



New Wealth Management Strategy For Alternative Investments Is Film Finance.

Noci, November 22, 2005

URL: <http://www.pr9.net/business/financial/3013november.html>

A plethora of investors and film projects are aggressively attracting venture capitalists, money and hedge fund managers, qualified purchasers, family offices, ex-founders and CEO's of .com and other companies and matching those with breakout films and success stories.

PR9.NET November 22, 2005 - The innovation behind independent film finance is manifesting itself with a plethora of investors and film projects that are aggressively attracting venture capitalists, money and hedge fund managers, qualified purchasers, family offices, ex-founders and CEO's of .com and other companies and matching those with breakout films and success stories.

"Kiev Nites", an epic crime drama in the vein of "Goodfellas", "Scarface", "Gangs Of New York", "Casino", and others, is gearing up for a Winter start date, followed by "Layers" which is a supernatural thriller in the vein of "Sixth Sense", and "Jacob's Ladder"

The script for both "Kiev Nites" and "Layers", which were also written by the film's producer, Yuri Rutman has already attracted the interest of major talent and is currently making the rounds to attach a few A-listers.

Rutman has also been fielding interest from different investors to partner up with him on the film. "You have all these high net worth guys like Fred Smith of FEDEX and Norman Waitt of Gateway Computers who financed "My Big Fat Greek Wedding", Max Levchin and David Sacks of PAYPAL, Marc Turtletaub from The Money Store, Roger Marino from EMC Corp, former Chicago bulls co-owner Jim Stern, Jeff Skoll Of Ebay, Sidney Kimmel Of Jones Apparel Group, Minnesota Twins owner Bill Pohlard, real estate developers such as Bob Yari and others all started to bankroll films. I am talking with similar guys who recently sold their companies for a gazillion dollars, are bored, looking at the sunset in nowhere, USA, and have always wanted to be in the film business for tax, vanity, or alternative investment reasons".

After the recent Toronto and previous Sundance Film Festivals, the market has been very big for sophisticated independent A-level films selling at 3-10x their investment to big studio distributors.

"Alternative venture investors are seeing a window of opportunity that the big studios are hungry for product. A compelling coming of age crime drama such as "Kiev Nites", or a thriller like "Layers" coupled with A-actors, an innovative risk minimization strategy, and built-in worldwide audience for crime films and shows like the "Sopranos" would really be a huge launchpad for us and our investor-partners. Especially if we can hedge the financing across several films"

Rutman is currently reviewing partners capable of doing single picture financing at 1.5 million dollars or a slate of films to hedge their revenue streams.

The large opening in financing sophisticated films comes from two sources. On smaller budgeted films, studios are paying a hefty premium for films as an alternative to their continuing track record of losses at the box office. "Its panic time at the studios". adds Rutman. "All the big budget films are tanking. What's profitable are films such as "Saw" which was made for 1.5 million and has made nearly 100 million dollars worldwide and spawned a sequel. Or a \$200,000 film like "Napolean Dynamite" with similar results."

The second part of the success factor is that the total cost of larger films in the \$6-10 million dollar range. An investor puts up 30-50% in equity or a letter of credit, and in some cases, if the film has strong cast, the entire budget is financed through foreign sales. Add a DVD and Cable deal to the equation and sometimes investors can see revenues on a film before its even made.

"My business model is based on two kinds of films. The 1.5-2 million 100% equity films that can be sold at a festival. Or the larger budgeted ones using the above mentioned formula."

Rutman is also becoming too familiar with "fishermen" who are more interested in his proprietary business model than in actually investing.

"There are so many individuals out there who claim they have high net worth, but I think their hearts are in the wrong place. I want to make sure I partner up with someone where we are both of the same consciousness to succeed on a win-win basis. This is my life's passion and I am not looking to do a fly-by night venture with someone who isn't on the same frequency as me. The best partner is someone who recently sold his company for 50 or 100 million dollars, is sitting on an island without any clue what do with the next phase of their life, and has always secretly wanted to be in the movie business"

###

About Noci

Motion Picture Fiance And Production. Including Rights Management Of Films. Company Is Looking For High Net Worth Partner/Investor who recently sold a company to finance feature films.

E-Mail: filmhedge@aol.com

