



PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry

INSIDE PREVIEWS

CinemaCon news

[Page 2](#)

San Francisco New Minimum Wage

[Page 2](#)

New Laws, New Year

[Page 3](#)

NV To Increase Unemployment Tax Rate

[Page 4](#)

CA Required Changes

[Page 4](#)

NATO of CA/NV Product Seminar Supporters

[Pages 5 & 6](#)

Movie Theatre Advertising Here to Stay

[Page 7](#)

Viacom's Dauman: Film Studio's Key

[Page 8](#)

Statistics

[Page 8](#)

3-D Releases for First 6 Months 2011

[Page 9](#)

What Awards Predict Oscar® Best?

[Page 9](#)

Calendar of Events & Holidays

[Page 10](#)

NATO of CA/NV Will Award \$187,500 to 25 Member Scholars in 2011

The 2011 NATO of California/Nevada Scholarship Program began last week with the posting of the new application in the Scholarship Section of the Association's web site at www.NATOCalNev.org. This year twenty-five applicants, an increase of five, will receive the good news that they were selected to receive a \$7,500 scholarship award.

The Association encourages all who qualify based on the categories below to apply.

Field Level Employees of a NATO of California/Nevada member theatre.

California and Nevada based **Home office employees**, *with the exception of corporate officers*, with at least 50% of their job duties connected to theatre related matters, and at least two years of continuous, full-time employment with a NATO of California/Nevada member theatre company based in either state.

Managers who have worked 1800 hours or more per year in a California or Nevada member theatre for a minimum of two continuous years.

Dependents (dependent applicants must be either a dependent child by birth, marriage, adoption or foster care, or a spouse) of qualifying home office employees or theatre managers (see above for qualifications) of a NATO of CA/NV member theatre company, based in California or Nevada.

Flyers are available for download in the scholarship section at www.NATOCalNev.org to help members promote this valuable member benefit.

NATIONAL ASSOCIATION OF THEATRE OWNERS
OF CALIFORNIA/NEVADA

2011
SCHOLARSHIP PROGRAM

UP TO TWENTY-FIVE
\$7,500
SCHOLARSHIPS

AVAILABLE FOR POST SECONDARY
OR VOCATIONAL EDUCATION!

Applications must be postmarked or delivered to the
NATO of CA/NV Office by March 11, 2011.

Semi-finalists must be available for a
15 minute phone interview.

For applications visit www.NATOCalNev.org/scholarship.html
or phone the NATO of CA/NV office at 310.460.2900
for more information.

On behalf of its Board of Directors and Staff
NATO of California/Nevada
extends its best wishes to
members and friends
for a year of Peace, Prosperity, Good Health
and the time to enjoy it all.



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Charlene Sievers
Director, Member Services

Dick Cook to be Honored as Pioneer of the Year at CinemaCon



The Will Rogers Motion Picture Pioneers will honor former Walt Disney Studios chair Dick Cook as Pioneer of The Year at NATO's CinemaCon convention.

CinemaCon runs March 28-31, 2011 at Caesars Palace in Las Vegas. Cook will receive the 2011 Pioneer of the Year award during a gala dinner on March 30.

"From the outset, NATO's main objective for CinemaCon was to create an event about, and for, the entire industry. Our partnership with Will Rogers Motion Picture Pioneers Foundation demonstrates our commitment to that important goal," NATO president John Fithian said.

CinemaCon/NATO Marketing Achievement Awards Deadline is Almost Here

The deadline to submit your entries to the CinemaCon/NATO Marketing Achievement Awards program is fast approaching. Materials for promotions conducted between November 1, 2009 and October 31, 2010 are due on Friday, January 14, 2011. The awards will be presented at CinemaCon 2011, March 28-31, 2011 at Caesars Palace in Las Vegas. Please send your presentation binders with the completed entry form on the first page to:

CinemaCon/NATO Marketing Achievement Awards
c/o National Association of Theatre Owners
4605 Lankershim Boulevard, Suite 180
North Hollywood, CA 91602

The CinemaCon/NATO Marketing Achievement Awards recognize theatre managers for outstanding achievement in marketing. The program celebrates the industry's creative marketing people and their teams. The program brochure for the 2011 Awards program is available on NATO's website. The complete list of award categories, guidelines for entry submission, and the official entry form are included in the electronic brochure which can be downloaded from NATO's website at: <http://www.natoonline.org/conventions.htm>

San Francisco New Minimum Wage

The San Francisco 2011 city minimum wage will increase to \$9.92 per hour, effective January 1, 2011. The ordinance requires a poster that must be displayed in each workplace in English, Spanish, Chinese and any other language spoken by at least five percent of the workforce. The poster is updated annually by the San Francisco Office of Labor Standards Enforcement. The ordinance further provides that a notice containing the employer's name, address and telephone number must also be given to every employee at the time of hire.

New Laws, New Year

Several major legislative actions and appellate court decisions affected California employers' rights and responsibilities over the past year.

As 2010 draws to a close, employers should review their employee handbooks to ensure that they will begin 2011 in compliance with these updated laws, court decisions and changes to regulations.

Focus: Health Care

On March 23, 2010, President Obama signed the Affordable Care Act, setting in motion major changes to U.S. healthcare. Most of the reforms won't take effect until 2014, but a few important changes are already in place for California employers.

Beginning January 1, 2010, the Small Business Health Insurance Tax Credit provides tax benefits to certain employers who provide health insurance to their employees. To qualify for the credit, a business must employ no more than 25 full-time equivalent employees, must pay average annual wages of less than \$50,000 to those employees, and also must pay at least 50 percent of the cost of its employees' premiums.

If you believe that your company is eligible, or if you want to make insurance contributions to become eligible, consult with your tax adviser to determine your possible credit amount.

The Affordable Care Act also created the Early Retiree Reinsurance Program to offset the cost to employers of continuing health insurance for retirees who are not yet eligible for Medicare.

Businesses accepted into the program will receive reimbursement for medical claims of retired employees age 55 and older, their spouses, surviving spouses and dependents.

The program ends January 1, 2014, when individuals will be able to select coverage from state-sponsored exchanges. To learn more, visit www.errp.gov/.

Finally, as of September 2010, employees enrolled in health insurance plans were entitled to obtain coverage for their adult children, up to age 26. Coverage is available even if the child does not live with the parent, is not a dependent on tax returns, or is no longer a student.

Employers should notify new employees of the opportunity to enroll their young adult children at the time they become eligible for health insurance, and remind current employees of the availability of coverage annually at open enrollment.

Focus: Major Court Cases

Not all legal updates affecting employers stem solely from legislative action; several court cases changed employers' rights and obligations in 2010 as well.

In *McCarthy v. Pacific Telesis Group*, the California Supreme Court ruled for employers on the issue of kin care. California law requires employers to allow their employees to use up to one-half of their accrued unused sick leave to care for an ill relative.

Pacific Telesis offered its employees an "uncapped" period of sick leave, and the plaintiffs claimed that they should have been allowed to use some of those sick days for kin care. The Supreme Court disagreed, holding that kin care applies only to measurable, banked sick days, not to "uncapped" policies.

Businesses that have (or choose to establish) uncapped sick-days policies should review those policies with counsel in light of this ruling.

In another victory for employers, the U.S. Supreme Court recently upheld an employers' ability to review employee text messages.

In that case, the City of Ontario gave pagers with text messaging capabilities to its law enforcement officers. After several months of overage charges for excessive text messaging, the city retrieved records of officers' text messages to determine whether the current character limit was sufficient for work-related purposes.

The city learned that one of its officers had primarily used his pager during work hours for non-work-related text messages, some of which were sexually explicit, and disciplined him. The officer sued the city for invasion of privacy, but the court held that the search was reasonable.

Although the case related to a search by a governmental entity, the privacy issues are relevant to non-governmental employers as well.

The Court noted that the employer maintained a clear policy stating that e-mails and Internet usage were not private; the employer limited the search of text messages to only those sent during working hours; and kept the scope of the search to only a two-month period.

Of course, not all 2010 court cases were decided in the employer's favor.

In *Reid v. Google*, the plaintiff alleged that Google terminated him based on his age and supported his claim with evidence that his supervisors and colleagues referred to his ideas as "obsolete," and called him "the old guy" or "old man."

Google argued that those comments were mere "stray remarks," and insufficient evidence upon which to base a claim of discriminations.

The California Supreme Court disagreed, holding that "stray remarks," whether made by decision-makers or co-workers, could constitute evidence of discrimination.

Continued on page 4

Continued from page 3

Focus: Updated Regulations

As of October 8, 2010, California employers are subject to new workers' compensation posting requirements. (For more details refer to the October, 2010 issue of PREVIEWS.)

Review and Revise Employee Handbooks

As 2010 ends, now is a good time for employers to take a look at employee handbooks and the workplace policies in those handbooks.

Your employee handbooks should be revised at the end of each year. This pertains to your handbook for regular employees and your handbook for your managers and supervisors.

Remember, your employee handbooks aren't just binders you hand out to managers and supervisors and to employees.

They're legal documents, and they must be updated to meet the ever-changing needs of your company and to stay compliant with new court decisions and new laws and regulations issued by government agencies.

Source: California Employer Update

California Required Changes for Posters/Pamphlets in 2011

Employers must change the following poster for 2011:

The *Safety and Health Protection on the Job* (CalOSHA) poster has updated contact information.

In addition, the following pamphlets have been updated for 2011:

State Disability Insurance pamphlet;

Unemployment Insurance pamphlet.

The state disability insurance pamphlet must be given to all

new hires and to all employees who take a leave of absence for pregnancy disability, or any non-occupational illness or injury.

The unemployment insurance pamphlet must be given to employees who are terminated or who quit.

The last update for 2010 was on October 8, 2010 when the workers' compensation poster and pamphlet were changed and all employers were required to display the new poster and give an updated pamphlet to new employees

Nevada to increase unemployment tax rate on businesses

Reprinted from the Las Vegas SUN, by Cy Ryan

CARSON CITY – Despite a plea from some employers, the state is going to increase its unemployment tax for businesses starting Jan. 1 to replenish its depleted trust fund due to the highest jobless rate in the nation.

Cindy Jones, director of the state Division of Employment Security, raised the annual average tax assessed per employee from \$353 to \$532.

And Nevada employers could be paying a higher federal tax to help the state pay off the expected \$820 million it will probably borrow from the feds by the end of next September.

In adjusting the tax formula, employers with the lowest turnover rate will be paying less. The lowest current rate is set at \$67.50 per worker, which drops to \$66.50. Those with the highest turnover will be paying \$1,436 per worker, down from the current \$1,458, but more businesses will be shifted into higher payment levels.

Employers pay the tax on the first \$26,600 of each worker's wage.

Adjusting the formula means the rate of employers who were paying the low rate will drop from 56 percent to 33 percent. And 7.1 percent of employers will be assessed at the highest rate, compared to 5.4 percent this year.

Veronica Meter of the 6,500-member Las Vegas Chamber of Commerce, told Jones that small businesses are laying off workers

and the increase would hit them the most.

"Even a couple hundred dollars could make the difference in closing the door," Meter said in advocating for delaying any increase.

A group called the Nevada Business Coalition e-mailed a petition with more than 250 names calling for no increase in the tax.

The average rate is rising from 1.3 percent to 2 percent. Jones said if it is kept at 2 percent, the state's fund would break even in 2014 and pay off the federal loan in 2018.

The rate hasn't been at 2 percent since the 1980s because of the booming economy in Nevada. But the unemployment rate has escalated to more than 14 percent, draining any reserve in the trust fund.

The unemployment trust fund can't be used to pay off the interest on the federal loan. The federal interest is expected to be \$70 million with the first payment of \$30 million due next September.

Jones said the agency has requested a legislative bill to assess Nevada employers to pay off the government interest. But the incoming administration of Gov.-elect Brian Sandoval has not signed off on it. In his preliminary planning, Sandoval has set aside \$66.3 million from the state's general fund to pay off the federal interest.

Jones said there have also been discussions about issuing bonds to pay off the federal interest but no decision has been made.

NATO of CA/NV Appreciates Film Product Seminar Supporters

The Sponsors



NATO of California/Nevada's Northern California Winter/Spring Film Product Seminar presented a challenge to guests as they had to fight the traffic generated by the hordes of Giants fans heading to the parade honoring the World Series Champions. Fortunately, John Café, Angelita Velasco and their staff had a continental breakfast ready at Cinemark's Century at Tanforan Theatre which helped them unwind from the drive. The Southern California attendees arrived with fewer stories but to an equally warm welcome from Rave 18 Theatre managers Mark Bastian and Raymund Cornelio and staff to a breakfast planned and prepared by café manager Paul Jones. On behalf of its members the Association would like to express its appreciation to Cinemark and Rave Motion Pictures for hosting the seminars and to ACS Enterprises, Inc. and MOC Insurance for sponsoring the meals. The seminars depend on studio support and appreciation goes out to CBS Films, Focus Features, Fox/Fox Searchlight, Lionsgate, Paramount, Sony, Summit Entertainment, Universal, Walt Disney Studios Motion Pictures, Warner Bros. and The Weinstein Company.

Managers previewed reels from over 90 upcoming winter and spring releases, they visited with other managers and the marketing representatives from the top studios and each left the seminar with a Goodie Bag of promo items and enthusiasm and anticipation for a busy holiday season and beyond.

Visit the Event Photos section of our website www.NATOCalNev.org to see all the seminar photos.

The Hosts



Rave Motion Pictures

Rave 18 Theatre Management Team Raymund Cornelio, Sam King, Paul Jones, Daisy Osuna, Mark Bastian, Victoria Kimbell, Alexis Aguirre, and Marlon Linares

Cinemark USA

Cinemark's West Bay Regional Leader Hal Sawyer, Century at Tanforan GM John Café and NATO of CA/NV President Milt Moritz.



See next page for more photos

The Studios



Northern California presenters:

*Front row (L-R) - Amanda Rufener, Lionsgate; Akira Egawa, Fox/Fox Searchlight.
 Middle row - Julie Kominski, Walt Disney Studios Motion Pictures; Heather Chinich, Sony;
 Miriam Kunstadt, Focus Features; Reynee Scofield, Paramount; Rebecca Jansson, Fox/Fox
 Searchlight; Cynthia Orellana, Universal Pictures and Barbara Laufer, Warner Bros.
 Back row - David Hawkins, CBS Films*

Southern California presenters:



*Francis Orante, Warner Bros;
 Heather Chinich, Sony and
 Jennifer Brown, The Weinstein Company*



*Will Preuss and Amanda Rufener, Lionsgate;
 Eric Carr and Mark Wilson, Focus Features
 and Ryan Provencher, Summit Films*

And its members



*Camera Cinemas' Bill Harvey,
 Ron Regalia, Gurvinder Mahli,
 Dominic Espinosa, (standing) Roger
 Paul and (sitting) Gary Meyer of Gem
 Theatres and Jack NyBlom, Byron Yue
 and Chris Kloetzel also from
 Camera Cinemas.*

Please visit the Event Photos
 section of our website
www.NATOCaINev.org
 for more seminar photos.

SHOW ME THE MONEY

Movie Theatre Advertising is Here to Stay

Reprint from Forbes, by Dorothy Pomerantz

The slew of ads before a movie starts can be one of the most annoying parts of going to the theatre. But theatre owners have no interest in getting rid of the preshow. That advertising revenue has become an important part of theatre chains' bottom line.

To maximize that advertising three movie chains, Regal, AMC and Cinemark formed National CineMedia, a joint venture where 50% of the company is publicly held and 50% is owned by the theatres. NCM brings in and distributes the advertising for preshows at the theatres. For the first nine months of 2010 NCM brought in \$275 million worth of advertising. The owning theatres benefit from that revenue in the form of \$.20 dividends per share each quarter. The company has a \$1 billion market capitalization.

Kurt Hall, the former head of Regal Entertainment Group, now runs NCM. I talked to Hall about the cost of advertising at the theatre versus TV, the future of theatre preshows and why companies need to up their game when advertising in theatres.

FORBES: Can movie goers expect more ads in the future?

KURT HALL: Not more. There's only a certain amount of time between shows and it's being fully utilized right now. What you will see is a raising of the bar when it comes to preshows. You're going to see the advertising getting better and more 3-D ads.

Is it more expensive for advertisers to use the cinema or TV?

We are priced at about two times television on a CPM [cost per thousand views] basis. But that makes sense because if you look at recall research we're more effective than television. The price compared to effectiveness is quite attractive. Our CPMs are up mid-single digits this year.

Can advertisers use the same ad on TV and in the theatre?

They can but we prefer they do something more interesting like release a 90-second version of a commercial in the cinema. We would also like to be the first place they show the ad and a lot of advertisers are doing that. There's public relations value in that too if you're launching a new product. For example last April Samsung released an ad for its 3-D televisions in cinemas in 3-D.

Are a lot of companies now trying to advertise at the movies?

For the past five or six years the creative has been a bit of a gating factor because clients were intimidated by the prospect of producing ads for the cinema. So a few years ago I started meeting with companies to help them transition to the theatre environment. So we've been able to add clients who hadn't advertised here before. There are about 100 to 150 brands that advertise in cinemas. In TV there are thousands of brands.

The advent of high-definition television has also helped. It has an aspect ratio consistent with cinema and it's encouraging companies to make better looking ads.

What are some new uses you are finding for theatres?

It's a small part of the business but we're trying to identify new sources of content that will put more people in movie theatres and broaden the demographics. The Metropolitan Opera is a good example of how we are taking content that wasn't traditionally distributed in movie theatres and expanding it to a wider audience. We are trying to evolve a theatre into a multipurpose entertainment complex that can handle lots of different entertainment.

I don't think that will ever be as important as feature films but there are a lot of times during the week when feature films don't do a good job of putting people into movie theatres. If you have a special event with content that there is an audience for, those people will come out on a Tuesday night. If you just have a feature film audiences have no reason to come out on a Tuesday.

Studios are pushing to shorten the time between when a film hits theatres and when it's available in the home. Is that something you're worried about?

If not done properly it has the potential to hurt theatres but they're not going to do anything that hurts the first window of release because it is so important as a marketing platform to launch films in the next windows. If you valued just the trailers studios get to run as part of the booking relationship, it's worth \$1.5 billion per year. So that is clearly something they do not want to damage.

I think there's going to be a lot of experimentation as studios figure out how to migrate the DVD business to the next evolution, which I believe will be direct to home. I think, unfortunately, the consumer has decided he can rent for a lot less than buying.

Viacom's Dauman: Film Studio's Key

Reprint from Daily Variety, by Tom Lowry

Even as cable channels win greater favor from Wall Street, Viacom CEO Philippe Dauman said last week he is committed to Paramount.

(The studio) is "core to our business. Paramount helps us be a premier content company around the world," Dauman told investors and media pros at the UBS annual media conference in New York.

To underscore his point, he said Paramount would not pare its slate as other studios have and will continue to put out 14 to 15 films a year. He said Paramount is not looking at a premium video on-demand service that would make movies available online shortly after their bow in theaters for a price more than double a movie ticket. Time Warner is exploring this kind of service.

Still, "being in the content business is the place to be in media," said Dauman, adding that content creates new incremental revenue opportunities.

Dauman boasted about Viacom's new premium TV service EPIX, which became the first national network to become profitable in the first year. That was achieved through a five year, \$900 million streaming deal between Netflix and EPIX and its partners.

"This was the first big ticket deal in broadband for content rights," he said.

When asked if Viacom had enough scale to be competitive, especially given the pending merger between Comcast and NBC Universal, Dauman said "because of the brands we represent we are in a strong position."

STATISTICS

Studio Domestic Market Share

January 1 - November 28, 2010

Rank	Studio	% Share
1.	Warner Bros.	19.5%
2.	Paramount	17.3%
3.	20th Century Fox	14.7%
4.	Walt Disney	13.6%
5.	Sony	13.0%
6.	Universal	8.7%
7.	Summit Entertainment	5.6%
8.	Lionsgate	5.5%
9.	Fox Searchlight	1.2%
10.	Overture Films	0.9%

January 1 - November 29, 2009

Rank	Studio	% Share
1.	Warner Bros.	21.4%
2.	Paramount	16.6%
3.	Sony	15.5%
4.	Walt Disney	12.2%
5.	20th Century Fox	11.1%
6.	Universal	9.4%
7.	Summit Entertainment	4.4%
8.	Lionsgate	4.2%
9.	Fox Searchlight	3.0%
10.	Weinstein Co.	2.2%

Box Office Data

January 1, 2010 – December 4, 2010

	Box Office Gross		Attendance	
2010	\$9,691,336,721	1.53%	1,234,565,187	-3%
2009	\$9,545,140,458		1,272,685,394	

	\$100 MILLION FILMS	3-D FILMS	FILMS IN WIDE RELEASE	
			1000+	3000+
2010	29*	23	122	61
2009	32	15	144	59

*Estimated

Source: Exhibitor Relations Co.

3-D Releases Coming First Six Months 2011

January 14 th	<i>The Green Hornet</i> (Sony)	April 8 th	<i>Rio</i> (Fox) Animation
February 11 th	<i>Gnomeo and Juliet</i> (Miramax) Animation	May 6 th	<i>Thor</i> (Paramount)
February 11 th	<i>Justin Bieber 3-D Movie</i> (Paramount)	May 13 th	<i>Priest</i> (Sony)
February 25 th	<i>Drive Angry</i> (Summit)	May 20 th	<i>Pirates of the Caribbean: On Stranger Tides</i> (Walt Disney)
March 4 th	<i>Sanctum</i> (Universal)	May 26 th	<i>Kung Fu Panda: The Kaboom of Doom</i> (Paramount) Animation
March 4 th	<i>Rango</i> (Paramount) Animation	June 17 th	<i>Green Lantern</i> (Warner Bros.)
March 11 th	<i>Mars Needs Moms!</i> (Walt Disney) Animation	June 24 th	<i>Cars 2</i> (Walt Disney) Animation
March 25 th	<i>Sucker Punch</i> (Warner Bros.)		

What Awards Predict Oscar® Best?

With the year coming to a close, the Academy Award® season has begun. As such which of the many other award presentations is the most accurate predictor of the Academy Award® Best Picture Nominations and Best Picture? *The Hollywood Reporter* compiled the percentage of nominations and wins for Oscar's® best picture category that were also picked by rival awards groups for the period 2000 – 2009.

Group	Nominations	Best Picture	Nominations Announced	Ceremony
Gotham Awards	11%	10%	October 18	November 29
National Board of Review	82%	20%	December 2	January 11
The Golden Globes	80%	50%	December 14	January 16
Producers Guild Awards	75%	60%	January 4	January 22
Spirit Awards	20%	10%	November 30	February 26
Critics' Choice Awards	93%	80%	December 13	January 14
Screen Actors Guild Awards	64%	50%	December 16	January 30
Directors Guild Awards	78%	80%	January 10	January 29



CALENDAR of EVENTS & HOLIDAYS

Winter begins
December 21

Christmas Day
December 25



New Year's Eve
December 31

New Year's Day
January 1, 2011

**NATO of CA/NV Board
of Directors meeting**
January 13

**Golden Globe
Awards**
January 16

**M. L. King, Jr.
BD observed**
January 17

Valentine's Day
February 14

Presidents Day
February 21

**Academy Nominations
Announcement**
January 25



Academy Awards®
February 27

**Daylight Savings
Time Begins**
March 13

**CinemaCon at
Caesars Palace**
March 28-31