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Film & Television
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ENTERTAINMENT COMMUNITY PRAISES PROPOSED BAN ON ONLINE MOVIE-FUTURES WAGERING

Coalition of creators, talent, craftspeople, independent production and distribution companies, industry workers and theater owners welcome efforts to prevent betting on box-office futures

Washington, DC – An entertainment industry coalition including creators, independent producers and distributors, business organizations and theater owners today praised a legislative provision that would prevent online motion picture box-office wagering.

The measure, contained in financial reform legislation unveiled today by Senate Agriculture Committee Chairman Blanche Lincoln (D-Ark) would bar futures trading based on box-office receipts. As Chairman of the Agriculture Committee, Senator Lincoln oversees the Commodity Futures Trading Commission.

“As Congress moves forward with financial regulatory reform, we are very grateful to Chairman Lincoln for seeking to put a stop to plans to allow wagering on box-office futures, which are based on a faulty understanding of the film business and could cause real financial harm to both the film industry and other Americans drawn in by an online gaming platform that could be easily manipulated,” the group said.

Earlier today, the Directors Guild of America (DGA), the Independent Film and Television Alliance (IFTA), the Motion Picture Association of America (MPAA) and its member companies and the National Association of Theatre Owners (NATO) urged the CFTC to deny a request from Cantor Futures Exchange L.P. to create a designated contract market for the trading of financial derivatives based on film futures.

The same coalition had earlier urged the CFTC to reject a separate proposal by Media Derivatives, Inc. (MDEX) to establish a designated contract marketplace. But the CFTC today approved that proposal, which was the first of two major regulatory steps needed before the company can conduct online wagering on film futures.

“We note that in making their decision, a majority of the commissioners raised the same concerns that we have about the contracts themselves, concerns related to whether they can be manipulated, whether they serve a true hedging purpose, and questions about whether the contracts should be approved,” the group said.

“Our coalition of film industry workers, creators, independent producers and distributors, business organizations and theater owners, remains united in our opposition to a risky plan that would be detrimental to the motion picture industry and the 2.4 million Americans whose livelihoods are based on this industry.

“We believe that the Commission has ample discretion under the law to reject this proposal by Media Derivatives Inc., so we are disappointed that the CFTC has said the company can establish a designated contract marketplace.

“This is just one in a series of upcoming regulatory steps, including requirements to have prior approval from the CFTC before these questionable contracts can actually begin trading. We intend to continue to urge the CFTC to reject both the proposal from Media Derivatives to offer a box-office wagering service on its online marketplace, and a separate proposal that remains pending by Cantor Futures Exchange L.P. that would essentially allow real betting on what previously has been an online make-believe box-office gaming site.

“After the fiscal meltdown from which our country is still struggling to emerge, we have seen the danger of abusive financial practices. Now is the time to strengthen and stabilize our financial system, not the time to open the floodgates on an untested, and unwanted plan that could cause serious harm to an important American industry and its workers.”

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About the Signers of the Filings with the CFTC:

About DGA

The Directors Guild of America was founded in 1936 to protect the economic and creative rights of directors. Over the years its membership has expanded to include the directorial team - Unit Production Managers, Assistant Directors, Associate Directors, Stage Managers and Production Associates. Today, through the collective voice of more than 14,000 members, the Guild seeks to protect the rights of directorial teams, to contend for their creative freedom and strengthen their ability to develop meaningful and lifelong careers in film, tape and digital media.

About IFTA

The Independent Film & Television Alliance (IFTA) is the global trade association of the independent motion picture and television industry. Headquartered in Los Angeles, IFTA represents and provides significant entertainment industry services to more than 150 member companies from 22 countries, consisting of independent production and distribution companies, sales agents, television companies, studio-affiliated companies, and financial institutions engaged in content finance.

About MPAA

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLLP; and Warner Bros. Entertainment Inc.

About NATO

The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 30,000 movie screens in all 50 states, and additional cinemas in 50 countries worldwide. Our membership includes the largest cinema chains in the world and hundreds of independent theatre owners. NATO is headquartered in Washington, D.C., with a second office in North Hollywood, California.

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