



AUGUST NEWSLETTER - '09

MORE ON DISTRIBUTION

In my book “**So You Wanna Be A Filmmaker,**” I discuss many distribution options that help keep you on the right track to have a successful film career. Distribution deals can be very complicated and definitely require an entertainment attorney to protect you and your investors. In the book we have distribution contract examples and we go over many scenarios.

We have had many distribution contracts over the years that have been good and several that well, let’s just say the distributors made money and we did not. In one of our DVD distribution deals we did cut a good deal. Unfortunately, it took us four companies with this film to finally get it right.

That movie is our first film, “More than Puppy Love.” The funny thing is it happens to be about 10 years old. This little film had 3 different DVD distributors that basically could not sell any DVDs. Finally we found someone who got it right and we sold 350,000 DVDs in Walmart. Now this happened six years after the release of the movie. It was like found money for us. Having a movie is owning a piece of real property (intellectual property); with the right film you can make money for years and continue to make money when new technology becomes available.

What was different was we signed a royalty deal for Puppy Love this time around. What this means is that if the film only makes one dollar we still make money. This is different that a standard distribution deal, where you only make money after the distributor takes their commission and expenses for marketing/advertising and manufacturing the DVDs before you get into the splits. If you think the product is going to sell a lot of DVDs, then the distribution deal is the way to go because the payment to you can be 10 –15% higher than a royalty deal. If you are not guaranteed to sell a lot of boxes, then a royalty deal is better.

When we were negotiating the latest contract for “More Than Puppy Love,” I asked to maintain the direct response rights to the film. This means if we wanted to sell the film on our website or do fundraisers for organizations or whatever, we had the rights to do this. They agreed because their main focus was to sell the product in Walmart which they did real well.

Inspire your family...with this heartwarming movie.

*"You will fall in love with all the characters as you laugh and cry with them."
- Donna Rolfe, Dove Foundation*

BUY NOW
Click Here

only **\$4.96**
plus shipping and handling

"More than Puppy Love" is a heartfelt story about the sacrifice and resiliency of two separate families who are touched and changed by the unconditional love of a Labrador retriever.

Great for all families, but highly recommended for kids 5-11.

AS SEEN ON SHOWTIME FAMILY

More Than Puppy Love has sold hundreds of thousands of DVDs in retail outlets nation-wide and is now available for the amazing low price of \$4.96 plus shipping and handling.

BUY NOW FOR A LIMITED TIME OFFER!!! **BUY NOW**

Subsequent to signing the deal, the original distributor was bought out by another company. A year later, the new owners merged with another company, and as of April they split off into another division. Needless to say, we have barely sold 10,000 units of this product since all of this happened. It just doesn't work too well to have your product changing hands every other week. The bad news is the contract changes hands with each one of those deals, unless you have a clause in place that allows you to get out of the deal. Most distributors will not allow this because they use your license as an asset to their business to sell if need be. One side note is that we have a bankruptcy clause in this contract, which we can use to get the title back and find someone else to market the product if our distributor goes bankrupt. This means if the original company goes bankrupt and is bought out by another company, we can take the title back and choose what we want to do with the rights to the film.

In the case of More Than Puppy Love, we have the right to market our movie directly to the public. We decided to work with an organization that does direct response e-mail campaigns. They have 1,000 databases that have a total of 140 million double opt-in e-mail addresses that have specific information about each person. With this direct email campaign, we are able to send emails out to about 20 million people who are our target audience for the film. We know that the film really appeals to kids ages 5 to 11. We will target the parents who have kids this age as well as churches, etc. The consumer will be able to purchase the DVD at a special price directly from their e-mail. We will have all the DVDs produced and shipped out from our manufacturer who is also a fulfillment company, which means they will package and ship the product to the consumer for us. This is an example of a great way to generate additional revenue from your film. This is the type of information you can share with your investors on why it makes sense to invest in your movie. In the book "So You Wanna Be A Filmmaker," we go over a number of different ways to convince investors to put money into your projects.

The bottom line is that we think we still have the potential to move a lot of DVDs. If we had not had the direct marketing rights clause in the contract, we would have had to wait until the contract expired. I should tell you that not every distributor is going to give you these rights. If you have some good ideas, always ask for the rights because you never know. I know of a first time producer who has a DVD deal with a major studio and they allowed him the rights to sell the DVD on his website. You can't predict what is going to happen with your film in the coming years or even if the distributor will be capable of handling the changes that come along.

If you have any questions about this newsletter or the book, send me an email at info@film3001.com and I'll get back to you as soon as I can.

Thanks,
Dennis

Waldo West
PRODUCTIONS

DENNIS FALLON
PRODUCER, DIRECTOR - WALDO WEST PRODUCTIONS

