ATO of California/Nevada

Information for the California and Nevada Motion Picture Theatre Industry

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Despite Two Losses, Soda Foes Won't Quit In California Beverage-Based Money Grabs Continue

Despite overwhelming losses on proposals to impose taxes on a wide range of sweetened beverages in Richmond, CA and El Monte, CA, multiple efforts to impose restrictions on beverage sales are currently underway in California. The proposed methods may vary, but the underlying theme is the same. These activists want to interfere with consumers' ability to enjoy the beverage of their choice.

Local Efforts

The City of San Francisco Board of Supervisors will soon vote to place on the November ballot a tax of two cents per ounce of finished product on all beverages containing sugar including juice drinks, ice teas, powdered drinks, sports drinks, and hundreds of other beverages. The proceeds of the tax would be spent on health, nutrition, and physical activity programs. While the San Francisco measure still must be approved by the city's board of supervisors, the majority of them are co-sponsors of the bill, effectively guaranteeing that it will be on the ballot. To be adopted, the tax will need Yes votes from two-thirds of voters.

This is a potentially very expensive tax that requires a high voter threshold, but it is on the ballot in San Francisco, a city with a long tradition of approving very liberal proposals. Once this initiative makes the ballot, we can expect a spirited debate through November.

Across the San Francisco Bay in Berkeley, CA, a recent poll of 500 local voters on which policy issues should be developed as ballot initiatives showed 66 percent support to enact a one-cent-per-ounce soda tax, with support dropping to 55 percent for two-cents-per-ounce. The soda tax received the most support of any issue in the poll, which is used by the City Council to gauge citizen support for which issues to place on the local ballot. The poll is meant for advisory purposes only, and the city has not yet taken any official action on a potential soda tax.

California State Legislature

A new front has been opened in this battle by SB 1000, legislation by Senator Bill Monning (D-Carmel), which would mandate labels on soda and fruit drinks sold in stores with added sweeteners that have 75 or more calories per 12 ounces that would read: "STATE OF CALIFORNIA SAFETY WARNING: Drinking beverages with added sugar(s) contributes to obesity, diabetes, and tooth decay."

These labels would be on the front of all affected beverage containers. At restaurants or establishments with self-serve soda dispensers, the label would be on the dispenser. In a movie theatre with the dispenser behind the counter and used by employees, the label would be on

In addition to displaying either labels or signs, the bill would require all businesses sell-

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ing or distributing sweetened beverages to "maintain on its business premises, for a period of two years following each distribution, purchase, or sale, all records, including legible invoices and purchase orders, to determine the quantity and type of sugar-sweetened beverages distributed, purchased, or sold."

In addition to the sheer difficulty of implementing and enforcing these requirements, this legislation raises serious concerns about liability and subsequent abuse by attorneys.

Soda opponents likely see warning labels as an easier means to achieve their goals. Polls show much higher support for soda warning labels than for soda taxes. However, this is illadvised policymaking that creates a dangerous precedent. Where do these efforts end? At what point is the public responsible for their own choices?

This latest political activity around sodas shows that this issue will be argued for the foreseeable future. NATO of CA/NV will continue to engage vigorously at the local and statewide level to represent the unique needs of theatres, and to ensure that our industry can continue to offer affordable, family-friendly entertainment. We will be in touch to request your involvement in an upcoming round of meetings with legislators in Sacramento on SB1000, and we will keep you updated on how local theatres can join the campaign against the San Francisco soda tax.



We have been advised by the studios that they will have a record number of films to be screened at the April NATO of California/Nevada Film Product seminar.

The Southern California seminar is scheduled for Thursday, April 24th at Cinemark's Rave 18 Theatre in the Howard Hughes Promenade Center; and the Northern California one is set for Tuesday, April 29th at the AMC Metreon Theatre in San Francisco. Each one will begin at 8:30 am with a continental breakfast and the program will begin at 9:30 am.

Registration is now open and due to the early registration bonus period it is at an all-time high! Don't miss out on the chance to preview clips of the blockbusters set to open through Fall 2014, time to visit with colleagues and the one-on-one meetings with the Studio Marketing Representatives at the popular Meet and Greet tables. The scheduling will include longer breaks to give everyone a chance to meet the Studio Marketing Representatives and to visit with their colleagues.

Follow this <u>LINK</u> to register for the April 24^{th} Southern California seminar, or this <u>LINK</u> to register for the April 29^{th} seminar. Registration will be open through April 4^{th} , or until capacity is reached, whichever comes first.



Theatre Technology Advancing At Breakneck Speed . . . Er, Make That Laser Speed

For more than a decade motion picture theatres have been engaged in one of the most dramatic changes in the history of exhibition, that being the conversion from conventional film projection to digital projection. And as with most technological advances, this conversion was to provide a better consumer experience while at the same time delivering long-term economic advantages. For the major distribution companies, those economic advantages are considerable.

But now that most conversions have already been or will soon be completed, don't think it's time to sit back and relax. For as we all know too well, technological advances can unfold with dizzying speed. One only need have witnessed the evolution of music distribution from 33-1/3 rpm vinyl to digital audio files and all formats and platforms in between, as well as cell phones and computers along with film cameras and their digital successors, to digest just how rapidly something new, so cutting edge, emerges on the scene, and just as quickly is rendered obsolete by its replacement.

And now, according to an in depth article in the March 2014 issue of IEEE Spectrum, a publication of the Institute of Electrical and Electronic Engineers, exhibition is again on the verge of yet another conversion. The article asserts that the next addition to the exhibition boneyard will be xenon electric arc lamps, and that projectors of the future will replace the xenon bulbs with lasers.

In fact, installations of commercial laser-based projectors in the United States, Italy and Australia are already scheduled to begin this year. The article notes that sales have been made to the Seattle Cinerama Theatre, owned by Microsoft co-founder Paul Allen, and that IMAX has contracted to convert 70mm film projectors to laser digital projectors at several locations.

Among the companies developing this new generation of projectors are Christie, NEC Display Solutions, Barco and Sony. Another company, Laser Light Engines, is developing retrofit kits that will allow a technician to upgrade an existing digital projector and replace the xenon bulb with a laser illumination system.

A number of factors are contributing to the move toward laser illumination, one of the primary ones being the increasing acceptance of 3-D. With xenon bulbs, on anything except a small screen, the image is often too dim. The difference in brightness between xenon bulbs

and laser projection is significant. The brightest digital projector with a brand new xenon bulb can emit about 30,000 lumens, and drops to about 22,000 lm after about 200 hours, and eventually levels off at less than 15,000 lm within 800 hours. By contrast, laser projection systems will emit 50,000 to 100,000 lumens and have near constant output over a lifetime of 20,000 to 50,000 hours. (See chart below.)

Performance Metric	Present: Arc Lamps	Future: Lasers
Projector brightness, lumens	Peak: 34 000 Constant: 22 000	50 000 to 100 000
Lifetime of light source, hours	Large lamp: 300 to 800 Medium lamp: 1000	20 000 to 50 000 (5 to 12 years)
Dynamic range, brightest to darkest for each primary color	2000:1	10 000:1
Resolution, pixels per frame	2 211 840 ("2K") or 8 847 360 ("4K")	Up to 33 177 600 ("8K")
Frame rate, frames per second	24 and 48 for 2K; > 24 for 4K	60 and 120 possible for 2K; 48 for 4K
Color gamut, percentage of gamut visible to people	40 percent	60 percent
Efficiency, lumens per wall-plug watt	4.8	>10

Chart: IEEE Spectrum

Higher brightness benefits 2-D movies as well. More brightness means a greater range of luminance, from sunlight bright to deep black. Today's arc-lamp-based projectors can produce only about 40 percent of the colors most people are capable of perceiving, whereas laser-based systems can reproduce up to around 60 percent. Laser-based systems can also project much more saturated colors. The brighter image coupled with a vastly greater, more saturated palette will produce movies that are far more vivid than anything possible today.

As much as we marvel over the stunning images in such 3-D presentations as "Avatar," "Life of Pi," "Frozen" and "Gravity," among others, we can only imagine the wondrous new worlds that today's barrage of technological advances will soon bring to our motion picture screens.



British Film Group Easing Up on Piracy

It's a realization that book publishers came to terms with eons ago: the people who visit public libraries and read books for free are often the same people who purchase the most books to keep. And now the film industry may be reaching a similar conclusion when it comes to piracy. A British group, the Industry Trust that is seeking to alter the industry's view -- and illegal downloaders' -- about piracy has itself undergone a change in philosophy, Liz Bales, the director general of the group told TechRadar.com. "Before I came on board in 2007, campaigns such as 'you wouldn't steal a handbag, you wouldn't steal a car' were happening," said Bales. "The thought was that piracy is a crime and that is what should be communicated." But in studies the group discovered that, as TechRadar put it, "the average pirate is actually the core

audience for the movie business." Bales said that Industry Trust was confronted with solid research showing that the same people who infringe content are also the industry's most valuable audience. "They go to the cinema more than the national average, they are buying more Blu-rays than anyone else. They are more likely to have a Sky [satellite TV] subscription and they are massively in love with LoveFilm [now Amazon Prime Instant] and Netflix," Industry Trust is therefore now altering its tack, Bales acknowledged, and "saying that we know you love movies and value that you are spending money on movies but we just want you to do a bit more of the right things and less of the infringement."

Courtesy: Studio Briefing

How to Create Healthy Habits

Presented in Will Rogers Motion Picture Pioneers Foundation, Social Services Corner E-Newsletter

Question: I made a New Year's resolution to exercise more. I already feel my motivation flagging. How can I form a new habit that sticks?

Answer: Exercising is a terrific resolution and resolving to stick with it is even better! In this newsletter, we have referred to "healthy habits" for many years, from sleeping and eating to staying active. Let's explore how to establish and maintain them.

Professor Wendy Wood, PhD, is a social psychologist at the University of Southern California who studies human behavior. She writes, "Habits persist even when we're tired and don't have the energy to exert self-control." In other words, if you are thinking about exercise, it's not yet a habit. A habit is something you do without thinking. She cites a study in which college students were observed during the stress of final exams and during the regular semester. Whatever habits the students had during non-stressful times were maintained during finals. The students who had healthy habits persisted in those, and the students who had unhealthy habits clung to theirs as well. The theory is that during finals, the students were distracted so they turned to habits

that did not require thought.

This study points to the need to have healthy habits as your mindless fallback. So how to make exercise one of those? The secret, says Wood, is to make it easy. If you are not a morning person, don't force yourself to hit the gym at 5:00 a.m. If you feel energized midday, eat a quick lunch and then walk around your office building three times. Make it fun. Work out with friends or load your MP3 player with music you want to hear.

Along with being easy-even fun-your new habit should happen in small steps. Exercise 15 minutes twice a week. Add minutes, then days. Make your new habit about you. Tips in magazines are good inspiration, but tailor your habits to your unique likes and qualities. Surround yourself with supportive people and tell them your goal. They will want to hear about your progress. Eventually, your body will crave exercise and you will do it without thinking.

Source: "Mindless Behavior Applies To Healthy Habits, Too: Study," by Wendy Wood, PhD, Huffington Post, 05/28/13.



Academy Award® Contest Winner

Congratulations to Regal Entertainment Group District Manager Rick Herman, winner of the NATO of California/Nevada annual Academy Award® Contest. His prize is a \$25.00 gift certificate to Target. Mr. Herman is a second time winner as he won in 2003, the third year of the Contest.



San Francisco Enacts Ordinance Restricting Employers' Ability to Ask About and Use Criminal History

By Saira K. Najam, Judith Droz Keyes, and Jeffrey S. Bosley, Davis Wright Tremaine

Effective Aug. 13, 2014, a new San Francisco ordinance prohibits private employers and city contractors from asking job applicants about their criminal history *until after the first interview*. The Fair Chance ordinance also specifically prohibits employers from asking about certain criminal offenses at any time, and restricts how criminal history information may be considered and acted upon in hiring and employment decisions. The ordinance applies to private employers with at least 20 employees, regardless of location; however, the physical location of the employment or prospective employment of an individual as to whom the ordinance applies must be in whole, or in substantial part, within the City and County of San Francisco. Part-time, seasonal, contract, or full-time applicants/employees are covered by the ordinance.

Laws prohibiting employers from asking jobseekers to disclose their criminal history on the initial job application form are referred to as "ban the box" laws and have been gathering momentum across the U.S. Currently, such laws exist in some form in 10 states and more than 50 cities nationwide. Four states: Hawaii, Massachusetts, Minnesota, and Rhode Island; and four cities: Philadelphia, Newark, Seattle, and Buffalo, apply their "ban the box" policies to private employers.

San Francisco's ordinance prohibits covered employers from ever asking or considering in an employment decision: (1) arrests that did not lead to convictions, unless charges remain pending; (2) completion of a diversion or deferral of judgment program, (3) sealed or juvenile offenses, (4) convictions that are more than seven years old from the date of sentencing; and (5) criminal offenses other than felonies or misdemeanors, e.g., traffic or civil infractions.

Employers may only ask about and consider criminal history information after the *first live interview* (via telephone, videoconferencing, use of other technology, or in person) or, at the employer's discretion, following a conditional offer of employment. Before any such inquiry, applicants or employees must be provided with a notice advising them of their rights under the ordinance.

While the ordinance allows certain inquiries about convictions to be made by employers, strict restrictions are placed on how the information obtained may be used. Information obtained may be used in the decision-making process only if it has a *direct and specific* negative bearing on that person's ability to perform the duties or responsibilities necessarily related to the employment position. To make this determination, an employer must make an *individualized assessment*, considering whether the

position offers the opportunity for the same or a similar offense to occur and whether circumstances leading to the conduct for which the person was convicted will recur, the amount of time that has elapsed since the conviction, and factors that might show rehabilitation or mitigating measures.

If an employer decides to reject an applicant because of criminal history, it must notify the applicant in writing before a final decision is made and again after the decision is finalized. Applicants have seven days to provide notice of an error, rehabilitation, or other mitigating information. The employer must take reasonable time to evaluate the information and reconsider the proposed adverse action before taking final action.

The ordinance also imposes notice and posting requirements for employers. Covered employers must state in all job solicitation or advertisements that are "reasonably likely to reach persons who are reasonably likely to seek employment in [San Francisco]" that they will consider qualified applicants with criminal histories in a manner consistent with the ordinance. The ordinance prohibits retaliation against applicants or employees for exercising rights under the ordinance. There is a presumption of retaliation if the adverse action is taken against a person within 90 days of the exercise of a protected right. Employers must maintain records of employment, application forms, and other relevant records for at least three years.

San Francisco's Office of Labor Standards Enforcement (OLSE) is charged with administering and enforcing the ordinance. The OLSE's review of complaints is limited to the employer's adherence to procedural, posting, and record-keeping requirements. The OLSE will not review or evaluate an employer's stated reason for denying employment, but will examine whether an employer failed to conduct the individualized assessment required by the ordinance The OLSE may issue administrative penalties of no more than \$50.00 for each employee or applicant as to whom the violation occurred or continued (no more than \$100.00 for each employee for subsequent violations). For any first violation, or any violation within 12 months of Aug. 13, 2014, the OLSE must issue warnings and notices to correct, and offer the employer/contractor technical assistance on how to comply with the requirements of the new ordinance. While applicants/employees have no private right to sue in court under the ordinance, the city may bring a civil action in court and seek civil remedies, including reinstatement of the employee, back pay, benefits, and attorneys' fees and costs.

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PREVIEWS

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Employers with 20 or more employees should consider taking the following steps now to prepare for the effective date of the ordinance on Aug. 13, 2014:

Assess and determine whether the current job applications comply with all state and local laws where the employer operates.

Review employment policies, job descriptions, job posting templates, and notices of adverse decisions to ensure compliance with the ordinance, and similar state or local laws.

Adhere to the requirements of the federal Fair Credit Recording Act and California state equivalent, as well as any other federal, state, and local requirements, before conducting background checks and taking adverse action against applicants or employees based on their criminal history. Employers should also consider clarifying with background check providers what information

should not be collected or reported in certain jurisdictions to avoid non-compliance with "ban the box" ordinances.

Establish a protocol to conduct individualized assessments of job applicants/employees with criminal histories, and consider how and when to review these decisions with inside or outside counsel.

Establish procedures to comply with individual notice, posting, and record-keeping obligations imposed by the ordinance.

Train human resource professionals and hiring managers about the ordinance and its requirements. Employers may want to consider designating a particular manager or HR professional to be the point person through which all requests are made and evaluated, and to whom all questions are directed.

Stay tuned for issuance of the OLSE poster and notice form before Aug. 13, 2014.

Stay informed concerning ongoing guidance from the OLSE.

What Are The Fans Eating At Major League Ball Parks?

PNC Park, Pittsburgh Pirates

FANS head straight to Primanti Brothers at PNC Park and order whatever sandwich they like, but you don't dare ask for your French fries and cole slaw on the side. Primanti Brothers created its iconic sandwich piled high with meat, fries and slaw in the 1930s to serve local truckers who needed to eat an entire meal on the fly.

Oriole Park at Camden Yards, Baltimore Orioles

Maryland crab cakes aren't typical baseball fare, but they are one of the best food offerings available at Oriole Park in Baltimore

Safeco Field, Seattle Mariners

Ethan Stowell's Hamburg + Frites has a menu full of eats, but the Oyster Po' Boy is one of their most unique ballpark offerings.

CitiField, New York Mets

Mama's of Corona offers a Mama's Special, a classic hero with Genoa salami, prosciuttini and mozzarella on a semolina bun, to top it off you order roasted red peppers and marinated mushrooms.

Marlins Park, Miami Marlins

At Marlins Park, Burger 305 offers the Shrimp Burger made from two varieties of Gulf shrimp, seasoned with fresh herbs and served on telera bread with lettuce, jalapeno and key lime aioli.

US Cellular Field, Chicago WhiteSox

While you can't go wrong with a Chicago hot dog, the Corn off the Cob is truly a food experience. Seasoned with lime juice, red pepper, white cheese and butter.

Turner Field, Atlanta Braves

"The Hammer" this sandwiched version of Southern-style chicken and waffles features perfectly fried chicken, bacon, fried onions, jack cheese and pecan-maple mayonnaise piled high between two waffles.



Dodger Stadium, Los Angeles Dodgers

The Dodger Dog is arguably the most popular hot dog in baseball. With more than 1.5 million sales every season, there are more hot dogs sold at Dodger Stadium than any other ballpark. Dodger Dogs are served two ways — boiled or grilled.

Kauffman Stadium, Kansas City Royals

Kansas City barbecue ribeye piled high on a potato bun and topped with cheddar cheese, bacon, sautéed mushrooms, onion rings, barbecue sauce, lettuce, tomato and pickles.

Citizens Bank Park, Philadelphia Phillies

Eating during a Phillies game seems like a no-brainer. Of course you can't go wrong with a classic Philly Cheese Steak, but Citizens Bank Park is also known as one of the most vegetarian-friendly stadiums in major league baseball. At Planet Hoagie, the Poppy Hoagie is stacked with roasted eggplant, fresh mozzarella, red peppers and sundried tomatoes.

Courtesy: NAC Weekly eNews

Editor's Note: After consuming any one of these favorites, who has energy for the ball-game? Oh and, before you indulge, please see "How To Create Healthy Habits" on page 4 of this newsletter. Play ball!

Connecticut Could Be First State to Curb Loud Movies

by The Associated Press

The MPAA says the proposed bill would violate the First Amendment right to free speech by regulating how a movie and trailer is presented.

NEW HAVEN, Conn. (AP) — Connecticut could become the first state to curb loud movies under proposed legislation that's drawing opposition from the Motion Picture Association of America.

The legislature's Public Safety and Security Committee is considering the bill, which would prevent theaters from showing a film or preview that exceeded 85 decibels. The National Institute for Occupational Safety and Health recommends noise should be kept below 85 decibels for workers for eight hours to minimize hearing loss.

"Hopefully this will be a wakeup call to the theater owners and the MPAA to get their act together and do something that's good for the public and still will satisfy their needs," said William Young, a Stamford resident and chemical industry consultant who has pushed the measure. "Why they need such loud sounds is beyond me."

Jon Griffin, a policy specialist with the National Conference of State Legislatures, said he believes Connecticut would be the first state to regulate the maximum decibel level at movies. Vans Stevenson, a senior vice president with the MPAA, also said the issue is not regulated.

A New York lawmaker has unsuccessfully pushed a measure that called for preventing trailers and commercials from playing louder than feature films.

Dr. Robert Dobie, a professor at the University of Texas who is an expert in noise-induced hearing loss, said the 85-decibel standard is for workers' prolonged exposure, not occasional loud sounds from a movie.

"The exposure is so brief and intermittent that no one with any expertise would ever say that they have any real risk of hazard or harm," Dobie said. "I feel quite comfortable that the exposures are not anywhere near hazardous. It's the combination of level and duration that matters."

For comparison, the American Tinnitus Association says 85 decibels is the sound of average traffic, 80 decibels is the sound of an alarm clock 2 feet away and 100 decibels is the sound of a blow dryer.

Sen. Carlo Leone, D-Stamford, said he was part of a delegation that introduced the bill at Young's request. That way, a public hearing will help lawmakers determine how to proceed, he said.

"I support the concept moving forward," Leone said. "If there

are other corrective measures without legislation and it takes care of the problem, that would be the better choice."

Stevenson told the committee at a hearing this past week that the legislation is unnecessary and undermines voluntary standards adopted by companies and theaters that set appropriate sound levels. A standard was developed at the request of theater owners to address audience complaints about excessively loud trailers and significant steps have been taken to voluntarily reduce volume levels, the association said.

"Certainly no one is going to do anything that would have a hint of being harmful," Stevenson said. "We've gone to great lengths to make sure that average is in an acceptable range that is not harmful."

Young says the standard doesn't work because it measures the average decibel of an entire preview, so it can have extremely loud portions. Young, who has been working on the issue with his colleague, Arnold Gordon of Greenwich, says their tests of previews found sustained bursts as high as 110 decibels.

Young, who has a doctorate in chemistry, favors setting a peak limit. He says the sound is so loud it leaves his ears ringing.

"Who wants to sit there in pain?" Young said. "These companies shouldn't subject people to harmful sounds."

MPAA says the bill would violate the First Amendment right to free speech by regulating how a movie and trailer is presented and is discriminatory because it applies only to movie theaters and not to other venues such as rock concerts or sporting events.







CinemaCon 2014 March 24-27

All Fool's Day

April 1

Registration doses for Film Product Seminar

First night of Passover
April 14

Good Friday April 18

Easter Sunday April 20 NATO of CA/NV Summer/Fall Film Product Seminars

> April 24 Southern California

> April 29 Northern California