

## PARRETTI UPS CANNON'S FIREPOWER

### SWEEPING CHANGES

#### Leading China Studio Exec Seeks More Film Freedom

By FRANK SEGER

Cannes, May 15 — The head of one of China's foremost film studios is calling for sweeping changes in the nation's film organization to introduce competition in the mainland distribution of Chinese films.

Wu Tianming, president of Xi'an Film Studio, is effectively challenging China Film, the government monopoly controlling all distribution, exhibition and export-import

activities and services.

"The current distribution system is a block to the further development of Chinese cinema," the studio boss said in an interview here at the Cannes Film Festival. "We need the stimulation (provided by) competing distribution companies."

Wu's comments go beyond the usual complaints voiced by the heads of China's largest studios — gripes about prices offered by China Film to distribute studio product, number of playdates, and the like.

Wu appears to propose a fundamental restructuring of the studio-China Film relationship, one that could result in a decidedly market-oriented turn in what is now a one-company operation.

Then there is Wu himself, a figure accustomed to controversy. Some months ago, he drew international headlines after a daring dustup with a Xangxi Communist Party propaganda official who didn't care for the realistic mode of studio output. Things wound up with the official calling Wu "arrogant," and the studio head labeling his accuser, in effect, a party hack.

The brouhaha had political implications, since studio heads report directly to provincial party authorities rather than to China Film in Beijing.

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#### CBS-TV Renews 3 Soaps, 'Murder,' 'Frank' For Fall

Five series have been handed renewals for the 1988-89 season by CBS-TV, pickups being three soaps — "Dallas," "Knots Landing" and "Falcon Crest" plus "Murder, She Wrote" and "Frank's Place."

Universal TV's "Murder" is, of course, no surprise, a hit that rates 12th in the current Nielsens. As for the soaps, "Dallas" is 18th, "Knots Landing," 19th, and "Crest" 32d. "Frank's Place" is the only surprise in the early renewals, being ranked 69th in seasonal numbers.

CBS will most likely disclose its new primetime sked around May 24, although precise date isn't firm at this point.

#### Trans World Video Playing David To Commtron's B-Listing Goliath

By TOM BIERBAUM

Trans World Video is fighting back against Commtron, the country's largest vid distributor, which recently demoted all but the 30-35 biggest vendors, and then placed several restrictions on the amount of attention the surviving "B-list" companies could get from the Commtron sales corps (*Daily Variety*, May 2).

The David-versus-Goliath confrontation results from a Commtron strategy shift enacted last month that completely cut out all but the 30-35 biggest vendors, and then placed several restrictions on the amount of attention the surviving "B-list" companies could get from the Commtron sales corps (*Daily Variety*, May 2).

The moves are seen as symptomatic of the increasingly precarious position in which all indie vid companies find themselves — if the companies are not hooked up with a strong supply of theatrical films, vidstores and distributors have little interest in their wares.

TW Video prez Yoram Peiman said the "B-list" status was probably going to cost Trans World about 50% of the business it has done through Commtron, which was repping about 17% of total TW Video sales. He's hopeful most or all of those lost sales will now be picked up by Comm

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#### ATLANTIC, PRISM CONFIRM LINK NEAR COMPLETE

By MICHAEL SILVERMAN

Cannes, May 15 — Widely anticipated merger agreement between Atlantic Entertainment Group and publicly held Prism Entertainment Corp. is expected to close within two weeks, following confirmation here Friday that a preliminary merger agreement has been inked (*Daily Variety*, May 13).

Deal is aimed to provide both companies with a glove-like fit. Teamup allows AEG to go public and put it for the first time into homevid distribution and tv syndication, while Prism likely will benefit from access to Atlantic's growing list of medium-budget but mainly up-market feature films, along with the clout of domestic

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#### Leonard's 'Dog' Adds To Kitty

By EDDIE KAFANIAN

CTV, Canada's largest independent network, and CBS International will team with Christian Broadcasting Network in a \$20,000,000 financing agreement to shoot an initial order of 66 episodes of a new Herbert B. Leonard tv series, "Kats And Dog," starring Rin-Tin-Tin as part of a crime busting K-9 unit.

Originally, Leonard had made a deal only with CBN, with an order for 22 segments, but that pact was predicated on the producer coming in with additional financing to coproduce the show. The new deals with CTV and CBS International, in conjunction with CBN, call for filming to begin June 23 in Canada.

Leonard has produced over 650 tv projects during his 33-year career in the business, including "Naked City," "Route 66" and "The Adventures Of Rin-Tin-Tin," featuring the famous canine.

"Kats And Dog," is described by Leonard as a comedy/action-adventure series that envelops a special love and friendship between Katts, the lawman (still to be cast), and the dog, and their crime-fighting efforts. The family-oriented program will be carried by CBN starting in September.

On the film front, Leonard's agenda includes "Calexico," a theatrical film to star Roy Scheider.

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#### Details Moves To Erase U.S. Debt; Plans Second Pic Firm, Berlusconi Pact, Studio Buy

By LAWRENCE COHN

Cannes, May 15 — Italian financier Giancarlo Parretti, whose new Cannon Group Inc. holding company now controls Menahem Golan and Yoram Globus' Cannon Entertainment operation, characterizes his acquisition of Cannon as part of a global push into Spain, Luxembourg, Belgium, Italy and now the U.S.

At a press conference here, followed by a wide-ranging discussion with *Daily Variety*, Parretti, along with Cannon Entertainment chairman Golan and prey Globus, detailed actions taken to free Cannon Group from its American debt, along with plans for a second film company (21st Century), formation of an in-house video wing, coprod agreement with Silvio Berlusconi's Reteitalia and acquisition of studio facilities.

Globus stated that within the next 10 days the American consortium of banks as well as Warner Bros. will be completely paid off, with Cannon owing them no further money. Current debt to the U.S. banks is in the \$35-40,000,000 range against a present value of receivables of \$81,000,000 accord-

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#### Atman Leaving Credit Lyonnais

Cannes, May 15 — Frans Atman, the Dutch banker who has played a major role in the past two decades in financing American independents engaged in the production and international sales of motion pictures, is expected to step down officially tomorrow from his post as head of the entertainment loan division of the Rotterdam, Holland branch of Credit Lyonnais.

The announcement, it's understood, will be issued during the Cannes Film Festival just before Credit Lyonnais' annual reception here tomorrow. Atman, a popular figure at Cannes and at the markets

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### NEW DISTRIB ARM

#### Smart Egg Opening H'wood H.Q.

By JANE LIEBERMAN

Smart Egg Pictures is spreading its wings. Starting in September, the formerly London-based indie will officially move into new headquarters in Hollywood to make way for a domestic distribution arm.

A general sales manager will be added to the L.A. staff. London office, however, will continue to oversee foreign sales and company's financial division.

"We want to have the latitude to control our own destiny," said Smart Egg head Luigi Cignolani from his modest office-production facilities in Hollywood. "We had this hole in the market with no distribution organization."

Company has \$20,000,000 with \$10,000,000 earmarked for three in-house productions and up to two acquisitions, budgeted at \$2.4-3.0 million each. Remaining \$10,000,000 will go toward distribution.

Plans are to platform each pic regionally and eventually break wide.

Cignolani said Smart Egg has functioned as a foreign-sales agent for all its films and has spawned 20 pix since its birth in 1981.

Its classics division cofinanced and coproduced "Montenegro" with Europa Films and Viking Films and "Hey Baba Riba," dis-

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#### French Film Fare Falls Flat In '87

By BRUCE ALDERMAN

Cannes, May 15 — The French National Cinema Center, CNC, released its annual report yesterday, indicating major shifts in the way films are financed and viewed in France.

The main points are:

- The French produced more big-budget films, less shoestring ones.
- Television now represents 22% of film production coin.

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