



THE FILM ENTREPRENEUR:

A Newsletter for Independent Filmmakers and Investors



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Special Edition

Opportunity Knocks: Movie Business Gearing Up for Roaring Comeback

- Take advantage of the coming **seller's market** for motion pictures
- Buyers are **beginning to fill theater and streaming slates** for 2021
- Now is the time to **finish your script, budget and paperwork**
- We are offering **limited-time discounts** for new business plans
- Timing matters: Reserve your spot, **develop your business plan now**

Genre films and documentaries are the big independent sellers. Genre does not just refer to horror films, but comedy, inspirational/faith-based and other thrillers also.

Distributors have moved theater openings for the studio films several times into mid-or late August. All current signs say to be prepared to start production by the end of August or in the month of September. Waiting for a distributor is better than waiting to start production.

My exclusive forecast says how many months it will take to make the film and put it in distribution, not what the release date will be. If you aren't financed and through all your pre-production prep, you will fall behind independent filmmakers whose projects follow the films originally finished in March - through the 2021 distribution frame - and/or into the festivals. Don't be left behind.

The single most important fact to remember is that obstacles create opportunities. Waiting and watching only guarantees a tougher road. **"It is hard enough to sell them what they want, don't try to sell them something they already have and don't want,"** says a successful producer/client who recently contacted me about preparing two new business plans for upcoming films. We hope to hear from you soon.

MARCHÉ DU FILM VIRTUAL FILM FESTIVAL AND MARKET

All distributors - Independents, studios and streamers, domestic and international - were buying films and doing other business at the 73rd Cannes Marché du Film, the virtual event replacing the traditional Cannes Film Festival which was canceled. Held June 22 to 28 virtually with Hollywood agency-led A Demail Platform partnering in the online market, the new version of the festival delivered enthusiastic buyers paying high prices for the biggest films and apparently feeling that the long-range theatrical future is bright. Reports in various trade articles implied that Indie distributors did not fare well. In the chart on page 3, only 2 out of the 23 distributors represent major studios. Apple+ TV paid the highest price \$105 million (\$120 million when backend gross buyouts are factored in) for *Emancipation*. Among the Independents, the only known price at this time is \$4 million paid by Neon and Tropic Studios for *Spencer*.

“In terms of how much business got done, we’ll get a better idea later on but on the basis of the messages we received from sales agents, buyers and producers most people were pleasantly surprised by their experiences,” said Executive Director Jérôme Paillard. Panels and conferences also attracted record numbers of participants. On top of jump-starting the business and reconnecting people, the virtual format also had the merit of allowing folk who are usually not able to attend Cannes to take part, notably many producers, as well as additional staff in distribution and sales companies, he explained to *Variety*. “The projects have been great, the buzz is there, and deals are getting done,” one 25-year Cannes veteran told *The Hollywood Reporter*. “Doing everything online has been incredibly efficient. No running from cinema to the market and back. Everyone’s just a click away.” Of course, the unknown future for cinemas made it difficult to know when producers will be able to start production on new films. “Most of the new projects were saying we’re ‘aiming to shoot in September/October,’” noted one Brit buyer wryly to *THR*, “yeah sure, like that’s gonna happen.” In addition, Chinese distributors, which have been a major driver at Cannes in recent years, mainly sat out this virtual version.

Screen International partnered with the Cannes Marche du Film on the panel, “A Conversation on the Near Future of Film Distribution Across All Streams.” Panelist were Jan Naszewski, CEO of New Europe Film Sales (Poland); Imrun Islam, Senior Manager, Digital Sales, U.K. and Ireland at Studiocanal (U.K.); Neal Block, Head of Theatrical Distribution and Marketing, Magnolia Pictures (US); and Mathieu Robinet, President of Drive-in Festival (France). “We want to get the films out there... You have to react to the market and to see what’s happening and also allow those movies to use the momentum they had,” Naszewski said. [But] “VOD still can’t replicate a cinema hit. [Polish hit *The Hater*] would have made like a million admissions [at cinemas]. Theatrical has been for many years our main source of income and it still is. We’re hoping very much that the cinemas will return in that sense.” Islam in referring to the lockdown commented that it’s been business as usual. “People are still coming to me for content, I still have the same engagement from my clients. In my world, it’s probably been a bit busier I would say, we haven’t been adversely affected in a negative way.” Block, speaking about promoting the film *The Whistlers* in cinemas before the theaters closed said that “so, we, like a number of other distributors – struck on this idea of virtual cinema. Essentially, we create what are mini transactional VOD platforms like micro platforms for each, where their patrons can rent the film, and then a percentage of the net proceeds will go back to the theatre.” Of course that model saturated the market. For forthcoming releases, he added, Magnolia will look at “VOD, theatrical

and virtual hybrids all at once. That's just the reality of where we are right now. During the lockdown, Robinet launched a pop-up drive-in cinema in southwest France. "I wanted to recreate a desire of getting together in front of the screen... We are social animals; we need to get out. And that's what cinema is," he said. The drive-in ran for nine nights and showed 10 films, drawing around 4,000 spectators in total. With French cinemas reopening, exhibitors called for the drive-in cinema to close. What the experience showed Robinet, however, "We have to be creative and inventive to make those films thrilling to the audience. I see a lot of opportunity here. This an exciting time for all of us."

In its most recent release of data, The Marché du Film said it had many as 3,500 films and projects which were presented or pitched at the market, where 1,235 screenings were held, garnering a total of 42,000 admissions across 59 virtual cinemas. The Film Festival itself had an official selection of 56 films, some of which screened at the market. The virtual event attracted more than 10,002 participants over the course of five days. The U.S. had the largest delegation, with 1,500 participants, followed by France (1,400) and the U.K. (950), respectively. More than half were from Europe, with 5,900 participants. The market also organized more than 200 virtual networking events and conferences about a broad range of topics, including diversity, virtual reality, new technologies and co-production.

In the past, *TFE* has not listed sales from Cannes since the focus is international and not domestic sales in comparison to Sundance and Toronto. This year, however, its inclusion is valuable to highlight shifting business operations especially as it pertains to virtual film markets. Many films released to theaters are or plan to be, released in a hybrid form with shorter theater stays and online - either to streaming or disc - at the same time. Sundance winner *Relic*, for example, was released by IFC in theaters July 3rd and on streamer Hulu on July 10th. IFC released *The Wretched* in theaters and Amazon Prime started streaming it on May 10th. As future 2020 theater release dates have been pushed closer to the end of August, this model should continue in to 2021. To-date, the list below includes 23 films, including acquisitions for both theatrical and streaming. In the new normal, distributors have referred to North America without indicating which direction they intend to go with a film.

MARCHE DUÉ FILM AND ONLINE MARKET SALES FOR NORTH AMERICAN DISTRIBUTION June 22 to June 28, 2020

FILM	DISTRIBUTOR	TERRITORY	Est. Price (Million \$)
<i>Blue Bayou</i>	Focus Features	North America	n.a.
<i>Chernobyl</i>	Capelight Pictures	North America	n.a.
<i>Emancipation</i>	Apple+ TV	World	\$105.0 (c)
<i>Fidelity</i>	Capelight Pictures	U.S.	n.a.
<i>Flint</i>	Cargo Film and Releasing	World	n.a.

<i>Forgotten We'll Be</i>	Cohen Media Group	North America & U.K.	n.a.
<i>Gagarine</i>	Cohen Media Group Curzon	North America & U.K.	n.a.
<i>Hatching</i>	IFC Midnight	North America	n.a.
<i>Happy Times</i>	Artsploitation Films	North America	n.a.
<i>Hidden Life of Trees, The</i>	Capelight Pictures	North America	n.a.
<i>Initiation</i>	Saban Films	North America	n.a.
<i>Inu-Oh</i>	Gkids	North America	n.a.
<i>Let It Snow</i>	Grindstone Ent. Group	North America	n.a.
<i>Los Conductos</i>	Grasshopper Films	U.S.	n.a.
<i>Magic Arch</i>	Grindstone Ent. Group (b)	North America	n.a.
<i>Night Walk</i>	Grindstone Ent. Group	North America	n.a.
<i>Reactor</i>	Saban Films	North America & U.K.	n.a.
<i>Run Rabbit Run</i>	STX Entertainment	World	n.a.
<i>Russian Raid</i>	Well Go USA	U.S.	n.a.
<i>Stage Mother</i>	Momentum	U.S.	n.a.
<i>Spencer</i>	Neon and Topic Studios	U.S.	4.0
<i>Stormy Night, A</i>	Here Media	U.S.	n.a.
<i>United States Vs. Billie Holiday, The</i>	Paramount	U.S.	8 figures

a) IFC Midnight - saw the film Friday night and bought before 6/22/20 (b) Grindstone distribution is a Lionsgate company (c) First reported as \$75 then \$105 (million) and \$120 million when backend is taken into account. ■

COMINGS AND GOINGS

Open Road Films is back! The company, which declared bankruptcy two years ago, is relaunching with funding from New York-based private equity firm Raven Capital Management. Raven principal James Masciello will run the company with key support from Matt Sidari. The shingle will resume acquiring and releasing films in partnership with Tom Ortenberg's Briarcliff Entertainment. It was Ortenberg who founded Open Road in 2011 for theater chains AMC and Regal and steered the company to success with Best Picture winner *Spotlight*, along with such indie hits as *A Haunted House*, *Chef*, *Dope*, *End of Watch*, *The Grey*, *Mother's Day*, *Homefront*, *Killer Elite*, *Marshall*, *Nightcrawler*, *The Nut Job*, *Side Effects*, *Snowden* and *Triple 9*. Open Road was sold in late 2018 for \$87.5 million to Raven, after parent company Tang Media Partners failed to raise fresh capital from its Chinese backers. Its first film is *Honest Thief*, directed by Mark Williams and starring Liam Neeson. The company plans a nation-wide theater opening later this summer. Ortenberg will oversee theatrical release campaigns, ranging from wide screen openings to small and mid-range films. Raven will also ramp up its development, production and financing

of features and television through its association and financing of Sculptor Media. “Theatrical distribution has been in the works for us for a while,” said James Masciello. “It is a natural extension of the single picture and post theatrical distribution capabilities that we’ve been building out for the better part of a decade. We’re not naïve to the impact of the COVID-19 pandemic. It has and will continue to create unique challenges, but the cinematic experience is not going away, and challenges create opportunity.

Mark Amin’s U.S. based Sobini Films (*Good Kill*), Japanese producer Motoko Kimura (*L.D.K*), and Lifeng Wang’s (*Skiptrace*) Yintai Investment are teaming up to launch the **ACJ Film Fund**, a joint venture to develop and finance wide-release theatrical films that will appeal to the American, Chinese, and Japanese markets. The \$3M development fund is focused on contemporary action, suspense, science fiction, and commercial romance, with a strong emphasis placed on acquiring completed scripts. ACJ will also develop select projects based on IP and original concepts. The three partners plan to co-finance the films that ACJ develops.

Amin most recently produced and directed Civil War drama *Emperor* which will be released through Briarcliff Entertainment later this year. He also produced the Universal release *JT Leroy* and was an executive producer on Sony Pictures Classics’ *Miles Ahead* and IFC’s *Mary Shelley*. In addition, he previously founded Trimark Holdings, which merged with Lionsgate in 2000, a move which made him Vice Chairman of Lionsgate. Based in Japan, Kimura previously produced 13 mini-series and 13 films as CEO of production company Dream Plus. She is known as a creator and producer of mini-series *Pure Soul*, which was remade as Korean hit *A Moment to Remember*. Her other credits include *Ushijima the Loan Shark*, and rom-coms *LDK* and sequel *LDK2*. Wang is currently the head of the Media, Entertainment and Sports division of Yintai Investment, based in Beverly Hills. Wang has executive-produced and co-production films, such as the China-U.S. coproduction and the China-Japan co-production *Sweetheart Chocolate*. Wang also represents companies buying films for distribution in China or co-financing films and TV projects with China. He previously helped purchase Chinese rights for movies including *Extremely Wicked, Shockingly Evil and Vile* and *Rolling to You*. “The film business has gone through drastic changes in the recent past. ACJ gives us the opportunity to adapt to this new environment and make movies with universal appeal,” said veteran producer Amin.

Director Nick Hamm has launched London- and L.A.-based entertainment company **Free Turn**. He has teamed with ex-WPP agency executive Jon Hamm on the firm which is a hybrid film and TV production outfit and creative advertising agency. The brothers previously co-founded Greenroom Digital which they sold to IPG in 2009. Also aboard at Free Turn are Firecracker Films co-founder Jeremy Groman, who will take the role of Chief Creative Officer, and former WPP agency growth director Gemma Batterby, who will run the business as Managing Director. Nick Hamm, who previously directed *Driven*, *The Journey*, *Killing Bono* and *Godsend* as well as the Netflix series *White Lines*, is currently in pre-production on their first project which was written by David Hudgins (*Friday Night Lights*, *Parenthood*). “There is a revolution happening in entertainment. How it’s made, distributed, funded, and watched,” said the filmmaker. “This new reality has uncoupled the traditional relationship between advertising and entertainment, resulting in a vacuum that has yet to be filled. Free Turn is at the forefront of that transformation as we build a company that bonds the two worlds in a mutually beneficial future.” 🍷

RICK PAMPLIN'S MOVIE MONEY CONFIDENTIAL INSPIRED BY FILMMAKERS & FINANCING BOOK

Award-winning independent filmmaker Rick Pamplin has created, written and directed a new feature length documentary inspired by Louise Levison's best-selling book **Filmmakers & Financing: Business Plans for Independents**. Pamplin says, "We made a bold, truthful movie, which reveals many secrets about the often-mysterious world of film financing." Pamplin, a Levison client, sees the film "as empowering a new generation of filmmakers" with insight, information and real-life advice from filmmakers, fundraisers, investors, lawyers, producers, movie stars and Louise Levison.

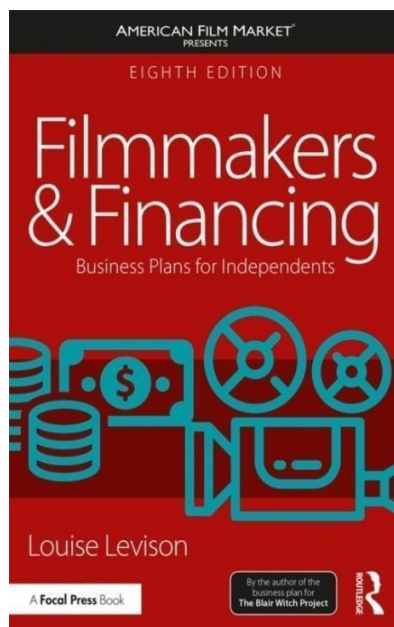
Pamplin and his crew shot 100 hours of footage and interviewed about 60 people including actress-producer Salma Hayek (*The Prophet*) and filmed one of the last interviews with the late screen legend Burt Reynolds at his acting school in North Palm Beach, Florida. The movie also filmed seminar-style panels with students at Saint Andrew's School in Boca Raton and an open-to-the-public event with artists and writers at Harold's Coffee Lounge in the Northwood Arts Village.

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**. **Movie Money CONFIDENTIAL** is a Think Visual Group Production in Association with Pamplin Film Company. Go to MovieMoney.com for upcoming screenings and release information.



Rick Pamplin on the set of Movie Money CONFIDENTIAL

The latest edition of *Filmmakers & Financing: Business Plans for Independents*



<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.

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). She also has a starring role in the feature documentary *Movie Money Confidential* which was inspired by the book. More information at moviemoney.com. Levison also is editor of the online newsletter *The Film Entrepreneur: A Newsletter for the Independent Filmmaker and Investor*.

A polished business plan with projections based on the worldwide results of other films and with clear explanations of the industry is far more effective than an incomplete document that leaves prospective investors wanting more information. In our “new normal,” *TFE* has developed (and continues to adjust) a new format for forecasting Indie films to include the current hybrid system of releasing films for a shorter span in theaters (currently mostly drive-ins but the rest of the country’s cinema sites as the industry opens) and, often, into streaming rather than the standard online release pattern of DVD/Blu-ray and downloading.

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.

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*. Her corporate clients include Danny Glover’s Louverture Films (2008 nominee for Best Documentary Academy Award *Trouble the Water*), Pamplin Film Company (*Hoover*), Majestic World Entertainment, Gundersen Entertainment and Tokuma International Ltd. 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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