

Spectrafilm sells Cousin's Canadian video rights to American co.

TORONTO — Critics of Spectrafilm's sale of *My American Cousin* North American video distribution rights to Los Angeles-based American Media Home Entertainment are crying over spilt milk, and Telefilm Canada attempts to prevent a similar repeat are "wrongheaded," according to Barry Young, president of Spectrafilm's owner, the Skyld Group.

The sale of those rights for the best picture at the 1986 Genie Awards, reported to be for \$650,000 U.S. (a figure Young wouldn't confirm but said was "in the ballpark"), raised cries of foul from Canadian distributors not offered a chance to bid on those rights. Telefilm, an investor in the film, was embarrassed because the sale flies in the face of guidelines requiring a Canadian distributor for all rights in any theatrical or TV feature it invests in.

That proviso, however, wasn't formalized in Telefilm's Broadcast Fund rules until last November — well after deal had been negotiated, said Young. "In principle, there's nothing for them (Telefilm) to alter, because it (the sale) was cleared down the line," he added.

Telefilm Executive Director Peter Pearson has said that Telefilm's board of directors will pass a resolution later this year — likely this summer — to spell out its guidelines more explicitly and prevent a repeat of the Spectrafilm sale.

The rub for Young's detractors, however, lies in the fact that Toronto's Astral Video will be subdistributing video cassettes of *My American Cousin* in Canada as part of an ongoing contract it has with Media Home Entertainment — cause enough for the Skyld Group president to deny Spectrafilm's sale was damaging to Canadian distributors.

"It isn't injurious to Canadian distributors," Young told *Cinema Canada*. "Astral Video will earn some fees, so I think in dollar terms the Canadian video distribution industry has been well served by this deal."

Commenting on the size of the deal, which he has described as the "best package for the investors, one of which is Telefilm," Young has said it was almost doubled by combining both American and Canadian video rights together. Asked why that was, Young pointed out that while Canadian rights are always worth "substantially less," Spectrafilm was able to convince Media Home Entertainment of the substantially higher per capita interest the

video would generate in Canada and of its proposals to exploit the film.

Young also stated that not only did combining the rights increase the sale but so did the purchase by an American company. Citing a lack of Canadian offers, Young stated "The dollars we would have got from a Canadian (video) entity would have been dramatically less" and had it been otherwise, Spectrafilm would have made offers to domestic distributors.

Some Canadian distributors argue for a higher sale price had rights been separated (and particularly for separate Canadian rights). Young denies that and observes "Spectrafilm would have obviously separated the rights if it thought it could have done better."

Norstar Releasing President Daniel Weinzwieg, who contacted Young in mid-April over the sale with what the latter called "a sour grapes call," takes issue with Young, Spectrafilm, and Telefilm.

Weinzwieg, who said Norstar received no response from Spectrafilm in a written inquiry prior to *My American Cousin*, scoffed at Young's assertion that including both (particularly Canadian) rights almost doubled the sale price, calling that claim "a crock" (and stating as common knowledge the Canadian market only making up one-tenth of the North American total).

"Spectrafilm would have got a good deal whether an American company would have been involved in the sale or not, those are going rates (for the sale) in the industry," said Weinzwieg, also miffed that Spectrafilm "never shot the film in Canada to anyone — they didn't pick up the phone."

Connie Ede, Spectrafilm's executive for non-theatrical sales, had no knowledge of any approaches from Canadian distributors for the film's video rights from Spectrafilm (which, though it bills itself as "a North American all-markets distribution company," lacks its own video distribution arm). Had any video sale gone to Norstar, said Ede, the rights would have had to be split since, she said, Norstar only handles Canadian rights.

Ede denied Weinzwieg's claim the sale price represented a 'going rate.' Instead, she described it as "phenomenal" and pointed out the \$650,000 U.S. figure translated to some \$910,000 Cdn.

While he doesn't object to Spectrafilm's selling both rights to titles abroad, Weinzwieg's operative thrust was "don't do it with pictures with Canadian taxpayers' money in it." "Unfortunately," he added, "Telefilm didn't do due diligence and nix the deal. Telefilm has to take the responsibility for that."

For Young, the argument is that Spectrafilm "was there" on the financing of *My American Cousin* (it put up one-third of the budget) and that "lots of opportunities" existed for other Canadian distributors "to put up the money — and they didn't do that."

The emphasis, said Young, should be a recognition that Canadian distributors "can't exist on Canadian product" and the focus should be on helping them obtain more profitable product. While he saw no problem in separating rights on a high-end film, Young said Telefilm's current guidelines will mean "a lot of (low-end) films will certainly not get done, at least with Telefilm involved." He added that the federal government shouldn't consider initiatives beyond lead rights on a production.

The idea of a video distribution arm of its own, while deemed by Young "under feasibility and possible (but it's a reasonably crowded field)," is on the sidelines as Spectrafilm's priority remains with North American theatrical distribution.

"We're a better, different breed" Young said of Spectrafilm, "and the real world is that we won't be able to compete unless we can do so in both markets." Underlined Young, "We're not meanies, we're just trying to do the best

job for the people that own the film."

My American Cousin's producer Peter O'Brien, while somewhat embarrassed over the sale (a deal he admitted got by his attention), pointed out it was made under different rules in 1984. Promising to separate Canadian rights from American rights in the films he's currently making, O'Brien stressed as much in a recent trip to Los Angeles.

As one of the panel speakers at an April 21 forum on cultural sovereignty at Toronto's St. Lawrence Centre, O'Brien suggested to a packed theatre "You'd better get wise to the business of cost, otherwise you won't make films" in Canada.

O'Brien also observed the Spectrafilm sale would "make enough money" to send him to Newfoundland later this year to do Gordon Pinsent's *John and the Missus*. "Part of the difficulty," he noted, "is you have to make such sales as a necessity to achieve the above."

MONTREAL — Les Journées du cinéma africain au Québec, the Montreal festival that celebrates African film culture, has resulted in a festival of Québécois films being organized for Nov. 20-27 in Ouagadougou, capital of Burkina Faso (formerly Upper Volta).

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