



Indies find opportunities at AFM

Market spotlights new business model amid biz nervousness

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As the 32nd American Film Market wraps, the indie sector is feeling optimistic about the Hollywood studios' move away from mid-budget projects, though sellers are feeling the pinch from worldwide economic woes.

"We are continuing to filling a void for what used to be studio projects," noted Myriad Pictures CEO Kirk D'Amico after his sales-financing banner came on to co-finance Neil LaBute's "Seconds of Pleasure," with Mike Figgis to direct a cast including Matt Dillon, Julia Stiles, Brendan Fraser, Kristin Scott Thomas and Christina Hendricks.

"Seconds," due to go into production next summer, was developed and is produced by Scottish broadcaster STV. Myriad's already sold Switzerland and Turkey but hasn't sold major markets since buyers want to review LaBute's script.

"It's not like the old days, when you could get a director onboard and start making deals on selling territories," D'Amico noted. "Everyone's much more careful. The European financial crisis has created volatility, and that doesn't help this market, but for Myriad, AFM has been a continuum of the good Sundance and Berlin, a very solid Cannes and a very positive Toronto." Stuart Ford of IM Global reported more than respectable response on a quartet of new projects -- Jason Statham actioner "Hummingbird"; "Dead Man Down," starring Colin Farrell and Noomi Rapace with Neil Moritz producing; "Blood," starring Paul Bettany, Brian Cox and Stephen Graham; and 3D musical "Walking on Sunshine."

"Performance has been very solid on new big titles," Ford told Variety. "There were no big surprises -- and anyone who came in expecting a bumper market was going to be disappointed because the economic situation in Western Europe has been impacting pricing. The buyer appetite is there, but they're also limited by economic restrictions."

That's the emerging consensus at the end of AFM -- sales were solid but not spectacular, particularly given the high level of sales earlier in the year at Cannes. "People bought so much earlier in the year that a lot of their slots for 2012 are already filled," noted Camelot Entertainment prexy Jessica Kelly, who closed a deal with U.K.'s Showbox Media Group for "A Warrior's Heart," "Attack of the Herbals" and "Norman."

One of the brighter developments at AFM came as the fest was winding down as Joni Sighvattson's Palomar Pictures ("Killer Elite") has launched a partnership with Grosvenor Park on a package of three films -- remakes of "Joseph and the Girl" and "Elliot" and an adaptation of Stephen King's "Rose Madder," all slated to go into production within 18 months.

Palomar is the first producer to sign on with Grosvenor Park since the latter announced plans during the Toronto Film Festival to resume financing films after a three-year absence. Grosvenor Park's aiming to provide a "one-stop shop" financing solution for independent films in the mid-range budget level via senior, gap and tax lending.

"We're attempting to fulfill the need in the market for films in the \$20 million to \$35 million range," Grosvenor Park chairman Don Starr told Variety. "There aren't enough of those available. At that budget range, you can get the cast and directors you need to make the film get the returns it needs."

Exclusive Media sales prexy Alex Walton reported major interest in racing drama "Rush" -- which has already sold to Studiocanal for the U.K. -- in the wake of Ron Howard meeting with buyers on the first day. Walton said buyer interest in "Rush" was on a par with last year's interest at AFM in Exclusive's "Ides of March," another mid-budget project.

"Studios are not really in that business any more, so the indies are embracing it," Walton noted. "If a studio were



Stuart Ford



Kirk D'Amico

making 'Rush,' it would cost \$100 million, but we're doing it at a price where foreign buyers can recoup."

Lisa Wilson of Parlay Films reported strong sales for literary drama "The Words" and financial thriller "Arbitrage" to most European markets.

"It really has gone according to script," she noted. "What people are looking for is something that 'ticks the boxes,' which means that it's reliable, particularly with DVD down and VOD not quite significant yet. It means that there's a predictability of performance -- it will have X number of admits in Y territory with free and pay TV -- based on factors like the director, cast and similar films."

For many attendees, AFM is an opportunity to move forward on projects. Steve Saxton, topper of HSI Films said that, given the uncertainty of the DVD business, buyers and financiers have been particularly focused on films that can open theatrically. "We've been finding that it's actually easier to finance bigger movies these days," he added.

HSI's sales slate included "Answers to Nothing," "Carnaval" and "Brooklyn Brothers Beat the Best." "Carnaval," starring John Cusack and Johnny Knoxville, will shoot in Brazil in January.

Ford expects that there will be an uptick in strong new titles at Berlin, including two new projects from IM Global. He noted that new financing is challenging but pointed to several positive developments -- Japan has rebounded strongly, Russia's pricing has become attractive for sellers, and China and Brazil have become increasingly significant.

And he agrees that indies have plenty of opportunities to move on what used to be studio projects.

"We're spoiled in terms of what we're being offered," Ford mused. "There are about half a dozen established companies that can do projects between \$25 million and \$40 million. There are lot of films in turnaround or with studio level producers like Neal Moritz attached."

This year's market saw the number of buying companies rise 8% to 718 from 664 in 2010; buying executives up 7% to 1,523 vs. 1,417 a year ago; and overall attendance climb 4% to 7,988 vs. 7,695 in 2010.

Michael Massangkay, VP of Cinemavault, said the market's seen a profound shift in how buyers are willing to view product. "We still ship DVDs, which takes four or five days, but we also tell buyers that they can view it in our online screening room, so now I'm up at 2 a.m. responding to that -- and making deals much faster," he noted.

Barry Gordon, CEO of XLrator Media, said the opportunity to use digital platforms has energized this year's AFM, on the heels of partnering with ARC to acquire North American rights to the urban thriller "96 Minutes." "This is my favorite market because it's the best place to discover genre films," he added. "I love coming here and seeing an awesome poster."

Gordon also noted that he hasn't found anyone who supports a possible move of AFM to downtown Los Angeles in 2013 -- particularly since the weather stayed sunny for most of the market. "Most people feel like if it's not broke, why fix it?" he noted. "People who come from cold places really enjoy being next to the beach when they're here."