

THE MOVIE BUSINESS:
*The Definitive Guide To The Legal And Financial
Secrets Of Getting Your Movie Made*

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Circle the most correct answer:

1. In the United States, what does a person have to do to get copyright protection for a screenplay?
 - a. Obtain a certified registration from the United States Copyright Office.
 - b. Obtain a certified registration from the Writers Guild of America.
 - c. Write the screenplay.
 - d. Mail a copy of the screenplay to your lawyer by certified mail.

2. The most common approach in Hollywood to obtain the movie rights to an existing novel is?
 - a. A rights acquisition (“buy out”) agreement.
 - b. A licensing agreement.
 - c. An option agreement.
 - d. A co-production deal.

3. The Kim Bassinger/“Boxing Helena” case had the strongest impact on:
 - a. “Net profits” definition.
 - b. Movie packaging.
 - c. Movie distribution.
 - d. Rights acquisitions.

4. The term “chain of title” relates mainly to:
 - a. Whether the producer can convey good title of the movie to the distributor?
 - b. Whether the producer can safely use the title he has chosen for the movie?

- c. Whether the distributor will have a *Desney v. Wilder* problem?
 - d. Why show biz lawyers wear gold chains.
5. You can use music composed by a third party in your movie under which of the following circumstances:
 - a. If you only use up to eight bars in length.
 - b. If you pay performance royalties as required by ASCAP and BMI.
 - c. If you obtain a sync license from the composer.
 - d. If you obtained it over Napster.
6. The term “final cut” is mostly likely to appear in which of the following agreements:
 - a. Producer’s agreement.
 - b. Actor’s agreement.
 - c. Director’s agreement.
 - d. Writer’s agreement.
7. In order to hire a member of the Screen Actors Guild, a production company must first:
 - a. Sign an agreement with the Screen Actors Guild and the Directors Guild.
 - b. Sign an agreement with the Screen Actors Guild.
 - c. Include a provision in all actor agreements that the rules of the Screen Actors Guild will be followed.
 - d. Hire only Screen Actors Guild members.
8. The term “prior recoupment” usually means that:
 - a. The main actor will get a participation in the movie from gross proceeds.
 - b. The production investors will get their money out before the producer gets to share in the revenues of the movie.
 - c. Chickens or other fowl used in a movie will be moved from one place to

another before principal photography begins.

- d. The producer gets to take his producer's fee out of the budget of the picture.
9. What mistake might a producer make if he obtains financing from a bank prior to becoming a signatory to the SAG agreement?
- a. The producer might forget that he has to have money to pay taxes.
 - b. The producer might give the bank a first priority security interest in the movie.
 - c. The producer might pay too much for financing charges.
 - d. The producer might forget about the requirement to deposit money with SAG.
10. The term "pay or play" means:
- a. If you don't play the actor, you don't have to pay her.
 - b. If you don't ask the actor to act, she gets paid anyway.
 - c. If you ask the actor to act and she refuses, you have to pay her anyway.
 - d. You have to pay the actor even if there is an event of *force majeure*.
11. In America, it is virtually impossible to get an actor to sign an agreement to appear in your movie until:
- a. There is a commitment for U.S. distribution.
 - b. The development step is completed.
 - c. There is a guild writer.
 - d. The MPAA gives its rating to the movie.
12. Generally speaking, which of the following would be the most desirable credit for an individual producer:
- a. Executive producer.
 - b. Co-Producer.
 - c. Associate Producer.

- d. Produced by.
13. Generally speaking, the concept of “overhead” has the greatest impact on:
- a. The definition of “net profits.”
 - b. Location production.
 - c. Special effects.
 - d. Bad weather.
14. A “negative pickup” is:
- a. Where a distributor has to take a movie, even though it doesn’t like the final product.
 - b. Where a distributor agrees to buy a motion picture in advance of its being produced.
 - c. Where a guy gets a date by insulting a girl.
 - d. Where a studio employee picks up the film negative from the producer.
15. “Moral rights” would be a concern primarily of:
- a. An actor.
 - b. A director.
 - c. The film chaplain.
 - d. A costume director.
16. Digital cinema (beaming movies from a satellite directly to the theaters) is most likely to affect which of the following:
- a. The cost of a movie ticket.
 - b. The number of movies shown each day.
 - c. The so-called “consent decree”.
 - d. P&A.

17. Which of the following is the most likely to be in the public domain?
- A film clip created in 1920.
 - A MOW about Bill and Monica.
 - A movie trailer for "Pearl Harbor."
 - A song taken off MP3.com.
18. If a studio steals your story based on a newspaper account of a train crash, what will help you the most in winning a law suit against that studio?
- A claim of copyright infringement.
 - A factual pattern similar to the one in *Desney v. Wilder*.
 - The principles underlying "moral right of authors."
 - The Lanham Act.
19. Which of the following rights are not covered by copyright law?
- The right to make derivative works based on the oroginal work.
 - The right to make and sell copies of the work.
 - The right to control whether or not the work can be made into a parody.
 - The right to make a t-shirt with Elton John's face on the front.
20. "A draft and two sets" means:
- The initial draft of the screenplay and two creative meetings with the producer.
 - The initial draft of the screenplay and two revised drafts of the screenplay.
 - An 8 ounce mug of beer and two hands of five-card stud poker.
 - The initial draft of the screenplay which contains two general scenes that can be established on two sound stages.
21. The most common structure for financing the production of a motion picture is:
- The financier and the producer split all revenues from the movie equally.

b. The financier and the producer split all revenues equally after the producer pays participations to the major actors and the director.

c. The financier and the producer split all revenues 70/30 in favor of the financier in order to account for the financier's risk and the fact that the producer has already taken fees.

d. The financier and the producer split all revenues equally, after the financier has recouped its investment plus interest.

22. In a "negative pick-up" deal, how does the bank make money:

a. The bank gets to take a nominal override in the revenues generated by the movie.

b. The bank gets a security interest in the movie.

c. The bank makes interest off the loan that it makes to the producer.

d. A combination of "a" and "c" above.

23. A producer can hire a non-union member in all but which of the following contexts:

a. When a person appears as himself.

b. When a person has a unique skill.

c. When the producer is exercising one of his "five exceptions" clause.

d. When the producer is non a signatory to the SAG agreement.

24. The term "guild fringes" refers to:

a. The amount the producer must pay to cover an actor's health benefits.

b. The amount the producer must pay to cover an actor's travel and living accommodations.

c. The amount the producer must pay to cover an actor's pension benefits.

d. Both "a" and "c" above.

25. Which of the following is not a characteristic of a limited liability:

- a. The owners are called stockholders.
 - b. The owners' liability is limited to the assets in the company.
 - c. The amount of an owner's cash investment is determinative of such owner's capital account.
 - d. A person who contributes little or no cash can control the operations of the company.
26. A "most favored nations" clause in the "Expenses" provision of an actor's agreement has what effect:
- a. The actor's deal can't be matched by any other actor.
 - b. The actor's can't be less than any other actor.
 - c. The actor's home state will get a credit in the movie.
 - d. The actor's compensation can't be less than any other actor.
27. A person who has "final cut" authority can:
- a. Decide who to and not to cut from the cast.
 - b. Decide the edit of the movie that is released in theaters.
 - c. Decide what method of editing will be used in cutting the movie.
 - d. Decide who to and not to cut from the crew.
28. The term "adjusted gross" in an actor's agreement typically means:
- a. The actor begins to receive her participation after actual breakeven.
 - b. The actor begins to receive her participation after the distribution company takes its distribution fees.
 - c. The actor begins to receive her participation after a hypothetical breakeven.
 - d. The actor begins to receive her participation after the distribution company takes its distribution fees and costs.
29. The term "delivery" in a distribution contract refers to which of the following issues:

- a. Chain of title documents.
 - b. The master duplication copy of the film.
 - c. Items "a" and "b" above.
 - d. None of the above.
30. The most important rationale for having a separate "Standard Terms and Conditions" rider attached to an actor's or director's contract is:
- a. To separate the items that the producer is willing to negotiate from the items he would rather not negotiate.
 - b. To separate the items that the lawyers handle from the items the producer handles.
 - c. To avoid having the actor's lawyer review and comment on industry accepted terms and conditions.
 - d. To satisfy guild requirements.
31. Obtaining a grant of the right to use a person's name and likeness is most closely related to which of the following:
- a. Copyright.
 - b. Moral rights.
 - c. Constitutional right of privacy.
 - d. Lanham Act.
32. A "no obligation to proceed" clause in an actor's agreement:
- a. Protects the producer from having to use the services of the actor.
 - b. Protect the producer from having to make the movie.
 - c. Protects the producer from having to pay the actor under certain circumstances.
 - d. Protects the actor from having to show up and act under certain circumstances.
33. The "results and proceeds" provision in an actor's agreement:

- a. Clarifies the actor's participation in the proceeds of the movie.
 - b. Clarifies the actor's satisfaction with the photographs selected by the producer to promote the movie.
 - c. Clarifies the producer's satisfaction with the actor's performance.
 - e. Clarifies the producer's ownership of the movie.
34. The "dubbing" provision of an actor's agreement:
- a. Clarifies that the producer may use a voice double in a language other than English in lieu the actor's voice.
 - b. Clarifies that the actor will have to show up to record her own voice.
 - c. Clarifies that the actor will have the first right to do the French track of the movie.
 - d. Clarifies that the producer will have the right to give the movie its title.
35. In a foreign distribution agreement, which of the following has the least economic impact on the producer.
- a. Failure to cap all distribution expenses.
 - b. Failure to eliminate affiliates of the distributor from the chain of distribution.
 - c. Failure to prevent the distributor from taking a "presented by" credit in its territory.
 - d. Failure to negotiate a standard or lower distribution fee.
36. The most accurate term to describe the following: "Gross Receipts less all of (i) distribution fees, (ii) distribution expenses, (iii) the cost of the picture and (iv) all contingent participants...."
- a. Net profits.
 - b. Adjusted gross profits.
 - c. Adjusted net profits.
 - d. Gross profits.

37. When a production company becomes a SAG signatory, it will have to deliver all of the following except which one:

- a. A copy of the screenplay.
- b. A copy of the stamped registration form from the United States Copyright Office related to the screenplay.
- c. A copy of the above the line cast list.
- d. An affidavit from a bank stated that all the funds to produce the money are in a dedicated account in such bank.

38. Which one of the following payments is not applicable to the theatrical release of a movie.

- a. Performance royalties.
- b. Synchronization fees.
- c. Master use fees.
- d. Mechanical royalties.

39. The "bonus" often made a part of the compensation package for a screenwriter is best described as:

- a. A fixed amount that is triggered when the box office revenues reach a pre-negotiated amount.
- b. A fixed amount that is triggered if the WGA decides on sole writing credit for the writer.
- c. A fixed amount that is triggered if the screenplay is produced into a movie.
- d. A fixed amount that is paid out of the revenues of the movie.

40. The legal case surrounding the casting of "Boxing Helena" is generally thought of as:

- a. The demise of the "interest letter."
- b. A victory for producers.
- c. A slap in the face for actresses who don't want to act in gross movies.

d. All of the above.

Write a short answer to the following questions:

41. What does "P&A" stand for?

42. What does "E&O" stand for?

43. Who wrote "nobody knows anything"?

44. What is the most essential element of a "package"?

45. What words describe the symbol ©?

And now for some hard ones:

46. Writer A writes a screenplay while employed as a writer for Company B, who is listed as the "author" on the copyright registration form?

47. What problem exists when a production investor gets to receive 100% of the revenues from the exploitation of a movie until it has recouped its investment?

48. If two parties jointly own the copyright in a movie, what action can either party take without the consent of the other?

49. Name one problem caused by the fact that copyright protection is "automatic".

50. What two rights of writers are most associated with the term "separated rights"?
