

COLEMAN'S ROCKET BLASTS OFF WITH MCA/U VID DEAL

BY JENNIFER PENDLETON

Tom Coleman, former chairman of Independent Entertainment Group and founder of Atlantic Entertainment Group, said he is starting an indie production company that will specialize in homevideo and already has a domestic arrangement with MCA/Universal Home Video.

Coleman said Rocket Pictures aims to develop, produce, co-produce, acquire and finance pix in the \$1-6 million range, primarily for the homevideo market.

There is no theatrical distributor, which Coleman said is by design. Most of the projects will go directly to homevideo, and any film that is deemed appropriate for theatrical release will be farmed out to a major distributor, he said.

That will help Rocket avoid "onerous overhead and allow us to concentrate on production," Coleman said. He also said the company will limit its investment to \$2.5 million on any one picture.

Coleman said he has lined up the \$20 million in financing from three sources: a joint venture between Rocket and Consolidated NRD Resources Ltd. of Canada headed by Michael Wigley; Entertainment Investments Ltd., an offshore investment concern; and Intl. Capital Markets Group, an investment banking firm originally established by junk bond king Michael Milken.

MCA/Universal Home Video will distribute Rocket Pictures product on video in the United States unless excluded from doing so under a multiple rights arrangement.

Coleman would not share details of the financial arrangement with MCA but said it was "a very good deal," allowing Rocket to take advantage of full margins in the marketplace.

His plan is to make genre-driven pix, some aimed at specific niches, such as teens, plus "economically viable co-productions" and "star vehicle" projects that major stars want to pursue but for which they cannot find major studio support. "Studios today are in the event motion picture business. They not only need stars, they need commercial material," said Coleman. "Even Arnold (Schwarzenegger) doesn't get to do everything he wants."

Coleman cut most of his ties with Independent Entertainment Group about a month ago, when the company bought back the majority of Coleman's stake for \$1.08 million and other assets (*Daily Variety*, Jan. 8).

Before that he founded Atlantic Entertainment Group and was chief exec and principal officer for 14 years.

Coleman said Rocket has several projects in development. He hopes Rocket will eventually produce six or seven pix a year.

Javitz heads new Prism pic subsid

BY MARC BERMAN

Homevideo indie Prism Entertainment has formed Prism Pictures, a wholly owned production financing subsidiary, and named Barbara Javitz president.

Plans are to develop, finance and co-produce up to 12 pix per year, with Prism Entertainment retaining distribution rights whenever possible.

The company has already expanded its involvement in production and in the last year has co-produced four completed films. Four more are in post-production, one is in production and one in preproduction.

Javitz has been with Prism since 1989, when she came aboard as VP, acquisitions. She was formerly senior vicepres, programming, at Nelson Entertainment, and had previously worked at Media Home Entertainment.

She'll continue to report to Prism Entertainment prez and chairman Barry Collier.

Collier said Prism Pictures will make Prism Entertainment less reliant on third-party acquisitions and allow Prism to have more control over scripts, casts and budgets.

It may also allow Prism to own more rights than domestic homevid and to control media windows.

Fits trend

Prism's move is consistent with a trend among homevideo indies to branch cautiously into production, as Vidmark, Academy and Republic have done.

Trend is due to a shrinking pool of viable films to acquire and a desire to control product flow, quality, elements and profit potential of the films the indies will distribute.

Prism is primarily interested in domestic rights. Javitz said Prism Pictures will be willing to swap international rights for international co-financing.

The sources of Prism's own production capital include a line of credit from World Trade Bank and project-by-project financing arrangements with Spectrum Entertainment Group PLC, the Lewis Horowitz Organization and Canada's Export Development Corp.

Films will be budgeted in the \$1.5-2 million range, and each will be evaluated for theatrical release, though the first four have already premiered or will premiere on homevideo or cable. They are:

■ "Prey of the Chameleon," co-produced with Saban Entertainment, starring Daphne Zuniga and James Wilder. Prism holds all domestic rights to this pic, which made its debut Friday on Showtime.

■ "All American Murder," co-produced with Enchantment Pictures and Greenwich Films, starring Christopher Walken, Joanna Cassidy and Charlie Schlatter. Prism holds domestic video and

pay-per-view rights.

■ "Shadowchaser," co-produced with NAR/EGM Film Intl., starring Martin Kove and Meg Foster. Prism has all North American rights.

■ "Illicit Behavior" co-produced with Promark Entertainment Group, starring Joan Severance and Robert Davi. Prism has all domestic rights.

In addition, principal photography has been completed on "Baby on Board," co-produced with ABC Intl., starring Carol Kane and Judge Reinhold, with Prism holding U.S. video and PPV rights.

Other films include "The Fare," co-produced with Saban Entertainment and starring Michael Nouri, Joanna Pacula and Michael Ironside, with Prism holding all domestic rights except syndication.

"Illusions," aka "Before Midnight," is co-produced with Paul Intl., starring Robert Carradine, Heather Locklear, Emma Samms

and Ned Beatty. Prism has all domestic rights.

"Round Trip to Heaven" is co-produced with Saban Entertainment and stars Corey Feldman and Ray Sharkey, with Prism holding all domestic rights.

Currently in production in partnership with Promark is "Invasion of Privacy," starring Robby Benson and Jennifer O'Neill, with Prism holding all domestic rights. In preproduction is "Unnameable II," to star David Warner and John Rhys Davies.

Also named to executive posts at Prism Pictures are Cynthia Berry Meyer, VP of business affairs, and Paul Greifinger, vice pres of ancillary sales.

Meyer has been with Prism Entertainment since 1986, most recently as director of operations.

Greifinger joined Prism Entertainment as director of ancillary sales in 1991.

Javitz said she does not envision adding any more staffers in the foreseeable future.

Time Warner posts first profits since debt-laden megamerger

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Executives reportedly told analysts that more videos were being sold in rental and sell through markets, "with seven of their titles each selling over 500,000 units domestically. 'Robin Hood' alone sold 5.275 million units. That's phenomenal in this economy," Reif noted.

While Time Warner trumpeted Warner Bros.' strong film performance, it downplayed hopes of a stronger turnaround in music for the 1992 first quarter. With the exception of publishing, executives touted results to analysts overall.

Revenue and operating income before taxes and interest by division were:

■ Filmed entertainment: Quarterly operating profits climbed 28.6% to \$90 million on revenue that grew 11% to \$95 million; annual operating results added 5% to \$590 million on a 5% boost in revenue to \$5.06 billion.

The quarter's results were bolstered by December releases of "IfK" (grossing \$57,947,808 to date domestically) and "The Last Boy Scout" (\$56,609,954). "Robin Hood: Prince of Thieves"

was a big contributor to year-end results, making over \$165 million in theatrical and after markets.

■ Cable: Quarterly operating profits were up 10% to \$225 million on revenues, which grew 8% to \$492 million; annual operating results showed a 15% gain to \$872 million on revenues showing a 10% hike to \$1.9 billion.

■ Programming/HBO: Quarterly operating results jumped 2% to \$47 million on an 11% boost in revenue to \$559 million; annual operating profits were up 7% to \$195 million on an 8% growth in revenue to \$1.4 billion.

■ Music: Quarterly operating results showed a 9% growth to \$191 million on a 4% slide in revenue to \$877 million; annual operating results were flat, up less than 1% to \$560 million on a slight 1% increase in revenue of \$2.96 billion.

■ Publishing: Quarterly operating fell 9% to \$124 million on a slight 1% hike in revenue of \$877 million; annual operating profits dove 55% to \$246 million on a 5% boost in revenue of \$3.02 billion. The year's results reflected a \$60 million restructuring charge against third-quarter earnings after the division wiped out 600 jobs.

The Associated Press contributed to this report.

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