

# DAILY VARIETY

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## Small miracles

### Stepping outside studio tentpole shadows, do-it-yourself producers get release

**By ANTHONY KAUFMAN**

It's called the "Monte Carlo method," and as Bob Yari explains, it may be the best chance of winning the do-it-yourself distribution gamble. "If you roll the dice once, you're going to lose," says Yari, "but if you roll the dice 36 times, you can start predicting the numbers.

"The key is to have a big enough slate," adds Yari, who finally hit the jackpot with "The Illusionist," the third film his Yari Film Group has released. The others, "Winter Passing" and "Find Me Guilty," both failed to crack the B.O. bank. But according to Yari, one win for every two losses is all you need to stay in the black. "That's how studios have functioned for years," he says.

But as the studios focus on tentpoles, several producers and financiers have started their own studio-like endeavors, putting up the P&A and hiring bookers or smaller distributors to get their pictures into the theatrical marketplace. While there's greater risk investing in such a release, there is also a greater chance for upside.

Industry insiders say the rash of such service deals is the result of frustrated producers, unhappy with meager distribution offers, as well as the large amount of equity flowing into the business in search of profit.

"If the studios don't give them the kind of a deal they need to bring to their investors, we are often their best option," says Rocky Mountain Pictures' Randy Slaughter, who has serviced everything from the Cheech Marin comedy "Shrimp on the Barbie" to Christian-themed "The End of the Spear."

Howard Cohen of Roadside Attractions, for example, says he made a conventional distribution offer on "Come Early Morning," Joey Lauren Adams' directorial debut. "But they turned us down because they wanted a bigger upside," he says. Now producer Bold Films is putting up the P&A and hiring Roadside to handle the release.

Distributors say the structure of rent-a-system deals are all over the map, ranging from 10%-20% of theatrical revenues to flat upfront fees to a "success bonus" on the backend, all depending on the size of the release and how much work is involved.

While distributors say they're completely behind the films they're hired to release, producers can be wary that rent-a-distributors have conflicting interests.

For example, Yari Film Group continues to use Freestyle Releasing for bookings and collections, but Yari eventually would like to control everything inhouse. "When you're using an outside third party to provide a service," he says, "you always have to worry about competition: What other films are they handling, and are they conflicting with yours?"

Freestyle's Mark Borde says going with an established company like his ensures that a film gets "in the front door. Exhibitors prefer to work with established distributors. It's a relationship business."

Another benefit, according to Borde, is that the rent-a-distributors can collect and pay producers quicker than studios.

But the model also presents plenty of potential hiccups, from bombing at the box office to the scarcity of lucrative TV and cable deals. Part of what's driving MGM's popularity in the rent-a-system business, for example, is the company's Showtime deal. "It's the only way to get really good money nowadays," says First Independent Pictures' Gary Rubin, who has taken on several service deals recently.

"Selling movies to television has become extremely difficult," agrees IFC Entertainment prexy Jonathan Sehring, who has overseen distribution partnerships with the Weinstein Co. and Netflix, among others.

While such arrangements are not for everyone, the deals may be "one of the best solutions right now," Rubin says, as producers look for ways to make their money back in a market that continues to shrink. "You can take your \$250,000 advance and lick your wounds," says Rubin, "or if you're a risk-taker, you can shoot for the stars."