BOOK REVIEW

Producing, Financing and Distributing Film: A Comprehensive Legal and Business Guide Paul A. Baumgarten, Donald C. Farber, & Mark Fleischer (Limelight Editions, 1992)

Reviewed by
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Learning the business side of the film industry can be a daunting task. On-the-job training is treacherous, basic texts quickly become outdated, and treatises can overwhelm with detail. Moreover, it is one thing to know the general outlines of the business and legal aspects of film production, and quite another to feel prepared to negotiate a contract. This is particularly true in the area of film financing, where new techniques emerge with every deal. *Producing, Financing and Distributing Film*[1] fills a unique niche by providing a concise one-volume introduction to the business side of film that is detailed and transaction-oriented. With the caveat that it is an introduction and not a definitive work, it is easy to recommend this text as an addition to the entertainment industry section of any law or business library.

With the help of new co-author Mark Fleischer, Paul Baumgarten and Donald Farber have updated their 1973 text to reflect significant changes in the U.S. film industry during the last twenty years.[2] It is a

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1. Hereinafter BAUMGARTEN ET AL.

2. Nowhere are these changes more readily apparent than in the authors' introduction, which in 1973 noted that films "commonly cost between $1 and $2 million." PAUL A. BAUMGARTEN & DONALD C. FARBER, PRODUCING, FINANCING AND DISTRIBUTING FILM (1973). Those figures seem comical today, now that an average production budget runs closer to $28 million. Stan Soocher, *Film Biz Dekom's Way*, ENT. L.& FIN., Aug. 1991, at 6. Diane Sawyer of ABC's *Primetime Live* recently reported that in the soon-to-be filmed BEVERLY HILLS COP III, actor Eddie Murphy's salary alone will be $15 million plus 15% of gross receipts. *Primetime Live* (ABC television broadcast, June 25, 1992).

heftier volume than its predecessor and includes significant new material as well as some organizational improvements. Readers will find its tone to be relentlessly dry, but it is certainly efficient, practical, and portable.[3]

The book's greatest merits include its detailed chapters on contracts between the various participants in film production and distribution: chiefly, actor agreements, director agreements, production-financing-distribution agreements, producer agreements, theatrical exhibition agreements, screenwriter agreements, and contracts to acquire (or to option) literary property rights. The authors' approach in each instance is to lay out the typical "wish list" for each party at the negotiating table, and then to identify the most likely compromise the parties will reach, depending on their relative bargaining power. Also discussed is the importance of risk-shifting and, where relevant, the role of collective bargaining agreements in supplying key minimum terms. Although the level of detail in these chapters may be tedious for the casual reader, such thoroughness adds to the text's practical value. It is especially important because the authors chose not to include form contracts.[4] The presentation here, however, is more compact than some other transaction-oriented texts, more readable than any form contract, and offers the "why" behind many of the items on the parties' wish lists. This book provides an overall understanding of what is on the bargaining table, enabling the practitioner to parse through forms or sample contracts with greater confidence. For teaching purposes, these chapters can be supplemented with forms—or perhaps just selected excerpts—to introduce students to key drafting and negotiating points without burying them in words.

The authors' best material is in their chapters on production-financing-distribution agreements and contingent compensation. These topics are tied together by the role of the studio as the key power player in the industry. In a typical financing and distribution arrangement, the studio enjoys a power position made possible by its role as financier and its extensive distribution machinery. Given the relative paucity of alternative financing sources, the studios dominate the supply side and, moreover, take the position that the high risk involved in film financing

3. Peter Muller's excellent SHOW BUSINESS LAW (1991), another compact and practical work focused on the film industry, is more readable but somewhat less detailed. John W. Cones' recently published FILM FINANCE AND DISTRIBUTION (1992), a heavily annotated dictionary, is an invaluable and sophisticated reference for those who do not need a more traditionally structured text.

4. Contract forms can be found in other sources. *See, e.g.*, DONALD C. FARBER, ENTERTAINMENT INDUSTRY CONTRACTS: NEGOTIATING AND DRAFTING GUIDE (1991) (annotated forms); ALEXANDER LINDEY, LINDEY ON ENTERTAINMENT, PUBLISHING AND THE ARTS (Michael Landau, ed. 1992) (commentary and forms); THOMAS D. SELZ ET AL., ENTERTAINMENT LAW (1992) (commentary and forms).

justifies their enormous portion of the return.[5] The studio is quick to point out that it may never recoup its investment if the film is a flop, and that it must be able to offset any losses incurred on other pictures. By means both direct and devious, the studio reserves for itself the lion's share of the proceeds from a successful film.

Compensation for creative personnel in a studio deal often consists of a flat sum (payable all at once or in installments) and a variable, contingent component tied to the financial success of the picture. The contingent component is usually defined as a percentage of either the gross receipts received by the distributor (this usually means the studio, unless subdistributors are involved, in which case the formula may be more complicated) or, far more typically, a percentage of something called "net profits." This term has recently become the subject of acrimonious litigation and critical commentary.[6] A film can generate stellar grosses and huge fees for the studio/distributor, but still show no "net profit." The studio/distributor defines "net profit" as profit remaining after subtracting a distribution fee as well as production, marketing, and other specifically-enumerated expenses, plus a hefty "cushion" ostensibly for the studio's overhead and interest costs. This calculation results in a cost figure that contains an additional profit component for the studio—a hidden reward for placing its capital at risk. Cross participations reduce the net even further. Hence, a film such as *Coming to America* or *Batman* can generate tremendous revenues for the studio and for gross receipt participants while yielding zero (or even negative) "net profits" as that term is defined in the typical studio contract.[7] The authors provide essential information on both the gross receipts and net profits formulas

5. This argument was presented, and later abandoned, by Paramount in its litigation over the net profits from COMING TO AMERICA. Douglas Kari, Buchwald v. Paramount: *Minding Hollywood's Business*, 12 ENT. L. REP. 12 (1991).

6. *See, e.g.*, Hillary S. Bibicoff, Comment, *Net Profit Participations in the Motion Picture Industry*, 11 LOYOLA L.A. ENT. L.J. 23 (1991); Steven D. Sills & Ivan L. Axelrod, *Profit Participation in the Motion Picture Industry*, L.A. LAWYER, Apr. 1989, at 31; Henry J. Tashman, *Hit Picture Still Shows No Profit*, NAT'L L.J., Apr. 30, 1990, at 17; Jonathon L. Kirsch, Buchwald v. Paramount: *Beyond the Hype*, 13 ENT. L. REP. 1 (1991); Kari, *supra* note 5.

7. COMING TO AMERICA has generated $350 million in gross revenues and zero net profits so far. Kari, *supra* note 5. To the surprise of most observers, net profit participants Art Buchwald and Alain Bernheim recently succeeded in persuading a court to declare Paramount's contract definition of net profits unconscionable. *See* Buchwald v. Paramount, 13 U.S.P.Q. 2d 1497 (1990). BATMAN, the fifth highest-grossing film of all time, has generated over $300 million in gross revenues, including a reported $100 million in profits for Warner Brothers, yet shows a net loss of $20 million. Two executive producers of BATMAN are hoping to invalidate the net profits formula in their contract with Warner Brothers. *See Warner Bros. Says Batman Lost $20 Million*, ATLANTA CONST., June 18, 1992, at F7; *Accounting Does What Joker Couldn't: Make Batman Lose*, CHI. TRIB., June 18, 1992, at C2; Robert W. Welkos, *2 Producers of Batman Sue Warner*, L.A. TIMES, Mar. 27, 1992, at D1. Actor Eddie Murphy

that is hard to find in other sources. For readers who are uninitiated in the vagaries of studio bookkeeping, these two chapters are worth the price of the book many times over.

Chapter six—addressing sources of nonstudio financing—rivals the contingent compensation materials in its systematic and valuable compilation of up-to-date information that is difficult to obtain from other sources. This chapter defines basic terminology such as "negative pickup," "completion guarantor," and "presale agreements." The authors explain why bank loans for the film industry differ from bank loans for other industries that have traditionally relied on bank financing—notably, the nearly exclusive reliance on the collateral as the source of repayment. In a helpful but brief discussion the criteria for ensuring a bankable presale agreement are explored. The role of foreign sales agents and the advantages of fractionalizing distribution rights receive more thorough coverage.

Another alternative—equity financing—receives far less attention from the authors. This may reflect the recent lack of interest on the part of knowledgeable investors, due in part to the disappearance of U.S. tax breaks for film limited partnerships,[8] but also perhaps to the poor-to-unremarkable returns on investment and the high transaction costs generated by many of those vehicles.[9] At the same time, as Japan reexamines its own tax system, and Japanese investors look critically at their returns from film investments, some Japanese equity has begun to retreat.[10] Yet the shortage of bank financing promises to create renewed pressure to find risk capital.[11]

The authors did not include choice-of-entity material in their book, an unfortunate omission. At the very least, references to other sources

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ingenuously refers to net profit participations as "monkey points." *See, e.g.*, Peter Bart, *Eddie Acts Up*, VARIETY, June 15, 1992, at 3.

8. *See, e.g.*, Margaret-Ann F. Howie, Note, *The Effect of the Tax Reform Act of 1986 on Motion Picture Financing*, 12 COLUM.-VLA J.L. & ARTS 307 (1988); Miles Mogulescu, Note, *The Tax Reform Act of 1976 and Tax Incentives for Motion Picture Investment: Throwing Out the Baby with the Bath Water*, 58 S. CAL. L. REV. 839 (1985).

9. For example, Silver Screen Partners III, which financed a relatively successful slate of films, gave investors about a 12.3% return in 1988, hardly an exciting result compared with lower-risk investments available at that time. HAROLD L. VOGEL, ENTERTAINMENT INDUSTRY ECONOMICS 297 n.8 (2d ed. 1990). In the current low-interest, slow-growth environment, however, interest in private placements (as opposed to publicly traded partnerships) may be reviving.

10. *See* Eamonn Fingleton, *Japan's Yen For Movie Studios*, NEW REPUBLIC, Dec. 31, 1990, at 13; Garth Alexander, *Japan: Land of Waning Tax Breaks for Pics*, VARIETY, Mar. 2, 1992, at 73; Tomohiro Tohyama, *Japanese Investment in the Film Business in the 1990's*, *in* 1990 ENTERTAINMENT, PUBLISHING & THE ARTS HANDBOOK 237 (Robert Thorne et al. eds., 1990).

11. *See* Robert Marich, *New Conservatism Puts Film Firms in Capital Crunch*, HOLLYWOOD REP., May 12, 1992, at 1.

that explore those issues and offer a detailed look at the structure of equity investments would have been helpful.[12] This would help the independent producer who is unable to raise money through presales, a negative pickup, or rich relatives. Further, although limited partnerships typically are pursued by the low-budget independent producer with little or no track record or a project of uncertain commercial appeal,[13] some forms of equity investment—notably, general partnerships—have become popular, particularly with foreign co-investors.

There are other gaps in coverage, some more serious than others. The text is thin in the areas of copyright and idea protection. Although a thorough treatment of copyright law is beyond the scope of a text on the film business, certain topics—works made for hire, joint authorship, derivative works, emerging multimedia issues,[14] and the problem of international copyright protection[15]—are essential to evaluating the rights of contracting parties and the risks they undertake. Yet these topics receive only limited coverage in this text.

The authors ignore the related and delicate subject of idea protection altogether. This is an unfortunate omission, because much of the text focuses on the "entrepreneurial" or "packager" producer. A substantial body of law addresses the rights of the person who has a creative "concept" to sell without necessarily having either a script or an option contract tying up the underlying literary work or a key participant such as a "star" director or performer. Unlike copyright law, which is almost exclusively federal and statutory, the law of idea protection varies significantly from state to state, and consists largely of common law. Its boundaries are not clearly delineated. The prominent players in this arena are New York and California, and the book would have benefitted from a brief exploration of the divergent standards that have evolved in these jurisdictions[16] and a discussion of how the "idea" person's interests can be protected by contract. As other states compete more vigorously

12. For a particularly up-to-date reference, *see* John W. Cones, *Feature Film Limited Partnerships: A Practical Guide Focusing on Securities and Marketing for Independent Producers and Their Attorneys*, 12 LOY. L.A. ENT. L.J. 19 (1992).

13. Guides for independent filmmakers generally have devoted much attention to limited partnership financing. *See, e.g.*, MICHAEL WIESE, THE INDEPENDENT FILM AND VIDEOMAKERS GUIDE (1990); GREGORY GOODELL, INDEPENDENT FEATURE FILM PRODUCTION (1982).

14. *See, e.g.*, Matt Rothman, *Let's Avoid All the Lawyers*, VARIETY, June 22, 1992, at 3.

15. Piracy in countries that lack or do not enforce copyright protection for works of foreign origin can deprive filmmakers and distributors of substantial revenue. *See, e.g.*, Jeffrey-Jolson Colburn & David Kelly, *IIPA Report Pegs Yearly Bootleg Haul at $15 Bil*, HOLLYWOOD REP., Apr. 14, 1992, at 1.

16. *See, e.g.*, Blaustein v. Burton, 88 Cal. Rptr. 319 (Ct. App. 1970); Murray v. NBC, 844 F.2d 988 (2d Cir. 1988); Faris v. Enberg, 158 Cal. Rptr. 704 (Ct. App. 1979).

to become important film production venues—of recent note, Texas, North Carolina, Georgia, and Florida—the nascent idea protection laws of these jurisdictions may need to evolve rapidly to meet the industry's demands. To the extent productions bring together creative or financial elements from different states with potentially conflicting standards for idea protection, choice of law problems may emerge. Lawyers and agents, as well as their principals, should know how to maximize protection for those submitting the idea and for those receiving the idea.

The authors also omit any discussion of securities laws that apply to fundraising for film development and production. This is unfortunate, because anyone seeking funds for a motion picture project must know how the federal securities laws affect them, or must at least know enough to realize that the securities laws apply and that the assistance of an experienced securities lawyer is essential.[17] At the very least, the reader of a text on film finance ought to be reminded that securities laws exist at both the federal and state level, and that persons intending to solicit funds from passive investors must understand and comply with those laws.[18] In the 1973 edition, the authors devoted a fair amount of attention to basic securities laws issues, in conjunction with their extended discussion of limited partnerships. As previously noted, a shortened version of the partnership material would have been merited, but the securities discussion should have been retained regardless, because limited partnerships are not the only fundraising activities that can run afoul of federal or state securities laws. Leaving this subject untouched creates the proverbial "trap for the unwary."

The authors do not devote much attention to the role of foreign financing, other than to note briefly that some foreign governments subsidize films with sufficient national content or encourage U.S. co-productions. Yet it has become increasingly common to finance films through foreign debt swaps, blocked funds, or super presales. Nor do the authors discuss the difficulties often encountered in collecting foreign distribution proceeds, a problem that particularly affects independent distributors. A program begun by the U.S. Export-Import Bank in 1991 attempts to reduce these risks by backing overseas film sales through the Foreign Credit Insurance Association,[19] and this, too, might have been worth mentioning.

Perhaps concerned that naming names can date a book quickly, the authors do not address the diminished role of Credit Lyonnais as a

17. For a concise discussion of these issues, *see* MULLER, *supra* note 3, at 172-78.

18. *Id.*

19. COOPERS & LYBRAND SCREEN DIGEST LTD., FINANCIAL INCENTIVES FOR THE FILM INDUSTRY 100 (1991).

source of film financing.[20] Nor do they discuss the shrinkage of the pool of remaining lenders to a small number of major participants (most prominently, Chemical Bank, Bank of America, Long-Term Credit Bank of Japan, and Bank of Tokyo), or the tentative forays into this arena by new minor players (such as Florida's SunBank) through loan participation agreements.[21] An overview of how realistic it is to expect bank financing at all would have been worth addressing. Further, when the players are so few in number it seems reasonable to name them, even if further changes are inevitable.

This text is not always user-friendly. The authors promise to define all important concepts thoroughly—a valuable service, particularly with respect to terminology that reflects recent changes in the industry—and in general they are conscientious. However, some terms—such as "cross-collateralization" and "mitigation"—are explained too long after they are introduced, with non-existent or inadequate cross-referencing to the earlier passages. Other terms—such as "block booking," "factoring," or "employee for hire" (a colloquial reference to the concept of a "work made for hire," an important term of art in copyright law)—are defined incompletely or not at all. A late reference to participations in "gross profits" in the chapter on producer employment agreements[22] unnecessarily muddies the distinction between participations in net profits and in gross receipts, the very distinction the authors have labored mightily to clarify in a previous chapter.

Organization is occasionally a problem as well. The book has no index, a serious deficiency. The detailed table of contents is helpful but hardly a substitute. Moreover, the chapter headings and subheadings (though more numerous and specific than in the 1973 edition) are too often imprecise indicators of coverage. For example, a chapter titled "The Agent" contains important information on the role and risks of the entrepreneurial producer at the development stage of a project, and a section headed "Television Rights" also covers stage, radio, publishing,

20. Credit Lyonnais Bank Nederland, a traditionally strong participant in film lending, has significantly decreased its involvement as a result of disastrous loans to MGM-Pathe Communications and other studios. The MGM-Pathe debacle has been extensively reported in the entertainment press. *See, e.g.*, Robert Marich, *MGM Auction in Bag for Bank*, HOLLYWOOD REP., Apr. 21, 1992, at 3; Charles Fleming & Matt Rothman, *Feeble Firms Feed Workout Wizards*, VARIETY, June 8, 1992, at 1; Judy Brennan, *Post-Paretti Lyonnais: Will It Find Its Way?* VARIETY, Feb. 10, 1992, at 1.

21. *See generally* Suzanna Andrews, *The Hollywood Deal Game*, INSTITUTIONAL INVESTOR, Nov. 1991, at 69-79; Robert Marich, *Completion Bond Poised to Bow Film Finance Arm*, HOLLYWOOD REP., Mar. 3, 1992; Oscar Suris & Adam Yeomans, *New Law Designed to Boost State's Film Industry*, ORLANDO SENTINEL, May 14, 1992, at C1.

22. BAUMGARTEN ET AL., *supra* note 1, at 195.

merchandising, and sequel rights.[23] The authors are generous with cross-references, but because these typically refer to entire chapters, the reader must undertake a time-consuming search for the referenced material.

In general, *Producing, Financing and Distributing Film* is more a business guide than a legal one and should be used with appropriate caution. Wishing, perhaps, to avoid appearing too "academic," the authors shy away from citing specific authorities for the legal doctrines discussed in the text. This is unfortunate for several reasons. First, the authors do not always write clearly; their discussions of difficult legal concepts are marred by inelegant writing and frustratingly vague references. This leaves the reader uncertain as to the precise rule of law that applies to a particular factual situation. Granted, to produce such a highly condensed text the authors had to forego a certain level of precision. This, however, leads to the second reason why the absence of specific authorities is troubling. Precisely because of the authors' need to be terse, a careful reader will recognize that further reading on these topics is essential to full understanding. However, the text offers no aid in locating such reading. It would help the reader considerably to have specific references to important case law and statutes, or other primary sources, and to have some idea where to look in secondary materials for more comprehensive reading on a particular topic.

A bibliography would also be a helpful addition, consistent with the authors' self-proclaimed mission "to untangle knots and illuminate clouded places" in a complex and changing industry.[24] Newcomers to the field would benefit from a list of periodicals pertaining to the film industry, since the chief treatises are already well-known and non-looseleaf texts become outdated quickly.[25] Having read the authors' chapters on studio and alternative financing, the reader will be well prepared to keep abreast of the latest financing methods—and their drawbacks—as they are unveiled in *Variety*, *The Hollywood Reporter*, or *Entertainment Law and Finance*.

The authors' lack of clarity and failure to provide specific citations can sometimes leave the reader with a muddled understanding of important material. For example, several passages discuss the problem of renegotiating copyright renewal terms under the 1909 Copyright Act. The Act states that when a copyright proprietor dies before the renewal rights vest, any previous transfer of those renewal rights is ineffective. The erst-

23. *Id.* at 18-21.

24. *Id.* at 4.

25. For example, Harold Vogel's ENTERTAINMENT INDUSTRY ECONOMICS, *supra* note 9, offers a thorough and fascinating study of the "numbers" side of film and television, but less than three years after publication the second edition is in many respects outdated.

while transferee, who has presumably paid valuable consideration for renewal rights that have suddenly evaporated, must renegotiate for those rights with the heirs who inherit them under the statute.[26] The transferee who has invested heavily in preparing a derivative work such as a film may be in a weak bargaining position. A transferee who fails to secure the renewal copyright may be unable to exploit the derivative work beyond the expiration of the original copyright term. Thus, all exploitation of a successful film could be halted, causing tremendous financial hardship to the party owning the film's exploitation rights. In such a case, the transferor's heirs would seem to have enormous bargaining power. As a result, the transferee may have to pay twice for the same renewal term; indeed, if the film is successful the transferee may have to pay even more the second time, because by then the market value of the renewal rights has been clearly established by the success of the derivative work. The author's discussion of this technical but potentially costly problem in the copyright system is cursory. It leaves the reader uncertain as to which derivative works are vulnerable. The authors state that a copyright "renewal proprietor can, absent agreement, prevent the owner of a derivative work (for example, a movie) from exploiting the derivative work (for example, a sequel or remake) in the U.S.,"[27] when, in fact, the renewal proprietor's infringement claim can be based on continued exploitation of the original movie, not just sequels or remakes.

The authors' lack of clarity here would be partly mitigated if they directed the reader to the relevant case law. The Supreme Court's 1990 decision in *Stewart v. Abend*,[28] popularly known as the "Rear Window" decision, upheld the claims of the heirs to the renewal rights in the story on which Hitchcock's successful film was based. Unfortunately, the reader is told only that "the U.S. Supreme Court has recently" ruled on the question,[29] with no details to help locate the decision. Any of a number of helpful articles written in the wake of that decision could have been referenced.[30] Interestingly, a parallel discussion of copyright re-

26. The statutory heirs are specified in 17 U.S.C. § 304(a) (1992).

27. BAUMGART EN ET AL., *supra* note 1, at 9.

28. 495 U.S. 207 (1990).

29. BAUMGARTEN ET AL., *supra* note 1, at 9.

30. *E.g.*, Lionel S. Sobel, *A View from the Rear Window: A Practical Look at the Consequences of the Supreme Court's Decision in* Stewart v. Abend, 12 ENT. L. REP. 1 (1990); Maarten Kooij, *Clearing the Copyright Heirs: Renewal-Term Rights Assignments in the Wake of* Stewart v. Abend, 12 ENT. L. REP. 11 (1991); David Nimmer, *Studios vs. Writers: A Bend in Analysis*, 11 ENT. L. REP. 4 (1989); Michael R. Diliberto, *Looking Through the Rear Window: A Review of the United States Supreme Court Decision in* Stewart v. Abend, 12 LOY. L.A. ENT. L.J. 299 (1992).

newal terms for musical compositions is somewhat clearer, but is buried over 200 pages later, with no cross-reference.[31]

Another area where a lack of citations creates confusion is the passage discussing the perfecting of security interests in copyrighted films. The authors recommend recording those interests not only as dictated by state commercial law but also with the Register of Copyrights, but they leave the reader uncertain whether registration with the United States Copyright Office is a mere "should" or a "must." A reference to the decision in *In re Peregrine Entertainment Ltd.*[32] would have been appropriate to clarify this point (according to the district court in *Peregrine*, federal registration is a must, because of the broad sweep of copyright preemption doctrine[33]). And the section on antitrust law makes a passing reference to the Paramount Consent Decree—which was aimed at "busting up" the vertical integration of film production, distribution, and exhibition[34]—without any citation or reference that could direct a thoughtful reader to comprehensive sources and recent developments in the area.

Because teachers are accustomed to supplementing textbooks with additional course materials, this text makes a fine teaching tool in spite of its shortcomings. It can be used as a core text for a course focusing on the business and legal aspects of filmmaking. Such a course might be offered in a film school, a law school, or a business school. Because the authors assume relatively little specialized knowledge on the part of the reader, the text is appropriate for all three audiences. Indeed, this may be the best book available for such purposes. But a teacher using it for the first time would need to plan the syllabus carefully in order to select the appropriate supplemental readings.

The book's inadequacies present a more serious problem for the reader who is self-educating; unless the reader already knows enough about a topic to recognize what is missing from the coverage, the gaps

31. BAUMGARTEN ET AL., *supra* note 1, at 219. This discussion, too, would be more helpful if it included a reference to the controlling precedent, Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373 (1960).

32. 116 B.R. 194 (Bankr. C.D. Cal. 1990).

33. *Id.* at 202; *see also* Mark Radcliffe & Dianne Brinson, *Developments in Secured Financing in the Entertainment Industry*, *in* 1991 ENTERTAINMENT, PUBLISHING & THE ARTS HANDBOOK 15 (Robert Thorne et al. eds., 1991).

34. The decree, under which Paramount and other major studios agreed to divest themselves of theater ownership, followed the Supreme Court's decision in United States v. Paramount, 334 U.S. 131 (1948). *See generally* Norman Garey, *Elements of Feature Financing*, *in* THE MOVIE BUSINESS BOOK 105-06 (Jason E. Squire ed., 1983); *see also* Gerald Phillips, *The Recent Acquisition of Theater Circuits by Major Distributors*, *in* 1988 ENTERTAINMENT, PUBLISHING & THE ARTS HANDBOOK 227 (Robert Thorne et al. eds., 1988); MICHAEL CONANT, ANTITRUST IN THE MOTION PICTURE INDUSTRY 84-153 (1960).

can be treacherous. Because of its incomplete coverage, and notwithstanding the authors' selection of a subtitle trumpeting their work as a "comprehensive legal and business guide" to film, the text should never be relied on as the sole source of information on a given topic. Because of its compactness and its practical approach, however, the book offers a fine introduction to film as a transactional enterprise. For this reason, a practitioner who is inexperienced with the industry would be well advised to consult *Producing, Financing and Distributing Film* to become familiar with problems central to transactional planning for film participants. The attorney seeking real competence in any of these substantive areas will then be well prepared—and will certainly need—to continue the self-education process with materials that are more specialized and, inevitably, more voluminous.