

Film Production

Business and Tax

Emily Graham, Esq., LL.M.

Windowing Overview

- Watch it different ways and pay different ways
- Why shorten the window?
- Theatrical
- Non-theatrical
- Home Video
- Kiosks
- Premium Pay TV
- Ad Supported TV (“free TV”)

Accounting

- So many books!
- Mind the GAAP v. Cash Method
- Income Forecast Method
- Asset valuation
- Net realizable Value (NRV)
- Revenue recognition
- Participation accounting
- Gross profit v. Cash Profit

Tax Incentives

- Federal
- Game: Arrange the states from most incentives to least...
 - Florida
 - Louisiana
 - California
 - Georgia
- In-state Spend
- Credits vs. rebates
- Caps
- Residency
- International

Participation

- Net Profits
- Adjusted Gross Profits
- Gross Dollar One Deal
- Gross Pool Deal

Negotiation Points

- Home video net profits
- Marketing overhead
- Accounting timing
- Unconscionability
- BO bonuses
- Arbitration
- IRR...International Revenue Retention
- Star System

Financing

- Outside Investors:
 - Slate
 - Strategic
 - Activist
- Banks
- On balance sheet vs. off balance sheet
- Securities Laws

Theatrical Distribution

- Major Studios
- Major Studio Subsidiaries
- Mini-Majors
- Digital and Theatrical
- Indies
- Faith Based

Deal Structure Studio and Theatres

- Division of Income
- Firm, settle, or blind bidding
- Clearances and exclusivity
- Marketing
- Concessions
- Other theatre income
- Anti-trust law
- Prints
- Min showing requirements

Studio Distribution

- March 2017: Beauty and the Beast
 - Domestic
 - International
- Who are these people sitting next to you in the theatre?
- Digital
- P&A

Exhibitors

- Income Ratios
- Tickets
- IMAX...
- Super tickets
- Alt
- Trailers
- Screens per venue
- International
- Crystal Ball

Non-Theatrical

- Not commercial
- Venue rental
- Service and A/V
- Apartment and Condo communities
- Churches and other places of worship

Piracy

- How much
- Changing technologies
- Counter-Piracy
 - SOPA and PIPA
 - Google eyed
- What's going on now?
- In the future
- Litigation
 - Betamax
 - Grokster
 - Aero

Home Entertainment

- Let's pick up a film
- Market
- Trends
- Window and Experiments
- Studios
- Physical Rentals and sell through
- VOD
- SVOD