

Exhibit F

Stupid \$#!% Distributors Say by Alienated Movie's Princeton Holt

By **Filmcourage** - April 15, 2016



I had the time of my life at AFM 2015. For those not familiar with what this is, the American Film Market takes place every year in Santa Monica around November. Its 8-10 jammed packed, crowded, and lively days where film and TV buyers, distributors, executives, and producers from all over the world go to purchase or sell film and TV product. For the buyers, it can be either be a glorious or stressful time depending on whether or not they were able to acquire good films. For us producers, it can either be a place where we ultimately will celebrate making a sale, or panic after not making one.

About a month before AFM I purchased my 3-day AFM attendee badge and bought my plane ticket. But in a strange case of the most ironic yet perfect timing one could ever ask for, Gravitas Ventures made us an offer for the VOD rights to **ALIENATED** – our latest award-winning sci-fi drama. So lucky for me, I arrived in LA calm, and as cool as a cucumber.

“But when the digital revolution exploded into our universe and physical media (DVDs) were being replaced by downloads and streaming, many distributors were left scratching their heads. Almost none of them knew much about how to market or monetize digital media. When this happened, it no longer made much sense to give a company all of your rights unless they either paid you a reasonable advance, or at the very least knew how to effectively sell your film in these new platforms.”

Princeton Holt, Producer of ALIENATED



From as early back as our second cut of the film, I remember making a strong case to my partners at One Way or Another Productions that for ALIENATED, we should be prepared to proudly self-distribute, unless a better option came along. Gravitas just ended up becoming our absolute best case scenario. Yes they are like the biggest VOD distributor of independent films in the universe, but that’s not the only reason I felt they would be a great match for us. It was for a much less sexy, yet practical reason. I have several friends who have titles distributed by them, and instead of being forced to do guesswork, I knew firsthand that nearly every one of them were happy with the distributor. They have a great reputation among filmmakers and other distributors alike. They’re like the Steph Curry of film distribution – a lot of people have nothing but great things to say about them. More importantly, I knew exactly what to expect from them. Despite all of this, we

still had to be responsible about it. You never just sign distribution deals with anyone, no matter how much you cyber-stalk them and the films and filmmakers they represent. As the lead producer on this one, I had to do my job. I had to do my due diligence, and listen to the great advice of our partner Monica (a licensed attorney) by negotiating, making counter-offers, tweaking this and tweaking that, until everything was right for both parties. But still, unless something irrational happened, we knew we were getting close to closing a deal with them.



I began wondering what in the world I was going to do at AFM now that we already had a strong offer on the table from our target distribution company. It was then that the idea came to us to go for what I now call a "triple play." I was going to go for the gold standard in this new digital age of maximizing your potential audience reach – hybrid distribution.

Hybrid distribution is a strategy first articulated publicly by Peter Broderick, and later championed by self-distribution consultant Jon Reiss. In a nutshell, during the 90's (the golden era of independent films) distributors were acquiring all-rights on titles they liked. Most of the time, they did this by offering sizable advances that often not only covered the entire budget spent on the title, but also brought those titles well into the black.

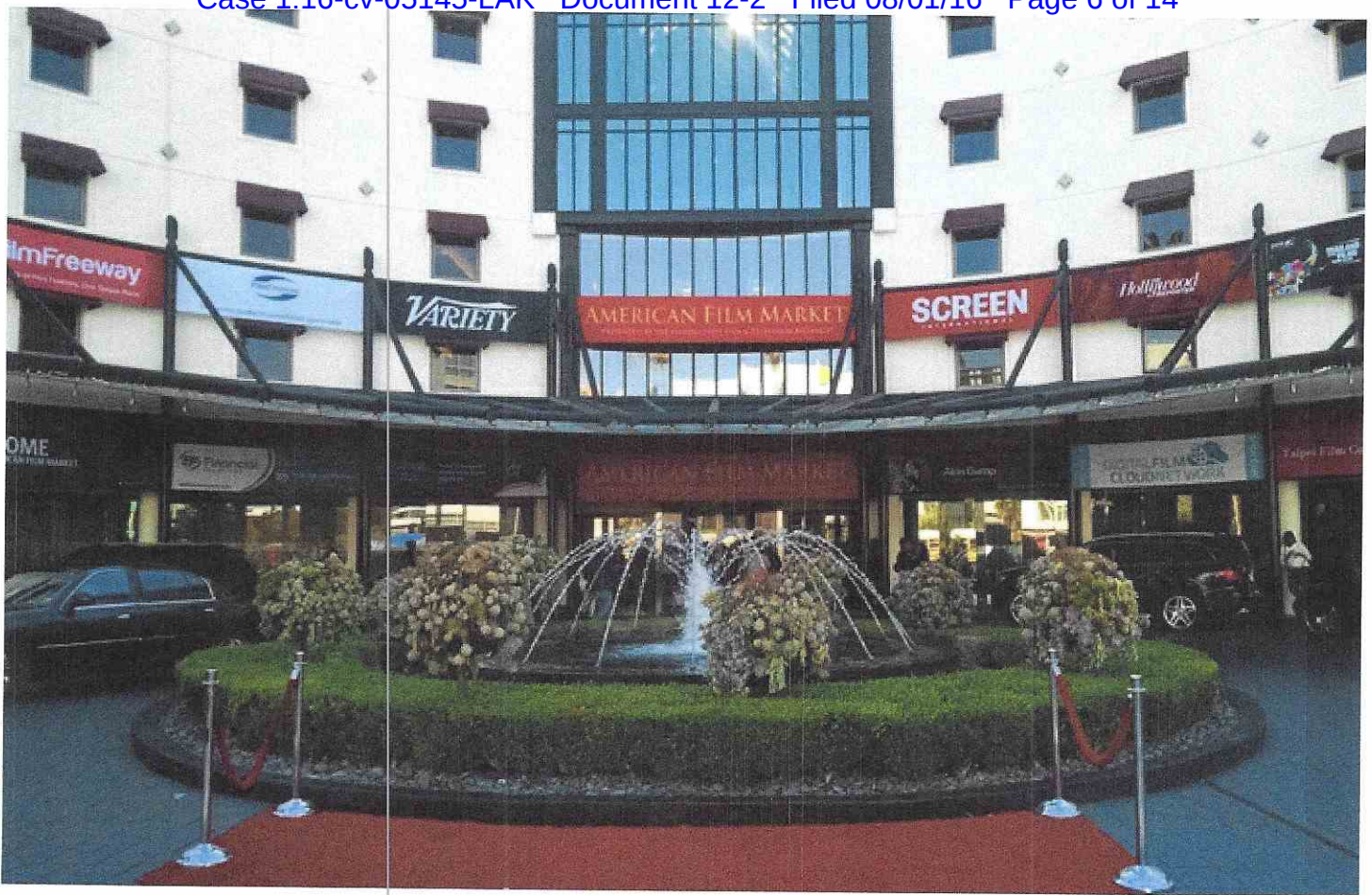
Distribution companies were able to justify this practice because they were aware of all of the avenues where they could exploit the film, and they had the expertise to effectively do so.

But when the digital revolution exploded into our universe and physical media (DVDs) were being replaced by downloads and streaming, many distributors were left scratching their heads. Almost none of them knew much about how to market or monetize digital media. When this happened, it no longer made much sense to give a company all of your rights unless they either paid you a reasonable advance, or at the very least knew how to effectively sell your film in these new platforms.

Enter hybrid-distribution, where you sell your North American rights to one company (these days these are often VOD rights), your foreign rights to another company, theatrical to another, and so on. Ideally, this meant also taking an advance from each sale, thus getting a check from 3, sometimes even 4 different companies. Although these days very few companies are paying advances, the strategy can still make sense for certain titles, provided your budget is low enough to easily recoup leaving room for nothing but upside, and also that the company takes a much smaller percentage of sales.

“Why would I make this such an important point by which to make this decision? Easy. It’s an audience beyond just your social media followers (who based on recent numbers now translate to less than 15% of a title’s overall customer transactions). Yes you have to do a lot of marketing to reach them – and you’re going to pay for it. But you’d have to do this anyway with easily accessible platforms, so if you get a shot at platforms well beyond your reach, you better go for it.”

Princeton Holt, Producer of ALIENATED



Our decision was to negotiate with Gravitas and carve out our North American VOD rights, keep the others, and head to AFM with these remaining rights in tow. Seemingly overnight, I went from just another dude around town waving rights to their film, to a guy whose company already had a deal with Gravitas on the table. Naturally I had an air of confidence the whole week of the event. Most producers know that the business side of independent film is like a battlefield. So pardon the metaphor, but if you're entering into a knife battle, you're going to feel rather stoic knowing that you have an automatic weapon tucked in your blazer.

So now our strategy was for my LA-based producing partner David Vaughn and I to still make the best of AFM by taking meetings with as many buyers, distributors and sales agents as we could fit in. Our goal was to not only sell the remaining rights to Alienated (which we ended up doing), but to also set up relationships with appropriate companies for upcoming titles in our growing catalog.

While doing so we met with several companies. Some were really decent, but others were just downright awful. Here is a list of our favorites – a "best-of" list of the dumbest

sentences spoken to us with straight faces during intense pitches made to us by distributors during AFM.



“Our profit split favors the filmmaker!”

Ummm, based on the fact that you are not ponying up a dime for an advance, it had better be in the filmmaker’s favor. Furthermore, most distributors these days have profit splits that favor the filmmaker for reasons I mentioned earlier. Almost everyone is doing this now, so this was nothing for them to brag about. Your distribution pitch should consist of a little more than how little you are taking from the filmmaker. A real estate broker asking for only 1% of the sale of your home means nothing if the sale is for 10 grand.

“Why are you going with them and not us? What can they do for you that we can’t?”

Ok, first of all, the deal wasn't even signed yet. Instead of taking the time to give us good reasons for why their company could somehow do a better job distributing Alienated, all the exec could do was try to diss our soon-to-be distributor. It was like she was obsessed with them. I get it – distribution companies are very competitive. But the best way to compete is by simply being better. Or at least pitching to producers why *you* are better.

I answered her question as I always do – in a straight forward, no beating-around-the-bush manner. The only platforms her company could offer to get us on were platforms filmmakers can get on themselves. Filmmakers are pretty aware that these days that they can get their own films on Amazon, iTunes, VHX, Vimeo, SnagFilms, and now even Hulu. Since most distribution companies not located in Burbank, California do very little marketing, then why on earth would a filmmaker give a 4th or even a 3rd of their profits to a company that's not offering an advance? The only logical reason would be if that company could release your film on platforms you yourself cannot. This is the reason we were "going with them" instead of her company. Producers can get themselves on a lot of different digital platforms. But as it stands now, they cannot get themselves on cable TV VOD.



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Lastly, the companies we eventually went with all had films made by someone I knew personally (some had 3 and 4 films by friends). I knew exactly who got paid on time or at least who got paid period. I got this info directly from friends of mine who had films distributed by the companies. So I knew firsthand the best companies for us to partner

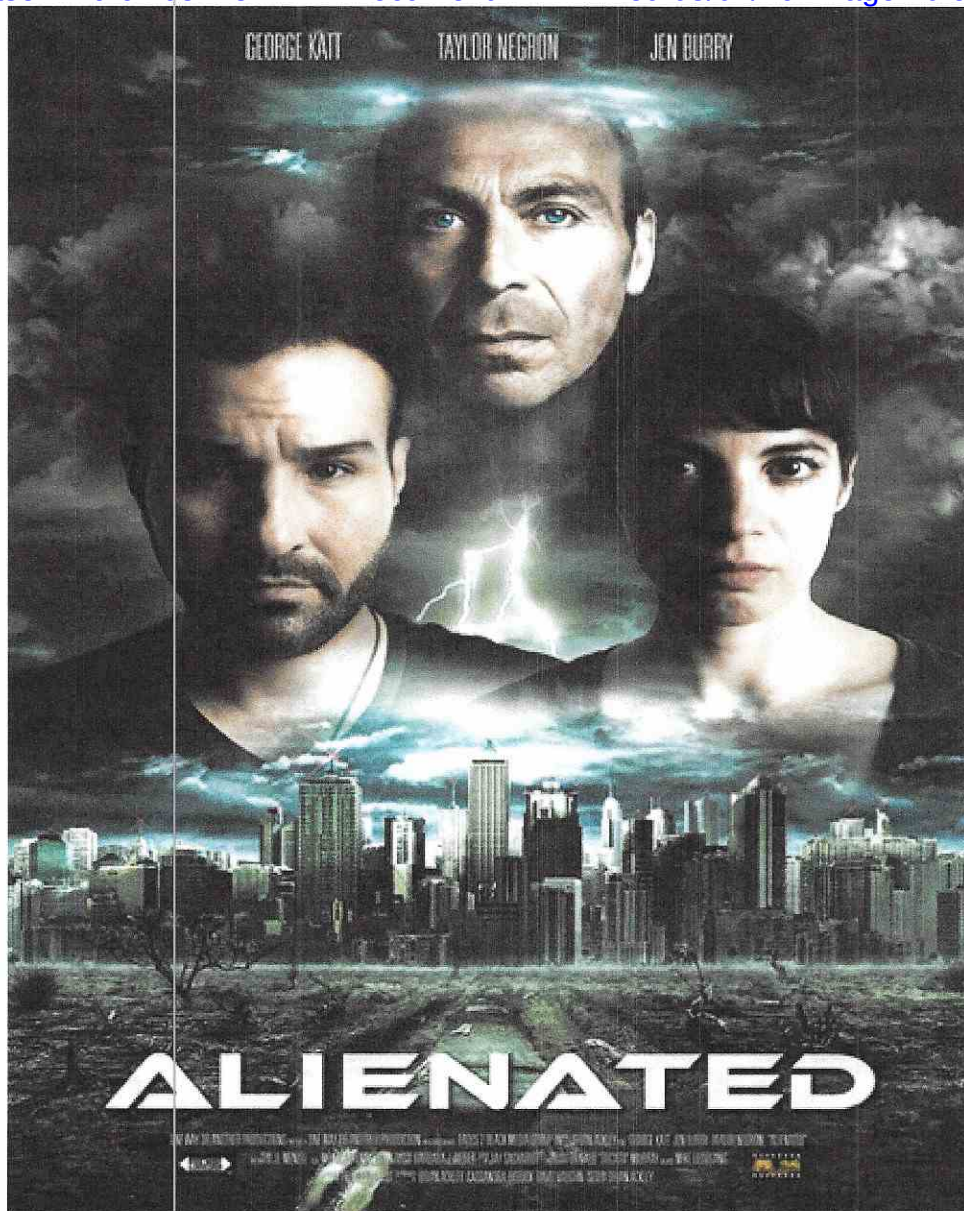
with on Alienated. Would you hire someone to babysit your children without checking their references?

After all of this, she looked at me with the side of her eye. If an executive doesn't understand the logic that went into our decision then maybe they wouldn't be a good distributor for us. Even till this day she still has a bit of an attitude with us about it. Dear distributors: It's just business. It should never be personal.

"We may need to change the one-sheet. Oh, Your Distributor liked it? Ok Nevermind. It's perfect!"

This is pretty verbatim. This is exactly what someone said to me. Indie film graphic artist Jenny Menzel's one-sheet for Alienated wowed a lot of the companies we met with. Of course artwork is of top importance to a title. That's the first thing they see, and naturally if it grabs them, they are going to ask you to see it. All the companies we went with (and those we didn't) all felt the one-sheet was "market ready." It's actually pretty common for a company to request new artwork on a title they really want. But in our case they didn't.

One company however thought it was a good strategy for them to state that they would suggest another one sheet, of course to be done by them, not us. A lot of times this is just a tactic to justify their marketing fees. They'll list all kinds of additional "duties" they will have to do to better sell your film, and updating your artwork will sometimes appear on those lists.



When one company tried this, they actually mentioned our distributor by name. They suggested an update on the artwork then asked, "(They) probably suggested this too, huh?" I answered, "Actually they didn't. They loved it. They're taking it straight to market." The company literally did a 180. "Oh wow, that's cool. It is a great poster so I can see why they kept it. I think it'll work perfectly!"

Huh???

"We are going to develop a great festival strategy for the film!"

This is from a company that obviously just goes around collecting titles. They'll do so and then sell their entire library of content for whatever price they can get for it. In this case

the distributor should have probably taken the time to actually look up our film, since he was the one who asked to meet with us about it specifically. He actually saw the film – we sent him a screener. So it was weird when the first thing out of his mouth was a festival strategy on a film that was about to complete its festival tour. What’s a “festival strategy” on a film that didn’t premiere at a top tier fest like Sundance, but had already been up and down the regional circuit for the last year and happened to pick up over a dozen awards along the way? I guess it was easier for him to talk about film festivals than to address sales projections and actual distribution strategy.

“We guarantee distribution.”

This one actually came from a sales agent, that is now trying to moonlight as a distributor, but then still act as a sales agent on films they distrib...ah forget it. I’m still confused about what they actually do. This was by far the weirdest quote – even if you are acting as a sales agent. You “guarantee distribution?” These days any film can guarantee distribution. Although slightly deceptive, this was technically a pretty accurate statement. They can take your film, send you a contract that demands they take a 45% share, and then throw it up on Vimeo On Demand.

Done.

“Hey, we guaranteed distribution.”

No thanks.

“Filmmakers love working with us.”

Uh, no they don’t. We asked. They don’t.

Always check references, guys and gals. Always.



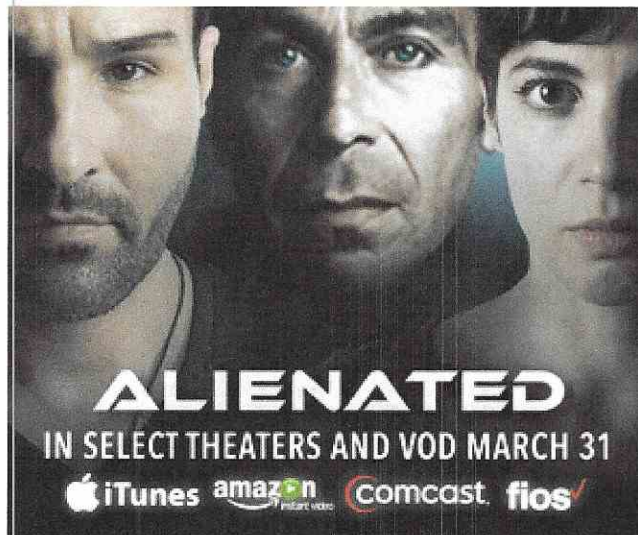
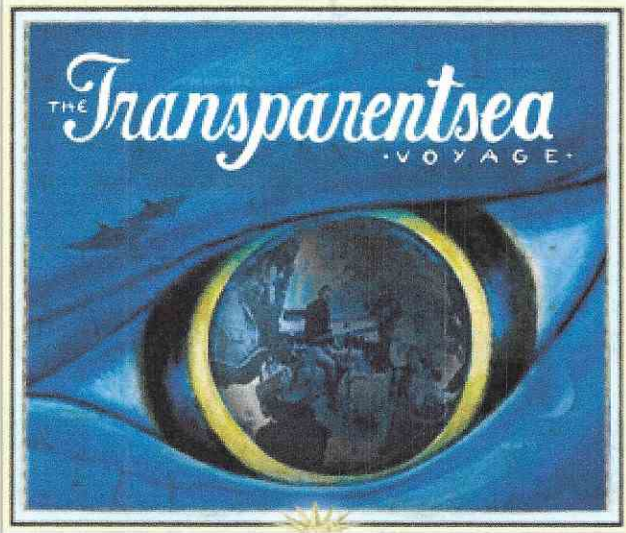
ALIENATED Writer/Director Brian Ackley (Left) with Producer Princeton Holt (Right)

BIO:

Princeton Holt is a NY-based producer and Head of Production at One Way or Another Productions. His company's latest film [ALIENATED](#), written and directed by Brian Ackley, stars George Katt, Jen Burry, and the late Taylor Negrón. It is currently in select theaters and on VOD.

Read Princeton Holt's prior Film Courage post [here](#) and [here](#).

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