

NATO of California/Nevada

PREVIEWS

Information for the California and Nevada Motion Picture Theatre Industry

CALENDAR of EVENTS & HOLIDAYS

Mother's Day

May 11

Armed Forces Day

May 17

Memorial Day observed

May 26

Flag Day

June 14

Father's Day

June 15

Board of Directors Meeting

June 18

Membership Meeting

June 19

Independence Day

July 4

Annual Membership Meeting To Be Held June 19. Guest Speakers Sony's Amy Pascal And Los Angeles Times' John Horn

The Annual Membership Meeting of the National Association of Theatre Owners of California/Nevada will be held June 19 at ArcLight Cinemas located in the Sherman Oaks Galleria in Los Angeles' San Fernando Valley. A continental breakfast will be served starting at 9:00 a.m., with the program to begin at 10:00 a.m. Employees of all NATO of California/Nevada member companies are encouraged to attend to learn and hear about vital issues that have an effect on our business.

We are fortunate in having two outstanding speakers at this year's membership meeting; Amy Pascal, Co-Chairman of Sony Pictures Entertainment and Chairman of Sony Pictures Entertainment Motion Picture Group, and *Los Angeles Times* journalist John Horn, who covers the film business for the newspaper's Calendar section.

Under Ms. Pascal's guidance, Columbia Pictures has enjoyed sustained success with such hit films as *Spider-Man™*, *Spider-Man™ 2*, and *Spider-Man™ 3*, *21*, *Superbad*, *Casino Royale*, *The Pursuit of Happyness*, *The DaVinci Code*, *Vantage Point*, *Fun With Dick and Jane*, *Talladega Nights: The Ballad of Ricky Bobby*, *Something's Gotta Give*, *Panic Room*, *S.W.A.T.*, *Mr. Deeds*, *Men in Black II*, *Charlie's Angels*, and *Big Daddy*, among many others.

With the success of these titles and many more, Sony Pictures Entertainment was #1 in North American market share for three of the last five years (2006, 2004 and 2002) and is the



Amy Pascal



John Horn

only studio to exceed more than \$8 billion in domestic ticket sales since 2002. In addition, Sony Pictures Entertainment has launched 52 #1 films since 2002 and has earned the top two spots in the motion picture industry's all-time record books for annual domestic box office.

Before joining *The Los Angeles Times* in 2002, John Horn was a senior writer for *Newsweek* magazine, covering entertainment. He previously was a senior editor for *Premiere* magazine, and served as the entertainment writer for *The Associated Press* and as a staff writer for *The Orange County Register*. He is an honors graduate of the University of California, Berkeley. He is a trustee for the Humanitas Prizes, and is on the board of directors of The Union Station Foundation. He was a recipient of a fellowship under the National Arts Journalism Program, and is a member of its board.

The subject of Mr. Horn's talk will be *Movies and the media: A film reporter's take on how the Los Angeles Times covers exhibition*.

There will be a question & answer session with both speakers.

Also on the agenda is a presentation by Terri Thomas, the Association's lobbyist in Sacramento, who will give an overview of current and recent governmental activities pertaining to our industry.

The meeting will include a review of business matters affecting the Association over the past

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Previews
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11661 San Vicente Blvd., Suite 830
Los Angeles, CA 90049
Phone: 310/460-2900
Fax: 310/460-2901
E-mail: Office@NATOCalNev.org
www.NATOCalNev.org

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Charlene Sievers
Director, Member Services

Membership Meeting, continued from page 1

year as well as a look at current and upcoming issues being faced. Other items on the agenda include the introduction of new officers and directors of the Association, and the announcement of the 2008 winners of NATO of California/Nevada's scholarships for post-secondary education for field level employees and for spouses and dependent children of management, as well as the recipients of the UCLA and USC Film Schools Fellowships.

We would like to extend our thanks and appreciation to Pacific Theatres for making the ArcLight Cinemas available for our membership meeting. A tour of this newly unveiled, state-of-the-art show-place will be conducted at 9:30 a.m.

The registration deadline is June 11th. Please see registration information below to attend this annual membership meeting. ▼

Registration Form

Please provide the following information for each attendee. If registering more than one person please list all names and information on *one* sheet or email:

Name and position: _____

Company name: _____

Theatre Name and Address: _____

Email address: _____ **Daytime phone number:** _____



ArcLight Cinemas
15301 Ventura Blvd
(at Sepulveda in the
Sherman Oaks Galleria)
Sherman Oaks, CA 91403

Reservation deadline is June 11th
Fax to 310/460-2901 or email to
Office@NATOCalNev.org

Save Time and Trees – Register for Digital Previews

Isn't it time for you to go digital? Register for your digital copy of *Previews* by sending your email address to PREVIEWS@NATOCalNev.org. Once registered an email will be sent to you, as *Previews* is going to press, with a PDF attachment and a link to the Previews Reading Room section on our web site where you can read the most current and re-visit past issues of this monthly newsletter.

Please make sure you add the PREVIEWS address to your email program's address book. Since many e-mail providers will categorize any new or unknown source, as "Spam," this will ensure that you receive the newsletter without interruption. ▼

California Lawmakers at Work to Impose Nutritional Information

California local and state lawmakers are at work on new nutritional information requirements to impose on a variety of food service establishments, including theatres. NATO of California/Nevada has been hard at work opposing these bills by writing letters to legislators, requesting exemptions for theatres, and offering alternatives that are more manageable for its members.

Despite NATO's efforts, in March, the City and County of San Francisco passed amendments to San Francisco Health Code Sections 468 through 468.8 that require that "chain restaurants" with 20 or more locations in California to disclose nutritional information on menus, menu boards, and posters. The legislation requires disclosure of calories on menu boards and disclosure of calories, saturated fat, total fat, trans fat, cholesterol, carbohydrates, fiber, protein, and sodium on posters and other written materials. It is somewhat unclear whether the San Francisco ordinance is intended to apply to food sold at theatre snack bars, as the definitions of "chain restaurant," "food," and "menu item" is written so broadly. The San Francisco ordinance imposes substantial fines for noncompliance.

At the California state level, both Senator Alex Padilla and Assembly Member Nicole Parra have introduced nutritional information bills. Senator Padilla's bill, SB 120, requires chain food facilities with at least 15 locations in California and have menu boards to list the calorie counts on menu boards, and to make additional nutritional information available to patrons, including calories, fat, trans fat, carbohydrates, and milligrams of sodium. Assembly Member Parra's bill, favored by NATO, has no requirement to include calories on menu boards, and requires that chain food facilities with at least 20 other food facilities in California make information on calories, total fat, trans fat, saturated fat, carbohydrates, and sodium. Both state bills have short lists of exempt businesses, and NATO is pressing each to include theatre snack bars on the list of exempt businesses. ▼



By: Janet Grumer,
Davis, Wright,
Tremaine LLP

San Francisco Health Care Security Ordinance Update

More than a year ago, the San Francisco Board of Supervisors passed the Health Care Security Ordinance, which requires employers to pay to the City or another qualified plan either \$1.17 or \$1.76 per hour for every hour worked for health care for all employees who work in San Francisco more than 10 hours per week and who have been employed for at least 90 days. The ordinance applies to employers of 20 or more employees, but the hourly premium requirements apply only to workers working in San Francisco. Many employers have challenged and continue to challenge this very costly and complicated ordinance since it was introduced.

On December 26, 2007, a Northern District of California court ruled that the ordinance was unenforceable because it was preempted by federal law governing employee welfare plans (ERISA). The very next day, San Francisco City Attorneys filed for and were granted a stay of the district court's order, thus allowing the City to begin enforcing the ordinance on January 9, 2008. On April 17, 2008, the Ninth Circuit Court of Appeals heard oral argument on an expedited basis. San Francisco employers await the Ninth Circuit's ruling, which hopefully will uphold the district court's order finding that the ordinance is unenforceable. Meanwhile, San Francisco employers must make their first contributions under the ordinance no later than April 30, 2008.

NATO will keep you posted on our efforts and progress on the ordinance and bills. For more information contact NATO of California/Nevada office. ▼

Janet Grumer is an attorney in the law firm of Davis Wright Tremaine LLP and a former movie theatre executive whose practice focuses on theatre and retail clients, including employment and general litigation issues. She can be reached at 213/633-6866 or janetgrumer@dwt.com.

Beware of the Great Deal!

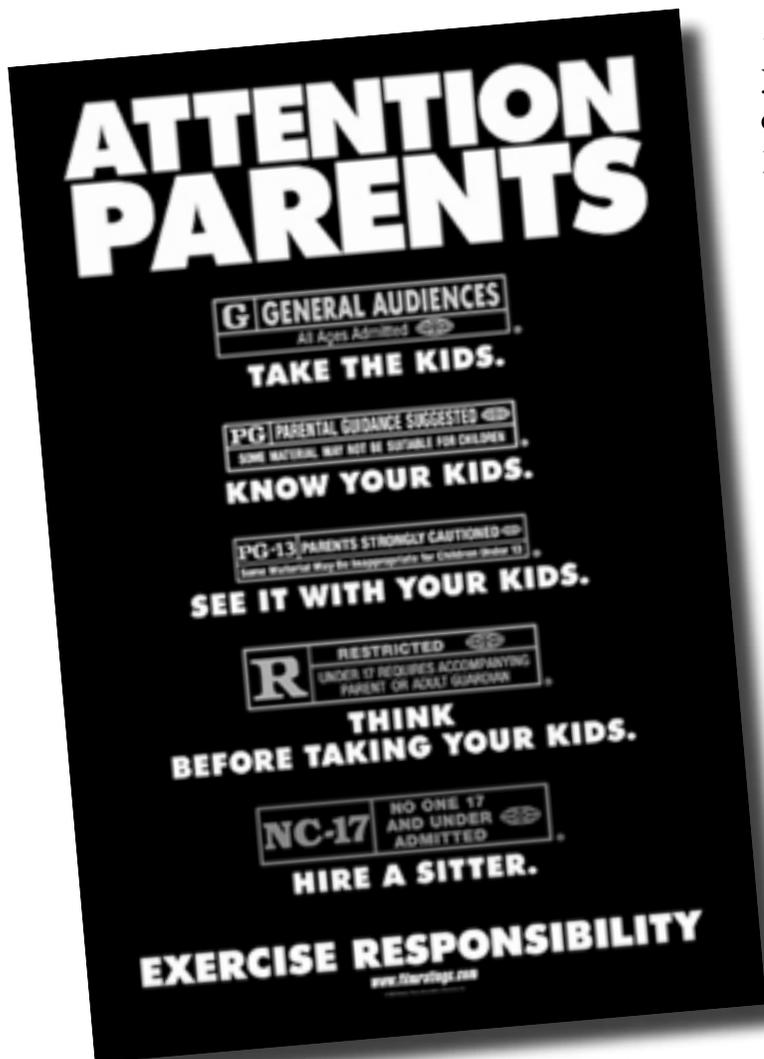
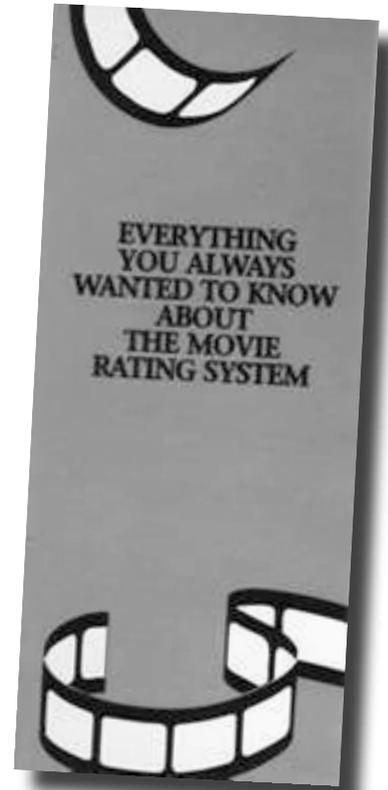
If you get that cold call with an offer too good to be true, it most likely is. Recently businesses have been inundated with all sorts of calls, offering everything from cleaning products to insurance coverage to light bulbs at grossly reduced rates or even free. In most cases the vendor is either unable to deliver or ships a misrepresented product with

a cost greater than you usually pay. Don't take anything for granted. Check the source out, contact the Better Business Bureau, request their website for legitimacy, check out comments of current and past customers, review their return policy, get a written confirmation of any order prior to shipment of product. Remember "buyer beware"!

JUNE IS ENTERTAINMENT RATINGS A



The month of June is once again designated as Entertainment Ratings and Labeling Awareness Month. The following is a checklist of recommended steps that each NATO member is requested to take.



✓ All company employees should be knowledgeable of your ID-Check policy for “R” and “NC-17” rated films.

✓ Ratings compliance officers should review their personnel policies to ensure proper emphasis on ratings education and enforcement.

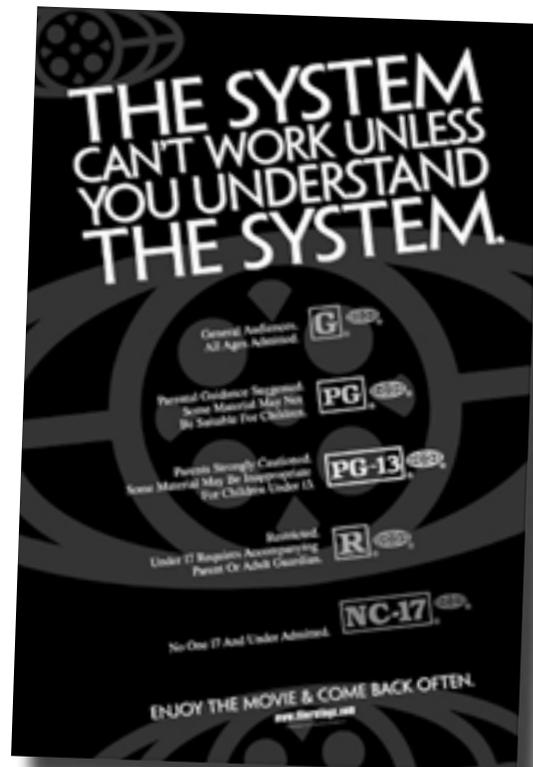
✓ Display Ratings Poster. These posters are available free of charge from the National NATO office in Washington D.C. (A ratings poster request form can be downloaded from NATO’s website WWW.NATOonline.org)

AND LABELING AWARENESS MONTH



✓ All theatre company web sites, ticketing web sites and all other sites displaying information about movies to which theatre company sites are linked should include the following:

1. Ratings should be prominently displayed in conjunction with all movies referenced on the site.
2. Ratings reasons should be prominently displayed in conjunction with the rating for all movies.



What Everyone Should Know About The Movie Rating System.

GENERAL AUDIENCES
G
Nothing that would offend parents for viewing by children.

PARENTAL GUIDANCE SUGGESTED
PG
Parents urged to give "parental guidance." May contain some material parents might not like for their young children.

PARENTS STRONGLY CAUTIONED
PG-13
Parents are urged to be cautious. Some material may be inappropriate for children ages 13-17.

RESTRICTED
R
Contains some adult material. Parents are urged to learn more about the film before taking their young children with them.

NO ONE 17 AND UNDER ADMITTED
NC-17
Parental adult. Children are not admitted.

3. The site should provide detailed general descriptive information about the MPA/NATO movie ratings system and links to other sites such as ParentalGuide.org, FilmRatings.com or MPAA.org.

4. The site should include additional warnings related to the admittance of people under age 17 to "R" rated movies, or people under the age of 18 to "NC-17" rated movies.



ShoWest '08 Honors NATO of CA/NV Members

Congratulations to UltraStar Cinemas and Brenden Theatres, both NATO of California/Nevada member companies, that were selected to receive 2008 ShoWest/NATO Marketing Achievement Awards for their outstanding promotions. Both companies selected *Spider-Man 3* for their marketing efforts.

The Brenden team, led by Johnny Brenden, conceived a multi-levelled promotional program that included the Boys & Girls Clubs of Las Vegas, a Newspapers in Education "Picture Your Hero Photo Contest", in-theatre concession and promotional programs and a special in-person appearance by SpiderMan's creator, Mr. Stan Lee.

The *Las Vegas Review-Journal* worked with the Newspapers in Education (NIE) program to create "Picture Your Hero Photo Contest." The Boys & Girls Clubs of Las Vegas Fine Art Program served as the charity organization to help with administering the program and evaluating the entries. The contest was simple: Peter Parker (aka Spider-Man) works for a newspaper as a photographer and his job is to try to take photos of his HERO – Spider-Man. Children and teenagers ages 5-18 were asked to take photos of their Heroes and write in 50 words or less why that person was their hero. Hundreds of entries were received. In the end the Brenden Theatres & IMAX® at the Palms Casino Resort resulted in a #1 Las Vegas DMA market ranking and Brenden Theatres was selected as the winner for the Best Use of Media & Events (Major Release) award at ShoWest.



Team members pictured above included Johnny Brenden, Aimee Litel, Josh Threatt, Monique Alaniz, Joseph Girouard and Mark Miller.



Jill Rosenow of UltraStar Cinemas, along with team member Julie Bravo, won the Best Use of Newspaper for their Grand Re-opening of UltraStar Galaxy Cinemas as the UltraStar River Village Cinemas. The theatre was gutted and completely remodeled with everything state-of-the-art from the box office, to the concession stand, into the booth and throughout the auditoriums. The River Village Shopping Center tenants were invited for a kick-off VIP opening party with the community following in droves for a fun-filled weekend of events centered around Spider Man. ▼



Julie Bravo and Jill Rosenow

Film Product Seminar Previews Promised Profitable Summer

The enthusiasm was high as a record number of attendees viewed over 100 product reels for upcoming movies ranging from action, to love, comedy, drama and exciting adventures that will tickle audiences from the youngest child on up to seniors.

Managers from over 35 circuits enjoyed the hospitality of our hosts at the Krikorian Pico Rivera Village Walk 15 Theatre in Southern California and AMC's Bay Street 16 Theatre in Northern California. Representatives from the major studios who have been presenting for years; Focus Features, Fox/Fox Searchlight, Lionsgate, Paramount Pictures, Sony, Universal Pictures, Walt Disney Studios Motion Pictures and Warner Bros/WIP were joined by relative newcomers Overture Films and Roadside Attractions. Guests had time to meet and mingle during the continental breakfast sponsored by ACS Enterprises, Inc., and at lunch.

On behalf of its members NATO of California/Nevada extends its appreciation to our hosts: Krikorian Premiere Theatres and AMC; our sponsor, ACS Enterprises, Inc. and all of the Studio Marketing Representatives who made this popular event possible.

Watch *Previews* for the dates of the Fall/Winter Film Product Seminar that will take place in November.

Visit the **Seminars and Meetings** section of the NATO of California/Nevada website at www.NATOCalNev.org to view all of the seminar photos. ▼

LABOR ISSUES & Updates

State Law Itemizes What Employee Pay Statements Must Include

I hear that there is an increase in lawsuits against companies because they are not including the correct information on pay stubs. What are the legal requirements?

California Labor Code Section 226 outlines the requirements for private employers. Employers are required to provide employees, either as a detachable part of the check, draft or voucher paying employee wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing:

- gross wages earned;
- for non-exempt employees, total hours worked;
- the number of piece rate units earned and any applicable piece rate if the employee is paid on a piece rate basis;
- all deductions;
- net wages earned;
- the inclusive dates of the period for which the employee is paid;
- the name of the employee and his or her Social Security number, except that by January 1, 2008, only the last four digits of his or her Social Security number or an employee identification number other than a Social Security number may be shown on the itemized statement;
- the name and address of the legal entity that is the employer; and
- all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Paper Trail

In addition, employers must record, in ink or other permanent form, wage deductions made and the date of the deduction — showing the month, day and year. Employers must keep on file a copy of the statement or a record of the deductions for at least three years at the place of employment or at a central location within the state of California.

Penalties

If an employee is injured, such as not receiving proper payment for hours worked, as a result of an employer's knowing and intentional failure to comply with these requirements, the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not exceeding a total penalty of \$4,000.

An employee is also entitled to costs and reasonable attorney's fees. An employee may also bring an action for injunctive relief to ensure compliance with this section, and is entitled to an award of costs and reasonable attorney's fees for such a claim. ▼

Source: California Chamber of Commerce, Alert



Taboos Of The '40's

In 1940 Paramount Pictures photographer Whitey Schafer staged the above still life photo entitled "Thou Shall Not", a depiction of what the then Production Code Administration censored out of Hollywood's official publicity shots. The forbidden images include: (1) the law defeated; (2) the inside of a thigh; (3) lace lingerie; (4) a dead man; (5) narcotics; (6) drinking; (7) an exposed bosom; (8) gambling; (9) pointing a gun; and (10) a tommy gun.

For those film scholars Thomas Doherty, professor of American studies at Brandeis University and a recipient of the Academy of Motion Picture Arts and Sciences Film Scholars Program now addresses this infamous period with his recently published book *Hollywood's Censor: Joseph I. Breen & The Production Code Administration* which tells the story of Breen, a media-savvy Irishman who, from 1934 to 1954, reigned over the Production Code Administration, the Hollywood office tasked with censoring the American screen. Though little known outside the ranks of the studio system, this former journalist and public relations agent was one of the most powerful men in the motion picture industry. An enforcer of the Production Code, Breen dictated "final cut" over more movies than anyone in the history of cinema. His editorial decisions profoundly influenced the images and values projected by Hollywood during the Great Depression, World War II and the Cold War. ▼

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June 19th**

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State Law Itemizes What
Employee Pay Statements
Must Include

ADDRESS SERVICE REQUESTED

Whatever the Language the Message is the Same! "Protect the Movies, Say No To Piracy!"



Hollywood studios are taking their fight against piracy in China into the belly of the beast by erecting a huge billboard with an antipiracy message from Jackie Chan in Beijing's Silk Market. Billboard features a simple warning from the Hong Kong star: "Protect the movies, say NO to piracy." It will be displayed for two weeks in one of the busiest spots in Beijing's Chaoyang district, spreading its message to more than 20 million people.