

Entertainment, Media & Communications Industry

Perspectives*

Film-Financing and Passive Investor Arrangements

Table of contents

The heart of the matter	2
Media companies are modifying the ways they invest in filmed entertainment products. Are financial executives prepared for these accounting challenges?	
<hr/>	
An in-depth discussion	4
There are many technical considerations related to film-financing transactions. Have you navigated all the accounting hurdles?	
Passive investor arrangements	9
Arrangements with active involvement	22
<hr/>	
What this means for your business	24
Financial executives who are adept at navigating the intricate accounting and reporting matters will be better able to obtain results that reflect the true substance of the arrangement.	

The heart of the matter

Media companies are modifying the ways they invest in filmed entertainment products. Are financial executives prepared for these accounting challenges?

Motion picture and episodic television shows are experiencing significant changes in traditional development, finance, and distribution models. Increasing fragmentation in the free and cable television marketplaces, as well as the advancement of new technologies and distribution platforms, has greatly changed the way media companies make investments in filmed entertainment products.

For financial executives, the changes in the overall environment pose new challenges in accounting for filmed entertainment products. Navigating the investment scenarios can be particularly challenging. These challenges are compounded by the fact that the primary accounting standard that governs accounting for motion pictures, SOP 00-2, “Accounting by Producers and Distributors of Motion Pictures” (SOP 00-2), offers no significant interpretive guidance.

In addition, SOP 00-2 explicitly notes that the Accounting Standards Executive Committee did not consider accounting for joint ventures, financing arrangements, or an arrangement that is not the sale of a copyright. Accordingly, financial executives have considered guidance from other authoritative standards when evaluating film-financing transactions, including FIN 46R, “Consolidation of Variable Interest Entities” (FIN 46R), and EITF 88-18, “Sale of Future Revenues” (EITF 88-18). We have included a decision tree (Figure 1) on page 7, which simplifies some of the key considerations in arriving at an appropriate accounting model.

To help address uncertainties in this area, PricewaterhouseCoopers offers our perspectives on significant accounting and reporting matters that face companies in the filmed entertainment production and distribution industries. This paper focuses on film-financing and passive investor arrangements. The information contained in this paper is meant to provide a framework when considering the impact of various transactions on your company’s financial-reporting process.

An in-depth discussion

There are many technical considerations related to film-financing transactions. Have you navigated all the accounting hurdles?

The motion picture industry has a long history of seeking various types of investors to participate in the development of feature films. This is a way to spread the ever increasing risks and rewards associated with film investments. Investment types have varied over the years, ranging from investments in a single motion picture to so-called slate deals that involve investing in a portfolio of motion pictures slated for release over the course of several years. Investors typically range from wealthy individuals seeking tax advantages to the recent trend of investment by highly sophisticated private equity investors. Typically, investors make a fixed payment equal to a percentage of a particular film's production costs in exchange for a similar percentage of the net returns of that title. A single film transaction, however, can result in significant volatility for the investor while reducing the downside risk of the film producer.

Recent transactions have financed a portfolio of motion pictures, allowing the investor to spread the risk of a poor-performing title across multiple film releases. Historically, major studios have seen the impact of lower-performing titles neutralized by higher-performing titles over the course of several years, so in theory, a multifilm deal increases the opportunity for an investor to receive a less volatile return. This type of investment also appeals to private equity investors who are seeking the possibility of above-average returns with some downside risk protection.

These types of financing arrangements also benefit film studios by reducing initial capital outlays and some of the downside risk associated with potentially producing several underperforming motion pictures. While studios receive lower returns on their more successful titles, a significant reduction in overall volatility in their annual performance can also be achieved.

These investments are commonly structured using either legal entities (Figure 2) or contractual arrangements (Figures 3 and 4). Production arrangements are typically entered into between the partners to ensure the studio maintains control of the creative process. Exclusive rights to market and distribute the motion pictures usually rest with the studio, which also typically pays the print and advertising costs for the release. The studio generally receives a distribution fee in all media and territories, which is paid before any returns are paid to the investors. The amount returned to an investor typically represents its percentage share of actual revenues less print and advertising costs, the distribution fee, and amounts held back for participations and residuals.

Some investor arrangements may not involve the formation and use of a legal entity but, rather, are structured as a contractual arrangement between the studio and the investor. Under these arrangements, the mechanics of the overall cash flows are similar to arrangements involving legal entities. However, in a contractual arrangement, a studio may or may not sell a portion of each film's copyright to the investor as part of the arrangement.

There are three key considerations in a film-financing transaction. Financial executives can be a valuable resource to their studio and treasury executive teams by highlighting these considerations early in the development of a financing structure.

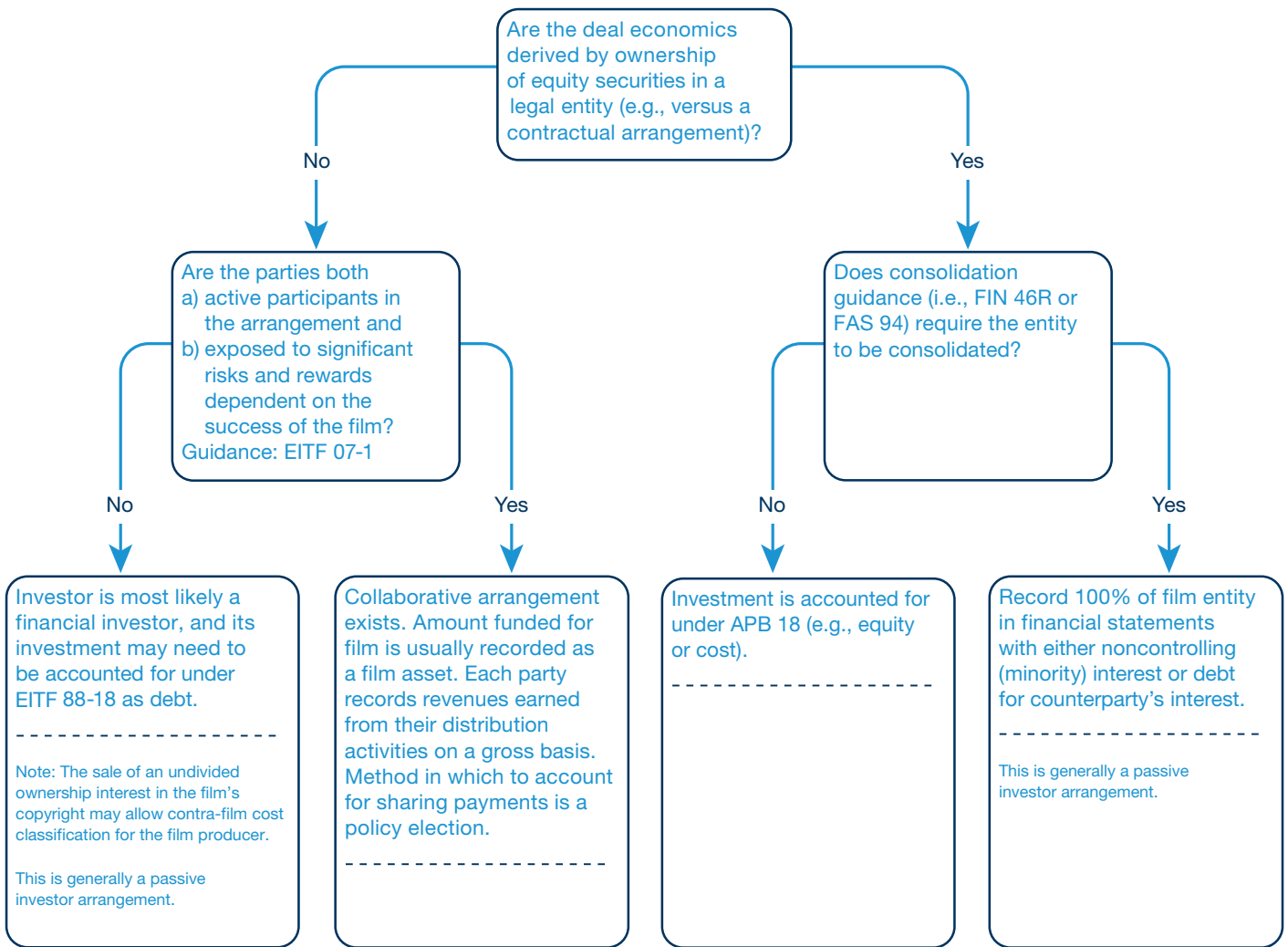
1. Different businesses have different key operating metrics such as segment operating income, EBITDA, or return on the studio business. The structure of a film-financing transaction can have a significant impact on the appropriate financial statement presentations of amounts owed to investors, including whether the investor's return should be classified as an operating expense, noncontrolling (minority) interest, or interest expense. These presentations may impact a studio's key performance metrics and should be considered when structuring a film-financing transaction.

2. Transactions are becoming more complex and companies need to consider the impact of embedded derivatives.

Many transactions include put and call arrangements that need to be evaluated under complex standards governing derivative financial instruments and the classification of items as either liabilities or equity.

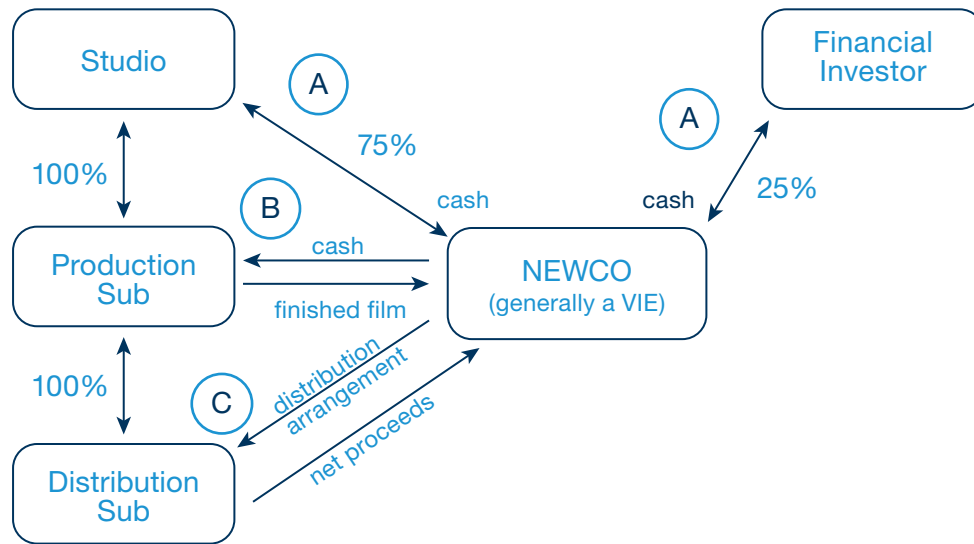
3. The sale of an undivided interest in the film's copyright is generally treated as a reduction in film costs. While some studios do not desire to partially sell any portion of their intellectual property, some financial executives find the accounting result, in a lower film asset balance, to be a preferable presentation.

Figure 1: Film-finance structure—accounting considerations



Note: This decision tree is illustrative and does not contemplate all possible deal scenarios. The specific facts, circumstances, and structure must be analyzed to determine the appropriate accounting treatment for each deal.

Figure 2: Common investor structure involving equity securities



- (A) The studio and financial investor fund their respective ownership percentages through capital calls as films are produced.
- (B) Completed films are acquired from a wholly owned subsidiary of the studio at cost.
- (C) Wholly owned subsidiary of the studio has a distribution agreement with the NEWCO. Net proceeds (revenues less distribution fee, print and ad costs, and participations and residuals) are returned to NEWCO. Those amounts may fund future film acquisitions or be returned pro rata to the owners.

Passive investor arrangements

Most film-financing transactions involve a combination of legal entities (equity securities) and contractual arrangements. How does a studio decide whether the deal economics are derived primarily through equity ownership in a legal entity or contractual arrangements?

The determination of whether an investor's economics in a film-financing transaction are derived through equity securities or contractual arrangements is critical in an assessment of whether a studio should consider consolidation guidance in FIN 46R and FAS 94, "Consolidation of All Majority-Owned Subsidiaries" (FAS 94), or other guidance in EITF 88-18 or EITF 07-01, "Accounting for Collaborative Arrangements" (EITF 07-01). As demonstrated in Figure 1 and the related examples, this consideration may have a significant impact on the studio's balance sheet presentation of the passive investor's investment in the respective film. In other words, should the investment be classified as debt, noncontrolling interest, or reduce the carrying cost of the film?

The determination of whether the investor's economics are obtained through equity securities or contractual arrangements is generally based on an evaluation of the facts. The following are some of the key factors that need to be evaluated to determine how the investor is obtaining the economics:

- Is the net profit allocation to the investor and the studio derived through ownership of equity securities in a legal entity or solely a contractual arrangement?
- Repurchase feature — are equity securities or the partial ownership of the films being acquired (i.e. copyrights)?
- Do the rights that control the investment vehicle reside principally in the underlying equity securities or in the various contractual arrangements?

While this list is not all-inclusive, we believe that these are often the key considerations in making the important determination as to whether an arrangement primarily involves equity securities or a contractual arrangement.

If an arrangement's economics are derived primarily through equity securities, is the NEWCO a variable interest entity (VIE), and if so, who is typically the primary beneficiary?

The entity created typically meets the definition of a VIE because the entity usually fails FIN 46R paragraph 5b, which requires the equity holders to retain rights that impact the entity's activities that have a significant effect on the success of the entity. Usually, the production and distribution arrangements with the studio ensure that many key rights are retained by the studio. These rights usually do not allow the financial investor to have any right, direct or indirect, to make decisions about any activity that may directly impact the success of the entity.

Many of these arrangements also place restrictions on the right of the equity participants to sell, transfer, or encumber their shares without prior approval from the studio. As such, the studio and financial investor are often considered "de facto" agents of the entity. The party within the de facto agent group who is most closely associated with the VIE should be responsible for consolidating the entity. Typically, the studio would consolidate the VIE, because it would normally be entitled to a majority of the expected gains and losses and because the studio is more closely related to the entity's primary activity of producing motion pictures.

If the studio is required to consolidate the VIE, how is the passive investor's interest in the VIE recorded in the studio's balance sheet: as noncontrolling interest or as debt?

The presentation of the passive investor's interest in the VIE as a noncontrolling interest is generally appropriate. Many of these arrangements represent the overall sharing of the risks and rewards of producing a slate of motion pictures. Essentially, the investor will earn a return or suffer a loss on its investment based on how the entity performs. Accordingly, in those instances, we believe the passive investor has ownership risk in the entity and that noncontrolling interest presentation is appropriate.

However, there have been circumstances where the SEC looked through the legal entity structure and required the studio to evaluate the presentation of the liability to the investor based on the criteria of EITF 88-18. As discussed later in this paper, for a passive investor arrangement the consideration of EITF 88-18 would generally lead to a conclusion that the passive investor's investment should be recorded as debt by the studio. However, we believe that in arrangements where the passive investor has significant risks and rewards of ownership, presentation of investor interest as a noncontrolling interest by the studio is appropriate.

Also, in some arrangements, the passive investor may have a "put right" or the studio may have a "call right" on the equity shares held by the passive investor. Such repurchase features can have varying and complex implications and should be considered carefully.

Example 1: Investor pays \$40 for a 40% interest in a NEWCO that owns a film with total production costs of \$100. The arrangement is conducted through a legal entity that the studio will consolidate under FIN 46R. Studio reflects the passive investor as a noncontrolling interest. Ten-year ultimate revenue is estimated to be \$300. Financial results for the title and related expenses are as follows:

Presentation as non-controlling interest

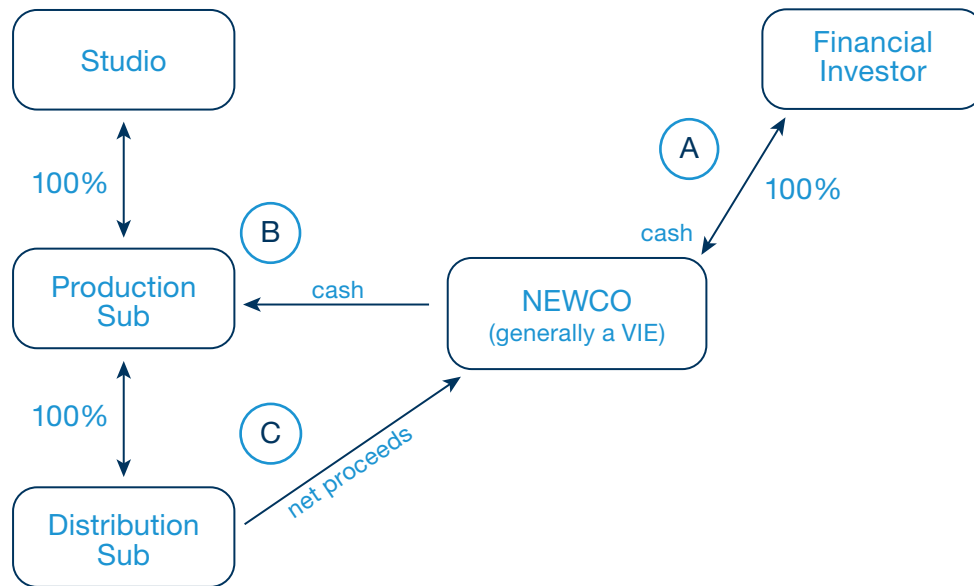
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	75.0	75.0	50.0	25.0	25.0
Distribution fee	(7.5)	(7.5)	(5.0)	(2.5)	(2.5)
Prints and ads	(50.0)	(25.0)	(10.0)	(10.0)	(10.0)
Amortization of film costs	(25.0)	(25.0)	(16.7)	(8.3)	(8.3)
Operating (loss)/income	(7.5)	17.5	18.3	4.2	4.2
Segment operating margin	(10%)	23%	31%	17%	17%
Noncontrolling interest	3.0	(7.0)	(7.3)	(1.7)	(1.7)
Net (loss)/income	(4.5)	10.5	11.0	2.5	2.5

For contractual arrangements involving a passive investor, what are the accounting considerations?

In many contractual financing arrangements, the investor pays a fixed amount in exchange for a variable return based on how a film or group of films performs. If the contractual arrangement does not involve the sale of a proportionate undivided interest in the copyright to the investor, we believe the guidance of EITF 88-18, "Sale of Future Revenues," normally applies to the contractual arrangement.

EITF 88-18 lists six factors that would create a rebuttable presumption that the consideration received should be classified as debt. The most relevant factor for a contractual arrangement with financial investors is that the enterprise (the studio, for example) has significant continuing involvement in the generation of cash flow due the investor since the studio is responsible for producing the film and earning revenues through distribution activities. Accordingly, in this situation, classification of amounts received from the investor as debt would typically be required. In these situations, the accounting model shown in Example 2 would likely be appropriate.

Figure 3: Common investor structure involving contractual arrangements without the sale of the copyright



- (A) The financial investors establish a NEWCO to hold their investment in and returns from their partial economic interest in the cash flows of a completed film.
- (B) A partial economic interest in the cash-flows of a completed film is acquired from the studio. The percentage interest is acquired with the financial investor's cash investment in the NEWCO.
- (C) Wholly owned subsidiary of the studio has a distribution agreement with the production subsidiary. Net proceeds (revenues less distribution fee, print and ad costs, and participations and residuals) are returned to NEWCO. Those amounts may fund future film acquisitions or be returned to the financial investor.

If a debt model is utilized, in which income statement line item should the studio record returns to the investor?

Under a debt model, we believe that presentation of the investor's share of a film entity's results as either interest expense or an operating expense would be acceptable. Under either approach, the amount to be recorded in an accounting period for the investor's share is equal to the expected return based on an effective interest rate model. The determination of a line item presentation is an accounting policy election that should be consistently followed and appropriately disclosed, if material.

See Example 2 for an illustration of the two acceptable presentation alternatives.

In a debt model, how should the studio account for negative returns if the film underperforms?

For an individual film, we believe that interest expense should be decreted using an effective interest rate method. Under this model, the debt balance is decreted to its final redemption amount over the estimated term of the debt. This negative return should be classified in the same income statement line item as any positive returns to the investor, namely as either interest income or a reduction of operating expense.

Occasionally, a film performs so poorly that the studio does not expect to return any amount, including the initial investment of the investor. In these instances, when repayment of any amount is remote, the entire debt obligation may be recorded in the current period as interest income or as a reduction of operating expense based on the studio's accounting policy. We note that in these instances the film asset should likely be reviewed for impairment under SOP 00-2.

In a debt model involving a slate of films, how should interest expense be recorded?

For a slate deal, there are many practical challenges in applying the effective interest method. As an example, it is difficult to determine what interest rate to utilize to accrete interest expense for the entire slate when there are unreleased or, even, unproduced films to come in the arrangement.

We believe there are several acceptable approaches for slate deals. A common approach is to apply the effective interest rate method on an individual film-by-film basis. Under this model, the studio estimates the future cash outflows to the investor (including any reacquisition price of the specific film) over the estimated life of each film to determine an effective interest rate. This rate is then applied to the outstanding debt balance specific to the film to determine the current period's interest expense.

Another acceptable approach is to record interest expense on a portfolio basis for the slate deal. Under this approach, a studio accretes interest expense based on the expected rate of return to the investor over the life of the portfolio. Essentially, the studio should estimate future cash outflows (including any reacquisition price of the investor's investment) over the life of the arrangement to determine an effective interest rate. This rate should be applied to the outstanding debt balance to determine the current period's interest expense. In the early stages of a multiyear slate deal, it is generally difficult to estimate cash outflows from unproduced films. In these situations, we believe that using the greater of actual expected returns on released films or an effective interest rate based on a studio's historical returns for a similar motion picture slate is acceptable.

Example 2: Investor funding pays \$40 for a 40% interest in the future net cash flows of a film with total production costs of \$100. Studio reflects the passive investor funding as debt. Ten-year ultimate revenue is estimated to be \$300. Financial results for the title and related expenses are as follows:

Interest expense model

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	75.0	75.0	50.0	25.0	25.0
Distribution fee	(7.5)	(7.5)	(5.0)	(2.5)	(2.5)
Prints and ads	(50.0)	(25.0)	(10.0)	(10.0)	(10.0)
Amortization of film costs	(25.0)	(25.0)	(16.7)	(8.3)	(8.3)
Operating (loss)/income	(7.5)	17.5	18.3	4.2	4.2
Interest expense	(5.4)	(5.1)	(3.6)	(2.1)	(1.8)
Net (loss)/income	(12.9)	12.4	14.8	2.1	2.4

Calculation of effective rate of return

Investor's cash flows	
Year 0	(40.0)
Year 1	7.0
Year 2	17.0
Year 3	14.0
Year 4	5.0
Year 5	5.0
Effective rate of return	13.4%

Note: Year 1 to 5 cash flows to investor equal revenues less distribution fee and print and ads expense multiplied by 40% (investor's share).

Operating expense model

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	75.0	75.0	50.0	25.0	25.0
Distribution fee	(7.5)	(7.5)	(5.0)	(2.5)	(2.5)
Prints and ads	(50.0)	(25.0)	(10.0)	(10.0)	(10.0)
Expense to participant	(5.4)	(5.1)	(3.6)	(2.1)	(1.8)
Amortization of film costs	(25.0)	(25.0)	(16.7)	(8.3)	(8.3)
Operating (loss)/income	(12.9)	12.4	14.8	2.1	2.4
Interest expense	-	-	-	-	-
Net (loss)/income	(12.9)	12.4	14.8	2.1	2.4

Investor's debt on studio's books

	Year 1	Year 2	Year 3	Year 4	Year 5
Balance, beginning of year	\$40.0	\$38.4	\$26.5	\$16.1	\$13.2
Interest expense @ 13.4%	5.4	5.1	3.6	2.1	1.8
Payment to investor	(7.0)	(17.0)	(14.0)	(5.0)	(5.0)
Balance, end of year	\$38.4	\$26.5	\$16.1	\$13.2	\$ 10.0

Are financing transactions using legal entities within the scope of EITF 07-1, “Accounting for Collaborative Arrangement”?

No. EITF 07-1 specifically requires arrangements transacted in legal entities to be evaluated using FIN 46R, FAS 94, and APB 18, as appropriate.

If contractual terms are used primarily to complete a passive investor film-financing transaction, is the contractual arrangement within the scope of EITF 07-1, “Accounting for Collaborative Arrangements”?

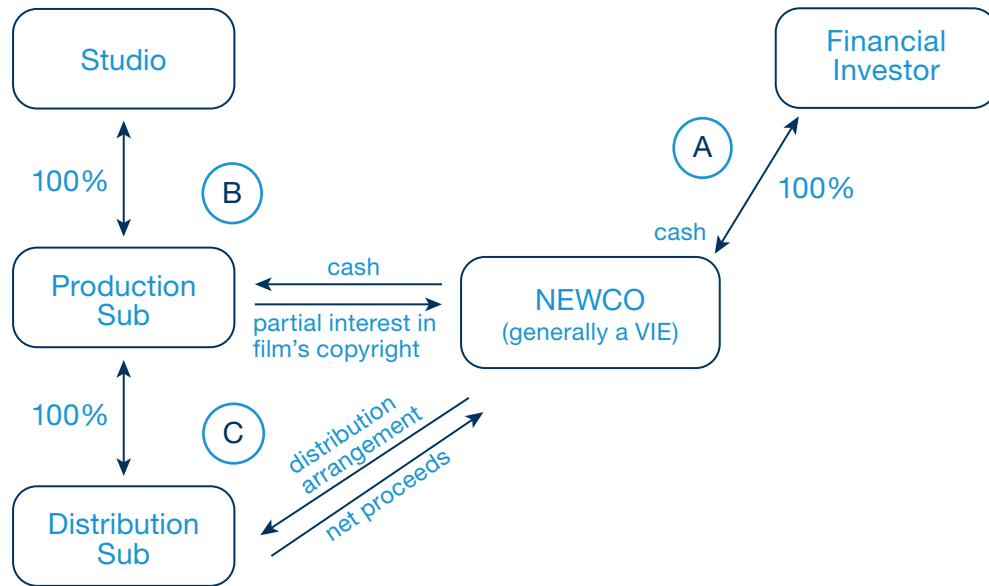
No. EITF 07-1 specifically excludes arrangements whereby an investor is solely a financial investor and does not actively participate in the arrangement. Most film-financing transactions using only contractual arrangements would likely not be within the scope of EITF 07-1, because the investor usually has no significant involvement in the production or distribution of the film. Accordingly, film producers would need to consider whether other authoritative guidance, such as EITF 88-18, would be applicable to this type of contractual arrangement.

Some contractual arrangements for the production of big-budget motion pictures may involve the collaboration of two or more studios that likely have joint involvement in the project through distribution rights in various markets and territories. In these situations, we believe the guidance of EITF 07-1 would be applicable.

For contractual arrangements involving a passive investor, what impact, if any, does sale of the copyright have?

Sale of a portion of the copyright—or, in essence, disposing of a portion of the motion picture—impacts accounting considerations. In most arrangements involving sale of a portion of the copyright, the initial fixed payment to the studio is equal to the percentage of production costs to be funded. However, because the passive investor is now an owner of an undivided interest in a motion picture, we do not believe the arrangement falls within the scope of EITF 88-18. The amounts received from the investor should generally be accounted for as a partial sale of the underlying film asset (i.e. as a reduction of film costs). Under this model, any returns to the co-owner of the film asset should be recognized by the studio as a participation cost in its income statements. For an illustration of this accounting, see Example 3.

Figure 4: Common investor structure involving contractual arrangements with a partial sale of the copyright



- (A) The financial investors establish a NEWCO to hold their investment in and returns from the partially-owned films.
- (B) A partial interest in a completed film is acquired from the studio. The percentage interest is acquired with the financial investor's cash investment in the NEWCO.
- (C) Wholly owned subsidiary of the studio has a distribution agreement with the NEWCO. Net proceeds (revenues less distribution fee, print and ad costs, and participations and residuals) are returned to NEWCO. Those amounts may fund future film acquisitions or be returned to the financial investor.

Example 3: Investor pays \$40 for a 40% undivided interest in the copyright of a film with total production costs of \$100. The transaction is conducted through a contractual arrangement and does not involve legal entities. Ten-year ultimate revenue is estimated to be \$300. Over the ten-year period, the participant is expected to receive \$60, which is total revenues (\$300) less distribution fee (\$30) less print and ads cost (\$120) multiplied by the investor's 40% interest. Financial results for the title and related expenses are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue	75.0	75.0	50.0	25.0	25.0	
Distribution fee	(7.5)	(7.5)	(5.0)	(2.5)	(2.5)	
Prints and ads	(50.0)	(25.0)	(10.0)	(10.0)	(10.0)	
Expense to participant ¹	(15.0)	(15.0)	(10.0)	(5.0)	(5.0)	
Amortization of film costs	(15.0)	(15.0)	(10.0)	(5.0)	(5.0)	
Operating income	(12.5)	12.5	15.0	2.5	2.5	
Minority interest	-	-	-	-	-	
Net loss	(12.5)	12.5	15.0	2.5	2.5	
Available cash to distribute ²	17.5	42.5	35.0	12.5	12.5	
Distributed to noncontrolling interest ³	7.0	17.0	14.0	5.0	5.0	
Assets	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cash ⁴	-	10.5	36.0	57.0	64.5	72.0
Film costs	60.0	45.0	30.0	20.0	15.0	10.0
	60.0	55.5	66.0	77.0	79.5	82.0
Liabilities						
Accrued participation ⁵	-	8.0	6.0	2.0	2.0	2.0
Equity	60.0	47.5	60.0	75.0	77.5	80.0
	60.0	55.5	66.0	77.0	79.0	82.0

Computational notes

¹ Expected participation of \$60 is accrued ratably over ultimate revenues of \$300.

² Revenue less distribution fee and print and ads cost.

³ Available cash to distribute multiplied by investor's 40% interest.

⁴ Represents accumulated cash of the studio.

⁵ Calculated as beginning balance plus current-year participation expense less cash distributed to noncontrolling interest.

Arrangements with active involvement

Are presale arrangements with other distributors and producers within the scope of EITF 88-18?

In a presale arrangement, a studio licenses the rights for certain markets or territories to another entity that will exploit those rights in the licensed market or territory in exchange for a fixed payment. We believe these arrangements should be accounted for under EITF 07-1. Unlike an arrangement with a passive investor, the licensee in this arrangement is responsible for generating the cash flows it will receive from the film. The licensee is usually another third party that is actively engaged in the motion picture production or distribution business.

Can presale arrangements with other distributors and producers be accounted for as a reduction of film costs and not as deferred revenue?

Possibly. A presale arrangement involves the sale of certain markets or territories to a counterparty. The counterparty will generally earn its own cash flows based on its distribution efforts in the acquired markets or territories. In order for a presale to be recorded as a reduction of production costs, the counterparty should be investing in the film early in the process, for example, prior to principal photography. In these instances, the counterparty is effectively involved in the production of the film, and its investment would appropriately be reflected as a reduction in film costs.

If the counterparty acquires distribution rights once the film is complete or substantially complete, the transaction is more akin to a revenue transaction because the counterparty is acquiring rights in a near complete film. Accordingly, in these situations, we believe the proceeds received should be reflected as deferred revenue. These proceeds will be recognized as revenue once the film is available for exploitation by the counterparty and the other criteria for revenue recognition in SOP 00-2 have been met.

What this means for your business

Financial executives who are adept at navigating the intricate accounting and reporting matters will be better able to obtain results that reflect the true substance of the arrangement.

As investors and studios continue to pursue new investment arrangements amid an evolving film industry, companies will face the complicated challenges of reporting the substance of these arrangements in a manner that is transparent and useful to management and third-party investors.

Studios will continue to explore ways of minimizing their capital outlays and downside exposure from investments in motion pictures. Financial executives must become adept at navigating these intricate accounting and reporting considerations in order to successfully evaluate the impact of various financing alternatives.

PricewaterhouseCoopers professionals have significant experience in dealing with these, and many other, issues unique to the entertainment and media industry. Our perspectives on these issues, including practical insights, have been gained from years of direct personal experience assisting clients navigate the often difficult challenges they face. We offer these perspectives as a framework to help your business successfully manage in a complex world.

This edition of *Perspectives* is the first in a series. Upcoming editions in 2009 will cover the following:

Film Cost Capitalization, Amortization, and Impairment

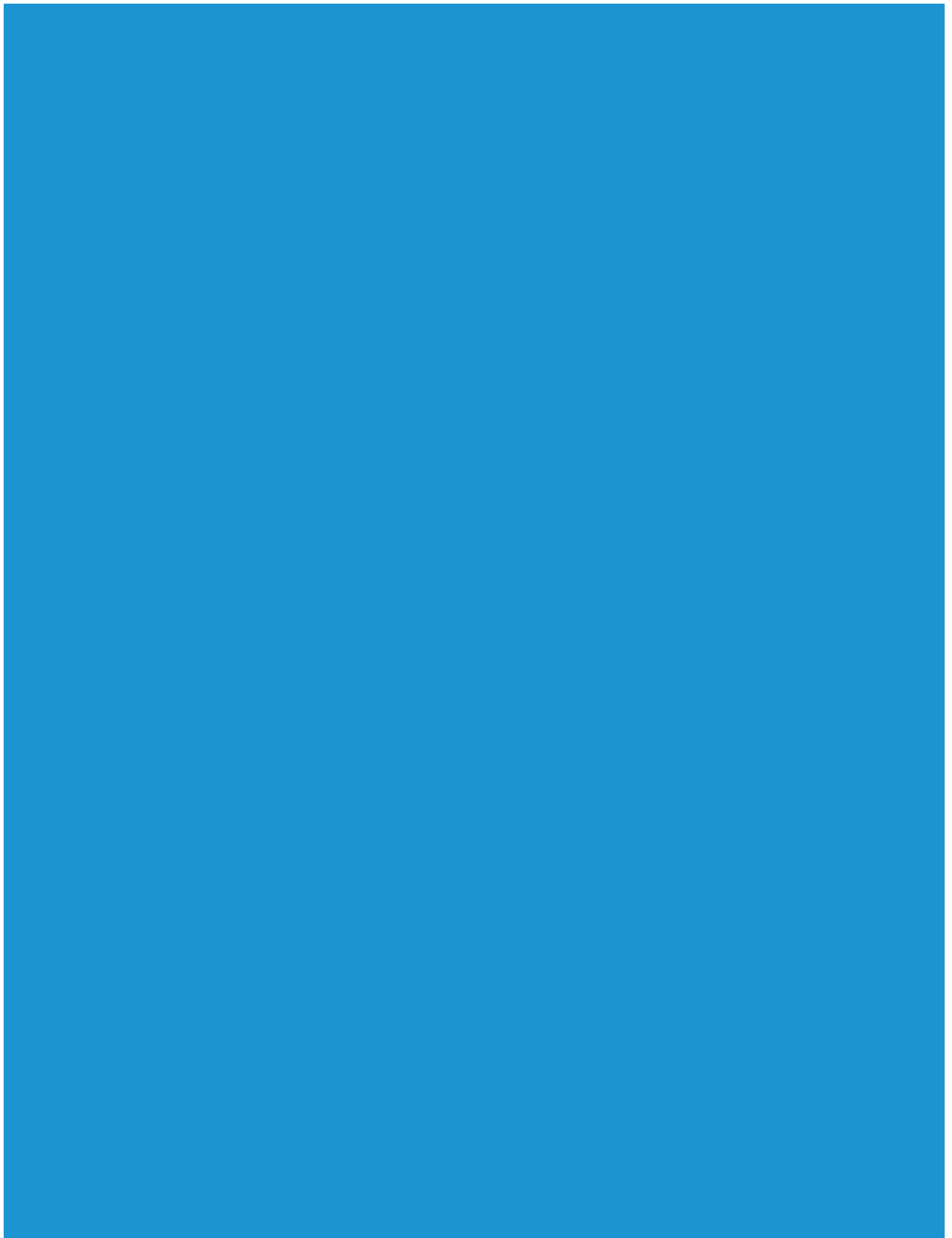
Motion Picture Distribution Arrangements

Revenue Recognition Matters Unique to the Motion Picture Industry

Acquired-Programming Rights

In the future you'll be able to view all releases and updates at www.pwc.com/EMCPerspectives.

This document describes PricewaterhouseCoopers' perspectives with respect to the application of US accounting literature to hypothetical situations. The examples and corresponding conclusions reached are based on the specific facts and circumstances presented and were reached in the context of the professional literature existing at the time. Caution should be exercised in analogizing to any specific situation the conclusions discussed. This document should not be relied on as the sole source of information leading to a decision on significant accounting or reporting matters. Rather, the information in this document should be considered only in conjunction with a review of current authoritative literature, together, where appropriate, with direct consultation with your independent accounting firm.



For a deeper conversation about how this subject may affect your business, contact:

William (Bill) Cobourn Jr.
US Leader, Entertainment,
Media & Communications Practice
646.471.5750
william.cobourn.jr@us.pwc.com

Brian Cullinan
US Assurance Leader, Entertainment,
Media & Communications Practice
818.825.5000
brian.cullinan@us.pwc.com

In New York

Robert Conklin
646.471.5858
robert.conklin@us.pwc.com

Rudy Licciardi
646.471.2485
rudy.licciardi@us.pwc.com

James DePonte
646.471.5760
james.deponte@us.pwc.com

Trish Mulvaney
646.471.5868
patricia.mulvaney@us.pwc.com

Stefanie Kane
646.471.0465
stefanie.kane@us.pwc.com

In Los Angeles

Dave Johnson
818.569.3174
dave.v.johnson@us.pwc.com

Richard Withey
213.217.3889
richard.withey@us.pwc.com

Donald H. (Bud) Swartz
818.973.4041
donald.h.swartz@us.pwc.com

Randy Vallen
213.356.6235
randall.vallen@us.pwc.com

Entertainment, Media & Communications Industry Perspectives*

Film-financing and passive investor arrangements
January 2009

This publication is printed on Mohawk Options PC.
It is a Forest Stewardship Council (FSC) certified
stock using 100% post-consumer waste (PCW) fiber
and is manufactured with renewable, non-polluting,
wind-generated electricity.



Recycled

Supporting responsible use
of forest resources

www.fsc.org Cert no. SGS-COC-3028
© 1996 Forest Stewardship Council

