. Lionsgate paid \$20 million-plus for *Kin* and Focus Features paid a reported \$35 million for an untitled Paul Thomas Anderson film. Otherwise, the few buying prices were reported during the festival were under \$8 million (see the chart below). Various buyers commented that there were not many films available in the “mid-budget” range which in previous years has meant \$20 to \$40 million. There also was uncertainty about the value of high-paid stars even at that level.

INDIE SALES FOR U.S. RIGHTS AT TORONTO FILM FESTIVAL

<i>FILM</i>	DISTRIBUTOR	MILLION \$
<i>Bad Bath, The</i>	Screen Media	n/a
<i>Barry**</i>	Netflix	n/a
<i>Bleeder, The</i>	IFC (B)	3.0
<i>Breathe*</i>	Bleecker Street & Participant	
<i>Burn Country</i>	Samuel Goldwyn Films and Orion Pictures	n/a
<i>Colossal</i>	New Unnamed Company(A)	mid-7 figures
<i>Headshot*</i>	XYZ and Vertical Entertainment	n/a
<i>Jackie</i>	Fox Searchlight	

<i>Justin Timberlake & the Tennessee Kids**</i>	Netflix	n/a
<i>I Am Not Your Negro*</i>	Magnolia	
<i>Kin**</i>	Lionsgate	mid-high 20 range
<i>Lady Macbeth</i>	Roadside Attractions	n/a
<i>Leisure Seekers, The</i>	Sony Pictures Classics	mid-7 figures
<i>Mean Dreams</i>	Vertical Entertainment	n/a
<i>Message From the King**</i>	Netflix	n/a
<i>Paris Can Wait*</i>	Sony Pictures Classics	
<i>Quiet Passion, A</i>	Music Box Films	n/a
<i>Salt and Fire</i>	Xlrator Media	n/a
<i>Their Finest Hour</i>	EuropaCorp	7-8 (incl. P&A)
<i>Tramps**</i>	Netflix	2.0
<i>Transfiguration, The</i>	Strand	n/a
<i>United Kingdom, The*</i>	Fox Searchlight	
<i>What Happened to Monday? **</i>	Netflix	n/a

*All North American rights

**World

(A) New company formed by Radius co-founder Tom Quinn and Alamo Drafthouse owner Tim League and backed by an unspecified Chinese-based media company; (B) Partnering with Showtime on other rights

AND THE TORONTO INTERNATIONAL FILM FESTIVAL WINNERS ARE...

AWARD	FILM	FILMMAKER
Grosch People's Choice (\$15,000)	<i>La La Land</i>	Damien Chazelle
First Runner Up	<i>Lion</i>	Garth Davis
Second Runner Up	<i>Queen Of Katwe</i>	Mira Nair

Grosch People's Choice Documentary First Runner Up Second Runner Up	<i>I Am Not Your Negro</i> <i>Abacus: Small Enough to Jail</i> <i>Before the Flood</i>	Raoul Peck Steve James Fisher Stevens
Grosch People's Choice Midnight Madness First Runner Up Second Runner Up	<i>Free Fire</i> <i>The Autopsy of Jane Doe</i> <i>Raw</i>	Ben Wheatley Andre Ovredal Julia Ducournau
FIPRESCI (International Critics) Jury Prize for Best Special Presentation Film	<i>I Am Not Madame Bovary</i>	Feng Xiaogang
FIPRESCI Prize Discovery	<i>Kati Kati</i>	Mbithi Masya
NETPAC Best Asian Film	<i>In Between</i>	Maysaloun Hamoud
Platform Prize Honorable Mention	<i>Jackie</i> <i>Hema Hema: Sing Me a Song</i> <i>While I Wait</i>	Pablo Larrian Khyentse Norbu
Canada Goose Best Canadian Feature Film (\$30,000) Special Citation	<i>Those Who Make Revolution</i> <i>Halfway Only Dig Their Own</i> <i>Graves</i>	Mathieu Denis and Simon Lavoie
City of Toronto Best Canadian First Feature (\$15,000)	<i>Old Stone</i>	Johnny Ma
Dropbox Discovery Programme Filmmakers Award	<i>Jeffrey</i>	Yanillys Perez
Short Cuts Short Film (\$10,000)	<i>Imago</i>	Ribay Gutierrez
Short Cuts Best Canadian Short Film (\$10,000) Honorable Mention	<i>Mutants</i>	Alexandre Dostie



THE KEYS TO UNLOCKING THE MILLENNIAL MINDSET

According to the U.S. Census Bureau's International Database, Millennials make up one-fourth of the planet's population, which translates into 1.7 billion people. As a consumer group, they're

just starting to flex their spending power, which will grow significantly in the coming years. While they're years from fully establishing themselves, they're already having a marked impact on the global consumer landscape. Nielsen Global Survey reports from 2013-2016, which polled the attitudes of more than 30,000 online consumers in more than 60 countries, revealed that Millennials are a social, community-driven generation that values the voice of the individual

Millennials are also a demanding generation that wants a more balanced, healthy lifestyle, and they want to be more informed about companies, their products and their business practices. They also expect products to do more for them and for their community. They excel in a fast-paced world that requires an on-the-go lifestyle. They value, even demand, connectivity, convenience and options that allow them to be in control. These core values and characteristics will remain the key influencers and drivers for how Millennials think, spend and act throughout their lifetimes.

The above discussion is an extract from Nielsen Global's article. For more details, go to: <http://www.nielsen.com/us/en/insights/news/2016/keys-to-unlocking-the-millennial-mindset.html> 

COMINGS AND GOINGS

As we go to press, Ryan Kavanaugh reportedly has put **Relativity Media** on the sales block. Chicago investor Joseph Nicholas, who pumped more than \$80 million into the studio, has left his position as Co-CEO, according to media reports; and other key executives have continued to leave for other companies. Since making agreements enabling the company to exit bankruptcy last year, the company's finances have not improved significantly. The two movies released this year — *The Disappointments Room* and *Masterminds* — have been box office disappointments, while the company has two more movies on its release schedule this year — *Kidnap* with Halle Berry and *Before I Wake* starring Kate Bosworth. No one knows if Kavanaugh will be able to sell the company, file for Chapter 7 bankruptcy or find another solution for the company's problems. It also is important to note that to-date no one at the company has made a public statement about a sale.

Ankur Rungta and Vishal Rungta have launched an LA/NYC-based production banner, **Nickel City Pictures**, with a focus on the development and production of commercial film and television content across all genres. The company has a target of producing two to three films in 2017. In conjunction with its launch, the company has also closed an exclusive development partnership with leading European film and television distributor, Telepool GmbH. Under the new partnership, Nickel City will have access to significant capital to fund the company's development of high-profile, commercial content with leading writers, filmmakers and stars. Telepool will also provide Nickel City with access to its European distribution platform and strategic insight on foreign markets generally. Ankur and Vishal previously were partners and executives at PalmStar Media. With extensive experience producing, packaging and financing independent and studio films, the brothers left to establish Nickel City Pictures and focus full-time on development and production

Chinese technology and internet giant LeEco has named Adam Goodman, former Paramount Film Group President, head of its new subsidiary **Le Vision Entertainment (LeVE)**. Reporting to LeEco Vice President Zhang Zhao, Goodman will be responsible for English-language original entertainment content including big-budget tentpole films as well as micro-budgeted movies television and digital projects. The company will fully finance and co-produce movies in partnership with other film companies with distribution, slate financing and/or co-financing opportunities. After leaving Paramount, where he was Film Group President, Goodman formed Dichotomy Creative Group. "This business is a cultural partnership that is being created here. We're not launching a company that is funded by a Chinese business, but a Chinese movie studio in Los Angeles," Goodman told *Variety*. LeEco also backs Zhang's Le Vision Pictures which is currently in production on Zhang Yimou's *The Great Wall* with Legendary East and Universal Pictures. ■

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>Blair Witch*</i>	Lionsgate	19,138	5,000
<i>Dark Horse, The</i>	Broad Green Pictures	906	2,100
<i>Darkness, The</i>	High Top Releasing	10,754	4,000
<i>Grandma</i>	Sony Pictures Classics	6,980	600
<i>God's Not Dead 2</i>	Pure Flix	20,773	5,000
<i>Green Room</i>	A24	3,220	5,000
<i>Hello, My Name Is Doris</i>	Roadside Attractions	14,445	1,000
<i>Lady in the Van, The</i>	Sony Pictures Classics	10,021	5,500
<i>Lobster, The</i>	A24	9,078	4,500
<i>Love and Friendship</i>	Amazon/Roadside Att.	14,017	3,000
<i>Meet the Blacks</i>	Freestyle Releasing	9,096	900
<i>Neerja</i>	India's Fox Star Studios	1,586	1,950
<i>Neon Demon, The*</i>	Broad Green	1,333	2,000
<i>Race</i>	Sony Pictures Releasing	19,115	5,000
<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 September 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>Bad Moms*</i>	STX Entertainment	112,514	20,000
<i>BFG, The*</i>	Disney	55,436	140,000
<i>Café Society*</i>	Lionsgate/Amazon	11,078	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	20,223	110,000
<i>Don't Breathe*</i>	Screen Gems	84,742	9,900
<i>Florence Foster Jenkins*</i>	Paramount	27,154	29,000
<i>Hell or High Water*</i>	Lionsgate	25,764	12,000
<i>Gods of Egypt</i>	Lionsgate	31,153	140,000
<i>Infiltrator, The*</i>	Broad Green Pictures	15,431	28,000
<i>Kubo and the Two Strings*</i>	Focus Features	46,743	60,000
<i>Kung Fu Panda 3</i>	DreamWorks Animation	143,529	120,000
<i>London Has Fallen</i>	Focus Features	62,524	60,000
<i>Mechanic: Resurrection*</i>	Lionsgate/Summit	20,935	40,000
<i>Mother's Day</i>	Open Road	32,493	25,000
<i>Nerve*</i>	Lionsgate	36,914	40,000
<i>Nice Guys, The</i>	Warner Bros.	36,262	60,000
<i>Now You See Me 2*</i>	Lionsgate	65,075	90,000
<i>Risen</i>	Sony Affirm	36,880	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>Apollo 13: The Imax Experience</i>	IMAX	1,737	n/a
<i>Beautiful Planet, A*</i>	IMAX	6,405	n/a
<i>Born To Be Wild 3D*</i>	Warner Bros./IMAX	24,959	n/a
<i>Bugs!</i>	SK Films, Inc.	18,114	9,000
<i>Deep Sea 3D*</i>	Warner Bros.	46,216	1,000
<i>Galapagos: The Enchanted Voyage</i>	IMAX	18,557	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.	51,707	n/a
<i>Island of Lemurs: Madagascar*</i>	Warner Bros.	10,667	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	93,212	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.	35,082	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 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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